

ECONOMIC COMMISSION FOR AFRICA  
SUB REGIONAL OFFICE FOR SOUTHERN AFRICA

Twenty-eighth Meeting of the Intergovernmental Committee of  
Senior Officials and Experts of Southern Africa

October 2022

**Theme:** “Greening Industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation”

**Concept Note**

## Background

The United Nations Economic Commission for Africa's (ECA) Subregional Office for Southern Africa (SRO-SA) based in Lusaka, Zambia is one of the five ECA SROs, and serves eleven (11) member States, namely, Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. In line with its Mandate the United Nations established the Intergovernmental Committee of Senior Officials and Experts (ICSOE), a United Nations General Assembly (UNGA) policy sub-organ of the Commission's Conference of African Ministers of Finance, Planning and Economic Development. The Committee provides a forum for engaging senior officials and experts of member States on policy and programme-related matters. The ICSOE meet every year to consider, guide, and endorse the formulation and implementation of the programmes of work of the Commission's Subregional Offices (SROs) in line with the priorities of each subregion.

The ICSOE operates through a Bureau, comprising a Chair, Vice Chair, and a Rapporteur, elected at each session, and serving until the next meeting. The Bureau is an Executive arm of the Committee and guides the Secretariat (the SRO) in the delivery of the annual programme of work and implementation of the ICSOE recommendations. Currently the ICSOE Bureau is comprised of Malawi (Chair), Mozambique (Vice Chair) and Zimbabwe (Rapporteur) elected at the 27<sup>th</sup> session hosted by Malawi in October 2021.

The 27<sup>th</sup> session of the ICSOE was held in Blantyre, Malawi under a hybrid format on 13 and 14 October 2021 under the theme "Building back better from COVID-19 in Southern Africa: fostering commodity-based industrialization, manufacturing and regional value chains". The meeting deliberated on strategies to support the region to build back better, post Covid-19 through industrialization and trade. Members states deliberated on how to accelerate structural transformation through inclusive industrialization, including agro-processing and commodity-based industry, manufacturing, and regional value-chains development for the reduction of poverty and inequality. In addition, the meeting explored how the private sector could be supported to identify and exploit emerging opportunities in the AfCFTA.

The recommendations of the 27<sup>th</sup> ICSOE included the following: (i) to strengthen the national and regional macroeconomic environment to mitigate the impact of COVID-19 and build back better;

(ii) to accelerate the implementation of the AfCFTA in Southern Africa; (iii) to foster commodity-based industrialization, non-resource-based manufacturing, and regional value chains.

## **Twenty-eighth Session of ICSOE**

The Southern African region has high commodity dependence and a low degree of industrialization, inconsistent with structural transformation and sustainable economic development to significantly reduce poverty and increase equity in the region. Most countries in the region, bar South Africa have been unable to sustain manufacturing value added beyond 15% of GDP (World Bank, 2020), noting that structural transformation requires sustained value-added levels circa 25% of GDP. In addition, a lack of economic diversification and a narrow export basket comprising mostly of commodities undermines the region's resilience to shocks whether economic, climatic, pandemic or war driven, impacting on the economic fundamentals which in turn exacerbate vulnerability to poverty.

In the face of global climate change, increasing natural resource degradation and rising environmental pollution, Member states in the region are attempting to embrace the concept of green industrialisation– to rapidly grow their economies without externalizing the negative environmental costs of development (Okereke et al., 2019). However, there remain many unanswered questions about the feasibility of green industrialisation in Southern Africa, particularly in terms of sustaining growth, and the conditions under which this might best happen. Others suggest that as latecomers to industrialisation African countries have the advantage of not having to grapple with technology lock-in and associated path-dependencies which often constrain change (UNEP, 2011).

The region faces an urgent challenge to accelerate green industrialization and improve diversification of its economies to mitigate the impact of climate change and take full advantage of the opportunities of digitalization. Climate change is advancing fast while the global community is lagging on implementing the mitigation and adaptation measures that are necessary to attenuate the economic, social, and environmental costs of the phenomenon. Extreme weather events have already started damaging the hard-needed infrastructure that the region needs to accelerate structural transformation, economic diversification, and industrialisation. The lack of interconnectedness of the regions infrastructure is well documented, whether ports, interlinked

highways and feeder roads, or electrical grid systems required to power the firms driving the industrial process.

