Economic Commission for Africa
Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development
Forty-first meeting

Addis Ababa (hybrid), 15–17 March 2023
Item 6 of the provisional agenda*
Statutory issues

Report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on the twenty-eighth session

Note by the secretariat

The secretariat of the Economic Commission for Africa has the honour to transmit to the members of the Commission the report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on its twenty-eighth session.
Report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on the twenty-eighth session

I. Opening of the session

A. Introduction

1. The twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa was held in a hybrid format on 26 and 27 October 2022 in Maputo, under the theme “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation”.

B. Attendance

2. Delegates from the following Southern African member States participated in the session: Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe.

C. Opening statements

4. The official keynote address of the session was delivered by the Minister of Industry and Trade of Mozambique, Silvino Augusto Jose Moreno. Welcoming remarks were made by the Director of the Subregional Office for Southern Africa of the Economic Commission for Africa, Eunice Kamwendo, and pre-recorded remarks by the Acting Executive Secretary of the Economic Commission for Africa, Antonio Pedro. Statements were made by: the Director of Economic Affairs, Ministry of Finance and Economic Development of Malawi and Chair of the Bureau of the twenty-seventh session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, Rhino Mchenga; and the Permanent Representative of the African Union Regional Office for Southern Africa, David Claude Pierre.

II. Election of the Bureau and adoption of the agenda and programme of work

5. The delegates from the following countries were elected by the Committee to form the new Bureau:

Chair: Mozambique
Vice-Chair: Botswana
Rapporteur: Angola

6. The Committee adopted the following agenda for its twenty-eighth session:

(a) Opening session.
(b) Election of the Bureau and adoption of the agenda and programme of work.
(c) Presentation of statutory reports:
   (i) Economic and social conditions in Southern Africa;
   (ii) Programme performance of ECA in Southern Africa;
   (iii) Implementation of regional and international agendas and other special initiatives in Southern Africa, focusing on the Sustainable Development Goals relevant for green industrialization.
(d) Presentation and discussion of the thematic report on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation”.
(e) Presentation and recommendations of the ad hoc expert group meeting on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation”.
(f) Panel discussion on “The imperative for accelerated sustainable industrialization in the context of climate change, digitalization, and the need to finance infrastructure for development in the region”.
(g) Panel discussion on “Critical challenges of green industrialization through the lens of private sector experiences”.
(h) Panel discussion on “Harnessing regional integration for competitiveness: the imperative of digitalization, infrastructure development and digital skills capabilities in the region”.
(i) Panel discussion on “The green innovation hub: harnessing scalable innovations for greening industrialization in the region”.

(j) Presentation and adoption of the outcome statement of the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa.

(k) Host and venue of the twenty-ninth session.

(l) Closing of the session.

III. Presentation of statutory reports

7. The Committee considered three statutory reports submitted by the secretariat on: (a) economic and social conditions in Southern Africa in 2022 and prospects for 2023; (b) programme performance of the Subregional Office for Southern Africa; and (c) progress in the implementation of regional and international agendas and other special initiatives in Southern Africa, focusing on the Sustainable Development Goals relevant for green industrialization. The Committee also discussed the findings of the thematic study on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation” and reviewed and endorsed the recommendations of the ad hoc expert group meeting held on 24 October 2022 on the thematic study.


IV. Observations

9. The Committee made several observations on the basis of the presentations by the secretariat, and panel and plenary discussions on the reports.

10. On the subregion’s economic and social conditions in the face of the slow recovery from the coronavirus disease (COVID-19) pandemic, the undercurrents from the Ukraine war, and the resulting impact on fuel and food prices, the Committee:

   (a) Noted with concern the adverse impact of the Ukraine war on socioeconomic developments in member States and its adverse impact on post-pandemic socioeconomic recovery;

   (b) Highlighted the sustained high public debt levels, inherited from the pandemic era as countries committed resources to tackling the undercurrents from the pandemic, and the ongoing war in Ukraine, as having an adverse impact on economies and livelihoods in Southern Africa;

   (c) Appreciated the impact of the strides taken by member States to stabilize their economies as the pandemic waned, noting that micro-, small and medium-sized enterprises were playing an important role in anchoring recovery despite the constraints that they have faced;

   (d) Observed that the commodity boom had stabilized and even strengthened some member States’ economic fundamentals, including exchange rates, and called upon member States to take advantage of the windfall;

   (e) Appreciated how the global economic recovery, elevated demand for and subsequent increases in the prices of the subregion’s commodities, international solidarity and member States’ actions could help to promote recovery and prosperity;

