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**Twenty-ninth meeting of the Intergovernmental Committee of
Senior Officials and Experts of Southern Africa**

**8 - 9 November 2023
Gaborone, Botswana**

Report on the Work of ECA in Southern Africa

Summary

The present report serves as an instrument by which member States, through the ICSOE, assess the relevance of the work of the ECA's SRO-SA, and provide guidance for the future work of ECA in the subregion. In this regard, the report highlights key programmed activities undertaken by ECA in Southern Africa and results achieved since the last ICSOE Session, held in October 2022, to date. It also outlines challenges encountered and lessons learned in implementing the work programme for the period under review. The report also presents the Work Programme for 2024.

The Committee is invited to consider and endorse the report.

1. Introduction

1.1 Background and legislative authority

1. The Economic Commission for Africa (ECA), one of the five regional commissions of the United Nations, has a mandate to foster economic and social development of its member States, promote regional integration and advance international cooperation for Africa's development. In its dual role as the regional arm of the UN and as a key component of the African institutional landscape, ECA is mandated to operate at both the regional and subregional levels to harness resources and bring them to bear on Africa's priorities. The Commission has five Subregional offices (SROs) that serve the five regions of the continent, namely North, West, Central, Eastern and Southern Africa.

2. The Subregional Office for Southern Africa (SRO-SA) covers eleven member States namely Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. As with the other Sub Regional Offices, SRO-SA derives its programmatic direction and guidance from, and reports to the Intergovernmental Committee of Senior Officials and Experts (ICSOE), constituted by the Commission Resolution 826 of 1977 and General Assembly Resolution 40/243, as a principal platform for strategic engagement with member States and other stakeholders on policy and programmatic issues of priority to the sub region. Recommendations and decisions of each ICSOE are then transmitted to the Conference of African Ministers of Finance, Planning and Economic Development (CoM), which in turn reports to the Economic and Social Council and thereon to the General Assembly of the United Nations.

1.2 Mandate and Strategic Orientation

3. In line with the ECA strategic direction, SRO-SA has been designated as a centre of excellence for promoting inclusive industrialization aimed at fostering sustainable economic growth and reducing poverty and inequality in the Southern Africa subregion through: (i) enhancing the capacity of member States, Regional Economic Communities (RECs) and Intergovernmental Organizations (IGOs) to promote and develop inclusive industrialization policies, national and regional plans and institutional frameworks that are aligned with the goals of Agenda 2063 and the Sustainable Development Goals (SDGs) embodied in the Agenda 2030 for Sustainable Development; and (ii) strengthening the capacity of member States and RECs to design and implement initiatives aimed at fostering inclusive economic and social development informed by sub regional development priorities.

4. To achieve the objective of this strategic orientation, each ECA entity, including its SROs follows an annual programming cycle which is based on current and emerging development issues and anchored on international, regional and sub regional development agendas to prepare an annual Programme of Work. This entails policy research; advisory services and provision of technical support to member States, RECs, IGOs, civil society and the private sector around key thematic areas of focus, including industrialization, regional integration and trade, private sector development and social development. Using its convening power, SRO-SA promotes policy analysis, policy dialogue and consensus building in addressing development challenges in Southern Africa.

1.3 Objectives of the Report

5. The report highlights key programme activities undertaken by ECA to date, from the last ICSOE session held in October 2022 in hybrid format, under the guidance of its Bureau, chaired by the Government of Mozambique. It also highlights results achieved, challenges encountered, and lessons learned thus far in implementing these activities. The report also provides a summary of key initiatives programmed for implementation in 2024. It serves as an instrument by which member States, through the ICSOE, assess the relevance of the work of SRO-SA, and provide guidance for the future work of ECA in Southern Africa.

2. Highlights of key activities implemented

6. Firstly, the report provides highlights of the last ICSOE session, which was held in October 2022. Then, details of key interventions implemented, and results achieved are presented under SRO-SA's key thematic areas of focus: *inclusive industrialization; regional integration and trade; private sector/MSME development; and development planning and governance*.

2.1 Servicing of Statutory Intergovernmental Meetings

(a) Session of the 28th Annual Meeting of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa

7. The twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts (ICSOE) for Southern Africa, hosted by the Government of Mozambique 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 AfCFTA implementation*". Delegates from the following Southern African member States participated in the ICSOE session: Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Zambia, Zimbabwe. Among the delegates were representatives from ministries and agencies responsible for finance, economy, and planning; industry, commerce, and trade; investment promotion; small and medium-sized enterprises and cooperatives; and environment and natural resources. Other participants in the session included representatives of academic and research institutions, the private sector and private-sector umbrella organizations, AU-Southern Africa Regional Office, RECs (COMESA and SADC), RECs Business Councils, media houses, civil society organizations, non-governmental organizations, development partners, and UN entities including UNIDO, UNCTAD and UN Resident Coordinator Offices.

8. The official keynote address of the ICSOE session was delivered by the Minister of Industry and Trade of Mozambique, Silvino Augusto Jose Moreno. Welcome remarks were made by the Acting Executive Secretary of ECA, Antonio Pedro (recorded video), and the Director of the Subregional Office for Southern Africa of ECA, Eunice Kamwendo. Furthermore, 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 ICSOE for Southern Africa, Rhino Mchenga; and the Permanent Representative of the AU Southern Africa Regional Office, David Claude Pierre.

9. The Committee considered three statutory reports submitted by the secretariat on: Economic and social conditions in Southern Africa in 2022 and prospects for 2023; Work of ECA in Southern

Africa; and 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 the AfCFTA implementation” and reviewed and endorsed the recommendations of the ad hoc expert group meeting held on 24 October 2022 on the thematic report.

10. The Committee endorsed the report on the programme performance of the Subregional Office for Southern Africa for 2022, and the proposed work programme for 2023.

11. The Committee called upon member States, with support from partners, to develop national green industrialization policies that are aligned with regional frameworks to support implementation of green initiatives; create a platform for the private sector, through PPPs and other mechanisms, to invest in transport and energy infrastructure to promote green industrialization and trade; accelerate implementation of regionally agreed programs to develop transport systems and energy infrastructure, including those under the SADC Infrastructure Master Plan and PIDA; develop harmonized policies on the disposal of e-waste e.g. from redundant technologies; formulate strategies to climate-proof agriculture to strengthen resilience, sustain productivity, address food insecurity and inequality, and generate sustainable jobs; and accelerate regional integration, including the implementation of the AfCFTA through the development and implementation of related national strategies and action plans.

