



Co-funded by the European Union



The SIPS Programme: Regional Value Chains Accelerating Industrialisation and Regional Integration in Southern Africa

An important objective of the Southern African Development Community (SADC) is to exploit the potential for greater value creation and economic integration at the regional level and to improve the cooperation between the SADC Secretariat, SADC Member States and other sector bodies. To contribute towards this, the Support towards Industrialisation and the Productive Sectors in the SADC Region (SIPS) programme was launched, operating from September 2019 to May 2024.

The SIPS programme was funded by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ).



Aligned with the SADC Industrialisation Agenda, the SIPS programme has addressed key constraints that are currently impeding industrialisation in the SADC region. It has tackled market and coordination failures between the national and regional levels, as well as between the public and private sectors. The SIPS programme consisted of two mutually reinforcing interventions to support the development of three selected regional value chains (RVC)s, focusing on three designated results:

Result 1: Enhancing the region's policy, regulatory and business environment at national and regional levels for the development and sustainable operation of RVC for selected products in the agro-processing and pharmaceutical sectors.

Results 2 and 3: Enhancing private sector participation in the RVC for antiretroviral pharmaceuticals (ARV) for HIV/AIDS treatment, the RVC for Covid-19 relevant medical and pharmaceutical products (CMPP), and the RVC for leather and leather products.

As SIPS nears its conclusion, there is much to celebrate in terms of the programme's contribution towards accelerating industrialisation and integration in the SADC region. The SADC Secretariat in partnership with the GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) have laid considerable groundwork and, going forward, the impact of SIPS gains and achievements will be felt beyond the scope of the programme.



The integrated teamwork between the SADC Secretariat (Result 1) and the GIZ (Results 2 and 3) was hugely successful as a workable model for future cooperation. The collaboration entailed joint planning and the implementation and coordination of key activities, such as awareness and visibility events, and stakeholder engagement and consultations.

The SIPS programme was designed with a holistic approach to value chain development by targeting and supporting all levels of the value chain: policy (macro) level, institutional (meso) level and firm (micro) level. The GIZ operated on the meso and micro levels, for example by offering support, organising qualitative trainings and providing starter grants to private-sector and institutional stakeholders region wide, allowing the SADC Secretariat to target the larger policy environment.

This holistic approach empowered the SIPS programme to respond with agility to unexpected developments on the ground. For example, Covid-19 arrived within months of the programme's commencement. The SADC Secretariat, the EU, BMZ and GIZ responded rapidly by agreeing to develop and include a Covid-19 Medical and Pharmaceutical Products (CMPP) value chain within the programme's remit. Subsequently, innovative manufacturing projects to produce Covid-19-related medical and pharmaceutical consumables and devices were designed and implemented by the regional companies and institutions who were awarded SIPS grants.



The SIPS Programme's Holistic Value Chain Development Approach



ARV/Pharmaceutical RVC

SADC Member States bear a significant proportion of the global HIV/AIDS disease burden. The estimated annual expenditure on ARVs in the region is US\$1.7 billion, for mostly imported products. In response, the SIPS programme has contributed to the regional production of ARVs by initiating various measures aimed at supporting the innovative manufacturing of relevant products along the value chain. These measures included a groundbreaking initiative to produce active pharmaceutical ingredients (APIs) for human drugs for the first time on the African continent.

