



THE 4TH COMESA MEETINGS ON **INDUSTRY**

24 – 25 May 2021

4th Meeting of the Technical Committee on Industry

27 May 2021

4th Meeting of the Ministerial Committee on Industry

THEME: “Deepening Post COVID 19 Regional Integration through inclusive and sustainable industrialization”

Preamble

The 4th COMESA Ministerial and Technical Committee Meetings on Industry are scheduled to take place from 24 to 27 May 2021. The meeting will draw participants from the 21 COMESA Member States to deliberate on the Progress in Implementing Council Decisions related to Industry since the 3rd Committee Meetings on Industry, which took place in June 2019. The technical committee meeting will begin on May 24 to 26 followed by the Ministerial Meeting on 27 May 2021.

Among the key agenda items are:

- The Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after the COVID 19 Period
- Status of Metrology Infrastructure in the COMESA Region
- COMESA Local Content Policy Framework
- COMESA Framework on Managing Industrial Parks (IPs) and Special Economic Zones (SEZs)
- Zambia and Zimbabwe to implement a Joint Industrialization Cooperation Programme
- Public Awareness to MS on the COMESA Common Investment Area (CCIA)

COMESA to Adopt Draft Guidelines on Increasing Sustainable and Inclusive Industrialization Pre and Post COVID-19

COMESA Secretariat has developed mitigation measures to combat the effects of COVID 19 on industrial production. The measures are aimed at fostering local production of essential goods and services in a way that will lead to sustainable and inclusive economic transformation.

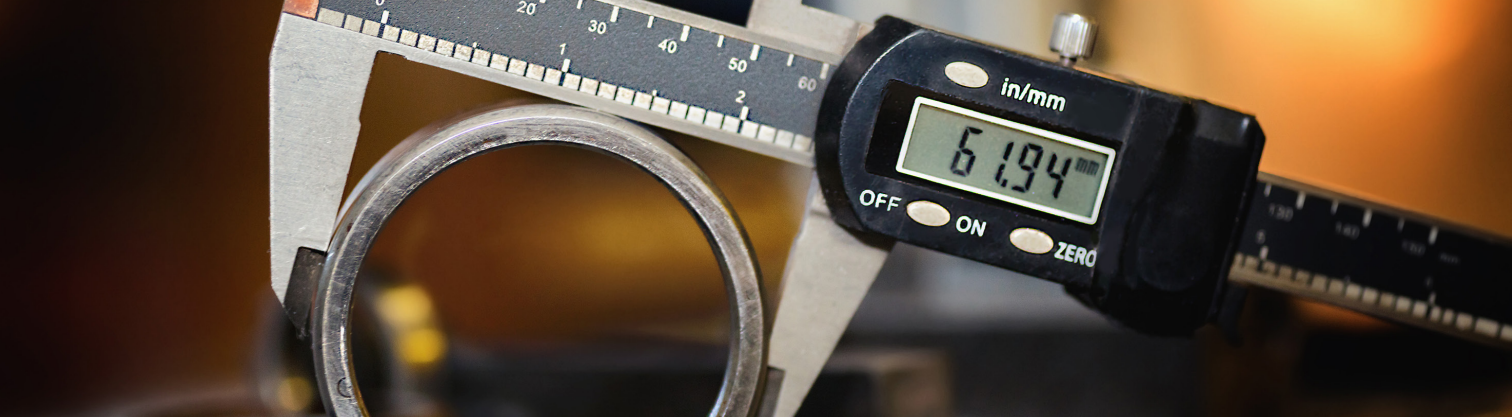
Industrialization has been identified as one of the key pillars that will drive social and economic structural transformation in the next 50 years. To facilitate the realization of inclusive and sustainable industrialization, Member States adopted the COMESA Industrial Policy and Strategy and the related Action Plan. The Strategy and Action Plan identifies key priority sectors, key intervention areas, key policy instruments, including those of monetary, fiscal and structural nature, institutional setups, governance

requirements, capacity support as well as internal and external partnerships.

However, the implementation of the Industrial Strategy and Action Plan, comes at a time when the region has been affected by the Coronavirus pandemic (COVID-19). The pandemic has triggered a serious global crisis affecting Member States brought including loss of human lives and major disruption to economic activity.

