



**UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL**

Distr.: Limited
E/ECA-SA/ICSOE.XXVIII/2022/4
October 2022

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**

**26 - 27 October 2022
Maputo, Mozambique**

Programme Performance

(Report on the Work of ECA in Southern Africa)

Summary

This report serves as an instrument by which member States, through the ICISOE, assess the relevance of the work and performance of the ECA's SRO-SA, and provide guidance for the future work of ECA in the sub region. In this regard, the report highlights key programmed activities undertaken by ECA in Southern Africa and results achieved since the last ICISOE Session, held in October 2021 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 2023.

The Committee is invited to consider the report for adoption.

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 foster 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 sub regional levels to harness resources and bring them to bear on Africa's priorities. The Commission has five Sub Regional offices (SROs) that serve the five regions of the continent, namely North, West, Central, Eastern and Southern Africa.

2. The Sub Regional 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 sub region 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; 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 dialogue and consensus building in addressing development challenges in Southern Africa.

1.3 Objectives of the Report

5. The report highlights key programme initiatives and activities undertaken by the SRO-SA to date, from the last ICSOE Session held in October 2021 in hybrid format, under the guidance of its bureau chaired by the Government of Malawi. 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 2022.

6. This report serves as a key instrument by which member States, through the ICSOE, assess the relevance of the work and performance of SRO-SA, and provide guidance for the future work of ECA in Southern Africa.

2. Highlights of Key Initiatives Implemented

7. Below are the details of key programmatic interventions implemented, and results achieved since the last ICSOE session held in October 2021.

2.1 Servicing of Statutory Intergovernmental Meetings

(a) Session of the 27th Annual Meeting of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa

8. The twenty-seventh session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, hosted by the Government of Malawi was held in 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*”. Delegates from all 11 member States served by the Subregional Office (Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe) participated in the ICSOE session. Among the delegates were representatives from ministries of finance, industry, commerce and trade, industrial development, small and medium-sized enterprises and cooperatives, and natural and mineral resources. Other participants in the session included representatives of academic and research institutions, the private sector and private-sector umbrella organizations, RECs, media houses, civil society organizations, non-governmental organizations, key regional and international development partners, including the Malawi Regional Coordinator Office other UN entities.

9. The Minister of Finance of Malawi, Honourable Felix Mlusu, delivered the opening address. Welcoming remarks were made by the Under-Secretary-General of the UN and Executive Secretary of ECA, Vera Songwe. Statements were made by the UNDP resident representative in Malawi, Shigeki Komatsubara (representing the UN Resident Coordinator Office); Deputy Principal Secretary of the Ministry of Finance of Lesotho, Rethabile Maluke (on behalf of the Chair of the Bureau of the twenty-sixth session of the Committee and Minister of Finance of Lesotho, Honourable Thabo Sofonea); and

Permanent Representative of the Southern Africa Regional Office of the African Union, David Claude Pierre. Video messages were delivered by the Secretary-General of COMESA, Her Excellency Chileshe Kapwepwe; and the Executive Secretary of SADC, His Excellency, Elias Mpedi Magosi.

10. The Committee considered three statutory reports submitted by the Secretariat on: economic and social conditions in Southern Africa; programme performance of the Subregional Office for Southern Africa; and progress in the implementation of regional and international agendas and other special initiatives, in the subregion, focusing on progress and status of African Continental Free Trade Area (AfCFTA) Agreement implementation. The findings of the study on the theme “Building back better from COVID-19 in Southern Africa: fostering commodity-based industrialization, manufacturing and regional value chains” were presented and discussed by the Committee. Furthermore, the Committee reviewed the recommendations of the ad hoc expert group meeting held on 12 October 2021 on the study “Agriculture value chains, linkages and transformation in Southern Africa: opportunities from the AfCFTA”.

11. The Committee endorsed the report on the programme performance of the Subregional Office for Southern Africa for 2021, and the work programme for 2022.

12. The Committee proffered policy recommendations, for consideration by member States, RECs and other development partners, on strengthening the national and regional macroeconomic environment to address the impact of COVID-19 and build back better and faster; accelerating the implementation of the AfCFTA Agreement in Southern Africa; fostering commodity-based industrialization, non-resource-based manufacturing and regional value chains; and building back better and faster to achieve resilience post-COVID-19.