Measures on the policy level	Measures for the private sector and regional institutions
<p>The SIPS programme harmonised medicine registration procedures in the region. It spearheaded the SADC Medicine Regulation Harmonisation Strategic Plan, supported the Medicines Regulatory Forum (MRF) and provided institutional support to the operationalisation of ZAZIBONA, a regional initiative between Zambia, Zimbabwe, Botswana and Namibia.</p> <p>SIPS supported the SADC Secretariat's vision for the establishment of the SADC Pooled Procurement Service (SPPS) with the goal of procuring medical commodities in bulk at a discounted price.</p> <p>Together with the African Regional Intellectual Property Organization (ARIPO), the programme provided regional capacity-building training to ARV value chain actors. This included strengthening regional and national Intellectual Property Rights (IPR) Policies and Regulations and compliance with the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).</p> <p>Additionally, SIPS has developed and is soon to launch an app that provides HIV treatment guidelines for health workers.</p> <p>The programme has also initiated a research grant to assess the efficacy of herbal medicines in managing opportunistic ailments resulting from HIV infection.</p> <p>Finally, SIPS has also strengthened the policy framework, in particular the Model Policy requested by Member States to support the regional ARV value chain through an enhanced and responsive policy and regulatory environment. This will support improved access to medicines, public health security and economic and industrial development.</p>	<p align="center">Supporting innovative manufacturing</p> <p>Representing a novel technical advance with major significance for backward integration of the value chain, South African manufacturer Chemical Process Technologies (CPT Pharma) established a pilot manufacturing process for the dolutegravir API, a first-line ARV.</p> <p>SIPS supported a quality-control laboratory with equipment for testing pharmaceutical packaging materials.</p>
	<p align="center">Market shaping</p> <p>SIPS facilitated a regional workshop for Central Medical Stores to share best practices on public procurement experiences and training, which strengthened the dissemination of public market data and opportunities.</p> <p>To allow for joint purchasing of medicine within the SADC region, the programme provided technical assistance to the Tanzania Medical Stores Department, who operate the regional electronic SADC Pooled Procurement Platform (eSPPS).</p> <p>SIPS supported the National Drug Service Organization (NDSO) in Lesotho with the development of an electronic procurement platform to enhance the private sector's access to information.</p> <p>In collaboration with Medicines for Malaria Venture (MMV), SIPS facilitated a consultative workshop between African pharmaceutical manufacturers and International Cooperating Partners and Procurers –namely, the Global Fund, the US President's Emergency Plan for AIDS Relief (PEPFAR) and the President's Malaria Initiative (PMI) – to allow for the future purchasing of locally manufactured medicine by global procurers.</p>
	<p align="center">Optimising skills</p> <p>SIPS supported the development of a SADC Industrial Pharmacy Fellowship Programme, realising a principal SADC objective for regional knowledge-sharing and production. A Memorandum of Understanding has been signed among three academic institutions (located in Zambia, Tanzania and South Africa) and two regional private pharmaceutical companies, laying the foundation for regionally trained industrial pharmacists.</p> <p>In line with the Fellowship Programme's objectives, the SIPS programme facilitated regional student exchanges, strengthening practical skills and unlocking research opportunities within the field of industrial pharmacy.</p>
	<p align="center">Strengthening regulatory compliance</p> <p>The programme conducted assessments on good manufacturing practices (GMP) for 16 manufacturers, and World Health Organization (WHO) Prequalification (PQ) Assessments for 1 manufacturer in the SADC region. These initiatives have strengthened regulatory compliance, ensuring that locally manufactured ARVs are safe, effective and of good quality.</p> <p>119 participants from the private sector, regulatory authorities and the Fellowship Programme received training on WHO GMP key principles.</p>
	<p align="center">Boosting pharmaceutical-sector financing</p> <p>SIPS supported the preparation of a feasibility study including a detailed business plan for the actualisation of a competitive ARV value chain in the SADC region, and Africa in general, based on the manufacturing of the dolutegravir API.</p>



CMPP/MedTech RVC

The Covid-19 pandemic posed unprecedented challenges to economies and health systems in SADC Member States. The disruptions of global supply chains, caused by trade bans and global shortages, significantly restricted the supply of Covid-19-relevant medical and pharmaceutical products (CMPP). Covid-19 also exposed the SADC region's limited capacity for manufacturing medical and pharmaceutical products, its high dependence on imports and local companies' limited access to finance. To address these key constraints, the SIPS programme targeted companies, state-owned enterprises and academic and research institutions in the SADC region, focusing on the following measures.

Measures for the private sector and regional institutions
<p align="center">Enhancing companies' competitiveness, innovation and production capacity</p> <p>SIPS provided 25 grants to pharmaceutical and medical companies in 8 SADC Member States to introduce innovative production methods, increase the production capacities for, and availability of, pandemic-relevant medical and pharmaceutical products. Projects were selected through two competitive calls for proposals, with criteria assessing their potential for regional impact, public benefit, innovation, employment creation and the empowerment of women.</p>
<p align="center">Strengthening companies' compliance with regulatory frameworks</p> <p>The programme provided hands-on technical assistance to 5 private companies and public institutions to improve their readiness for regulatory certification and supported them with the preparation of action plans.</p> <p>It also supported SADC pharmaceutical companies to comply with the requirements of national environmental standards.</p>
<p align="center">Improving business management skills of employees</p> <p>SIPS provided training for 88 representatives from private companies and public institutions on financial management, accounting, marketing, operations and supply-chain and human-resources management at junior-, middle- and senior-management levels</p>
<p align="center">Expanding access to markets and financing opportunities</p> <p>SIPS facilitated market access for more than 50 private companies and state-owned enterprises by financing their participation in business-to-business (B2B) networking events and relevant business fairs.</p> <p>The programme provided 28 companies with information on pooled procurement opportunities and sources of finance for capital investment, linking them to development finance institutions.</p>



Leather and leather products RVC

In the SADC region, the leather value chain has several innate strengths; however, the underutilisation of resources persists, and most livestock hides and skins are disposed of, and a considerable number of existing tanneries have obsolete equipment and are therefore not fully operational.

Measures on the policy level
<p>The SADC Secretariat was successful in convincing Member States of the value of a regionally distributed value chain, resulting in the domestication of a model leather policy in countries interested in developing their leather industries.</p> <p>The SADC Secretariat disbursed a grant to improve the competitiveness of small-scale manufacturers in Zimbabwe and Tanzania, which resulted in the creation of a virtual design studio. This online resource has seen an uptick in interest from young people wanting to break into the design of leather goods.</p>
<p align="center">Measures for the private sector and regional institutions</p> <p align="center">Optimising the production of hides and skins</p> <p>To benefit farmers in Angola, the SIPS programme promoted a centralised collection of raw hides and skins and their preparation for export to other SADC member states with processing capacities (e.g. Namibia, Tanzania and Zimbabwe).</p> <p>140 Angolan farmers were trained in flaying, preservation and animal husbandry.</p>
<p align="center">Upgrading the quality of hides through feedlot management</p> <p>In Namibia, more than 180 farmers were trained on good animal husbandry, quality management and feedlot management systems to increase the quality of hides and skins for tanning.</p> <p>A pilot feedlot hotel for local farmers was established in Okakarara.</p>

Expanding the productivity of tanneries

In Tanzania, the technical and business capacities of more than 120 employees of tanneries were expanded to improve industrial development in the region.

