

**COMMON MARKET FOR EASTERN  
AND SOUTHERN AFRICA**



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**ACTION PLAN FOR THE COMESA INDUSTRIALIZATION STRATEGY**

**2019-2026**

**Background**

Following the adoption by the Authority of the COMESA Industrial Strategy in Addis-Ababa, Ethiopia in March 2015, the Secretariat prepared its implementation strategy which was considered by the Ministers responsible for Industry and further, adopted by the Council of Ministers in September 2017, in Lusaka, Zambia.

The Council directed the Secretariat to develop a detailed and costed Action Plan for the implementation of the Strategy.

This strategy document is in line with Article 99 of the COMESA Treaty which focuses on cooperation in industrial development to achieve the following objectives:

- Promote self-sustained and balanced growth;
- Increase the availability of industrial goods and services for intra-Common Market;
- Improve the competitiveness of the industrial sector thereby enhancing the expansion of intra-regional trade in manufactures to achieve structural transformation of the economy that would foster the overall socio-economic development in Member States; and
- Develop industrialists that would acquire ownership and management of the industries.

The Strategy is anchored on the COMESA Industrial Policy; and in this regard, it focuses on nine key priority areas: Agro-processing, Energy, Textile and Garments, Leather and Leather Products, Mineral Beneficiation, Pharmaceuticals, Chemicals and Agro-Chemicals, Light Engineering and the Blue Economy. These focus areas have been identified as those that will have the greatest impact on the sustainable and inclusive economic growth to attain a structural transformation of the economies of COMESA Member States.

The COMESA Industrial Strategy (2017-2026) is also in line with the COMESA Medium Term Strategic Framework where industrialization is one of the strategic pillars.

This Industrialisation Strategy is also underpinned by national industrialisation policies and strategies and draws lessons from best regional and international practices for developing a vibrant and sustainable industrial sector that will ensure equitable benefits to all the people of COMESA Member States.

The Strategy is informed by two models of industrialization, the natural resources-led and the human resources-led model or a combination of the two, depending of the country's particularity.

Broad specific targets of the COMESA Industrial Strategy are the following:

- Diversifying the manufacturing base to reduce imports of value added agricultural and resource based commodities by at least 15% in 2025 from the current estimate of 7%;
- Increase in value addition activities as a percentage of GDP by at least 20% by 2025 from the current estimate of 9%; and

- Increase intra-regional manufactured exports relative to total manufactured imports to the region to at least 25% by 2026 from the current 7%.

The broad strategic policy interventions include:

- 1) Promoting investment in green technologies to ensure environmental preservation;
- 2) Increasing the manufacturing base and product diversification by promoting key priority sector;
- 3) Strengthening value addition and value chains at both national and regional levels as a way of economic transformation and employment creation;
- 4) Strengthening national and regional human and institutional capacities to enhance competitiveness of the industrial sector;
- 5) Promoting and enhancing MSMEs/MSMIs industrial competitiveness in the member states;
- 6) Creating and strengthening region`s capacity for innovation and effective application of science and technology in industrialisation;
- 7) Promoting labour intensive industries that generate employment opportunities;
- 8) Empowering women and youth through activities that increase their income and contribution to national and regional industrialization efforts;
- 9) Expanding trade and market access for manufactured products in the region; and
- 10) Encouraging cooperation between Member States to combat illicit trade and counterfeiting.

In addition, the Strategy outlines eight enablers for its successful implementation. These include: Infrastructure development, enabling legal, regulatory and institutional business environment, Access to finance, Standardization, Quality assurance and Quality management systems, Establishment of Industrial parks/clusters/Special Economic Zones, Linking Science, Technology and Innovation (STI) to Industrial Development, Promoting the use of Diaspora resources and Promoting local content and local sourcing.