Thus the development of the COMESA guidelines on increasing sustainable and inclusive industrialization are timely in enabling the Member States' recovery efforts from the effects of the pandemic. The guidelines will be presented at the 4th COMESA Meeting of Industry for consideration and adoption.





Metrology Infrastructure, Key to Intra-Regional Trade in the COMESA Region

The demand for reliable, accurate and comparable measurement and test results continues to grow rapidly in industrial production, trade, food safety among other subsectors. Considerable challenges, however, continues to face this industrial sector in the COMESA region. Several Member States are at a disadvantage relative to their trading partners, as they lack these measurements.

For example, foreign countries that import the products from COMESA are increasingly rejecting the products due to the non-acceptance of measurement

and test results carried out by the exporting countries, or by a lack of any measurement and test result at all.

One of the reasons to this, is the lack of proper quality infrastructure without which and in the wake of globalization, it is difficult to manufacture to international specifications and tolerance.

Quality infrastructure also ensures the following.

- (i) Integrity of export commodities
- (ii) Quality Control for the acceptance of fresh produce at

the port of arrival

- (iii) Lock out of unsafe imports
- (iv) The overall health and safety of the population

One fundamental issue of concern is the lack of traceability in areas such as mass, volume, flow, temperature, and chemical measurements. These measurements are important for many products manufactured and traded by countries in the COMESA region.

In response to this, the metrology project sub-component under the

11th EDF Technical Barriers to Trade (TBT) Trade Facilitation Programme, aims at strengthening and upgrading the Regional Metrology Infrastructure through addressing the key measurement gaps as well as enhancing the capacity, capability, competence and international recognition of National Metrology Organizations in the region.

To this effect a detailed technical assessment and evaluation of the measurement status in the COMESA Region was undertaken in 2019 to provide data and identify information gaps in this area. The assessment report incorporates some recommendations in line with the AFRIMETS categorization system. The report, which was validated by COMESA Member States forms the basis for the design and implementation of interventions to upgrade and strengthen National Metrology Institutions in the Member States.

The report on the status of the Metrology Infrastructure in the COMESA Region, will be presented at the 4th COMESA meeting on Industry for noting.



Local Content Policy Framework - A Key Driver to COMESA's Industrialization Agenda

COMESA Member States adopted the COMESA Industrial Strategy and Action Plan in September 2017 in Lusaka, Zambia as one way of deepening inclusive and sustainable economic transformation through industrialisation and consequently regional integration. During the meeting, Member States directed the Secretariat to develop the COMESA Local Content Framework as one key industrialisation enabler in the Strategy. The Framework was adopted by the Member States in June 2019 in Nairobi, Kenya. The Ministerial Decision at that meeting

was to domesticate the Framework by developing harmonised Regional Guidelines of the Implementation Strategy as a matter of urgency and be presented to the Member States for adoption.

Currently, there are various Local Content instruments/legislation or measures across the COMESA Member States that are being initiated to incentivize companies on the use of local products, businesses, resources and workers, especially in the extractive industries. These instruments are

Local Content Policy...

sometimes being included as part of investment agreement contracts. In some instances, investors also have been implementing some Local Content related policies and principles at the company level. Some have been effective at developing local businesses and capacity and in some cases, they have produced mixed results.

As a result of the above scenario, there was a need to come up with a harmonised approach to implementing local content policy to understand and achieve the proper balance between immediate tangible benefits and long-term economic development.

COMESA thus developed guidelines on the implementation of the COMESA Local Content Policy Framework to assist its Member States in developing their National Local Content Policy Implementation Strategies. The guidelines will be presented at the 4th COMESA Meeting on Industry for consideration and adoption.



COMESA Develops Framework for Managing Industrial Parks (IPs) and Special Economic Zones (SEZs)

As spelt out in Chapter 12 of the COMESA Treaty, Member States have agreed to cooperate in industrial development. COMESA is cognizant of the fact that economic transformation and sustainable development cannot be achieved without a major structural shift towards an enterprising productive capacity. Across the COMESA region, countries are devising strategies and policies that will foster industrial growth and accelerate structural transformation of their economies.

One of the tools that has attracted growing interest in recent years from governments, Regional Economic

Communities (RECs) and development partners, is the establishment of Industrial Parks (IPs) and Special Economic Zones (SEZs) within countries or along regional economic corridors. The Member States have put in place special policy packages in implementing IPS and SEZs. These include import and export duty exemptions, streamlined customs and administrative controls and procedures, liberal foreign exchange policies, and income tax incentives to boost an investment's competitiveness and reduce business entry and operating costs.