2.2 Promoting inclusive industrialization

(a) Supporting alignment and harmonization of national industrial policies

12. SRO-SA provided technical support to Malawi, Zambia, and Zimbabwe in reviewing their national industrial policy, aimed at ensuring alignment with regional industrial policy frameworks, COMESA Industrialization Policy (2015-2030), and the SADC Industrialisation Strategy (2015-2063).

13. In this regard, SRO-SA provided technical support to the Government of Zimbabwe to develop a new *National Industrial Development Policy (NIDP 2024-2030)*, after a review of the implementation of the country’s current NIDP (2019-2023). The newly formulated NIDP is aligned to SDG 9 which seeks to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, and deliver on the AU Agenda 2063. The Office further ensured that the new NIDP is aligned to the COMESA Industrialization Policy, the SADC Industrialisation Strategy, the country’s Vision 2030, and its National Development Strategy during the review process. The revised NIDP which has been developed through a broad-based stakeholder consultative process seeks to enhance the capacity of the Government to increase manufacturing sector growth by 2% per annum, produce quality goods and services, increase investments in the manufacturing sector, and grow manufactured exports by 10% per annum. In addition, it is aimed at empowering citizens, creating employment, and enhancing poverty alleviation over the period 2024-2030. The new NIDP validated at a workshop convened in Harare by the Ministry of Industry and Commerce, with ECA’s technical support, on 26 September 2023 in readiness for approval by the Government.

14. Additionally, the Government of Malawi, with support from ECA, finalized the formulation of a new *National Industrial Policy (NIP)* after the review of the original NIP. The revised NIP is an improved

framework for the Government's capabilities for leading and guiding industrial development in the country, and is well aligned with subregional industrialization frameworks, the COMESA Industrialization Policy and the SADC Industrialisation Strategy and Roadmap besides the country's own long term development plans such as the Malawi 2063 Agenda and its First Implementation Plan (MIP1), and the National Export Strategy II. In its design, it has been framed to transform Malawi into a country with a regionally and globally integrated export-oriented manufacturing sector; a diversified manufacturing sector that is innovative and resilient; an inclusive manufacturing sector that generates quality employment opportunities; and an environmentally sustainable manufacturing sector that exploits the opportunities of green industrialization. The revised NIP was validated by experts and national stakeholders, including private sector actors on 10 May 2023, in Lilongwe, Malawi.

15. Meanwhile, the process to review the national industrial policy for Zambia, is currently underway and the draft policy is expected to be prepared and subsequently validated by stakeholders and experts later in 2023 or early 2024. Furthermore, the process to review the National Industrial policy for Lesotho commenced in October 2023 and will run up to second quarter of 2024. ECA's support to these processes include a review of the implementation of the previous policy document, development of a successor policy and recommendations to strengthen the national capacity to implement the policy and mobilize resources for implementation and to monitor progress.

16. Furthermore, SRO-SA had published a *policy brief on Industrialization Policies and Strategies of COMESA and SADC: Accelerating Implementation through Local Adaptation*. The policy brief, published in 2023, contains the recommendations of a study conducted by ECA entitled *Accelerating the implementation of the industrialization policies and strategies of COMESA and SADC through local adaptation*, and provides the elements of a proposed local adaptation template for the consideration of regional member States. The purpose of the study was to investigate the extent to which States in Southern Africa have adapted the provisions of the industrialization policies of SADC and COMESA to create conditions for a modern, competitive, and robust industrial sector that is fully integrated into the African and global economy. The policy brief is aimed at strengthening the knowledge base relating to the local adaptation of industrial policies through harmonization and alignment in support of regional value chain development.

(b) Promoting local content policies and frameworks

17. With ECA's technical assistance, the Govt of Zimbabwe developed its *Local Content Thresholds for the Pharmaceuticals, Fertilizers and Packaging Subsectors*, whose report was validated by stakeholders at a meeting convened in Harare on 24 February 2023. This is one of the key strategies for supporting industrialization and industrial growth and development in line with the country's National Industrial Development Policy. The local content thresholds, enhances the capacity of national stakeholders, especially private sector players, to tap into inherent economic potential across various sectors thereby boosting investment, beneficiation, value addition and value chains development in line with the country's National Development Strategy (2021-2025), the national development blueprint. By emphasizing the procurement of local inputs and products along the commodity value chains based on specified metrics, local content thresholds support industrial development and the intensification of linkages. The three sub-sectors were selected as the premier targets because of their potential welfare contribution to a broader spectrum of the citizenry. The Government of Zimbabwe launched the report on the *Local Content*

Thresholds for the Fertilizer, Packaging and Pharmaceutical Sectors, on 26 September 2023, during the validation workshop of the new National Industrial Development Policy.

18. Furthermore, ECA and the Government of the Kingdom of Lesotho, in collaboration with the UN System in the country, held a two-day *Regional Policy Dialogue on Leveraging Local Content Policies and Frameworks to Accelerate Growth and Sustainability of MSMEs in Southern Africa*. The regional policy dialogue, held on 17-18 October 2023, in Maseru, brought together experts from 9 out of SRO-SA's 11 member States from relevant government ministries, departments and agencies on industry and trade, participants from development partners, private sector, civil society organizations, research institutions/academia and from the United Nations. It provided an opportunity for member States to share their experiences on utilizing LCPs and frameworks in terms of challenges, opportunities, and best practices. The dialogue further interrogated on what has been embraced by larger firms and what has been challenging to implement and examined current and emerging good practices in the subregion and internationally. The regional dialogue also deliberated on key entry points for MSMEs in the implementation of LCPs and frameworks, policy and regulatory requirements on regional value chains and local content requirements.