The Action Plan is drawn from the above specific and strategic policy interventions. The costing is related only to regional interventions

## ACTION PLAN FOR THE IMPLEMENTATION OF THE COMESA INDUSTRIALIZATION STRATEGY

### 1. ACTION PLAN FOR RESULT AREAS

Result Areas and Activities						
Strategic Interventions	Performance Indicators	Budget(\$US)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Result 1:</b>						
<b>Sustainable Industrialization promoted</b>						
<b><u>Activities</u></b>						
1. Carry out a study to document best practices including laws and regulations on sustainable investment in green industries, at regional and national levels	Best practices compiled by March 2020	<b>10,000</b>	Study report	COMESA Secretariat  RIA NIPAs	Availability of financial and human capacity and technology	September 2020
2. Develop Corporate Social Responsibility (CSR) Guidelines for use by manufacturing industries in the Member States	CSR Guidelines developed by July 2020	<b>25,000</b>	CSR guidelines	COMESA Secretariat	Availability of Fund	July 2020
3. Hold one Regional validation meeting on best practices on sustainable industrial development and CSR	Working documents prepared by August 2020	<b>93,000</b>	Report of the meetings	COMESA Secretariat	Availability of fund	September 2020
4. Facilitate Peer learning including study visits on cleaner production initiatives	Number of Member States practicing cleaner production initiatives by 2024	<b>200,000</b>	Reports	COMESA Secretariat	Commitment by relevant stakeholders	2020-2024
Result Areas and Activities						

Strategic Interventions	Performance Indicators	Budget (\$US 000)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Result 2:</b>						
<b>Manufacturing base and product diversified</b>						
<b>Activities</b>						
1. Establish a regional mechanism for promoting start-ups that contribute to the widening of the manufacturing base and product diversification	A mechanism for promoting start-ups that contribute to widening of manufacturing base and product diversification established and operational by 2020	<b>145,000</b>	COMESA Organs and activity Reports	COMESA Secretariat	Availability of financial and human capacity and Technology	March 2020
2. Develop Regional Industrial Rebates framework for use by Member States	Regional Industrial Rebates framework developed by March 2020	<b>47,500</b>	Regional Rebates Framework	COMESA Secretariat	Availability of fund	June 2020
3. Convene a regional meeting to adopt the Regional Rebates Framework	Regional meeting convene and framework adopted by June 2020	<b>90,000</b>	Regional Rebates Framework	COMESA Secretariat	Availability of fund	June 2020
<b>Result 3:</b>						
<b>Promoting SMEs participation in Value - Addition and Value-Chains</b>						
<b>Activities</b>						
1. Organize linkages and alliances to promote business linkages between MSMEs, intermediaries and large corporations for mutually beneficial business activities	Number of MSMEs and intermediaries linked with larger corporations	<b>450,000</b>	COMESA Organs Reports and National and Regional Reports	Member states COMESA Secretariat	Availability of financial and human capacity and Technology	2019-2023

2. Organise capacity building programmes for MSMEs and other VC actors to comply with international standards and SPS/TBT as well as food safety requirements to improve their access to regional and other international markets and improve their competitiveness	Number of MSMEs and value chain actors compliant with international standards and SPS/TBT as well as food safety requirements by 2026	<b>258,000</b>	COMESA Organs Reports and National and Regional Reports	COMESA Secretariat Member States Stakeholders from Private sector	Sustained SMEs' engagement	2020-2026
3. Support MSMEs in the nine priority sectors ( products) to access modern technologies, tooling and small equipment/machinery to enhance their competitiveness through increased production, quality, labelling and packaging improvements	Number of MSMEs accessing and using modern technologies, tools and small equipment/machinery by 2026	<b>600,000</b>	Activity Reports	COMESA Secretariat Member States Stakeholders from Private sector	Sustained SMEs' engagement	2020-2026
4. Develop regional policy interventions framework to support MSMEs to benefit from procurement (public and private)	Number of Member States that aligned their policy interventions to the regional policy frameworks on procurement	<b>47,500</b>	Regional and National Reports	COMESA Secretariat Member States	Sustained SMEs' commitment	April 2020
5. Convene regional meeting to adopt the regional policy framework	Regional framework adopted by Member States by 2020	<b>90,000</b>	Regional framework document	COMESA Secretariat Member States	Availability of funds	2020
6. Develop a cooperation programme to enhance regional value chains through establishing common facilities to strengthen regional value chains	Regional cooperation programme and common value chain facilities established by 2020	<b>30,000</b>	Reports and the value chain common facilities	COMESA Secretariat Member States	Availability of funds	2024

