

# COMESA – CONNECT INDUSTRY DIALOGUE

“Smart Technologies for Sustainable Businesses”  
21st - 22nd June, 2018, Kigali, Rwanda.



## SUMMARY MEETING REPORT



## **1. INTRODUCTION**

The COMESA Business Council(CBC) in partnership with the Rwanda Private Sector Federation(RPSF) convened the COMESA Connect Business Dialogue on the 21<sup>st</sup> - 22<sup>nd</sup> June 2018, in Kigali, Rwanda. The Dialogue was held under the theme, “Smart Technologies for Sustainable Businesses”.

The Dialogue sought to structure strategic efforts towards harnessing today’s digital solutions to respond to the needs of our industries in the region. The main objective was to provide technology solutions that can propel and transform African industries and economies into fully knowledge based and sustainable businesses in regional and global trade. It included discussions on key technologies and emerging issues in digitalization, inter alia; Distributed Ledger Technologies (DLT), EU General Data Protection Regulation, Digital Financial Inclusion, Digital Farming technologies, Automated Trade Facilitation and Robotic technologies and Industry and Innovation.

## **2. PARTICIPATION AND EXHIBITION**

The event brought together more than 100 participants who included local, regional and international speakers, business leaders from the Agro- industry, manufacturing sector on one hand and Digital and Technology services on the other hand. From the public sector, the meeting brought together government officials, Regulators, regional and international organizations. From the private sector- industry leaders, investors, entrepreneurs, SME businesses and innovators from all sectors of the economy, i.e. manufacturing and services industries.

Regional companies present included; Airtel Africa, Ericsson, IBM East Africa, Microsoft, Dufry, Bill and Melinda Gates Foundation, Dairibord Holding Zimbabwe, Monsanto, Eclisia Group – Mauritius, Seedco Group, Green Face Trading PLC-Ethiopia, Federation of East Africa Freight Forwarders Association(FEAFFA), Sun Culture, Kwese TV, Kandia Fresh Ltd Kenya among others.

The meetings also had the participation of regulators from Malawi-MACRA, Zimbabwe-POTRAZ, and the National Bank of Rwanda. COMESA Secretariat was represented at the meeting by the Director of Infrastructure.

The meeting also brought together 11 exhibitors, from national and regional markets, these were; SEEDCO, Monsanto, Sunculture, Babyl, AC Group, Inkomoko, Farm Fresh, Rwanda Online, Continuity Group, KWESE TV.

### **3. OBJECTIVE OF THE MEETING**

The objective of Dialogue was to;

- Establish a collective understanding on the potential of emerging technologies such as Distributed Ledger Technologies, Artificial Intelligence and robotics for supporting industry, trade and trade facilitation within the African region.
- Engage on technology solutions that can propel and transform African industries and economies into fully knowledge based and sustainable businesses in regional and global trade.
- Structure policy recommendations to ensure the use of technology to address digital financial inclusion, industry competitiveness and revolutionary innovations for competitive sustainable enterprises.
- To host a mini exhibition that allows SMEs to meet and network with regional business leaders in Digital and technology services
- To develop a private sector position paper focusing on the Digital inclusion for industry in the region.

### **4. MEETING DELIBERATIONS**

#### **4.1 OFFICIAL OPENING**

The Meeting was officially opened by Mr. Mugwiza Telesphore, Director General Industry and Entrepreneurship Development from the Ministry of Trade for Rwanda. Also, part of the Opening Ceremony was Mr. Jean Baptiste Mutabazi representing the COMESA Secretary General, Dr. Amany Asfour-CBC Chairperson, RPSF Chairperson- Mr. Robert Bapfakurera and Mr. Mike Yeh- Assistant General Counsel, Microsoft, Middle East and Africa.

Ms. Sandra Uwera the CBC- Chief Executive Officer and Mr. Stephen Ruzibiza the RPSF- Chief Executive Officer also shared some welcome remarks.

The key messages from their statements included;

- The growth of the Internet-driven economy in recent years has placed a strong focus on innovation, technology-oriented and high-value added manufacturing to ensure industry competitiveness globally. This calls for the need of African industries to adapt.
- The need to develop simple, cost effective digital solutions for SMEs businesses to improve efficiency; and for e-government services to improve access to basic services like finance, energy, transportation and trade facilitation.
- The importance of strengthened public and private partnerships and dialogue in addressing some of the constraints and promoting investment in digital technologies.