(c) Webinar Series on Inclusive Industrialization in Southern Africa

19. SRO-SA organised a Webinar Series to promote the implementation of regional and national industrialization policies for accelerated inclusive and sustainable development in Southern Africa. The Webinar Series were organized on four themes of (i) Leveraging special economic zones for private sector development and sustainable industrialization (1 February 2023); (ii) COVID-19 coping strategies and economic development in the post pandemic era and strengthening resilience held on 7 March 2023 and (iii) Domestication of regional frameworks on industrialization and (iv) National harmonization of regional strategies and policies to support industrial development in Southern Africa -focusing on Malawi, Zambia, and Zimbabwe. The latter two webinars were held together on 29 March 2023.

20. The webinars were used as platforms to disseminate key policy recommendations from the policy brief as well as provide a platform for member States and other stakeholders to discuss and synthesize on the policy directions on harnessing a new generation of SEZs zones for inclusive industrialisation in the subregion and SEZs as a tool to foster competitiveness and private sector development. These online events also provided an opportunity to discuss country-specific experiences and best practices on SEZs and industrial development, and on strengthening resilience to shocks, to guide similar initiatives.

(d) Development of Transboundary Industrial Parks and Special Economic Zones

(i) *Technical support towards establishing of the Common Agro-industrial Park between Zambia and Zimbabwe*

21. ECA has been working in close collaboration with the COMESA, under a multi-year collaborative initiative on *Advancing Industrialization Agenda in the COMESA Region*. The conceptualized collaborative programme has 7 initiatives that are programmatically coherent with both the COMESA Industrial Policy (2015-2030) and the SADC Industrialization Strategy and Roadmap (2015-2063), covering priority areas including development of agricultural value chains, investment

in green technologies, mining policy harmonization, MSMEs, and mineral beneficiation. One of the initiatives, under this collaborative programme, whose implementation is already underway is technical support towards *Establishing the Zambia-Zimbabwe Common Agro-Industrial Park (CAIP)*.

22. Thus far, key milestones and results achieved, towards the CAIP initiative, include: signing of a Cooperation Agreement between the Governments of Zambia and Zimbabwe on 18 March 2021, as a framework on industrial cooperation between the two countries; undertaking the Pre-feasibility Study on the establishment of the CAIP, whose report was validated at an expert meeting on 31 May 2021, and during which the two member States reaffirmed their commitment to the CAIP initiative, in line with the Cooperation Agreement. Recommendations were discussed and considered, including modalities of operation of the CAIP, its form and structure, and identified agricultural value chains to be targeted (cotton, soya beans, livestock and dairy, maize, horticulture); continuous stakeholder engagement and sensitization in the two countries, particularly focus on policy makers, private sector (including MSMEs), financiers and other development partners such as UNIDO, AfDB and Afreximbank; and preparation of the Policy, legal, regulatory and institutional framework for the CAIP, which was validated by experts and stakeholders in August 2022, for finalization by a technical working group constituted by the two member States. In November 2022, UNIDO organized a study tour to Ethiopia's industrial development parks for Zambian and Zimbabwean stakeholders, part of the process of raising awareness and learning lessons relevant for establishing and managing the CAIP e.g., regarding modalities and potential benefits. The next phase is to roll out a detailed feasibility study on the CAIP following the mobilization of requisite resources. The detailed feasibility study, whose terms of reference have been developed, will among others build business cases for the identified agro-value chains. Furthermore, SRO-SA participated at meetings on resource mobilization by, for instance, making a presentation on the roadmap and planned activities of the CAIP project at the FAO-organised Agriculture Investment Forum on 10 May 2023 in Harare, Zimbabwe.

23. In 2023, ECA published a policy brief on *Special Economic Zones as a Tool to Foster Private Sector Development and Inclusive Industrialization* in Southern Africa. The policy brief highlights key findings of a study undertaken, earlier, by ECA entitled *Harnessing the Potential of Special Economic Zones for Private Sector Development and Inclusive Industrialization in Southern Africa*. The policy brief provides an overview on special economic zones in Southern Africa, discusses the potential benefits of the zones for private sector growth and industrialization, and proffers policy considerations and recommendations for Southern African Governments, with a view to establishing effective special economic zones that can support economic transformation and development.

(ii) Support to DR Congo and Zambia on the Electric Battery Value Chain

24. ECA, in collaboration with Afreximbank and other partners and research institutions, provides technical support to the Governments of DR Congo and Zambia on the initiative to develop the electric battery value chain, since November 2021, when President Félix Antoine Tshisekedi Tshilombo hosted *DR Congo-Zambia Business Forum*, in Kinshasa, which was attended by President Hakainde Hichilema of Zambia. Key milestones reached thus far include the following: A Centre of Excellence for Advanced Battery Research was launched on 22 April 2022 in Lubumbashi. The Centre collaborates with the University of Lubumbashi, the University of Zambia, Copperbelt University, and other training institutions in the two countries and will anchor innovation and research and capacity building aimed at developing

requisite knowledge and skills; On 29 April 2022, in Lusaka, the two governments signed a historical Cooperation Agreement to facilitate the development of the value chain in electric batteries, as part of the global clean energy transition. The Cooperation Agreement, signed by President Hichilema and President Tshisekedi, provides a framework for bilateral cooperation on the initiative as well as strengthen collaboration between Zambia and DR Congo.

25. As a follow-up, a 300-hectare area, within the industrial zone in Ndola city, on the Zambian side has been identified as the potential site for the Special Economic Zone (SEZ) for the Electric Battery Precursor Project (in Zambia), following a field mission and site visit jointly undertaken by the Government of Zambia and ECA in May 2023. The site already has a power substation, a railway terminal is already operative close to the park, and there is water access. The field mission raised the awareness of the project among local stakeholders who, after consultations, expressed optimism about the potential contribution of the SEZ to increased economic activities and generation of jobs.

26. Furthermore, ECA and the Government of Zambia convened a *Consultative Meeting on the SEZ for the Electric Battery Value Chain*, in Lusaka from 4-5 October 2023, under the theme "Needs and financing mechanisms of the SEZ for Battery Electric Vehicles in Zambia". It provided a platform for the local senior government officials, private sector players, including financial institutions, institutional investors, development partners, academic and research institutions to discuss and identify the opportunities for their active participation on specific nodes of the electric battery value chain. The identification of various local content opportunities would deepen the domestic footprint of the value chain in Zambia and would ensure that linkages are developed and strengthened as the electric battery value chain evolves. At the same forum, stakeholders were informed that the Prefeasibility study on setting up and operation of the Transboundary Electric Vehicle Battery SEZ between DR Congo and Zambia, which was launched in Lusaka, in May 2023, will be completed by the end of 2023.