### Result Areas and Activities

Strategic Interventions	Performance Indicators	Budget (\$US)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Result 4:</b>						
<b>National and regional human and institutional capacities strengthened</b>						
<b>Activities</b>						

1. Profile priority sectors for capacity building	Priority sectors profiled by December 2019	<b>17,500</b>	Regional and National Reports	COMESA Secretariat Member States	Availability of financial and human capacity and Technology	December 2019
2. Assess existing capacities of institutions and human capital in selected sectors to support and promote industrialization at national and regional levels;	Base line study report produced by June 2020	<b>30,000</b>	Baseline report	COMESA Secretariat	Availability of funds	June 2020
3. Develop capacity building programs of institutions to implement and strengthen sustainable industrialisation in the region;	Number of target institutions capacitated	<b>26,250</b>	Activity report	Member States ACTESA	Availability of financial and human capacity and Technology	March 2020
4. Facilitate establishment/enhancement of national and regional entrepreneurship centres of excellence and innovation for business development particularly for MSMEs	Established/strengthened entrepreneurship incubators for MSMEs in at least 10 countries by between 2020-2026	<b>2,000,000</b>	Activity report	Secretariat Member States	Availability of financial and human capacity and Technology	2020-2023
<b>Result 5:</b>						
<b>Micro Small and Medium Enterprises/Industries (MSMEs/MSMIs) transformed</b>						
<b>Activities</b>						

1. Conduct a study to identify the MSMEs and the regional and global clusters to be linked	MSMEs and regional and global cluster linkages identified by April 2020	<b>1,000,000</b>	Study Report	COMESA Secretariat Member States	Sustained engagement from SME actors	April 2020
2. Develop MSMEs/MSMIs linkages using cluster development approach with identified regional and global clusters to enhance information and market access	Number of MSMEs/MSMIs benefiting from the cluster linkages	<b>57,500</b>	Activity Report	Member States	Member States political will	2020-2026

3. Assess how MSMEs are benefiting from the linkages with regional and global clusters through information and market access	Number of monitoring and evaluation missions conducted	<b>110,250</b>	Mission reports	COMESA Secretariat	Availability of fund	2020-2026
<b>Result 6:</b> <b>R&amp;D, Technology and Innovation Capabilities Strengthened</b>						
<b>Activities</b>						
1. Develop a regional programme for the upgrading of MSMEs/MSMIs technology and quality management systems with technical assistance from UNIDO and other cooperating partners	Regional MSMEs/MSMIs technology and quality management systems programme developed by October 2020 October 2019	<b>31,250</b>	COMESA Reports  National Reports	Secretariat  Member States	Sustained engagement from SME actors	October 2020
2. Establish and enhance Centres of Excellence in technology transfer and diffusion with technical assistance from UNIDO and other cooperating partners.	Centres of Excellences promoting technology transfer and diffusion by January 2021	<b>2,200,000</b>	COMESA Reports National IPR Reports	COMESA Secretariat Member States	Availability of institutional and human capacity	2020-2021
3. Strengthen Intellectual Property Rights (IPR) mechanisms	IPR mechanisms strengthened by April 2020	<b>47,500</b>	COMESA and Member States Reports	COMESA Secretariat Member States , ALLPI and ARSO	Member States readiness	April 2020
4. Establish a regional industrial development and innovation grant scheme to support industrial research, technology development and innovation	Regional grant scheme established by March 2020	<b>5,000,000</b>	Innovation Grant scheme Report	COMESA Secretariat	Member States participation	March 2020
	Number of SMES that are befitting from grant schemes	<b>90,000</b>				
5. Establish a regional R&D information database for information sharing;	Information data base established by September 2020 September 2020	<b>49,000</b>	Database	COMESA Secretariat  Member States	Member States participation	2020-2026
	Number of SMEs accessing the database by December 2020		National reports Council decision			