In line with this, COMESA has developed



a framework for managing Industrial Parks (IPs) and Special Economic Zones (SEZs) for the region that aims at assisting MS in promoting sustainable, inclusive, and competitive Industrial Parks and Special Economic Zones. The Framework offers a broad range of key issues which must be considered when setting up the Industrial Parks and the Special Economic Zones to ensure inclusive economic activity that empowers the people and communities where parks are located.

The COMESA Framework for managing industrial Parks and Special Economic Zones will be presented at the 4th COMESA Meeting on Industry for consideration and adoption.



Zambia and Zimbabwe to Implement a Joint Industrialization Cooperation Programme

COMESA has since November 2019, facilitated the formation of a Joint Industrialization Cooperation Programme between the governments of Zambia and Zimbabwe. The Programme will ensure the two Member States easily collaborate by setting up joint ventures, which utilize complementarities of natural resources, value-addition, skills, technology, and marketing, among other capabilities. Priority sectors, based on comparative advantage will include agriculture and agro-industries, mining and mineral processing, petrochemicals, fertilizers

and pharmaceuticals, capital goods industries, textiles, forest-based industries, building materials and knowledge economy, among others. The Memorandum of Understanding (MoU) between the two Member States was signed on 18th March 2021 in virtual event. It is envisaged that once successful, the Programme will be scaled up to other Member States.

An update of the Zambia - Zimbabwe Joint Industrialization Cooperation Programme will be presented at the 4th COMESA Meeting on Industry for noting.



Public Awareness Campaigns to be Conducted in Member States on the Common Investment Area Agreement (CCIA)

In the 1998 COMESA Heads of State Summit held in Kinshasa, Democratic Republic of Congo, the leaders decided to transform the COMESA region into a Common Investment Area. Nine years later, the COMESA Authority adopted the COMESA Common Investment Agreement (CCIA), during

their Summit in Nairobi, Kenya in May 2007. Thereafter, in 2014, the Council of Ministers recommended that the Agreement should be reviewed to take into consideration the new emerging issues in the area of international investment regimes and specific standards regarding investor protection,

the rights and obligations of investors and the rights and obligations of the host countries.

The COMESA Secretariat with support of the International Institute for Sustainable Development (IISD) and UNCTAD, therefore started the revision of the

CCIA to integrate those recommended aspects through long consultative exercises that took three additional years. The revised version was finally adopted by the Council of Ministers in Lusaka, Zambia, in November 2017.

Major programmes to be implemented under the CCIA provisions include, among others, national treatment to be equally granted to COMESA investors and citizens of all Member States. The instrument ensures investment and investor's protection.

It also encourages Member States to carry out more reforms and liberalize by opening up economic sectors for growth to all investors, particularly the ones originating from the region. Further, it fosters the improvement of the overall ease of doing business environment in the region, urges for cooperation in investment promotion among MS through entering into Double Taxation Avoidance Agreements (DTAAs) and other investment agreements to boost

intra COMESA cross-border investment.

In addition, the framework highlights in its provisions dispute settlement mechanisms, national and regional conflicts resolution and exhaustion of local remedies, as well as respect to States' rights to regulate the investment environment. In total the instrument comprises 45 articles and 4 schedules.

The revised CCIA is also aligned to the Pan African Investment Code

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The CCIA is a promotional tool to guide Member States in various programmes aimed at harmonizing investment best practices and facilitating the private sector operations development in the region”

championed by the African Union and is inspiring ongoing negotiations on Investment Protocol under the African Continental Free Trade Area (AfCFTA).

The CCIA is perceived as a promotional tool to guide Member States in various programmes aimed at harmonizing investment best practices and facilitating the private sector operations development in the region. It is expected that the same instrument will be owned by COMESA Member States through ratification and domestication. Public awareness campaigns that were planned in the format of physical workshops with stakeholders and the media at the national level were temporarily put on hold due to COVID 19 pandemic related restrictions.

An update on the public awareness campaign to be conducted in Member States on the COMESA Common Investment Area Agreement (CCIA) will be presented at the 4th COMESA Meeting on Industry for noting.