2.2 Key Policy Dialogue Events

(a) Regional Seminar on the Impact of COVID-19 on MSMEs in Southern Africa: Country experiences on building back better

13. ECA, in collaboration with the SADC Business Council and the Ministry of Industrial Development, SMEs and Cooperatives of Mauritius, jointly organized a one-day regional seminar in hybrid format, on 8 February 2022, at the margins of Dubai Expo2020, in Dubai, UAE, with participation of Senior officials and representatives of private sector apex bodies from Southern Africa. The seminar was convened under UN Development Account project “Global Initiative towards post COVID-19 Resurgence of the MSME Sector”, whose overall objective is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of MSMEs in developing countries and economies in transition to mitigate the economic and social impact of the global COVID-19 pandemic, and to facilitate MSMEs contribution to the implementation of SDGs.

14. The seminar, among others facilitated the sharing of experiences and lessons by both the public and private sector on the impact of the pandemic on MSMEs in Southern Africa, highlighting commonalities and differences in response strategies that were deployed to minimize impacts; and stimulated reflections on how MSMEs in the subregion can best build back better, especially in the context of the AfCFTA, other trade agreements and regional collaboration. In a letter to the ECA Executive Secretary, the Minister of Industrial Development, SMEs and Cooperatives of Mauritius,

expressed appreciation for the support provided in convening the seminar, considered timely, useful and relevant to the subregion.

(b) Event on the Impact of the Crisis in Ukraine on Development Financing in Africa: Examples from Selected countries

15. SRO-SA, in collaboration with the UNRCO and the Government of Angola, convened a side event on 14 May 2022 in Dakar, Senegal on the margins of the 54th Session of the ECA Conference of African Ministers of Finance, Planning and Economic Development (CoM-2022). The Minister of Economy and Planning of Angola, Mr. Mario Augusto Caetano Joao delivered a keynote address in which he spoke about the challenges that Angola was dealing with including those brought about by the Covid-19 pandemic and the Russia-Ukraine crisis which have led to fiscal and food crises in the country. Panellists included Honourable Matia Kasaija, Minister of Finance, Planning and Economic Development, Uganda; Dr. Yamungu Kayandabila, Deputy Governor, Central Bank of Tanzania; Mr. Luis Kondjimbi Epalanga, Director, Ministry of Economy and Planning, Angola; Mr. Mtho Xulu, President, South African Chamber of Commerce and Industry as well as representatives from the IMF and the AfDB.

16. Led by the panellists, the event stimulated reflections and discussions on the impact of the Russia-Ukraine crisis on the sustainable development of African economies and their financing needs through: a clear understanding of the channels through which the impacts will take place; an analysis of gains and losses and how these would vary according to the trade and economic profile of countries e.g. commodities profile and an assessment of impacts on fiscal space, external balances, debt sustainability and development financing needs. Furthermore, the participants brainstormed on the optimal policy responses for African economies including a revisiting of post COVID-19 recovery strategies and a delineation of new or modified avenues for development financing as well as opportunities to be harnessed.

17. The event offered African countries a platform for dialogue, exchange ideas and experiences on the actual and potential impacts of the Russia-Ukraine crisis on their economies, using countries such as Angola as a case example. The event also offered a platform for countries to strategize on potential policy responses to address the costs of the conflict on their economies, leverage potential opportunities arising from the crisis, especially in the case of oil and gas producing countries, and identify priority areas for action at national, regional, and global levels with a focus on development financing needs and strategies. The dialogue enhanced exchanges among countries towards a common position and collective response to tackling the development financing challenges in Africa arising from the COVID-19 pandemic and the Ukraine crisis, including the role of multilateral development banks.

