

## Ministers Approve Frameworks to Implement the Regional Industrial Strategy



File/ The 3rd meeting of ministers of industry, 2019, Kenya

Ministers of industry from the 21 COMESA Member States have approved the implementation strategy of the regional local content policy framework and the management of the Special Economic Zones and Industrial Parks.

The COMESA Local Content Policy Framework is aimed at helping to transform the region's low productivity economies, from overreliance on export of unprocessed primary commodities with either little or no value addition, to competitive economies that produce, and export value added products.

With the approval, Member States will formulate similar policies to maximize local benefits from industrialization. Equally, the adopted framework of managing special economic zones (SEZ) and industrial parks will guide Member States when domesticating SEZ strategies and industrial parks at the national level.

In their communique, the Ministers

committed to ensure the harmonized regional frameworks and guidelines are implemented in their respective countries.

Speaking at the opening of the meeting, Thursday, May 27, 2021, the Minister of Industry and Commerce of Zimbabwe, Dr Sekai Nzenza, observed that despite high growth potential in the region, poverty, unemployment, low investment levels, and depressed aggregate demand among others, are prevalent.

"This is attributed to depressed industrialization in our region," she stated adding that industrial development was critical in addressing the productive constraints towards the realization of inclusive and sustainable transformation of the region.

The approval of the frameworks will therefore enable the full implementation of the COMESA Industrialization Strategy and Action plan, which was adopted by the Ministers in 2019, to guide structural

economic transformation of the region. Among its key component is the promotion of agriculture and value addition.

The COMESA industrialization strategy is aligned with the Third Industrial Development Decade for Africa (IDDA3) whose guiding principles include: government ownership and leadership of the initiative; strengthened enabling business environment; prioritized sectors with high potential for growth; and strong partnerships for financial and non-financial resource mobilization at the multilateral, regional and bilateral levels.

On its part, COMESA Secretariat committed to continue providing a platform for lobbying international technical and financial assistance to support the special economic zones development.

"The initiatives will include supporting learning events and profiling some SEZ projects that could serve as regional centers of excellence," said the Secretary General

# COMESA Unveils Platform for Non-State Actors to Participate in Peace Building



Dr Kipyego Cheluget, Assistant Secretary General (red shirt), COMESA unveils the CSOs/Private Sector platform flanked by representatives from the AU, Save the Children Fund and other guests

COMESA in partnership with the African Union, Economic Social and Cultural Council, (ECOSOC) and the Save the Children International, have launched an online information sharing platform to facilitate civil society organisations in the region to play a bigger role in conflict prevention and peace building.

The development of the platform followed a study and stakeholder consultations done by COMESA on the root factors of conflicts in the sub-region. These activities revealed that conflicts in the region were not only complex but required joint approaches to address them.

The platform <https://gps.comesa.int> was launched in Livingstone, Zambia by the Assistant Secretary General of COMESA, Dr Kipyego Cheluget. It is aimed at enabling robust networking amongst non-State actors to create strong partnerships for peace and security by sharing information on relevant themes to keep the wide population of CSOs informed.

Besides, it will encourage debate around key topical issues and build consensus on the positive role that CSOs and Private Sector Organisations can play and at the same time, showcasing their work to encourage replication of good practices.

Dr Cheluget stressed the need for States to complement their strengths and competencies with non-state actors in the region to address the conflicts sustainably and comprehensively.

"While national governments have the primary responsibility to ensure peace and security within its borders, civil society and private sector organisations also have an important role to play, particularly being close to the grassroots, where most intra-state conflicts start," Dr Cheluget said.

Over 30 CSOs from 17 Member States have been accredited since 2012 and have been partnering with COMESA in the development and implementation of its peace and security programme. This includes the development of the COMESA Early Warning System (COMWARN). They also serve in the COMESA elections observer missions, with some of them providing analysis of the electoral environment in their respective countries.

Speaking at the launch, ECOSOC representative, Mr Osei Kyeretwie said his organization is keen to support strategic partnership with COMESA in building the capacity of CSOs to be more effective in their role.