27. ECA and Afreximbank co-organized a side event/policy dialogue on *Building a Regional Battery Mineral Value Chain in Africa*, during the *African Regional Forum on Sustainable Development* held in Niamey, Niger, on 26 February 2023. The dialogue facilitated building of consensus on the development of clean energy resources in Africa, based on the initiative under which ECA, Afreximbank, and a consortium of partners are supporting to the governments of DR Congo and Zambia to develop the electric battery mineral value chain within the two countries. The event provided a platform to present to the wider audience of the Africa Regional Forum on Sustainable Development the specifics of the electric battery initiative, its targets, its achievements thus far and the challenges that have been encountered. The dialogue brought together inputs and voices of participants at the regional forum, including their comments, advice, and new perspectives, aimed at strengthening the electric battery initiative within the context of the global green transition and the opportunities it presents for the economic transformation of the continent.

2.3 Promoting Regional Integration and Trade

(a) Support to member States towards implementation process of the AfCFTA

28. ECA continued to provide technical support to member States on ratification and implementation processes of the AfCFTA Agreement, particularly in developing national AfCFTA implementation strategies and in sensitizing the private sector and civil society on the AfCFTA. This was done with funding from the European Union. For instance, SRO-SA and the African Trade Policy Centre (ATPC) provided technical support to the Government of Mozambique in elaborating (i) a study assessing the implications of the AfCFTA on Mozambique that integrated modelling results from ECA and (ii) the National AfCFTA Strategy of Mozambique and its Action Plan. A Stakeholder Workshop was organized in December 2022 in Maputo under the aegis of the Ministry of Industry and Commerce (MIC) in order to deliberate on the studies and elicit feedback from a wide range of public and private sector stakeholders. A National Stakeholders Consultative Meeting and Awareness Workshop on the National AfCFTA Strategy was subsequently held from 23-24 March 2023 in Maputo. The Consultative Meeting presented and discussed the main findings and policy recommendations of the revised National AfCFTA Strategy and Action Plan, and elicited feedback and inputs from a broad range of stakeholders in Mozambique with a view to informing its finalisation before its submission to Cabinet for validation. Furthermore, the Awareness Workshop apprised stakeholders of recent developments on AfCFTA negotiations and operationalization processes, including its accompanying Protocols, and their implications for Mozambique and relevant stakeholders, such as businesses (including MSMEs), women and youth. The workshop was facilitated by experts from ECA, regional institutions such as TRALAC and the SADC Secretariat and representatives of national institutions such as the Institute for the Promotion of SMEs (IPEME) and the Confederation of Economic Associations of Mozambique (CTA).

28. Mauritius is a participating country under the pilot AfCFTA Guided Trade Initiative of the AfCFTA Secretariat whose objective is to trigger commercially meaningful trade under the Agreement. With technical support from ECA (SRO-SA and ATPC) and funding from the EU, Mauritius has developed its National AfCFTA Strategy and Action Plan that was validated in March 2022. From 9-10 November 2022, the Ministry of Foreign Affairs, Regional Integration and International Trade of Mauritius, organised with support from ECA and the EU, a two-day workshop on the themes of “Opportunities and Challenges for Mauritius under the AfCFTA” (Day One), and “Women, Youth and SMEs” (Day Two). The National AfCFTA Strategy was launched at the workshop on 9 November 2022 by the Minister of Foreign Affairs, Regional Integration and International Trade in the presence of senior representatives from the EU and the UN Resident Coordinator’s office. The joint ECA-UNDP study “*The AfCFTA and Market Implications for the Mauritius Economy Post Covid-19: A case study on manufacturing*” was launched on 10 November 2022 by the Minister of Industrial Development, SMEs and Cooperatives and the Minister of Gender Equality, Child Development and Family Welfare. The workshop was also supported by experts from the SADC Secretariat.

29. Additionally, ECA provided technical assistance to the Government of Eswatini in formulating its National AfCFTA Implementation Strategy. The national strategy was validated at a national stakeholders’ workshop that took place from 2 - 4 May 2023 in Ezulwini, Eswatini. Preceding the workshop, a series of sensitization presentations were delivered to Cabinet Ministers and Parliamentarians. These sessions fostered a comprehensive understanding of the strategy and its associated implementation plan. Through these sensitization meetings, engagement was significantly heightened, and awareness of the strategy's goals and execution approach was effectively raised.

30. This brings to seven of the eleven member States served by SRO-SA, that have developed and reviewed or validated their national AfCFTA implementation strategies by October 2023, namely Eswatini, Malawi, Mauritius, Mozambique, Namibia, Zambia, and Zimbabwe (Zimbabwe is considering updating its strategy to strengthen areas of climate change and technology and innovation). Meanwhile the Government of Botswana is undergoing drafting process of its National AfCFTA Implementation Strategy, which will subsequently be reviewed and validated by second quarter of 2024. Furthermore, ECA is currently supporting the Government of Angola to develop its National AfCFTA Strategy. With funding from DANIDA, ECA is currently engaged in supporting Malawi, Mozambique, Zambia and Zimbabwe in developing national studies and a regional study to identify regional green value chain opportunities under the AfCFTA, with a focus on the following two value chains: cotton and textiles, and wood and paper.

(b) Support to member States on formulation of National Trade Policies

31. With ECA's technical assistance, the Government of Namibia successfully formulated its *National Trade Policy*, framed within the scope of the country's long-term development policy frameworks such as the National Vision 2030 and the National Industrial Policy, with a focus on boosting trade in goods and services, especially high value-added and diversified manufactured exports. The formulated National Trade incorporates key elements and commitments of the *SADC Industrialisation Strategy and Roadmap (2015–2063)* and is also underpinned by the country's regional integration commitments as espoused in, among others, the *SACU Agreement*; the *SADC Protocol on Trade*; the *Tripartite Free Trade Area* between EAC, COMESA and SADC; and the AfCFTA. ECA, in close collaboration with the UNCT/RCO, provided technical support and field-level advisory services by accompanying the government in technical meetings, providing substantive inputs to draft documents, backstopping the consultant, and servicing national stakeholder consultative meetings, and the workshop, convened on 27 March 2023, that reviewed and validated the *National Trade Policy*.