Result Areas and Activities						
Strategic Interventions	Performance Indicators	Budget (\$US)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Result 7:</b>						
<b>Gender and Youth mainstreamed in Manufacturing sector</b>						
<b>Activities</b>						
1. Identify number of women and youth involved in industrial activities	proportion of youth and women involved in industrial activities determined by February 2020	47,500	National Reports Study reports	COMESA Secretariat Member States	Government and NGO participation	February- June 2020
2. Conduct baseline study including capacity needs of Women and youth involved in industrial activities in at least 10 Member States	Baseline study report by June 2020					
3. Strengthen capacity of women and youth entrepreneurs to participate in the industrial sector and access regional and international markets in at least 10 countries, for 4 years	Number of women and youth that benefited from the capacity programmes	700,000	Reports	COMESA Secretariat Related COMESA Institutions	Commitment of the relevant stakeholders	2020-2024
4. Establish programme and schemes that increase participation of women and youth in industrial activities	Increased number of women and youth participating in regional and international markets by between 2020 and 2026	45,000	Reports	COMESA Secretariat and Related COMESA Institutions	Commitment of the relevant stakeholders	2020-2026
<b>Result 8:</b>						
<b>Regional trade in manufactured products enhanced</b>						
<b>Activities</b>						
1. Develop a regional export promotion strategy	Export promotion strategy developed and adopted by July 2020	47,500	Study Report	Secretariat Member States  ACTESA and relevant institutions	Availability of financial and human capacity	July 2020
2. Develop business practice manual on export requirements including rules of origin among others to relevant stakeholders	Export Business practices manual prepared by October 2019	47,500	Activity Report	Secretariat Member States  ACTESA and relevant institutions	Commitment by Member States	October 2019

3. Develop business case for "made in COMESA"	Regional brands developed, adopted and promoted by April 2020	<b>322,000</b>	Activity Report	Secretariat CBC ALLPI	Commitment by Member States	September 2020
4. Develop governance and implementation framework for "Made in COMESA Label"	Governance and implementation framework developed by June 2020		Framework document			
5. Develop Guidelines for made in COMESA Labels	COMESA Label Guidelines developed by August 2020		COMESA Label and guidelines			
6. Set up a regional export award scheme to encourage export expansion of manufactured products	Regional export award scheme established and operational by October 2020	<b>1,547,500</b>	Activity Report	Secretariat CBC ALLPI	Commitment by Member States	June 2020
7. Organize regional buyer-seller meetings and exhibitions for raw materials, intermediary and finished products for the various value chains	Number of Business Linkages developed following the exhibitions and meetings.	<b>1,300,000</b>	Activity Report	Secretariat CBC, ALLPI	Commitment by relevant stakeholders	2020-2026

### Result Areas and Activities

Strategic Interventions	Performance Indicators	Budget (\$US)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Result 9:</b>						
<b>Regional Programme for combating illicit trade developed</b>						
<b>Activities</b>						
1. Develop a regional Anti- Illicit trade regulatory framework by Member States	Regional Anti-illicit trade framework developed by June 2021	<b>47,500</b>	Activity Report	COMESA Secretariat Member States (Revenue Authorities and other relevant institution) ACTESA	Availability of institutional and human capacity  Member States political will	June 2021
2. Convene a regional meeting to adopt the Regional Anti-Illicit trade regulatory Framework	Regional Anti-illicit trade framework adopted by September 2021 for implementation by Member States	<b>90,000</b>	Activity Report	COMESA Secretariat Member States (Revenue	Availability of institutional and human capacity	September 2021

				Authorities and other relevant institution) ACTESA	Member States political will	
3. Undertake monitoring on surveillance and information systems	Number of borders where surveillance are undertaken between 2020 and 2021	<b>30,000</b>	Mission reports	COMESA Secretariat Member States ACTESA	Availability of institutional and human capacity  Member States political will	December 2021
4. Develop Information system to enhance collaboration and cooperation	Number of measures put in place to address illicit trade	<b>150,000</b>				
<b>Sub Total Cost</b>		<b>17,179,750</b>				

## 2 ACTION PLAN FOR ENABLERS AND ASSOCIATED ACTIVITIES

Strategic Interventions	Performance Indicators	Budget(\$US)	Means of Verification	Implementing Institution/body	Assumption	Timeframe
<b>Enabler 1:</b> <b>Standardization, quality assurance and quality management systems strengthened</b>						
<b><u>Activities</u></b>						
1. Strengthen Regional standards, quality Assurance and Metrology (SQAM) Infrastructure	Need assessment carried out in at least 10 Member States by June 2021	<b>49,000</b>	Activity Reports	COMESA Secretariat Member States	Availability of financial resources, human and institutional capacity	2021-2024