Ms. Hortense Minishi, Head of Programmes at Save the Children International, said the responsibility of protecting the children and youth from situations of conflict is a multi-stakeholder undertaking that should bring everyone on board.

The launch was attended by among others, a Kenyan delegation comprising of the Commissioners of the National Cohesion and integrity Commission and Members of the Kenya Parliamentary Committee on Cohesion and Equal Opportunities. The delegation was in Zambia for a COMESA-AU training on COMWARN and structural vulnerabilities and resilience assessment frameworks.

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## COMESA Extends Technical Support to Central Bank of Lesotho

COMESA Secretariat has provided technical assistance to the Central Bank of Lesotho (CBL) to help create a trade database which is able to import and validate trade data files from the Lesotho Customs office. This followed a request from the CBL through the Financial Management Institute of Eastern and Southern Africa (MEFMI). The Automated Data Processing (ADP) Expert at COMESA Secretariat, Mr Wilson Chizebuka conducted an online technical mission with the CBL to assist the bank with the upgrading of their system from MS Excel to Microsoft Access.

In this regard, COMESA has been involved in several interventions at all levels of statistical development in COMESA, EAC, SADC and SACU Member States. One key intervention is technical assistance in the production of trade statistics through Eurotrace software installations and general trade database development to ensure the continued timely and regular remittance of trade data to users.

The request mostly focused on the development of correlations between the Harmonized System (HS) and Standard International Trade Classification (SITC) nomenclatures.

Prior to this, a fact-finding meeting between COMESA and the CBL was conducted virtually where it was established that the bank was using MS Excel files with trade data from Customs and were updating the SITC codes and descriptions manually. The manual process was tedious and time consuming hence, it was agreed that COMESA helps in coming up with a Database capable of uploading the Ms Excel files, validate and generate a relation between the HS and SITC.

According to experts, statistics play a critical role in providing evidence-based monitoring and evaluation of programs in any organization. Trade statistics have played a major part in the monitoring of progress made towards regional integration.

## New COMESA Regional Strategy for Development of Statistics Developed



COMESA Secretary General, Chileshe Kapwepwe

COMESA has developed a new Regional Strategy for Development of Statistics (RSDS) for the period 2021 – 2025, which is expected to run concurrently with the COMESA Medium Term Strategic Plan (MTSP) 2021 - 2025.

The RSDS was consolidated by experts from National Statistics Offices (NSOs) who consulted widely with stakeholders to come up with a comprehensive document. The draft RSDS was presented to the 12th Meeting of the COMESA Committee on Statistical Matters (CCSM) on Thursday 20 May 2021 for consideration and approval.

The next step is to present the RSDS to the COMESA Council of Ministers Meeting set for mid this year which is expected to adopt it for implementation. The workplan and budget for implementation of the Strategy have also been finalized.

COMESA Secretary General Chileshe Kapwepwe described the new RSDS as a statistical response to the COMESA regional integration policy agenda.

"This revised RSDS is in line with the COMESA's Treaty expectations for the role that statistics is to play in the common market,"

she said during the official opening of the virtual meeting.

She added that on its part, COMESA Secretariat will exert efforts towards mobilization of resources for implementation of the regional statistical agenda. Recently, the COMESA Secretariat signed a protocol of agreement with the African Development Bank (AfDB) as the executing agency for the Statistical Capacity Building (SCB) programme.

Additionally, the Secretariat is in the final stages of implementing the European Union supported institutional capacity building programme, which will support among others, statistical capacity.

The one-day meeting was attended by Directors of National Statistics Offices, representatives of Central Banks, sector ministries, representatives of the EU, the European Statistical office (EUROSTAT), PARIS21, the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), the African Union Commission, the International Labour Organization, Statistics Norway and Statistics Sweden.



## Experts Adopt the COMESA Local Content Policy Framework on Industrialization

The COMESA Technical Committee on Industry conducted its 4th meeting from 24 – 25 May 2021 with the key agenda being the adoption of the draft harmonized COMESA Framework of Managing Special Economic Zones and Industrial Parks. These were tabled before the committee of ministers on 27th May 2021 for approval and implementation.