(c) Strengthening capacities of member States in trade statistics

(i) Support to Mozambique on Enhancing Capacities in Trade Statistics

32. In response to the request made by the Government of Mozambique, through its Ministry of Industry and Trade to develop an integrated data management system on External Trade Statistics in the context of the AfCFTA, SRO-SA organized and delivered a training workshop from 28 November 2022 to 5 December 2022 on Trade in Services Statistics. The objective of the workshop was to train participants on the concept of trade in services and on international common best practices on trade in services statistics. Through this technical assistance, for the first time a formal merchandise trade statistics database based on the *Eurotrace* software was created for Mozambique. This was followed by a second workshop, held from 22 May to 2 June 2023 in Maputo aimed at enhancing the skills of Government Officials in using the *International Merchandise Trade Statistics Manual (IMTS 2010)* and the *Eurotrace* software. The training was an important step towards further supporting the establishment and regular update of a formal merchandise trade statistics database and harmonization of data on trade statistics produced by different institutions in the country. To that end, officials from the Ministry of Industry and Trade, the Central Bank, the National Institute of Statistics and Customs officials were trained on internationally recognized methodology on *IMTS 2010*, and *Eurotrace*, a tool used in the compilation, analysis, and maintenance of

formal merchandise trade statistics. Additionally, a memorandum of understanding to promote inter-institutional collaboration among stakeholders in the area of formal trade statistics was drafted and shared with authorities for review and eventual adoption. Furthermore, the *Eurotrace* database for Mozambique was updated, and trade statistics tables produced. The tables can be used in trade reports or other analysis requiring trade data. A third workshop on trade in services statistics and informal cross-border trade is planned to take place before the end of the year in Mozambique as Mozambique plans to conduct an informal cross-border trade survey by 2024.

(ii) Tourism Satellite Accounts for the Government of Namibia

33. ECA has been providing capacity building support to the Government of Namibia, in developing the *Tourism Satellite Accounts (TSA)*, aimed at enhancing the country's tourism statistics to support policy design and development of the sector, since 2021. This support is aimed at strengthening the national capacity to produce reliable, timeous, and high-quality tourism statistics. The lack of reliable data for the tourism sector is a major concern for Namibia as it affects the development of tourism in a sustainable manner, to contribute meaningfully to the country's economy and improve the quality of life of its people. Technical support entailed building capacity in the collection of systematic, accurate and timeous data, and the TSA provides a mechanism for compiling a comprehensive set of tourism statistics outside the conventional national accounting framework. By building the national capacity in TSA development and implementation, technical support to the government will subsequently enhance policy formulation, decision-making, and resource allocation towards sustainable tourism development in Namibia. ECA's technical support to the government has been delivered through a series of training workshops for the National TSA Steering Committee, comprised of representatives from all relevant stakeholders in the country's tourism sector.

34. For instance, the capacity building workshop, held from the 15 - 19 May 2023 in Windhoek, was for members of the National TSA Steering Committee, comprising representatives drawn from key institutions including the government ministries, the national statistical office, Namibia Tourism Board, the private sector, and the academia. The workshop deepened the knowledge and enhanced skills of members of the National Steering Committee on best practices in compiling TSA Standard and Support Tables. It also facilitated preliminary compilation of TSA Tables; and provided guidance on drafting of accompanying documentation for the TSA Tables including data sources, compilation methodologies and justifications for decisions taken with regards to assumptions, gaps in analysis and future areas of development.

35. A strategic retreat was held in Swakopmund from 28 Aug – 1 Sep 2023 for experts, government officials, and industry stakeholders of the tourism sector and was aimed at synthesising the preliminary compilations of the 10 TSA Tables resultant from the capacity building workshops held under this TSA project into a policy guiding report that the government can use in making informed decisions regarding the sector. Once finalised, the TSA report will provide evidence for strengthening Namibia's tourism data collection and reporting systems, but also chart the way for unlocking the potential of the country's tourism sector. It envisaged that this type of capacity building support can be replicated for other countries of the subregion interested in strengthening the tourism sector.

2.4 Supporting the development and growth of the MSME sector

36. ECA continued to support the development and growth of the MSME sector in Southern Africa, through a mix of knowledge-based, convening, and operational interventions aimed at supporting MSMEs at leveraging technology and innovation to build their resilience to shocks and to enhance their competitiveness so that Southern African MSMEs can become more effective enablers of trade and industrialization processes in the region. This included the production of a set of 11 country reports (for each SROSA member state) and a regional report to assess the impacts of Covid-19 and the Ukraine crisis on MSMEs with policy recommendations on technology and innovation and regional trade. One important finding of the reports relates to the low level of knowledge and awareness of the AfCFA among MSMEs and another to the under-utilization of technology and innovation in their post Covid-19 recovery strategies. The reports were based on surveys that were conducted among MSMEs across the 11 member states of SROSA and gathered in total responses from more than 3,000 MSMEs in the subregion. The reports are a joint collaboration with the SADC Business Council and with the following national business associations in their respective countries: -the Angola Chamber of Commerce and Industry, Business Botswana, the Botswana Exporters and Manufacturers Association, Business Eswatini, the Lesotho Private Sector Foundation, the Lesotho Chamber of Commerce and Industry, the Malawi Chamber of Small and Medium Business Association, the Mauritius Chamber of Commerce and Industry, the Association of Mauritian Manufacturers, the Confederation of Business Associations of Mozambique, the Namibia Chamber of Commerce and Industry, Business Unity of Southern Africa, the Zambia Chamber of Commerce and Industry, the Zimbabwe Chamber of Commerce and Industry and the Confederation of Zimbabwean Industries. Findings and recommendations of the reports will inform member states as to what should constitute priority areas of actions in addressing the impacts of the poly-crises on their private sectors.