   (f) Observed that, since Southern Africa continued to export mainly primary and intermediate commodities, and low value-added products such as textiles, food, beverages and chemicals, it remained vulnerable to highly fluctuating global prices;
(g) Expressed concern at the continued decline of manufacturing value added as a percentage of gross domestic product in the subregion, but highlighted that it was an indication of untapped manufacturing capacity that could be realized by intensified commitment to industrialization anchored in value addition and beneficiation;

(h) Regretted the low level of trade within Southern Africa and the subregion’s low level of trade with other African subregions, and noted that the African Continental Free Trade Area provided opportunities to further expand trade across the continent;

(i) Voiced concern over the impact of climate change on food security and inequality in the subregion and underscored the need for member States to invest in climate-proof food production systems;

(j) Emphasized that value chains in the subregion, especially in agriculture, agroprocessing and mining, had immense potential to anchor economic transformation and industrialization in the subregion, and called upon member States to create an environment that would nurture such value chains;

(k) Observed that aspects of the large informal sector in Southern Africa, including its informality, lack of social safety nets, inadequate access to basic social services, and inequality in respect of gender and location, were major sources of vulnerability and poverty in the subregion.

11. On progress in the implementation of regional and international agendas and other special initiatives in Southern Africa, focusing on the Sustainable Development Goals relevant to green industrialization, the Committee:

(a) Observed that the pandemic had reversed some gains made by member States in achieving the Goals of the 2030 Agenda for Sustainable Development and the goals and aspirations of Agenda 2063: The Africa We Want, of the African Union, including those aimed at greening industrialization;

(b) Underlined the importance of member States ensuring that programmes to achieve Sustainable Development Goals remained on course, despite the undercurrents from the pandemic and the adverse impact of the Ukraine war;

(c) Observed that the progress made in achieving the Sustainable Development Goals and related Agenda 2063 goals and aspirations, in particular those relevant to the green industrialization agenda, remained mixed and uneven across the subregion – some countries had made progress, while others had regressed or remained static;

(d) Emphasized that the subregion should tap into the opportunities arising from the green industrialization agenda such as green energy, green investment and technology spillovers from key partners in the energy transition;

(e) Emphasized the importance of addressing the impact of climate change through adaptation and mitigation to build resilient economies and communities and contribute to green industrialization;

(f) Highlighted the positive trends registered in some countries in pursuit of economic transformation, including relating to access to electricity, completion rates across all education levels, women in political leadership and growth in foreign direct investment;

(g) Underlined that sound institutional frameworks were a pre-requisite for economic growth and green industrialization;

(h) Highlighted the critical need to facilitate access to energy as a key enabler of both production and consumption and to support the development of energy infrastructure, including renewable energy technologies;
(i) Underscored that sustainable financing was key for safeguarding progress towards the achievement of the Sustainable Development Goals and the implementation of green industrialization initiatives;

(j) Accentuated the need to expand social safety nets, implement antidiscrimination measures, improve labour standards, and introduce measures to end all forms of inequality.

12. On greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation, the Committee:

(a) Appreciated the quality of the report, in particular the issues raised and recommendations proffered, and reminded member States of the importance of greening industrialization and the green economy as drivers of sustainable jobs and livelihoods, and the importance of digitalization, infrastructure and subregional integration in supporting socioeconomic development and green industrialization in the subregion;

(b) Underscored the need for member States to prioritize green industrialization to curb the adverse impact of industrial processes on sustainable development, with a view to safeguarding sustainable jobs and livelihoods;

(c) Observed the limited uptake of subregional green industrialization policies at the national level, despite member States’ commitment to industrialization and the development of subregional value chains;

(d) Regretted the limited emphasis on green industrialization in national strategies and action plans, which undermines the push towards greening industrialization, and the lack of instruments needed to support justiciability;

(e) Observed the constraints imposed by limited energy supply, including access to clean energy, on productivity and industrialization initiatives across Southern Africa, noting that the subregion has significant undeveloped energy resources that could be tapped and developed to close the deficit;

(f) Underscored the importance of embracing the fourth industrial revolution and creating a conductive environment in which the private sector could support such progress, including through public-private partnerships and enhanced research, development and innovation;

(g) Highlighted the critical role of subregional value chains in value addition and in creating linkages across member States, and the impact of such activities on the export of competitive value-added products through the African Continental Free Trade Area;

(h) Underscored that the African Continental Free Trade Area is a critical framework for supporting accelerated industrialization in Southern Africa and that member States should seize the opportunities presented by the framework;