The decision to develop an Implementation Strategy of the COMESA Local Content Policy Framework was issued by the Ministers in their 3rd meeting in 2019 conducted in Kenya. Its objective is to ensure that a high proportion of project inputs are sourced from the host country without compromising the economics of the project or sector being leveraged.

Speaking when he opened the meeting, Permanent Secretary in the Ministry of Industry and Commerce, of Zimbabwe, Dr Mavis Sibanda said in doing so, there will be economic multiplier effect that results in greater value extraction by host countries.

“The Implementation Strategy of the Local Content Framework must outline successful, local content initiatives based on a well-conceived strategy as well as legal and institutional considerations that recognize the need for joint contributions from host governments, national entrepreneurs, and foreign investors,” Dr Sibanda stressed.

Hence, the Framework is intended to optimize the economic value to be derived from the development of natural resources through domestic linkages while giving regard to the country's development goals, vision for a given sector, trade competitiveness and the financial viability of the natural resource being leveraged.

The development of Special Economic Zones (SEZs) or industrial parks was identified as one of the key industrialization enablers for successful industrialization. This is primarily motivated by the necessity to attract Foreign Direct Investment (FDI) based on experiences

from countries, which demonstrate that with proper management and incentives, these zones and parks can be an important tool for industrialization.

Assistant Secretary General of COMESA Dr Kipyego Cheluget who addressed the meeting said the draft strategy and the Framework of managing SEZs was designed to be in tandem with other regional, continental and international development frameworks.

Further, the Framework is part of the thrust to foster local value addition through utilization of local resources and localization of supply chains. It is also a tool to promote local linkages between the agricultural, extractive, industrial and service sectors.

During the two-day meeting, the technical committee also discussed the draft guidelines on inclusive and sustainable industrial production during and after the COVID 19 pandemic. They also took stock of what has been achieved in implementing Council Decisions on Industry since its last meeting in 2019. Zimbabwe was the virtual host of the meeting.

The technical committee is comprised of Permanent/Principal Secretaries, directors and other senior staff in ministries in charge of industry.

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# Great Strides in Regional Energy Development Amidst COVID-19

The impact of the Coronavirus pandemic reverberated across the region with almost every sector adversely impacted. Implementation of the COMESA projects which are mainly driven through direct stakeholders' engagement, in multiple States were specifically affected.

The project on Enhancement of a Sustainable Regional Energy Market in the Eastern Africa-Southern Africa and Indian Ocean Region (ESREM/EA-SA-IO) is one of those whose final year of implementation covering the period 1st April 2020 to 31st March 2021 experienced setbacks because of the pandemic.

The ESREM project covers the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC) and the Southern Africa Development Community (SADC) and the relevant regional specialized institutions.

According to the fourth Progress report (2020-2021) presented by the Project Management Unit (PMU) during the 7th Meeting of the Programme Technical Steering Committee (PTSC) held virtually on Thursday 20 May 2021, activities that were mostly affected by the pandemic situation were meetings, workshops, and capacity building programmes and the implementation of the Framework consultancy.

Despite the setbacks, several milestones were reached through virtual engagements with stakeholders. Among them, was the development of a framework for a regionally harmonized energy regulatory sector.

The Framework was finalized in 2020 and submitted to the five Regional Economic Communities (RECs) participating in the project for adoption and implementation.

The COMESA Policy Organs considered and adopted the Report during its October/November 2020 Council meetings. The Framework consultant, CPCS Transcom

International Limited was engaged to provide technical support to domesticate the harmonized regulatory framework at RECs and Member State level and to review national regulatory instruments for 14 Member States in the region.

The Framework consultancy was further engaged to provide technical support to enhance market rules for regional energy trading and develop MoUs between the East African Power Pool (EAPP) and the Southern African Power Pool (SAPP) to support the inter-regional power trading. This is intended to achieve a harmonized transmission pricing, interconnection and marketing codes and development of regional Memorandum of Understandings and Agreements.