VIRTUAL 4th TECHNICAL COMMITTEE MEETING ON INDUSTRY

24 – 25 May 2021

Provisional Agenda

Opening of the Meeting (Agenda item 1)

The COMESA Assistant Secretary General (Programmes) and Permanent Secretary of the Ministry of Commerce, Trade and Industry of the Republic of Zambia will make opening Remarks.

Election of the Bureau and Adoption of the Agenda and Organisation of Work (Agenda item 2)

The meeting will elect its Bureau in accordance with the normal practice. The meeting will also examine, amend as appropriate, and adopt the provisional Agenda and the provisional Organisation of Work.

Brief Presentation on Progress made in Implementing Council Decisions related to industry since 3rd Ministerial meeting on Industry (Agenda item 3).

The Secretariat will make a brief presentation on the progress made in implementing Council Decisions related to Industry since the 3rd Committee Meeting on Industry.

Briefs by Member States on the recent progress made on their industrialization development agenda (Agenda item 4).

Member States will get the opportunity to make their respective updates on progress made on industry.

Presentation of the Draft Implementation Strategy of the COMESA Local Content Policy Framework (Agenda item 5)

The Secretariat will present the Draft Implementation Strategy of the COMESA Local Content Policy Framework.

Presentation of the Draft COMESA Framework of managing Special Economic Zones (SEZs) and Industrial Parks (IPs) (Agenda item 6)

The Secretariat will present the Draft COMESA Framework of managing Special Economic Zones (SEZs) and Industrial Parks (IPs).

Presentation of the draft COMESA Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after COVID 19 (Agenda item 7)

The Secretariat will present the draft COMESA Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after COVID 19.

Presentation on the public awareness campaign to be conducted in Member States on the COMESA Common Investment Area Agreement (CCIA) (Agenda item8)

The Secretariat will make a brief presentation on the public awareness campaign to be conducted in Member States on the COMESA Common Investment Area Agreement (CCIA).

Presentation on the Technical Assessment of the Measurement Status of the Metrology Infrastructure in the COMESA Region (Agenda item9)

The Secretariat will make a brief presentation on the Technical Assessment of the Measurement Status of the Metrology Infrastructure in the COMESA Region.

Presentation of the Position Paper on Business by the COMESA Business Council (CBC). (Agenda item10)

The COMESA Business Council (CBC) will present a Position Paper on Business situation in the region.

Update on the Zambia - Zimbabwe Joint Industrialization Project and the way forward (Agenda item11)

The Secretariat will present for noting an update on the Zambia - Zimbabwe Joint Industrialization Project and the way forward.

Adoption of the Report of the Technical Committee (Agenda Item 12)

After deliberations, the Technical Committee will adopt its report

Any Other Business (Agenda item 13)

The Meeting will address any other business

Venue for the next meeting (*Agenda item 14*)

The meeting will consider the venue for the next meeting

Closure of the Meeting (*Agenda item 15*)

The Chairperson will formally close the meeting. The Secretariat will also make closing remarks. A representative of the distinguished delegations will present a vote of thanks on behalf of the other delegates.

PROVISIONAL ORGANISATION OF WORK FOR THE TECHNICAL COMMITTEE MEETING ON INDUSTRY

Monday 24th May 2021

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| 09.00 - 09.15 hours | Beginning of Meeting and Introductions |
| 09.15 - 09.30 hours | Opening of the Meeting (<i>Agenda Item 1</i>) |
| 09.30 – 09.45 hours | Election of the Bureau, Adoption of the Agenda and Organisation of Work (<i>Agenda Item 2</i>) |
| 09.45 – 10.30 hours | Presentation on Progress made in Implementing |
| 10.30- 12.00 hours | Briefs by Member States on the recent progress made on their industrialization development agenda (<i>Agenda item 4</i>) |
| 12.00 - 12.15 hours | Presentation of the Draft Implementation Strategy of the COMESA Local Content Policy Framework for consideration and adoption (<i>Agenda item 5</i>) |
| 12.15 – 12.30 hours | Presentation of the Draft COMESA Framework of managing Special Economic Zones (SEZs) and Industrial Parks (IPs) for consideration and adoption (<i>Agenda item 6</i>) |
| 12.30 - 12.45 hours | Presentation of the draft COMESA Guidelines on Increasing Sustainable and Inclusive Industrial Production during and after COVID19 for consideration and adoption (<i>Agenda item 7</i>) |
| 12.45 - 13.00 hours | Presentation on the public awareness campaign to be conducted in Member States on the COMESA Common Investment Area Agreement (CCIA) for noting (<i>Agenda item 8</i>) |
| 13.00 -13.30 | Health Break |
| 13.30 - 14.00 hours | Presentation on the Technical Assessment of the Measurement Status of the Metrology Infrastructure in the COMESA Region for noting (<i>Agenda item 9</i>) |
| 14.00- 14.15 hours | Presentation of the Position Paper on Business by The COMESA Business Council (CBC) for noting (<i>Agenda item 10</i>) |
| 14.15- 14.30 hours | Update on the Zambia – Zimbabwe Joint Industrialization Project and the way forward (<i>Agenda item 11</i>) |
| 14:30- 18.00 hours | Closing of the first day and draft of the report |