## **4.2 SESSION DELIBERATIONS**

The Dialogue captured interesting insights, experiences on some of the buzz technologies and emerging issues in digitalization, inter alia; Distributed Ledger Technologies/ Block chain Technologies for Government and Business, EU General Data Protection Regulation, Digital Finance, Digitalized Supply chains, Automated Trade Facilitation and Robotic technologies and Industry 4.0.

The discussions were structured within the following headline themes and sessions;

- Session 1- SETTING THE TONE: CHANGE. TO BE OR NOT TO BE?
- Session 2- REGULATE- COMPETE
- Session 3- EASE AND ACCESS: BLOCKCHAIN FOR PUBLIC SECTOR AND BUSINESS EFFICIENCY
- Session 4- INNOVATION AND COMPETITIVENESS- Understanding Intellectual Property Rights for SMEs
- Session 5- REGULATE—BRINGING LEGISLATORS TO THE TABLE
- Session 6- DIGITAL FARMING TECHNOLOGIES FOR AFRICA
- Session 7- AUTOMATE TRADE FACILITATION
- Session 8- A MERGER OF INTERESTS- FUSION OF FINANCIAL SOLUTIONS FOR BUSINESS
- Session 9- DIGITAL FINANCIAL INCLUSION
- Session 10- DO IT YOURSELF- REVOLUTIONIZE – INNOVATE

The Dialogue took the format of an “inter-participatory” approach, whereby each presenter was given time to present on the selected topical issues on the above; and the business community were also given time to discuss and openly comment on the speakers’ presentations or issues under discussion.

From each key issue; the meeting would then come out with key recommendations; which were then adopted at the end of the meeting.

### **4.2.1SESSION- SETTING THE TONE: CHANGE. TO BE OR NOT TO BE?**

The session focused on some of the key focus and pre- requisites of digitization of our economies, with presentations from Mr. Steve Mutabazi from the Rwanda Development Board, Mr. Mike Yeh from Microsoft and Mr. Jean Philbert Nsengimana from Smart Africa.

The presentations highlighted the growth in adoption of technology- high powered skilled technologies and the interest in development of data centers in Africa. This has brought data analytics to the fore, as it is now used to inform business decisions in government and private sector affairs and ventures. The session addressed the fact that data sharing has become an important instrument to steer how environments perform against their competitors, making digital services relevant in regional and global markets. Issues of interoperability amongst industries and the technical capacity of digital skills for industries were highlighted as key agendas that were important to boost industry competitiveness.

As such there is need to focus on technologies that can assist Africa to leap frog through investment in technologies, skills and solutions that are tailored for the Africa communities. This includes creating a conducive policy framework, right partnerships, investment into platforms that responds to the needs of Africans and developing profitable solutions. Therefore, emphasizing the need to develop a rule based system on data governance and regional harmonization.

#### **4.2.2 SESSION - REGULATE- COMPETE**

The session focused on the status of data policy regulation in COMESA and looked at the potential impact of the EU General Data Protection Regulation on African businesses and governments, with presentations from Mr. Louis Otieno from Microsoft4Africa and Mr. Leonard Rucogoza from KWESE TV.

The presentations highlighted that based on global standards, most COMESA at national and regional level do not have an adequate regulatory system and enforcement infrastructure to deal with issues of data governance; privacy, interoperability, data sharing amongst others. The presentations also focused on the need to look at the needs of the consumers in efforts towards digitalization.

The session covered awareness on the GDPR , as well as the aspect of market expansion in digital services and the regulatory framework that supports this. The session called for a harmonized regional policy framework and standard to support digital industries to grow across borders, and further called for COMESA to develop a regional GDPR framework model that can assist countries in domestication and adoption.

#### **4.2.3 SESSION - EASE AND ACCESS: BLOCKCHAIN FOR PUBLIC SCETOR AND BUSINESS EFFICICIENCY**

Presentations were made by Mr. Nicholas Nesbitt of IBM East Africa and Mr. Peter Neubert form Mauritius ICT Association.