	Legal regulatory frameworks enhanced between 2021 and 2024	<b>430,000</b>		National		
	At least 10 MS reporting the legal regulatory barriers affecting trade by 2022					
2. Establish Regional Multi-Economy Accreditation mechanisms through twinning arrangements with SADCAS and other regional accreditation bodies	Regional multi-Economy Accreditation mechanisms developed and established by 2022	<b>300,000</b>	Activity Reports	Bureau of Standard, Accreditation bodies and Metrology institutions  Development Partners	Availability of financial resources, human and institutional capacity	June 2022
<b>Enabler 2:</b>						
<b>Critical infrastructure for industrialisation developed</b>						
<b>Activities</b>						
1. Develop a regional Guidelines based on best practices on Industrial Parks/Clusters/Special Economic Zones for use by Member States	Best practices mapped by March 2020.	<b>47,500</b>	PPP Concessional agreement signed	COMESA Secretariat  Member States	Availability of financial resources, human and institutional capacity	August 2020
	Adopted Regional Guidelines on Industrial Parks/Clusters/Special Economic Zones, by August 2020	<b>90,000</b>				
2. Promote and strengthen public-private partnerships (PPPs) for selected infrastructure development in support to Industrialisation	Number of infrastructure supported by public-private partnerships by 2021	<b>49,000</b>	Regional and national reports	COMESA Secretariat Member States	Availability of financial resources, human and institutional capacity	2020-2021
<b>Enabler 3:</b>						
<b>An enabling legal, regulatory and institutional business environment put in place</b>						
<b>Activities</b>						
1. Reduce / eliminate regulations which impede investment flows into the regional and international levels compiled based on critical indicators (GCI, WB, Mo index, etc.)	Number of regulations that impede investment flows into the region that are eliminated/reduced by September 2020	<b>47,500</b>	COMESA Investment reports and other reports	Member states	Availability of financial resources  Availability of human and institutional	2019-2026

	Number of Member States with increased ease of doing business indices between 2020 and 2026	<b>2,500,000</b>			capacity	
2. Conduct capacity needs assessment and Strengthen capacities of COMESA Member States investment promotion agencies in policy and institutional advocacy	capacity needs identified by March 2020	<b>49,000</b>	Regional and national reports	Member States/IPAs Secretariat	Availability of financial resources and human capacity	2020-2026
	Number of IPAs in MS whose capacity have been built between 2020 and 2026	<b>215,000</b>				
<b>Enabler 4:</b>						
<b>Access to adequate and affordable finance improved</b>						
<b>Activities</b>						
1. Strengthen linkages between industrialists of the region and financing partners including, ACP, EU, 11 <sup>th</sup> EDF support to private sector development pillar to benefit from the available financing facilities.	At least five B2B platforms among the COMESA-financing partners organized . between 2020 and 2022	<b>90,000</b>	Activity reports	COMESA Secretariat	Availability of financial resources	2020-2024
	Number of linkages established between industrialists and financing partners between 2020 and 2024	<b>400,000</b>	Activity Reports	Member States National Private Sector COMESA Secretariat	Readiness of the private sector actors	
2. Assist Member States to identify institutions supportive MSMEs development	Number of institutions supportive to MSMEs development identified by May 2020	<b>500,000</b>	Activity Reports	COMESA Secretariat Private sector actors	Readiness and political will from MS	2020-2024
	t					
3. Member States to establish /strengthen dedicated financial institutions through mandated institutions to support industrialisation, including setting up specific fund for industrialisation especially for MSMEs	Special purpose funding schemes for MSMEs set up/strengthened in at least 16 MS by 2024	<b>350,000</b>	Funding scheme	Member States		