(c) High Level Policy Dialogue on Governance of State-Owned Enterprises in South Africa: Enhancing Performance, Efficiency and Service Deliver

18. ECA, in collaboration with the University of the Witwatersrand (Wits School of Governance), convened the High-Level Policy Dialogue (HLPD) on 26 July 2022, informed by an SRO-SA on

Governance of State-Owned Enterprises (SOEs) in South Africa: Enhancing Performance, Efficiency and Service Deliver published in 2021. The event was officially opened by South Africa's Minister of Public Enterprises, Mr. Pravin Gordhan. Also making a keynote presentation was the Senior Minister and Special Advisor to the Prime Minister of Ethiopia, Dr Arkebe Ogubay. The study examined six SOEs that are deemed critical to the South African economy namely, the Electricity Supply Commission, Transnet, Denel, South African Airways, Water Research Commission, and Land and Agricultural Development Bank of South Africa. The study identified several challenges that cut across SOEs in South Africa, including a lack of clear legal frameworks for restructuring and governing SOEs, which exposes these entities to political interference and results in the appointment of poorly qualified board of directors and executive; an increasing over-reliance on state guarantees and bailouts for operational purposes and to fulfil mandates, thus creating a lax management culture within SOEs and a high fiscal burden on the nation's finances; an absence of well-defined and clear mandates among SOEs which undermines performance; increasing allegations of corruption within SOEs involving powerful figures with political influence has been associated with weakened credibility and delays in implementing SOEs' strategic plans; a lack of strong internal controls, compliance, and risk management systems, which results in these entities failing to control unethical behaviour; a lack of clear lines of accountability and in some instances an absence of frameworks for such accountability; and a lack of strategic purpose to governance challenges and operational inefficiencies. To facilitate uptake, of policy recommendations and options of the study were summarised in a *Policy Brief* entitled, *Governance and performance of SOEs in the Southern African Region: A case of South African SOEs*.

19. In this regard, the HLPD provided a platform for high-level policymakers, including Ministers and experts from Government and institutions across various disciplines to engage in rich exchanges on the findings of the study and, among other things, discussed how the recommendations of the study could be implemented, considering the challenges often encountered in implementing SOE reforms. It also provided an opportunity to share experiences and updates from selected countries across Africa on national SOE reforms. As a result, the Dialogue led to improved understanding of the challenges facing South Africa's SOEs, and the needed reforms to transform them into catalysts for socioeconomic development; and enhanced appreciation by national stakeholders on the need to take ownership of the reform process of South Africa's SOEs; and well-articulated support needed by Government to accelerate the SOE reform agenda.

2.3 Analytical Studies and Ad hoc Expert Group Meetings

(a) Study and expert group meeting on Agriculture Value Chains, Linkages and Transformation in Southern Africa: Opportunities from the AfCFTA

20. The ad hoc expert group meeting, convened in hybrid format on 12 October 2021, brought together experts in the areas of agriculture, private enterprise, business, MSMEs, regional and national business associations, trade and industry and regional integration. The experts reviewed and validated findings and recommendations of a study on *Agriculture Value Chains, Linkages and Transformation in Southern Africa: Opportunities from the African Continental Free Trade Area*. The review was complemented by presentations and interventions by expert discussants and stakeholders from government, RECs, national and regional financial institutions, development partners, and civil society from the Southern Africa subregion.

21. The study identified ways by which member States of Southern African can facilitate the transformation of agriculture in the region through the development of regional value chains as a means of leveraging the opportunities offered by the AfCFTA as an instrument for boosting effective and competitive intra-African trade. In Southern Africa, this trade will be carried out in the context of relevant instruments and protocols under COMESA and SADC and complement those of the AfCFTA in developing agricultural value chains, its linkages and associated supply chains.

22. The expert group meeting provided a platform to critically examine the findings of the study report, identified gaps, and provided inputs and further insights to enhance the report. Furthermore, the experts concurred that current agricultural systems are not robust enough to support competitive agricultural value chains at national, regional and continental levels, except in a few cases; noted that poor infrastructure across the board in the region as a constraint that militates against the development of competitive regional agricultural value chains in Southern Africa; stated that there are sufficient regional and continental frameworks for the promotion of the agricultural sector in general and agricultural value chains in particular; commended the high-level political will to support the development of regional agricultural value chains in the subregion; expressed concern at the lack of accurate and timely market information for decision-making; argued that agricultural productivity growth can be a powerful engine for job creation, thus a need for significant investment increases in agribusiness and the agro-industry sectors; observed that agro-processors and aggregators create additional demand for products from the primary producers; and argued that the advent of COVID-19 and other shocks have raised the urgency to digitalize agricultural value chains in the region.