The African Development Bank and ECA estimates that Africa requires \$130-170 billion per annum in infrastructure investments to power the continent's development aspirations articulated in Agenda 2063 (AfDB 2018). Additionally, the region will need to grapple with the drivers of green industrialisation that can support faster intra-Africa and global trade to build resilience against multiple shocks. Critically, green infrastructure investments which supports a just transition, clean sustainable energy to power industrialization, and enhance private sector development will need to be made. Given the strong correlation between energy use and economic growth, at least historically, decoupling carbon dioxide emissions from economic development presents a huge challenge for any state. But achieving this objective is even more difficult for developing countries where institutional capacity and innovation systems are weaker (Mulugetta & Urban, 2010; Wakeford et al., 2017).

Digitalization is likely to change established economic development processes. This raises questions about the distribution of the potential welfare gains from industrialisation, in parallel, industrialisation and digitalization must be made environmentally sustainable if other pressing sustainability goals, such as climate change mitigation are to be met. It is important to also consider how the current political and economic system, efficiency gains in material resources and energy associated with digitalization are prone to aggregate to macro-level growth that may exacerbate the ecological harm of industrialisation, rather than alleviating it (Kunkel and Tyfield, 2021).

Given the region's potential comparative advantage in agriculture, there is a need for concerted focus on climate smart and resilient agriculture, which supports increasing crop yields for food security and sustainable supplies of agro-processed goods for regional and global trade. At the center of this drive is the AfCFTA as a critical framework supporting an increased pace of continental industrialization and in some cases re-industrialization. Yet, only effective implementation of AfCFTA strategies will determine success, driven by unique resource endowments of member states, level of development and domestic conditions.

Against this background, the 28<sup>th</sup> session of the ICSOE will be hosted by the Government of Mozambique on 19<sup>th</sup> and 20<sup>th</sup> (or 26<sup>th</sup> and 27<sup>th</sup>)<sup>1</sup> October 2022 under the theme ***“Greening Industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation”***. The 28<sup>th</sup> ICSOE will build on the reflections and discussions of the 27<sup>th</sup> ICSOE.

## **Objectives of the 28<sup>th</sup> ICSOE**

The main objectives of the 28<sup>th</sup> ICSOE are:

To deliberate on statutory matters, including (i) review economic and social conditions in Southern Africa, (ii) consider and endorse the implementation of the programme of work of SRO-SA, the planned programme of work and the budget for 2022, and (iii) review and provide guidance on the implementation of regional and international agendas and other special initiatives in Southern Africa.

To provide a high-level platform to deliberate on its theme: “Greening Industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation” to accelerate and deepen inclusive industrialization.

To provide a high-level platform to reflect on the recommendations of the Adhoc Expert Group Meeting (AEGM) on “Regional Integration in Southern Africa” for endorsement and to provide guidance on their implementation.

Specifically, the meeting will inter alia, deliberate on:

- i. How should Southern African countries address the critical challenge of re-industrialization particularly in the context of the green/blue economies and digitalization? Through the lens of private sector experiences.
- ii. How can AfCFTA implementation accelerate industrialization, job creation, digitalization and continental integration for improved lives and livelihoods? Where are countries on implementation of their AfCFTA strategies? Where are the gaps and what can countries and regional organs do to address this?

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<sup>1</sup> These dates are subject to confirmation by ECA and the Bureau

- iii. National strategies for unleashing the potential of the private sector to drive intra-Africa trade through the opportunities of the AfCFTA
- iv. Harnessing regional integration for competitiveness: the imperative of digitalization, infrastructure development and digital skills capabilities in the region.
- v. How can the region accelerate effective infrastructure development to support industrialization and the implementation of the AfCFTA? What are the critical challenges in ICT, transport and logistics, electricity infrastructure that must be addressed to enhance the region's competitiveness?

## **Format**

The 28<sup>th</sup> ICSOE will be held Maputo in the host nation, Mozambique. In relation to the physical gatherings which will be linked to Maputo virtually, a meeting venue will be organized in each of the 11 member States for a maximum of 35 delegates and participants. The venues will be configured to respect the national health guidelines on covid-19 containment and will have full Internet access for delegates to connect and participate in the deliberations.