The session focused on exploring the numerous opportunities for Distributed Ledger Technologies/ Blockchain in e-government services thereby improving transparency and efficiency. The presentations highlighted that the technologies could improve efficiency in most industries including social welfare systems, land registrations and financial services, trade and logistics. For businesses, the DLT could improve efficiency in the supply chains. Nonetheless, there is need to increase awareness and skills on such technologies particularly in Africa as there is limited awareness on them.

This session also covered Mauritius' growth in ICT services, showcasing the country's five-year agenda in becoming a fully-fledged ICT and technology hub.

#### **4.2.4 SESSION - INNOVATION AND COMPETITIVENESS- Understanding Intellectual Property Rights for SMEs.**

Presentations were made by Ms. Tracey Mutaviri of Dairibord Holdings -Zimbabwe, Mr. Odyssey Ndayisaba of Continuity Group Rwanda and Mr. Greg Njowola of the African Regional Intellectual Property Organization.

The session highlighted the opportunities and advantages in intellectual property for SMEs and businesses; particularly, in branding, copyrights and trademarks as this potentially opens an avenue for IP based financing. It further highlighted, the need to promote regional brands and strengthen the enforcement of IP rights to encourage compliance as a strong IP system is essential for promoting innovation and aiding the growth of digitalized industries.

#### **4.2.5 SESSION - REGULATE- BRINGING LEGISLATORS TO THE TABLE.**

The session focused on the need for the creation of a good regulatory business environment and a balanced data privacy regulatory framework that does not prove overly burdensome to business operations, hamper innovation, or impede legitimate cross-border data flows, while realizing regulatory interoperability.

Malawi and Zimbabwe showcased the various steps the Regulators were making including regulatory reviews to ensure digitalization. Key issues from the session included; need for regional harmonization, effective domestication of COMESA policies and increased private sector participation in policy processes.

#### **4.2.6 SESSION - DIGITAL FARMING TECHNOLOGIES FOR AFRICA**

Presentations were made by Mr. Tony Gathungu from Monsanto, Mr. Kabaghe from Seed Co., Mr. Samir Ibrahim of Sun Culture and Mr. Mr. Jony Girma of Green Face Trading Ethiopia.

The session focused on the various digital farming and various precision farming tools that can be adapted along the agriculture value chains to improve agriculture yields and productivity in Africa. It also showcased some of the various innovations, such as solar powered irrigation pump with a potential to improve access to irrigation services at a more affordable cost for the African farmer. And, addressed some of the challenges faced by the small-scale farmers and SMEs in the agriculture supply chains and the ways in which digitalization could provide solutions. Some of these key issues included the need for affordable access to finance for SMEs, simple digital tools to improve operational efficiency and standard certification systems to enable their access to regional and global markets.

#### **4.2.7 SESSION - AUTOMATE TRADE FACILITATE.**

Presentations were made by Ms. Isabel Zarza from Dufry and Mr. Mathenge from FEAFFA.

The session focused on ways in which technologies can improve trade facilitation and trade. It highlighted how customs have evolved over the years with the use of technology and emphasized the need for regional harmonization; particularly harmonized customs management across the region to reduce costs, improve trade facilitation and intra-regional trade in COMESA.



Furthermore, it showcased the numerous opportunities for African businesses and governments in the duty-free travel retail industry – moving away from the traditional aeronautic revenues at airports to commercializing and developing their travel retail industries. It showcased the use of technologies to secure the supply chain for the duty free travel retail industries using such technologies such as track and trace and how these could also be replicated for other industries to mitigate illicit trade.

#### **4.2.8 SESSION - FUSION OF FINANCIAL SOLUTIONS AND FINANCIAL INCLUSION**

Presentations were made by; Mr. George Odhiambo from KCB Rwanda, Mr. Daddy Mukadi, from Airtel Africa, Mr. Kapil Mittal, from Ericsson, Mr. David Lubinski, from the Bill and Melinda Gates Foundation and the Dr. Monique Nsanzabaganwa from the Reserve Bank of Rwanda.

The session focused on the importance of digital payments systems for cross border trade and financial inclusion in the region. Key issues emanating from the dialogue in the session highlighted the need for increased inter-operability amongst services providers to reduce the high transaction costs. The session also focused on the development of a regional payments system to facilitate the bottom of the pyramid, informal cross border traders that incorporates currency exchange rates, and reduced transaction charges.