37. Other knowledge products produced and completed included a study on the Role of Technology Incubators in MSME Development; a report Assessing the Building of Linkages between MSMEs and Southern-led Multinational Corporations; and a study Assessing the Role of Technology to Address Constraints of MSMEs in Southern Africa to Participate in National and Regional Value Chains (containing 6 country case studies: Malawi, Mauritius, Mozambique, Namibia, South Africa, and Zambia). Another study on the Diagnostic Assessment of the State of Science, Technology, and Innovation (STI) in Southern Africa including 6 country case studies is currently in progress and will be finalized next year. These reports were presented and reviewed at the Regional Meeting on Science, Technology, and Innovation in Southern Africa, held from 21-23 June 2023 in Cape Town, South Africa, in collaboration with the SADC Business Council. The meeting was attended by senior representatives from Ministries and agencies in charge of MSME development and Ministries of Science, Technology, and Innovation as well as representatives of national business associations from across all 11 member states of SROSA. Other development partners such as the SADC Secretariat, COMESA Secretariat, COMESA Business Council, and AU-NEPAD participated as well as MSMEs from the subregion.

38. SRO-SA and the team of consultants also undertook field missions in the 6 countries of Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia between February and March 2023 to gather data to prepare the studies. These field missions contributed significantly to strengthening engagement and collaboration with MSME and STI stakeholders including MSMEs, technology incubators, economic development boards, Government Ministries or Agencies in charge of MSME development and those responsible for STI, and national business associations/chambers of commerce and industry across the Southern Africa subregion. The 6 countries are beneficiaries of a technical assistance project funded by the

UN Development Account titled “*Innovative approaches for MSME competitiveness to promote trade and inclusive industrialization in Southern Africa in the Post-Covid context*” whose aim is to strengthen capacities of MSMEs to harness technology and innovation to enhance their resilience against shocks and improve on their competitiveness.

39. Furthermore, a high-level public-private Brainstorming Meeting that preceded the Regional Meeting and convened in collaboration with the SADC Business Council, provided inputs that enhanced the features and functionality of, *TechniAfrica*, a digital technology and innovation Platform for MSMEs in Southern Africa. The platform, which was developed earlier, in collaboration with the SADC Business Council is currently being updated, considering new developments towards its operationalization and rollout. Once operational, the digital platform will serve as a space for entrepreneurs to exchange information, ideas, and experiences about the development of new technologies and innovation available to enhance productivity and competitiveness of MSMEs in Southern Africa. ECA has since received several requests for partnerships from other platform owners in the aftermath of the meeting.

40. In promoting innovation and enterprise development by the youth, SRO-SA organized, in collaboration with AfriLabs and the organizers of the Fifth Africa Youth SDGs Summit an *Africa Youth SDGs Innovation Award* contest. The objective of the contest was to showcase the innovation potential of young African entrepreneurs. In particular, the award aimed to recognize and reward outstanding young entrepreneurial efforts, that have successfully developed an innovation to resolve a specific development problem for firms, governments, households and communities and with an impact on the achievement of the SDGs. ECA, in collaboration with its partners convened a side event at the Fifth Africa Youth SDGs Summit on 17 August 2023, in Lusaka, Zambia. The Summit is the continent’s largest youth congregation on sustainable development. The event served to recognize and present the six winners of the *Africa Youth SDGs Innovation Award* to an audience of public and private stakeholders across Africa. It provided the winners, who has designed a commercially viable innovative product or process to resolve or address a specific development problem for society with a platform to share their experiences and innovation journeys with other young Africans to inspire them to embrace innovative and high-growth entrepreneurship that can impact African societies and the achievement of the SDGs. ECA will be sponsoring the winners’ participation at the next AfriTech Festival in Cape Town in November 2023.

41. Furthermore, SRO-SA has provided technical support to the Kingdom of Eswatini towards developing and implementing a Financing Model for MSMEs. The model for MSMEs has since been developed through a broad stakeholder consultative process, and was approved by the Government, and subsequently launched on 1 September 2021. Further, SRO-SA had supported the government in conducting a series of capacity building workshops for stakeholders, principally MSMEs, as part of rolling out effective implementation of the financing model. The Model is aimed at addressing financing constraints that MSMEs face, enhancing MSME growth and facilitating their integration in the industrialization process, in line with SADC Industrialization Strategy and Roadmap (2015-2063). The initiative has provided experiences and lessons which could be replicated (and adapted) in supporting other member States in Southern Africa. On 5 July 2023, SRO-SA, and the Government, convened the project close-out meeting, in Mbabane, as a platform at which some of the early achievements and lessons from implementation of the financing model in Eswatini were showcased. The initiative has provided experiences, lessons and best practices which could be replicated, and adapted in supporting other member States in Southern Africa to develop their MSME financing frameworks. To this end, a policy brief on

Promoting Inclusive Industrialization and the Development of MSMEs through a Tailored Financing Model, was prepared and published in July 2023 for use or reference by policy makers, government officials, development partners and other stakeholders in MSME development.

2.5 Development Planning and Governance in Southern Africa

(a) Support to the SADC National Planning Entities Platform

42. SRO-SA supported the *SADC National Planning Entities (NPEs) Platform* to convene a virtual Seminar, held on 18 May 2023, focused on the structuring and preparation of National Development Plans (NDPs) with a strong emphasis on integrating peace and security issues. The event served to facilitate knowledge exchange among NPE Platform members, encouraging the utilization of NDPs to promote policies that foster peace and stability in member States and Southern Africa as a whole. Furthermore, the Office supported the SADC-NPEs Platform, towards its second annual conference, which was held in Gaborone, Botswana, on July 6-7, 2023. The conference brought together officials from NPEs from SADC member states, along with officials from the SADC Secretariat, ECA, and other stakeholders. The conference assessed the progress made since the relaunch of the SADC NPE Platform, and discussed the operational aspects of the Platform, such as the online platform, working groups, and workplan of activities. It provided a platform for representative of the NPEs to share best knowledge, best practices, and lessons to enhance the alignment between regional and national development planning. The conference also covered a wide range of substantive issues including the *Integrated Planning and Reporting Toolkit for the SDGs and Agenda 2063* (developed by ECA), financing national development plans, regional integration agenda of SADC, and application of foresight for development planning.