23. The meeting proffered recommendations for the consideration of member States, RECs and other development partners to tackle the challenges and constraints and accelerate transformation in the agriculture sector. Outcomes of the study and recommendations from the AEGM were presented and adopted by the 27th Session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa.

(b) Study and expert group meeting on Accelerating implementation of the COMESA and SADC industrialization policies through local adaptation and domestication

24. The study on accelerating the implementation of the SADC and COMESA industrialization strategies through domestication was successfully reviewed and validated by experts on November 2021. The study commissioned as part of the implementation of the UNDA 12th Tranche project explored how best harmonization can be accelerated across member States to provide a platform for the development of regional value chains. The study proposes the key immediate actions to accelerate industrialization to include the establishment of a dedicated institutional framework to push the agenda as well the provision of the required support to this structure and the institutionalisation of a periodic reporting requirement. Member States were encouraged to establish structures for domestication and adequately resource them, develop harmonized time bound national roadmaps and report periodically on harmonization progress. The study recommendations were compiled into a policy brief with specific actions and policy directions.

(c) Study and expert group meeting on Policy, legal, regulatory, and institutional framework for the common agro-industrial park between Zambia and Zimbabwe

25. The study on the development of a harmonised policy, legal, regulatory and institutional framework for the common agro-industrial park between Zambia and Zimbabwe was reviewed and validated by experts on 10 August 2022. The validated harmonised policy and legal framework provides recommendations of the policy and operational aspects that require harmonization to facilitate the maturity of the cross border special economic zone. It also proposes an institutional framework for the management of the park.

2.4 Technical Cooperation Activities and Advisory Services

(a) Support to member States on the ratification and implementation process of the AfCFTA

26. 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. For instance, ECA supported the Government of Mauritius to formulate its National AfCFTA Response Strategy following a broad stakeholder consultative process. As part of the process, a National Policy Dialogue on Manufacturing (funded by the EU and joint with ECA) was held in collaboration with the Government on 23 March 2022 in Port Louis to raise, among others, awareness on the role of the AfCFTA in manufacturing, including the textile and apparel sub-sector. The National Strategy was subsequently validated on 25 March 2022. This brings to five of the eleven member States served by SRO-SA, that have developed and validated their national AfCFTA strategies by October 2022. The other four member States are Malawi, Namibia, Zambia, and Zimbabwe. Zambia has already approved and launched its national AfCFTA strategy for implementation and the Ministry has submitted requests to ECA for support in undertaking specific activities under the national strategy.

27. Meanwhile the following three member States are at different stages of developing their national AfCFTA strategies, with ongoing ECA's technical support: Botswana, Eswatini, and Mozambique. For instance, stakeholder engagement and consultations are in progress in Eswatini as part of the process of formulating the national AfCFTA implementation strategy. A consultant has been recruited and has submitted an inception report which is currently being reviewed to guide the preparation of the draft national strategy. Botswana has also developed a draft National AfCFTA Implementation Strategy, which was subjected to a review at an ad hoc expert group meeting convened in Gaborone, on 19 – 21 July 2022 in readiness for its validation later in the year. Furthermore, Mozambique has made significant progress in developing its national AfCFTA implementation strategy, with technical support from ECA. For instance, a study on the *Implications of the AfCFTA on the National Economy* has been undertaken, while the National AfCFTA Strategy has been drafted and is expected to be validated later in 2022.

(b) Technical support to Zambia and Zimbabwe on Establishing the Common Agro-Industrial Park

28. SRO-SA has been working in close partnership with the COMESA Secretariat, under a multi-year collaborative initiative on “Advancing Industrialization Agenda in the COMESA Region”, which was conceptualised following receipt of a letter of request (dated 9 April 2020) from the

COMESA Secretary General, for technical support and collaboration. 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. The first initiative, under this collaborative programme, whose implementation has already started, is that of *Establishing and managing the Common Agro-Industrial Park (CAIP) between Zambia and Zimbabwe*.