The discussions also highlighted the need for further stakeholder dialogue between the players in mobile financial services and the regulators. The meeting discussed how bitcoin is fast becoming a virtual currency of choice, in spite of its volatility in the market. The meeting concluded that since it is currently being traded as an asset on the market, it is best to observe its performance, while we focus more on the platform that it evolved from- namely blockchain technology. The meeting also captured how banks and telecoms are going digital, with respect to their partnerships with telecommunications industry. It further noted that banks will always hold the trusted accounts while telecoms provide a wide outreach beyond banks that is affordable, and trades off costs on hard infrastructure. In this regard, increased cooperation to capture the larger market share is important going forward.

#### **4.2.9. SESSION - DO IT YOURSELF -REVOLUTIONIZE-INNOVATE**

Presentations were made by Mr. Frederic Badothier from Eclasia Group- Mauritius, Dr. Sheriff ElGably from the Federation of Egyptian Industries and Mr. Christian Heremans from Farm Fresh Food Company Ltd-Rwanda.

The session looked the application of technologies by industries in the region with a focus on Industry 4.0, artificial intelligence and robotics as smart technologies are increasingly becoming a necessary ingredient for the manufacturing industries globally. The session highlighted there is limited uptake of these smart technologies by industries due to several reasons including; a lack of policy and strategy for digitization of industries, inadequate skills and capabilities, lack of infrastructure and the high cost of technologies.

The session also discussed whether robotic technologies could replace human capacities over the years, and it was agreed that this should not be considered as a challenge, but instead a complimentary asset to promote effectiveness and efficiencies of industries. The meeting further

discussed the various industries such as freight forwarders and customs related logistics that would still need relationship management to ensure that consignments reach their destinations. It was concluded that technology services in manufacturing was important to boost capacity, services efficiency and ensure quality products to market.

## **5. MEETING RECOMMENDATIONS**

The following are some of the pertinent recommendations emanating from the Dialogue:

### **On Digital Solutions for Africa;**

- Member states are called upon to respond to digital skills development for enterprises and entrepreneurship, to support hyper scale solutions that are locally relevant and globally accepted. This includes putting in place measures that support Innovation; and the establishment of a specialized fund that supports innovation at national and a regional level.

### **On Public- Private Action on digital economic integration.**

- Member states are called upon to develop guiding principles of digital governance that promotes and facilitates investment into the development of technology platforms. These are;
  - Policies that will facilitate investment and digital transformation and DLT development on the continent,
  - Partnerships; ensuring cohesion and collaboration amongst networks that connect Africa,
  - Platforms; Investment of digital solutions that respond to customer requirements and can operate across borders,
  - Profit; developing win-win solutions in regional and international markets.

### **On Policy and Regulations**

- **Data Governance.** Member States are urged to develop or review and update their data protection legislations at national to consider issues with respect to Data security, Data Sharing, Cross border flow of data, Data Storage and an Enforcement framework/ data protection authority in line with global trends and best practices.
- **EU General Data Protection Regulation.** Member States are called upon to recognize the impact of the GDPR on business. Furthermore, to ensure compliance with a focus on the relevant elements of GDPR for the African continent.
  - Member states are called upon to develop a regional model on the GDPR to support member states in domestication and implementation of the regulation.
- **On Regional Harmonization.** COMESA is urged to strengthen regional harmonization of data protection regulations to allow for cross border data flows, inter-operability, regional connectivity and shared infrastructure.



- **Digital Interoperability.** Member States are urged to put in place policies that promote cooperation and inter-operability amongst service providers whilst preserving competition. At regional level COMESA is called upon to put in place a mechanism to support and harmonize standards to allow for inter-operability.
- **On Data collection;** Member States are urged to strengthen data collection systems to ensure that countries develop and collate data on our own economies in Africa.
- **On ICT policies.** Member states are urged to accelerate the usage of dynamic spectrum policies on the ground to allow more affordable and accessible solutions for enterprises.

#### **On Implementation of COMESA policies at a national level.**

- Member States are called upon to put in place effective measures for the Domestication of adopted COMESA policies at national level. Inversely COMESA should put in place a time-based monitoring and review mechanism that follows up on the above processes.