In Namibia, a feasibility study with the goal of resuscitating the Northern Tannery was completed, allowing the processing of hides and skins from southern Angola and northern Namibia into finished leather goods for regional and global markets.

Maximising compliance with environmental and sustainability standards

Through the SIPS programme, the Sustainable Leather Foundation supported 10 tanneries in 6 SADC Member States to achieve certification in environmental, social and governance standards.

The progress of tanneries to reach such standards is monitored in an Online Dashboard, allowing regional tanneries to reach the global market of environmentally-conscious consumers.

Improving the manufacturing of leather goods

200 Tanzanian manufacturers of leather products received trainings on pattern making, available tools and technologies, selection of suitable leather for product design, cutting of leather components, sewing of leather goods, packaging quality control and best marketing practices of finished products.

Expanding business opportunities

Following Botswana's procurement legislation, mines in the country source locally manufactured consumables. The SIPS programme and Botswana's Local Enterprise Authority thus developed and organised technical and business trainings to 15 employees from local manufacturers to produce industrial leather personal protective equipment for the mines.

Upgrading marketing strategies

The SIPS programme worked with more than 50 manufacturers from across the SADC region (Botswana, Eswatini, Tanzania, South Africa and Zimbabwe) on a marketing and sales model to increase visibility and access to new markets.

SIPS programme success stories

The SIPS programme:

- Led the targeted SADC companies to create **164 full time positions** in the three value chains.
- Supported over **330 participations** to attend networking meetings, workshops, trade fairs and business-to-business meetings (B2B) for companies operating within the three value chains.
- Trained **690 staff** from benefitting companies in project management, project operations, good manufacturing practices and other related disciplines.
- Provided information to over **180 companies** on suitable and affordable financing options for manufacturing in the SADC region.
- Supported **17 companies** to achieve international standards for environmentally sustainable production.

Future outlook

The valuable work of the SIPS programme will continue by other means:

- SADC has established a set of indicators in 5 areas (trade, manufacturing, actors, employment and investment) that will serve to monitor value chains and implement data-driven policies to strengthen and extend value chains across the region.
- SADC has strengthened its knowledge and competence in the three RVCs, which will remain a focus of the Secretariat's Value Chain Division in SADC's Department of Industry, Development and Trade.
- The Value Chain Division will specifically continue its efforts to institutionalise the SADC Medical Regulatory Forum (MRF) and the SADC Pooled Procurement Service (SPPS).
- The pharma/medtech and leather RVCs will be supported under the BMZ-funded Cooperation for the Enhancement of Southern Africa Development Community (SADC) Regional Economic Integration (CESARE) III programme, operating from 2023 to 2026. This work will build on the results of SIPS, and the programme's work streams will continue.
- Team Europe Initiatives (TEIs) – such as TEI Market Access and TEI Sexual and Reproductive Health and Rights – offer the possibility to upscale and add value chain activities from 2025 onwards.

SADC belongs to the people, and it is through SADC success stories such as SIPS that we will be able to raise awareness among SADC citizens of the positive impact of SADC regional integration. – *Calicious Tatalife, SADC Secretariat*

"SIPS not only enhanced health outcomes, but also allowed the EU to partner with Africa and support the continent to leapfrog into sustainable innovation while promoting human development, growth and jobs." – *José Angel Becerra Marta, Deputy Head of Cooperation at the EU Delegation to Botswana*

"The success of SIPS shows that the combination of the political drive and influence of the SADC Secretariat and the effectiveness and implementation experience of an international cooperation partner like the GIZ can give a significant boost to the development of regional value chains and thus to regional integration." – *Dr Jan Peter Böttcher, Project Executive Manager, GIZ*

Published by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany
CESARE/SIPS Programme
GIZ Office Botswana
Private Bag X12 (Village), Plot 54358, New CBD
2nd floor, Motswere Building / Prime Plaza II
Phone: +267 395 7400
E-mail: giz-botsuana@giz.de
www.giz.de/en/

Editorial

Responsible managers: Calicious Tatalife and Jan Peter Böttcher
Editing: Simon Chislett
Design: Leith Davis
Photos: ©GIZ
Version: May 2024

The SADC Secretariat and GIZ are responsible for the content of this publication.

This document was produced with the financial assistance of the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ). The content and views expressed herein can in no way be taken to reflect the official views of the EU or BMZ. The programme management team of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is responsible for the content of this document.



www.sadc.int



[sadc_secretariat](https://www.instagram.com/sadc_secretariat)



facebook.com/sadc.int



prinfo@sadc.int



[@SADC_News](https://twitter.com/SADC_News)



youtube.com/@SADCnews