29. Key milestones and results achieved thus far, include the following: on 18 March 2021, the Governments of Zambia and Zimbabwe signed a *Cooperation Agreement*, a framework on industrial cooperation between the two countries; undertaking and completion of 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, and 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/dairy, maize, horticulture); *stakeholder engagement and sensitization* in the two countries, including policy makers, private sector, MSMEs, financiers etc. since October 2021, through sensitization workshops and high-level engagement meetings (Permanent Secretaries responsible commerce and industry and their technical officials, and development partners including UNIDO, AfDB and AFREXIMBANK); and drafting of a *Policy, legal, regulatory and institutional framework for the CAIP*, which was validated by experts and stakeholders in August 2022, to be reviewed and finalized by a technical working group nominated by the member States. The next phase is to roll out a detailed feasibility study on the CAIP following the mobilization of requisite resources. UNIDO has initiated a learning tour to Ethiopia in mid-October 2022 as part of the process of raising awareness on the initiatives and its overall modalities and benefits.

(c) Technical support to DR Congo and Zambia on the Electric Battery Value Chain Initiative

30. ECA, in collaboration with AFREXIMBANK and other partners and research institutions, continued to provide technical support to the Democratic Republic of Congo (DRC) and Zambia on the initiative to develop the Electric Battery Value Chain (Battery Precursor Project). A Centre of Excellence for Advanced Battery Research was launched on 22 April 2002 in Lubumbashi under this initiative. The Centre will involve the University of Lubumbashi, the University of Zambia, the Copperbelt University and other training institutions in the two member States and will anchor capacity building, innovation and research along the battery value chain.

31. On 29 April 2022, in Lusaka, the governments of Zambia and the DRC signed a historical cooperation Agreement to facilitate the development of a value chain in electric battery and clean energy sector. The Cooperation Agreement, signed by President Hichilema and President Tshisekedi, will provide a framework for bilateral cooperation on the initiative as well as strengthen collaboration between Zambia and DRC. Terms of Reference to guide the development of a pre-feasibility study on the project have been drafted by ECA and AFREXIMBANK and submissions by possible consultants are currently under consideration. Also under consideration are the technical details of the cooperation agreement to

anchor the initiative. These milestones follow the DRC-Zambia Business Forum, hosted by President Tshisekedi and attended by President Hichilema, in Kinshasa in November 2021 during which the initiative was discussed.

32. Furthermore, ECA organised a panel on *Green Industrialization and the Battery and Electric Vehicle (BEV) Value Chain Development in Southern Africa*, focusing on the Zambia and the DRC transboundary BEV initiative, at the 6th Session of the Annual SADC Industrialization Week, held in Kinshasa, from 2 – 6 August 2022, under the overall theme of *Promoting industrialization through agro-processing, mineral beneficiation, and regional value chains for inclusive and resilient economic growth*. The event raised stakeholder awareness on renewable energy and green industrialisation as a precondition for sustainable and inclusive growth in SADC and explored the challenges and opportunities in cross-border special economic zones, specifically focusing on the DRC-Zambia initiative and the lessons it can provide to the region. Among other recommendations, the panel discussion underscored the importance of a harmonised policy, legal and regulatory framework to facilitate the smooth evolution of cross border special economic zones, noting that the DRC-Zambia initiative, if successfully executed will provide important lessons on tangible collaboration across national boundaries.

(d) Technical support to member States on the alignment and harmonization of industrial policies in Southern Africa

33. SRO-SA continued to support Malawi, Zambia, and Zimbabwe in reviewing their national industrial policy, aimed at ensuring alignment with regional industrial policy frameworks of SADC and COMESA. This initiative was informed by a study undertaken by the Office on *Alignment and harmonization of regional and national frameworks on industrialization and national domestication of regional strategies and policies to support industrial development in Southern Africa*. In this regard, ECA has been assisting the three member States develop national action plans to address the identified gaps or misalignments.