(i) Also underscored the critical importance of economic diversification and value chains as anchors of transformation and leapfrogging, noting the plethora of forward, backward and horizontal linkages;

(j) Agreed that digitalization has the potential to change established economic development processes, while giving rise to new challenges relating to the distribution of welfare gains from industrialization and access to jobs;

(k) Noted the challenges posed by e-waste accumulation and the treatment and disposal of hazardous chemicals, emphasizing the need for such issues to be prioritized in sustainability strategies;

(l) Underscored the importance of energy, digitalization and infrastructure for the production and supply of goods and services and for overall competitiveness,
emphasizing that access to reliable energy is fundamental to promoting the manufacturing sector, transformation and industrialization;

(m) Stressed the need for regional economic communities to develop mechanisms to facilitate the uptake and implementation of subregional green industrialization policies by member States;

(n) Noted that trade and trade policy should play a role in all transformation strategies, and the importance of focusing on multilateralism and on trade agreements such as the African Continental Free Trade Area;

(o) Underscored that regulatory frameworks and investment in education, skills and infrastructure were required to facilitate the transition towards green industrialization, in addition to regional integration;

(p) Highlighted the importance of countries pursuing less carbon-intensive industrialization strategies, of African industries dealing with industrial pollution and plastic-related pollution by augmenting their waste management capacity, and of making use of data systems to track environmental pollution;

(q) Underscored that sustainable industrialization was critical to the achievement of Sustainable Development Goal 9, and should be adopted by African member States for the benefit of their people;

(r) Observed that, while Africa is feeling the brunt of climate change, it faces the dilemma of needing to produce more goods to create jobs and feed more people within a context of fast-rising populations, all while being mindful of the environment;

(s) Noted that digitalization of trade facilitation measures (e.g., through the Automated System for Customs Data of the United Nations Conference on Trade and Development) could reduce the cost of doing business and lower the carbon footprint of trade transactions;

(t) Underscored the importance of countries in the subregion expediting the diversification of their exports to increase market opportunities for various commodities in the subregion and beyond. It was further emphasized that the removal of tariffs and non-tariff barriers would help to strengthen the weak value chains in the subregion;

(u) Highlighted the critical importance of bringing in trade unions as equal partners in enhancing trade within the subregion, noting that they are key to addressing cost and opportunity issues along value chains;

(v) Applauded the current collaboration between the Democratic Republic of the Congo and Zambia on a battery precursor initiative, and between Zambia and Zimbabwe on a common agroindustrial park, noting that such efforts could and should be replicated in the fertilizer production industry in the subregion, building on existing capacity to ensure self-sufficiency.

V. Recommendations

13. The Committee proffered various recommendations to strengthen and stabilize the regional macroeconomic environment, build on pre-pandemic recovery momentum, intensify national and regional development initiatives towards achieving the Sustainable Development Goals, promote green industrialization, and leverage digitization, regional integration, infrastructure and the African Continental Free Trade Area.

14. On stabilizing and strengthening the regional macroeconomic environment to further sustain and boost recovery and anchor progress towards achieving the Sustainable Development Goals, member States should:
(a) Take advantage of the upward trend in and stabilization of commodity prices, and the resulting increased revenue inflows from exports, to invest in improving productive capacity to enhance future competitiveness; this could be facilitated by importing the requisite intermediate inputs to build capacity and create fiscal buffers to counter future shocks;

(b) Judiciously implement economic and social policies to eradicate poverty, inequality in all its forms (on the basis of gender, age, disability, race and geography, among other factors) and vulnerability, with a view to achieving social justice in all member States;

(c) Vigorously pursue green industrialization by implementing pertinent policies, establishing attendant institutions and providing resources to adequately support programmes to promote green industrialization and the green economy;

(d) Create an environment to facilitate the growth of subregional value chains across member States, value addition and beneficiation, for the production and export of competitive products through the African Continental Free Trade Area;

(e) Accelerate trade liberalization across the subregion through the removal of tariff and non-tariff barriers to facilitate the growth of cross-border value chains, accelerate development of infrastructure, and create sustainable jobs and opportunities for all stakeholders, including young people and women;

(f) Support investment in the development of energy infrastructure, including renewable energy resources, as a critical enabler of both production and consumption, and facilitate energy access at competitive prices for all stakeholders;

(g) Scale up value addition and beneficiation of commodities for which a comparative advantage already exists;

(h) Make deliberate efforts to ensure robust engagement with all stakeholders, including the private sector, academia, and young people- and women-oriented business organizations, in the development of policies and strategies, including those that support industrial development and the development of value chains;

(i) Strengthen and scale up domestic resource mobilization to support industrialization initiatives and ensure that sustainable financing is available for development programmes, including those anchored in the Sustainable Development Goals and other specific national development priorities, and leverage sources of funding, including from the African Development Bank, Afreximbank, and the Development Bank of Southern Africa, among others.