#### **On Distributed Ledger Technologies(DLT).**

- Member States are urged to develop awareness programs on DLT and how they can influence performance of business processes as well as government services.
- Member States are urged to explore the DLT which can support innovative solutions within the financial sector thereby contribute to financial inclusion.
- Member States are urged to take note of the ongoing discussions on crypto and digital currencies with view to finding a sound balance between macro - economic stability of economies and innovation.

#### **On Skills Development.**

- Member States are urged to ensure ICT and upcoming technologies like DLT are part of the education curriculums to ensure the growth of a skill base to support the digitalization processes.
- **On Education Reform.** Member States are called upon to reform education systems in line with the rise of innovative technologies such as Industry 4.0, artificial intelligence and robotics. This is to ensure the labor force remains relevant with the digitization of economies and to safeguard against the loss of jobs.

#### **On private – private partnerships to facilitate business registration and innovation protection.**

- Member States are requested to consider the proposal on credit scoring mechanisms under banks to add criteria that encourages IP registration especially in brands and trademarks. This will encourage awareness of business on the importance of protecting their business identities.

**On IP Enforcement.**

- Member States are urged to strengthen cross border enforcement of IP and measures to curb illicit trade; particularly counterfeits and ensure the protection of brands across the region as a way of promoting industrialization and trade.

**Improving technical capacity and competitiveness of agro- industry;**

- Member States are called upon to invest in GPS based coaching systems that can strengthen technical capacity of small scale farmers.
- Member States are called upon to establish digital facilities for small scale farmers, in order to disseminate information, reduce dependency on cumbersome physical infrastructures along the agriculture value chain.

**Customs facilitation and management**

- Member States are urged to put a framework for Mutual Recognition of operators; a Trusted Trader Programme across the COMESA region to ensure the efficiency of the movement of goods and services across the region.
- Member States are urged to ensure harmonized Customs management across the region- as it is detrimental for businesses to enter individual compliance negotiations with each country.

**Duty free Travel Retail Industry.**

- Member States are urged to note that airport retail is one of the opportunities that largely remains untapped in Africa, yet offers so much immense opportunities. Commercial revenues can play a vital role in the transformation of African Airports, and this can only happen when you have a successful and highly operative travel retail channel systems at the airports.

**On Cooperation and Collaboration;**

- Member States are urged to work with the CBC to host a multi stakeholder dialogue between the central bank governors, telecommunication industry, financial services and banks, established technology companies as well as new start-ups and investors to agree on an over-arching vision and approach towards expanding digital financial inclusion in Africa.
- Member States are further requested to support the development of a regional regulatory framework on the governance of digital financial services.

**On Digital Financial Inclusion**

- Member States are urged to put in place a policy framework for Regional Payment systems for SMEs and cross border traders (women, disabled and youth) that drives the cost of transaction downwards, to easily transact across borders.
- Member States are further urged to stimulate solutions that further develop and create new payment systems that can promote currency, securities and cross-border transactions to enable affordable, accessible, accountable and transparent financial system.
- On Regional remittance regulatory framework, Member States are urged to put in place a regional policy that allows for remittance of regional mobile and transactions. The framework should also cover shared fraud risk management regulations that facilitate currency exchange to ensure easier and cost-effective currency convertibility for cross border transfers.
- Member States are urged to consider the development of an online or e-commerce payment service that is appealing to cross border or informal traders, that captures reduced transaction costs on purchase- with a consideration of maximum thresholds on transaction fees.

#### **On Tax policies and Business environment.**

- The prohibitive costs of taxes and doing business in the region counter against a regional framework for digital transactions. Member states are urged to ensure the reduction in the taxes particularly for the telecommunications sectors which can be as high as 40%.
- On Licensing requirements. Member States are urged to adopt licensing requirements that facilitate ICT and technology investments; particularly with respect to 4G technologies.
- On I.P based financing for SMEs. Member States are called upon to develop I.P Based finance systems working with the financial services providers that put value on branding or other forms of Intellectual property for companies, particularly SMEs that can be used as a form of collateral to access finance.

#### **On Technology for SMEs.**

- Member States are urged to ensure measures that promote the accessibility, availability and affordability of technologies for SMEs and start-ups.

#### **On Smart Industries.**

- Member States are urged to develop strategies for the digitalization of industry through adoption of tailored smart technologies like artificial intelligence that are specific for local industries and economies.