(b) Promoting Impact Investing in Zambia and Corporate Sustainability Reporting for the Implementation of SDGs in Africa

43. ECA, in collaboration with UNCTAD, and UNDESA, under the UN Development Account project '*Toward Integrated National Financing Frameworks*', convened a training workshop, on *Impact Investing in Zambia and Corporate Sustainability Reporting for the Implementation of SDGs in Africa* from 23 – 24 March 2023 in Lusaka. The workshop was organized in partnership with the Ministry of Finance and National Planning (of the Government of Zambia) and the African Regional Partnership for (ARP) Sustainability and SDG Reporting. The workshop raised awareness on the significance of impact investing and build capacity on corporate sustainability reporting to mobilize the engagement of the private sector entities in Zambia and across the subregion in delivering on SDGs.

44. Those trained included Zambian Government officials, members of the African Regional Partnership on sustainability and SDG reporting and members of the SADC National Planning Entities Platform, with a view to further discuss the role of the private sector in implementing the SDGs, notably through impact investing and corporate sustainability/SDG reporting. The training workshop improved knowledge and understanding of the significance, challenges and opportunities for impact investing in contributing to the attainment of SDGs in Zambia and the region; enhanced public-private sector dialogue and engagement to support building the right environment for impact investing and developing capacities for corporate sustainability reporting; strengthened the capacities of the relevant stakeholders across the

region in corporate sustainability reporting using the guidance on the core indicators; enhanced understanding of the best practice across the region with regard to corporate sustainability reporting; fostered engagement of Zambia in the Africa Regional Partnership on sustainability reporting and facilitate regional networking among the ARP members; and increased private sector participation in pursuit of the SDGs through impact investing and corporate sustainability reporting.

45. Prior to this, a Sensitization workshop had been organised by ECA and the United Nations Development Programme (UNDP) of Zambia from 1-2 December 2022 on the theme “ *Leveraging private sector engagement in implementing the 8th National Development Plan and achieving the SDGs*”. The workshop was organized in strong partnership with the Ministry of Finance and National Planning of Zambia and the Zambia Chamber of Commerce and Industry and constituted a deliverable under the Joint SDG Fund project “ *Zambia’s Integrated Financing Framework for Sustainable Development*”, in which ECA was a technical partner along with other UN agencies. The workshop aimed at discussing challenges, opportunities, and pathways for the private sector (domestic and international) to support the implementation of the 8th NDP and the achievement of the SDGs in Zambia. The workshop equally aimed at sharing experiences and best practices from other countries in Africa on how the private sector is being leveraged in the achievement of the SDGs and implementation of national development plans and the possibilities for regional collaboration in that respect. The workshop was attended by 114 participants from, among others, senior and mid-level government officials of the Government of Zambia, Namibia, Zimbabwe, and Kingdom of Eswatini and from across a range of Ministries and agencies in Zambia which included the Ministry of Finance and National Planning, the Ministry of Commerce, Trade, and Industry, the Ministry of MSMEs, the Zambia Development Agency. From the private sector there were commercial banks, insurance brokers, auditing firms, policy monitoring institutions among others. ECA, UNCTAD, UNDP and the World Bank also delivered presentations along with governments and the private sector.

2.6 Other development initiatives

(a) Support to the Malawi Carbon Market Initiative

46. Regarding climate change finance, ECA is assisting member States on the continent, including Southern Africa, to tap into the carbon markets to drive investments to benefit local communities, energy transition and attainment of national commitments on climate change and sustainable development. In this connection, the Government of Malawi has launched the *Malawi Carbon Market Initiative*, supported by a carbon market roadmap to harness the potential of its vast water and land resources using the potential of carbon markets with the support of ECA and *Africa Carbon Markets Initiative (ACMI)*, recognizing the country's significant potential for carbon trading. The Malawi Carbon Market Initiative was officially inaugurated on 23 June 2023, in Lilongwe, by HE. Lazarus Chakwera, President of Malawi, officially inaugurated the Malawi Carbon Market Initiative, to be overseen by the Minister of Finance and Economic Affairs and the Minister of Natural Resources and Climate Change. With vast forest reserves and conservation parks covering over two million hectares, Malawi could generate carbon credits equivalent to nearly 20 million metric tons of carbon annually. This has the potential to bring an estimated income of US\$600 million to the country each year.

(b) COVID-19 Impacts and Post-pandemic Recovery in Southern Africa

47. ECA prepared a policy brief on *COVID-19 Impacts, Coping Strategies and Post-pandemic Recovery in Southern Africa* (see *webinar* on par. 19). The policy brief, published in 2023, presents the findings and recommendations of the study by the ECA on *COVID-19 and regional economic development: Impact, coping strategies and post-COVID recovery in Southern Africa*; and is buttressed by the recommendations of the Lilongwe Regional Policy Dialogue held in December 2022. It discusses the economic and social impacts of COVID-19 in the Southern Africa region, highlights key lessons learned from the pandemic, and proposes recovery and resilience building strategies for the post-COVID era. Key messages of the policy brief include the following: the pandemic caused economic disruptions, precipitated social unrest, and heightened healthcare challenges in the region; coping strategies such as temporary shutdowns, social distancing, remote working, and online learning have helped mitigate the spread and impacts of the pandemic; building the capacities of the pharmaceutical sector is critical for production of drugs and medical accessories to enhance treatments for post-COVID recovery and tackle challenges from future pandemics; and international cooperation and support are crucial for addressing the challenges posed by the pandemic in the region and for building resilience to future pandemics or other shocks.

48. Policy proposals for sustainable recovery and building resilience include the need for governments to increase investment in healthcare systems by prioritizing focus on healthcare infrastructure, including facilities, equipment, and healthcare workers; enhance digital infrastructure to support remote work, online education, and telemedicine; strengthen social safety nets net programs to support vulnerable populations during times of crisis; promote international cooperation to facilitate the sharing of knowledge, resources, and best practices in response to the pandemic; support local economies by promoting the development of value chains, MSMEs, and other local industries to mitigate the impacts of the pandemic on local communities; accelerate regional integration to facilitate trade, investment, and the movement of people and goods, which can help to build resilience to future pandemics; and prioritize food security by supporting smallholder farmers, strengthening food supply chains, and promoting sustainable agricultural practices to mitigate the impacts of the pandemic on food security.