## **Expected outcomes**

The 28<sup>th</sup> ICSOE is expected to lead to:

- i. Enhanced understanding and appreciation of the economic and social conditions in Southern Africa in the face of the COVID-19 pandemic, and the prospects for 2022.
- ii. Clear guidance and direction on the implementation of the programme of work of SRO-SA, and the planned programme of work and the budget for 2023.
- iii. Clear articulation of Southern Africa's priorities, challenges, and opportunities to build resilient and competitive economies through green industrialization, digitalization, and infrastructure development
- iv. Well-articulated recommendations on green industrialization, digitalization, and infrastructure development in Southern Africa: Opportunities from the African Continental Free Trade Area and a clear implementation path.
- v. Enhanced commitment to accelerate and deepen Southern Africa's green, inclusive and sustainable industrialization agenda.

## Expected outputs

Several outputs are expected to be delivered at the end of the meeting:

- i. The 28<sup>th</sup> ICSOE Outcome Statement.
- ii. The meeting report containing, inter alia, guidance and recommendations on:
  - Enhanced implementation of the 2022 work programme and priorities for the planned programme of work and the budget for 2023.
  - Finalization of the report on the theme of the meeting, “greening industrialization in Southern Africa through trade, digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation.”
- iii. Well-informed set of policy recommendations with a clear implementation path on Regional Integration in Southern Africa
- iv. Articles, Op-eds, policy briefs, web-based publications, and interviews.

## Meeting Documentation

Parliamentary reports on:

- i. Economic and social conditions in Southern Africa.
- ii. Implementation of the 2022 programme of work of SRO-SA, the planned programme of work and the budget for 2023.
- iii. Implementation of regional and international agendas and other special initiatives in Southern Africa with a focus on progress, challenges, and opportunities under the AfCFTA Agreement.

Study reports on:

- i. Greening Industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation
- ii. Regional Integration in Southern Africa
- iii. The Final Report of the Twenty-seventh Session of the Inter-governmental Committee of Senior Officials and Experts of Southern Africa.
- iv. The Outcome Statement of the Twenty-seventh Session of the Inter-governmental Committee of Senior Officials and Experts of Southern Africa.

## **Participants**

The following are expected to attend:

- i. High-level officials and experts of all 11 member States of SRO-SA (finance, economic development, planning, industrialization, agriculture, trade and regional integration and private sector development);
- ii. Secretariat of the Southern African Development Community.
- iii. Secretariat of the Common Market for Eastern and Southern Africa.
- iv. SADC Business Council.
- v. COMESA Business Council
- vi. SACU Secretariat
- vii. National Chambers of Commerce and Industry.
- viii. Secretariat of the African Continental Free Trade Area.
- ix. African Union Commission.
- x. African Union Development Agency-NEPAD.
- xi. African Development Bank.
- xii. Development Bank of Southern Africa.
- xiii. Civil Society
- xiv. Women and Youth Groups.
- xv. Professional Associations.
- xvi. Academic and Research Institutions.
- xvii. United Nations Agencies.
- xviii. Development Partners.

## **Working Language**

The meeting will be conducted in English. Simultaneous interpretation will be provided in Portuguese.

## **Dates and Venue**

The 28<sup>th</sup> ICSOE of Southern Africa will be hosted by Mozambique and organized in a hybrid format (virtual and physical) on 19<sup>th</sup> and 20<sup>th</sup> (or 26<sup>th</sup> and 27<sup>th</sup>) October 2022.



The meeting will be preceded by an Adhoc Experts Group Meeting on Regional Integration in Southern Africa also hosted by Mozambique.

## **Administrative Arrangements**

These are provided in a separate information note.

## **Contacts**

Further information on the meeting and any other related matters should be addressed to:

Ms. Dailes Matoka  
Senior Staff Assistant  
United Nations Economic Commission for Africa  
Sub regional Office for Southern Africa  
P.O. Box 30647,  
Lusaka, ZAMBIA  
Tel: (260) 211 376625  
Fax : (260) 211 236 949  
E-mail : [matokad.uneca@un.org](mailto:matokad.uneca@un.org)

Copied to:

Mr. Fanwell Kenala Bokosi  
Economic Affairs Officer  
Inclusive Industrialisation Section  
United Nations Economic Commission for Africa  
Sub Regional Office for Southern Africa  
P O Box 30647,  
Lusaka, ZAMBIA  
Tel: (260) 211 376 635  
Fax : (260) 211 236 949  
E-mail : [fanwell.bokosi@un.org](mailto:fanwell.bokosi@un.org)  
Skype: fanwellbokosi