4. Support MSMEs in project preparation, access to finance and entrepreneurship skills development	At least 50 MSMEs capacitated to access finance between 2020 and 2024.	200,000	Activity reports			
<b>Strategic Interventions</b>	<b>Performance Indicators</b>	<b>Budget (US)</b>	<b>Means of Verification</b>	<b>Implementing Institution/body</b>	<b>Assumption</b>	<b>Timeframe</b>
<b>Enabler 5:</b>						
<b>Industrial Parks/Special Economic Zones (SEZs) Established</b>						
<b>Activities</b>	Needs assessment report by February 2021	<b>47,500</b>	Activity Reports	Member States Secretariat	Availability of financial resources	2020-2022
1. Conduct needs assessment in least 10 Member States						
2. Facilitate formulation of laws and regulations for industrial parks/ special economic zones (SEZs)	Number of Member States that have formulated laws and regulations on the parks and SEZs by 2022	<b>215,000</b>	Activity Reports	Member States Secretariat	Availability of financial resources	2020-2022
<b>Enabler 6:</b>						
<b>Linking Science, Technology and Innovation (STI) to Industrial Development</b>						
<b>Activities</b>	Regional framework for integrating STI into national industrial plans developed, adopted and disseminated among Member States by 2021	<b>90,000</b>	National Development policies	COMESA Secretariat Member States	Regional stability Availability of financial resources	2020-2021
1. Put in place an institutional Framework based on best practices for integrating STI into national industrial plans	Number of Member States with specific laws and regulations on STI by 2021	<b>47,500</b>	COMESA Secretariat Reports			
	Number of monitoring missions on status of institutional cooperation framework on STI in Member States by 2022	<b>112,500</b>				
<b>Enabler 7:</b>						

<b>Diaspora Resources Harnessed</b>						
<b>Activities</b>						
1. Conduct stocktaking on existing initiatives to attract diaspora resources and experts in various fields including STI to contribute to industrial development	Stocktaking report done by January 2020	<b>47,000</b>	National Policy Documents	COMESA Secretariat Member States	Availability of institutional and human capacity	January 2020
2. Develop and adopt policy to attract diaspora investments	Diaspora policy developed and adopted by July 2020	<b>200,000</b>	Activity Reports	COMESA Secretariat Member States	Availability of institutional and human capacity	July 2020
3. Facilitate Peer learning on initiatives on financial instruments such as interest-bearing bonds, diaspora investment funds and other arrangements	Number of regional Diaspora investment financing instruments developed by February 2022	<b>127,000</b>	COMESA Secretariat Reports	COMESA Secretariat Member States	Availability of institutional and human capacity	February 2022
<b>Descriptive Summary</b>	<b>Objective Verifiable Indicators</b>	<b>Budget (\$US)</b>	<b>Means of Verification</b>	<b>Implementing Institution/body</b>	<b>Assumption</b>	<b>Timeframe</b>
<b>Enabler 8:</b>						
<b>Local Content and Sourcing in Industrial Development promoted</b>						
<b>Activities</b>						
1. Develop a Regional Local Content Policy Guidelines for the industrial development	Regional Local Content Policy Guidelines developed by March 2019	<b>23,000</b>	National Laws and legislation on Local Content Reports	Member States	Availability of financial and human resources	June 2019
	Regional Local Content Policy Guidelines considered for use by Member States by June 2019	<b>90,000</b>				
2. Facilitate Member States to enact laws and regulations to increase local content and align them to the Regional Local Content Policy Guidelines	Number of Member States with revised laws and regulations to support local content by 2022	<b>240,000</b>	Report	COMESA Secretariat Member States	Readiness and political will from MS	2020-2022

3. Promote consumption of regionally manufactured products through awareness campaigns.	Number of regional forums organised to promote consumption of regionally manufactured products by December 2022	<b>372,000</b>	Activity Reports	COMESA Secretariat (Statistics Units)		2020-2024
	Number of regional manufacturers participating in exhibitions and trade fairs organised by COMESA and other regional institutions by 2022		Activity reports	Member States		
	% increase in regional market share of the manufactured products and services produced by MS by 2024	<b>112,500</b>	Market Survey reports	Association of Consumer protection		
<b>Sub Total Cost</b>		<b>7,088,500</b>				
<b>GRAND TOTAL COST</b>		<b>24,268,250</b>				