15. On promoting green industrialization and leveraging digitalization, regional integration and the African Continental Free Trade Area:

(a) Member States should:

(i) Develop and implement national green industrialization strategies and policies that are aligned with pertinent regional frameworks and establish adequately financed institutions to oversee the implementation of these green initiatives;

(ii) Create and support, through appropriate incentives and other mechanisms, a platform for the private sector, through public-private partnerships and other mechanisms, to invest in transport infrastructure and energy to strengthen value chains, support green development, foster regional trade and promote industrialization;

(iii) Introduce mechanisms and strategies to climate-proof agriculture to strengthen resilience, sustain productivity, address food insecurity and inequality, and generate sustainable jobs;
(iv) Accelerate the implementation of regionally agreed programmes to develop transport infrastructure and energy resources, including those under the SADC Infrastructure Master Plan and the Programme for Infrastructure Development in Africa;

(v) Intensify, through appropriate strategies, the development of renewable energy resources, including solar and mini hydro, to support agroprocessing and other value-addition activities in rural and off-grid communities;

(vi) Support research and technology development and innovation by the private sector, innovation hubs, universities and research institutions through appropriate fiscal and other incentives, and facilitate the maturing of such innovations into industrial applications that are protected by intellectual property laws;

(vii) Accelerate regional integration in general, including the implementation of the Agreement Establishing the African Continental Free Trade Area, including through the development and implementation of related national strategies and action plans;

(viii) Adopt and implement automated customs solutions to facilitate the ease of movement of exports and imports across national boundaries and to build the requisite capacity to sustain such initiatives;

(ix) Develop and implement, in a fully inclusive process, harmonized regional policies on the disposal of e-waste, including waste from redundant technologies.

(b) Regional economic communities should:

(i) Develop and implement mechanisms to encourage member States to implement green industrialization frameworks and strategies in line with local conditions, and encourage them to establish institutional structures to monitor the implementation of green initiatives;

(ii) Provide a platform for regional stakeholders, including the private sector, to showcase research, development and innovation activities, including those focused on green industrialization, for example, during the Africa industrialization week, to facilitate knowledge-sharing and technology adoption.

16. The Committee urged the secretariat to strengthen collaboration in the implementation of the integrated planning and reporting toolkit in Southern Africa and to ensure that all aspects of Agenda 2063 are incorporated into the implementation of any subregional interventions and development plans, including the provision of support under the toolkit.

17. The Committee endorsed the recommendations of the ad hoc expert group, which held a meeting under the theme “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation” (see annex) and underscored the importance of facilitating the speedy implementation of the recommendations by relevant stakeholders.

VI. Way forward

18. The Committee underscored:

(a) The need for the secretariat to ensure that the recommendations are submitted to the appropriate stakeholders for action and monitoring of the implementation process;
(b) The need for the secretariat to continue to provide technical support to member States, especially in preparing for trading under the African Continental Free Trade Area and in pushing the green industrialization agenda;

(c) The urgent need for member States to ensure that green industrialization becomes more visible in their national industrialization and development frameworks through more explicit elaboration therein.

Host and venue of the twenty-ninth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa

19. The twenty-ninth session will be hosted by the Government of Botswana, in Gaborone. The dates for the session will be discussed with the host and the Bureau and communicated by the secretariat to all member States.

Vote of thanks

20. The delegates and participants of the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa expressed appreciation to the Government and people of Mozambique for their hospitality and for hosting the session; the Chair for expertly steering the deliberations, drafting the recommendations and outcomes, and guiding the preparation of the present report; and to the secretariat for diligently organizing the successful hybrid session.
Annex

Summary of key issues and recommendations from the ad hoc expert group meeting on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation”

I. Introduction

1. An ad hoc expert group meeting, held on 24 October 2022 under the theme “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation” was organized by the Subregional Office for Southern Africa of the Economic Commission for Africa, in collaboration with the Government of Mozambique, and took place in a hybrid format that featured physical and online participation.