Tuesday 25th May 2021

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| 10.30 - 13.00 hours | Adoption of the Report of the Technical Committee (<i>Agenda Item 12</i>) |
| 13.00 - 13.15 hours | Any Other Business (<i>Agenda Item 13</i>) |
| 13.15 - 13.30 hours | Venue of the next Meeting (<i>Agenda Item 14</i>) |
| 13.30 - 14.00 hours | Closure of the technical meeting (<i>Agenda Item 15</i>) |

VIRTUAL 4th MEETING OF THE MINISTERIAL COMMITTEE ON INDUSTRY

27 May 2021

PROVISIONAL AGENDA

Opening of the Meeting (*Agenda item 1*)

The meeting will be opened by the Minister of Commerce, Trade and Industry of the Republic of Zambia. The COMESA Secretary General will make a statement.

Statements by development partners on industrialization programmes (*Agenda item 2*)

Development partners will make statements updating on ongoing and planned partnerships on industrial development programmes.

Election of the Bureau and Adoption of the Agenda and Organisation of Work (*Agenda item 3*)

The meeting will elect its Bureau in accordance with the normal practice. The meeting will also examine, amend as appropriate, and adopt the provisional Agenda and the provisional Organisation of Work. The Agenda and Organisation of Work of the meeting will be considered and discussed.

Presentation of the Draft Report of the 4th Technical Meeting on Industry for consideration (Agenda item 4)

The Chairperson of the Technical Meeting on Industry will present to Ministers the Draft Report of the 4th Technical Meeting on Industry for consideration.

Statements by Ministers on progress made by their respective Countries on industry (Agenda item 5)

Ministers will respectively make brief statements giving updates on progress being made on their national industrial programmes.

Adoption of the Draft Declaration (Agenda item 6)

Ministers will consider and adopt the Declaration sanctioning the meeting.

Any Other Business (Agenda item 7)

The Meeting will address any other business

Venue for the next meeting (Agenda item 8)

The meeting will consider the venue for the next meeting

Closure of the Meeting (Agenda item 9)

The Chairman will formally close the meeting. The Secretary General will also make closing remarks. A representative of the distinguished delegations will propose a vote of thanks on behalf of the other delegates.

VIRTUAL 4th MEETING OF THE MINISTERIAL COMMITTEE ON INDUSTRY

PROVISIONAL ORGANISATION OF WORK

27th May 2021

| | |
|---------------------|--|
| 09.00 – 09.15 hours | Beginning of Meeting and Introductions |
| 09.15 – 09.30 hours | Opening of Meeting (<i>Agenda Item 1</i>) |
| 09.30 – 10.00 hours | Statements by development partners on industrialization programmes (<i>Agenda item 2</i>) |
| 10.00 – 10.15 hours | Election of the Bureau, Adoption of the Agenda and Organisation of Work (<i>Agenda Item 3</i>) |
| 10.15 – 10.30 hours | Presentation of the Draft Report of the 4th Technical Meeting on Industry for consideration (<i>Agenda item 4</i>) |
| 10.30 – 11.15 hours | Statements by Ministers on progress made by their respective Countries on industrialization (<i>Agenda item 5</i>) |
| 11.15 – 13.45 hours | Adoption of the Draft Declaration(<i>Agenda item 6</i>) |
| 13.45 – 14.00 hours | Any Other Business (<i>Agenda Item 7</i>) |
| 14.00 – 14.15 hours | Venue for the next meeting (<i>Agenda Item 8</i>) |
| 14.15 – 14.45 hours | Closure of the meeting of Ministers (<i>Agenda Item 9</i>) |



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