(c) Support to the Govt of Mauritius to develop a Portal on Renewable Energy Technologies

49. Through the Joint SDG Fund project “*Contributing to establish an enabling environment to promote sustainable Green and Blue Economy in Mauritius and Seychelles*”, ECA in collaboration with the UNDP is supporting the Mauritius Renewable Energy Agency (MARENA) to set up a business information portal on Renewable Energy Technologies in Mauritius. The aim of the portal is to, among others facilitate access to investors on data on renewable energy in Mauritius. The Government of Mauritius has set a very ambitious target of reaching 60 per cent of electricity production from renewable energy sources (RE) by 2030. The development of the portal and its access to investors will contribute partly to the objective of promoting investments in the RE sector in Mauritius.

(d) Support to the Work of United Nations Country Teams in Member States

50. ECA, as part of the UN Country Teams in all member States, continues to provide support within the United Nations system and other development partners to progress country development agendas as articulated in national development plans. The support ensures that the technical expertise of ECA becomes available to the delivery of relevant programmes in the member States, including through the Cooperation

Frameworks with member States. For instance, SRO-SA collaborated with UNDP and UNRCO in Lesotho in preparing a report on *Rising to the challenge: socioeconomic development opportunities in Lesotho*, which informed the *Common Country Analysis* and the development of the *Cooperation Framework* for the country. Furthermore, SRO-SA working closely with the UNRCOs and other UN entities in Zambia contributed substantively to the drafting of country's 2023 *Voluntary National Review Report* which was presented at the *High-Level Political Forum on Sustainable Development* held in July 2023, in New York.

3. Challenges and lessons

51. Limited availability of official statistical data also continues to be a challenge affecting delivery of the analytical and research work, especially on emerging issues of priority to member States and the subregion. Furthermore, ensuring high level representation and participation, continues to be a challenge, especially in statutory meetings such as the ICSOE, of senior officials who can make decisions and ensure that recommendations made are taken to the national level for implementation. Another challenge is delayed responses from member States, and other partners, which affected timely delivery of support or implementation of initiatives. Furthermore, dwindling financial resources that the UN system is facing continues to have a negative bearing on delivery of support to member States.

52. Key lessons learned were that strong partnerships with RECs, IGOs and development partners at subregional and national level are key to ensuring relevance of interventions implemented and support provided; working closely with other UN entities at subregional and country levels is critical to facilitating building synergies and leveraging available expertise and dwindling financial resources for maximum impacts of development initiatives; involving member States early in programme processes is critical to anchoring support; and that the existing alignment and convergence of priorities of member States, RECs and with those of ECA presents an opportunity to design and deliver support that is of relevance and use to the subregion and to member States served.

4. Highlights of the Work Programme for 2024

53. SRO-SA has been designated as ECA's Centre of Excellence for Inclusive Industrialization, whose long-term objective is to *deepen regional integration and strengthen capacities to achieve inclusive industrialization for the reduction of poverty and inequality in Southern Africa*. In this regard, ECA's proposed Programme of Work for Southern Africa in 2024, will mainly focus on strengthening capacities of member States, RECs and IGOs to formulate and implement policies, strategies and programmes aimed at deepening regional integration and accelerating inclusive industrialization and trade (through the AfCFTA and RECs FTAs) and support to initiatives on private sector/MSME development for the reduction of poverty and inequality. This will be done through analytical policy studies, convening policy dialogues and consensus building forums, providing advisory services and technical support to member States, RECs and IGOs, while leveraging on partnerships at regional and country levels. *Table 1* shows key initiatives and deliverables programmed for 2024:

Table 1: Summary of key deliverables for 2024

OBJECTIVE: Deepen regional integration and strengthen capacities to achieve inclusive industrialization for the reduction of poverty and inequality in Southern Africa	
Category	Key programmed initiatives/deliverables
(a) Servicing of statutory intergovernmental meetings	<p>1. <i>Session of the ICSOE for Southern Africa</i></p> <ul style="list-style-type: none"> - Report on key economic and social conditions in Southern Africa and prospects - Report on the work of ECA in Southern Africa - Progress report: regional and international agendas and special initiatives in Southern Africa
(b) Analytical policy studies and ad hoc expert group meetings	<p>2. <i>Policy studies and ad hoc expert groups meetings</i></p> <ul style="list-style-type: none"> - Industrialization in Southern Africa - Regional integration in Southern Africa - Poverty and inequality in Southern Africa
(c) Generation and transfer of knowledge	<p>3. <i>Fellowship programme for young African economists</i></p> <p>4. <i>Operationalization of the Inclusive Industrialization Database informing issues papers and briefs for knowledge transfer and sensitization.</i></p>
(d) Seminars and workshops	<p>4. <i>Workshops and forums</i></p> <ul style="list-style-type: none"> - Training in inclusive industrialization and regional integration - Workshop on economic and social development in Southern Africa
(e) Technical support and advisory services	<p>5. <i>Advisory services to member States and RECs and Technical Cooperation</i></p> <ul style="list-style-type: none"> - Developing and supporting implementation of national AfCFTA strategies - COMESA: collaborative initiative on advancing industrialization agenda in the COMESA region (including the Zambia-Zimbabwe Agro-industrial Park) - Electric battery precursor project (DR Congo and Zambia) - Development of local content policies and frameworks - Private sector/MSME development - Others, upon request from member States, RECs and IGOs
(f) Policy dialogue and consensus building	<p>6. <i>Policy dialogue and consensus building</i></p> <ul style="list-style-type: none"> - Policy brief on industrialization and economic transformation in Southern Africa - Policy dialogue on economic development in Southern Africa
(g) UN Development Account projects (DA)	<p>9. <i>DA 13th Tranche Project (2020-2024): Innovative Approaches for MSME Competitiveness to Promote Trade and Inclusive Industrialization in Southern Africa</i></p>

54. The Committee is invited to consider and endorse the present report.