The project also provided technical support to several countries without autonomous energy regulators at the time the project commenced in 2017. Among them, the D R Congo, Djibouti, Comoros, Libya and South Sudan.

Other accomplishments include the development of a roadmap towards the transformation of the Regional Energy Regulators Association (RERA) into a Regional Regulator for SADC. In its current form, RERA does not have a mandate to provide regulatory oversight over the regional energy market in SADC.

Speaking at the opening of the 7th PTSC Meeting, COMESA Assistant Secretary General for Programmes Amb. Dr. Kipyego Cheluget said the generation and provision of energy remains one of the biggest challenges in the region and the African continent.

"The current energy crisis in the region underscores the need for prioritizing the identification and development of alternative and renewable sources of energy," he said.

The meeting was attended by representatives of Regional Economic Communities COMESA, EAC, SADC, IGAD and IOC.

## Ministers Approve Frameworks ...

Ms. Chileshe Kapwepwe. "Besides, the Secretariat will promote the development of border economic zones and facilitate the needed technical assistance for their development, among others."

During the meeting, the ministers also approved the regional Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after COVID 19. This is recognition of the negative impact that COVID-19 has had on industrial production by disrupting regional and global value chains.

Among others, the guidelines provide for enhancement of digital transformation such as e-commerce and e-trade to reduce and avoid physical contacts during transaction within and across member States while at the same time cutting down on transaction costs.

In his closing remarks, Malawi Minister for Industry Hon. Roy Kachale, described the development of the frameworks as timely given the disruption occasioned by the COVID 19 pandemic.

"There is no better time than now when coming into effect of the African Continental Free Trade Area promises to offer an even greater opportunity for countries to widen their access to global supply chains and export higher value goods and services," he said.

Heads of the delegation representing development and cooperating partners that addressed the meeting included the European Union, the World Bank, United Nations Industrial Development Organization and the International Trade Centre. Representatives from the private sector in region also participated in the meeting.





(L-R) H.E Istem H.E. Ciroglu, COMESA SG, H.E. Chileshe Kapwepwe and H.E Arthur Henrique Villanova Nogueir

## Brazil, Turkey Envoys Accredited to COMESA

Brazil and Turkey have appointed their ambassadors to Zambia as Special Representatives to COMESA. H.E Arthur Henrique Villanova Nogueir (Brazil) and H.E Istem H.E. Ciroglu from Turkey presented their letters of Credence to Secretary General Chileshe Mpundu Kapwepwe during a ceremony held in Lusaka on Monday 24 May 2021.

Both reaffirmed their governments commitment to support COMESA's regional integration agenda through continued cooperation in different programmes.

Ambassador Nogueir said Brazil follows with great interest developments involving the African Continental Free Trade Agreement (AfCFTA), where COMESA has a special role given its institutional strength and experience in promoting free trade.

He said, Brazil is committed to regional integration as a key member of the Mercosur, the Common Market for Southern America, which has been in existence for 30 years and has maintained a long and successful trajectory. Hence Brazil is keen to forge closer relations between the two institutions through identified

areas of cooperation.

Turkish Ambassador said her country was committed to continue working with African countries and regional organisations such as COMESA to develop a win-win approach in commercial and economic relations.

"Our approach to African countries is built on a holistic, inclusive and equal partnership based on mutual respect and benefit," she said. "We continue to contribute to peace and stability and economic and social development in Africa through our public institutions, non-governmental organizations and the private sector."

Further she said that Turkey was the 5th country in the number of diplomatic missions established in Africa and continues to promote African at the global level especially the continent's focus on digitalization for sustainable development.

The official development aid provided by Turkey's public institutions to Africa between 2005 and 2019 is approximately US\$3.5 billion. Secretary General Kapwepwe said the two countries have remained important trading

partners with the regional bloc. COMESA's main export products to Brazil are mainly natural resources whereas the main imports are manufactured products.

In recent years, Brazil and Turkey have increased their presence in Africa through the south-south cooperation in areas such as agriculture, health, environment, livestock, industry, education, aid and humanitarian dimension.

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