2. The overall objective of the meeting was to provide a platform to critically examine the draft report on the study conducted on the theme and ensure that it would be sufficiently robust to inform policy and action towards greening industrialization in Southern Africa through digitalization, infrastructure development and subregional integration. The specific objectives of the meeting were:

   (a) To identify gaps and provide expert input and further insight to add value and enrich the report;

   (b) To propose revisions and ensure that the recommendations were appropriate and adequate to inform the finalization of the report;

   (c) To promote the sharing of experiences, lessons learned and best practices in greening industrialization in the subregion;

   (d) To foster knowledge-sharing, networking and collaboration on the broader green agenda of Southern Africa.

3. The recommendations of the ad hoc expert group were to be presented for consideration and endorsement at the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, which was scheduled to held in a hybrid format in Maputo on 26 and 27 October 2022.

II. Attendance

4. The meeting was attended by experts from the public and private sectors, civil society organizations, regional and international development organizations, academia, research institutions and private citizens from the following Southern African countries: Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia, Zimbabwe.

5. Participants in the meeting included representatives of the following entities: Southern African Regional Office of the African Union; Botswana Institute for Development Policy Analysis; Common Market for Eastern and Southern Africa (COMESA); COMESA Business Council; Development Bank of Southern Africa; Graça Machel Trust; Centre for Climate Change Innovation; Digital Council Africa; Environmental Investment Fund of Namibia; Ethical Solutions Holding; Ministry of
III. Agenda

6. The agenda for the meeting was adopted as follows:

   (a) Opening of the meeting.

   (b) Presentation of the draft study report on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation” and general discussions.

   (c) Presentation of the guidelines for break-out-group work.

   (d) Break-out-group work.

   (e) Break-out-groups presentations and discussions.

   (f) Presentation and adoption of key issues and recommendations.

   (g) Closing of the meeting.

Account of proceedings

7. The official opening address was delivered by the Permanent Secretary of the Ministry of Industry and Commerce of Mozambique, Jorge Jairoce, following welcome remarks by the Director of the Subregional Office for Southern Africa, Eunice Kamwendo, and the Chair of the twenty-seventh session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, Rhino Mchenga.

8. The experts thanked the organizers for providing an opportunity to reflect, share information and experiences on the key issues, challenges and constraints, and ways of
greening industrialization. They considered the draft report on “Greening industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging African Continental Free Trade Area implementation” and deemed the recommendations to be well grounded and based on clearly identified challenges.

9. The meeting focused on both substantive and technical aspects of the report and identified the challenges and opportunities of the member States in pursuing green industrialization. The experts deliberated on the opportunities provided by digitalization, infrastructure development, subregional integration and the African Continental Free Trade Area, to achieve green industrialization. Finally, the experts augmented the key issues and recommendations outlined in the report.

Way forward

10. Ms. Kamwendo began by thanking the consultant who led the drafting of the report, the richness of which had set the pace for further deliberations. She also mentioned the many contributions made by experts during the meeting, in particular the observations regarding the intensive use of coal in the subregion amid the efforts underway to green industrialization and mitigate the adverse impact of climate change. The question remained on what the right green mix should be. Ms. Kamwendo stressed the need to act promptly to limit the future impact of climate change. She then reiterated points raised during the meeting that were not included in the report, such as on waste disposal (as the report focused more on productivity), the right mix of energy and the connection between digitalization and industrialization.

11. Ms. Kamwendo informed the participants that, as noticed by subregional experts, the report provided a good foundation for making progress towards the green industrialization objective. She underscored that the report had provided sound recommendations that would be tabled at the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa. She then pointed to the intention of the United Nations country team in Mozambique to render additional support to other stakeholders in developing sustainable value chains.

12. Ms. Kamwendo informed the participants that: (a) the consultant would incorporate all recommendations made by the senior officials and experts; (b) the secretariat would finalize the report with focus on the recommendations; and (c) the recommendations would be tabled for considerations and adoption at the twenty-eighth session. In closing, she thanked the members of the secretariat team for making the event a success. She also extended appreciation to the Chair of the outgoing Bureau of the Intergovernmental Committee, Mr. Mchenga, who would hand over the post of Bureau Chair to Mozambique. Finally, she mentioned that she was looking forward to further deliberations on the theme at the twenty-eighth session.

13. Mr. Jairoce thanked the experts for sharing their knowledge and making the meeting a success. In addition, he acknowledged the commendable work done on the report by the consultant and the secretariat team. He noted that digitalization and infrastructure development would assist countries in their efforts to build the competitive and green industries that were needed for its sustainable development. He also highlighted the importance of harmonized strategies in the subregion. He mentioned that he looked forward to further engagement at the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, at which he hoped to have deeper conversations on the critical issues raised at the ad hoc expert group meeting. Finally, he declared the meeting closed.