

2ND REGIONAL WORKSHOP ON TRANSFORMING SOUTHERN AFRICA

Dar-es-Salaam, United Republic of Tanzania, 6 and 7 December 2017

Outcome Document

Deepening Cooperation, Fostering Transformation and Development

We, the participants to the second regional workshop on “Transforming Southern Africa”, determined to take bold and sustained collective actions to inject new dynamism into Southern Africa cooperation and to promote industrialization and structural transformation in the region, realize the full potential of Regional Value Chains and the importance of policy coordination in this area.

We meet at a time when the global and regional landscapes have experienced radical and complex changes, which generated new and far-reaching challenges and opportunities. In this rapidly changing scenario, our economies are still insufficiently diversified and face significant medium and long-term risks.

We also meet at the time of a crucial juncture for Africa’s regional integration. Most Southern and Eastern African economies have already signed the Tripartite Free Trade Agreement aiming at establishing a free trade area among the Southern African Development Community, the Common Market for Eastern and Southern Africa and the East African Community, while the negotiations for the Continental Free Trade Area are intensifying in a bid to be finalized by the end of 2017.

In this context, we reaffirm our common purpose to deepen regional economic integration and policy cooperation in order to diversify our economies and foster a sustained process of inclusive growth and development the region.

Recognizing the significant challenges that our economies face, and opportunities offered by regional productive integration, we pledge to work together and endorse the following policy recommendations in the areas of capital equipment for mining, agro-processing and energy provision:

I. Promoting RVCs in Mining Capital Equipment

Skills development:

- (i) Prioritizing the internal processes required to accede to the Washington, Sydney, and Dublin Accords;
- (ii) Finalizing the SADC Regional Qualification Framework (RQF) and prioritizing Technical and Vocational Education and Training (TVET) and Engineering qualifications;
- (iii) Expanding cooperation between universities on training and R&D.

Upgrading regulatory framework:

- (iv) Promoting standards compliance through SADC for metal fabricators, engineering manufacturers and service providers;

Enhancing linkages across and within countries to local manufactures:

- (v) Encouraging local firms, especially Original Equipment Manufacturers (OEMs), in investing in subsidiaries across the region (e.g. through market intelligence, investment facilitation, and access to capital);
- (vi) Promoting sub-contracting from OEMs, focusing in particular on high potential products for local sourcing including electrical cables, electrical panels, fixtures and metal fabricated products, bearings and tyres.

Knowledge sharing:

- (vii) Developing a knowledge sharing platform on local content policies under the SADC Industrialisation Strategy.

II. Promoting RVCs in Agro-Processing

Upgrading regulatory framework:

- (viii) Harmonising standards within SADC for key commodities, promoting e.g. a Standards Harmonization and Conformity Testing Programme, and sanitary and phytosanitary measures;

Enhancing linkages across and within countries to local manufactures:

- (ix) Developing a regional trading platform for agricultural commodities exchanges across the region to improve access to markets and management of agricultural risk;
- (x) Promoting a regional supermarket pact, favoring e.g. partnerships between supermarkets and smaller processors/farmers;
- (xi) Conducting an independent review to assess the benefit of maintaining protection in the sugar industry against the cost paid by downstream processing industries.

Knowledge sharing:

- (xii) Creating 'market observatory' or a web data platform to track trade flows, firm conduct and pricing data, and build an understanding of the regional strategies of large firms.

Infrastructures:

- (xiii) Increasing storage capacity and soft infrastructure including e.g. trade facilitation provisions for perishable goods.

III. Building a Platform for Energy Sustainability

Skills development:

- (xiv) Favoring the development regional training centres, harmonising academic and vocational training curricula and fostering mutual recognition of certifications in order to build a regional skill base;

Upgrading regulatory framework:

- (xv) Enhancing the regulatory framework for trading by adding a framework for short-term transactions to the existing one on long-term, bilateral transactions;
- (xvi) Harmonizing technical standards to guarantee interoperability of electrical equipment and devices;
- (xvii) Exploring the possibility of developing a regional integrated resource plan for electricity at the SAPP level to: (i) optimize resource allocation, (ii) adequate infrastructure planning (generation, transmission and possibly storage), (iii) reinforce regional integration (through increased trading, co-development and shared outputs) and (iv) sustain industrial development and sustainable growth;
- (xviii) Developing programmes to empower local communities through capacity building, participation in decision-making mechanisms, project support and development. This should include a focus on fostering energy empowerment through small-scale embedded generation (SSEG) and off-grid technologies.

Enhancing linkages across and within countries to local manufactures:

- (xix) Conducting a study to explore the potential for building regional industrial value chains in the energy sector. Given the low rates of rural electrification in most countries in the sub-region such a study shall focus also on decentralized generation technologies;

Knowledge sharing:

- (xx) Establishing an integrated knowledge platform that incorporates all relevant information and data on energy issues in the region (generation, transmission losses, energy access, trade, grid extension plans and geospatial data to map resource potential for renewable energy);

Infrastructures:

- (xxi) Exploring the possibility of setting up a regional fund for energy projects focusing on both cross-border infrastructure projects and small-scale community-based projects, using regional companies to provide the services and components required.

Dar-es-Salaam, 2nd Regional Meeting

7 December 2017