34. For instance, SRO-SA supported the *Government of Zambia* in organizing the National Action Plan workshop on the alignment and harmonization of regional and national frameworks on industrialization, held on 10 -11 August 2022 Chisamba, Zambia. The workshop brought together senior Govt officials, experts and other key stakeholders to discuss and review a draft National Action Plan, outlining policy actions that can be taken to improve industrialization outcomes, whilst aligning the existing national industrial policy with frameworks on industrialization. The draft national action plan will facilitate alignment and harmonization of the national and regional industrialization frameworks in Zambia. Further, the Office supported the *Government of Malawi*, whose national action plan has already been developed, in convening an inception Meeting of the Malawi National Industrial Policy Review with the consultant and the government on 18 August 2022. In this regard, the Inception Report for Review of the National Industrial Policy was reviewed and finalised. The Office also supported the *Government of Zimbabwe*, whose national action plan has also been developed, by convening an Inception Meeting of the Local Content Thresholds for Zimbabwe, on 9 September 2022.

(e) Promoting the development and growth of the MSME sector in Southern Africa in trade and industrialisation

(i) Enhancing capacities of MSMEs through technology and innovation

35. Under the Project “*Global initiative towards Post COVID-19 MSME Sector*” (Global MSME Surge Project), ECA collaborated with UNCTAD and the other four UN Regional Economic Commissions (ECE, ESCWA, ESCAP and ECLAC) to support the development and implementation of capacity building tools to facilitate resurgence and strengthen resilience of MSMEs in developing countries and economies in transition to mitigate the economic and social impact of the global COVID-19 crisis and to facilitate the MSMEs contribution to the implementation of SDGs.

36. ECA has supported the establishment of a digital platform on technology and innovation for SMEs in Southern Africa, called *TechniAfrica* which is hosted by the SADC Business Council. It is an online portal designed to create access for businesses in SADC region, in particular MSMEs, and for other stakeholders (technology research institutions, technology hubs etc) to engage in learning opportunities and develop networks on technology and innovation to facilitate firms’ up-skill and re-skill in various technology sectors so that these businesses become competitive and agile.

37. Furthermore, two side events were held at the margins of the SADC Industrialisation Week in November 2021 in Lilongwe, in collaboration with the SADC Business Council on the theme *Building linkages between MSMEs and Southern-led Multi-National Companies: the case of Southern Africa* and “*The role of technology incubators in MSME development: the case of Southern Africa*. The events served as a public-private dialogue on the role of technology and innovation for businesses in Southern Africa. Two publications on these topics are being finalized. Additionally, two analytical studies with policy recommendations on supporting MSMEs build back better from COVID-19 were prepared and validated at an ad-hoc expert group meeting convened on 13 July 2022 on the theme of *Opportunities for MSMEs within the Blue and Green Economy: The Case of the SADC region and Role of digitalization in strengthening capacities of MSMEs to take advantage of the AfCFTA*.

(ii) Support to the Government of Eswatini on developing a Financing Model for MSMEs

38. SRO-SA continued to provide technical support to the Government of Eswatini towards developing and implementing a Financing Model for MSMEs. This followed a request to ECA, by the Government, through the Ministry of Commerce, Industry and Trade in 2019, for technical support in developing an inclusive financing model to serve the growth of MSMEs in the country.

39. 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 supported the Government in conducting a series of capacity building workshops for stakeholders, principally MSMEs, in May and June 2022, 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.

(f) Building Technical Capacity of the Govt of Namibia to Measure the Performance of the Tourism Sector and its Economic Impacts using Tourism Satellite Accounts

40. ECA has been providing capacity building support to the Government of Namibia, upon request, on developing the Tourism Satellite Account (TSA) which will enhance Namibia's tourism statistics and data collection to support policy design and development of the sector. Since December 2021 ECA has undertaken capacity building initiatives including the official launch of the project and first workshop to sensitize key stakeholders and the country to the importance of tourism statistics to rebuilding the sector post COVID-19 pandemic. Further achievements of the TSA project to date include the *creation* and *operationalization* of the TSA Committee to drive the sector and develop the accounts, in partnership with key stakeholders. Additionally, the project has delivered two capacity building trainings to the TSA Committee to develop the survey questionnaires and prepare for survey deployment across 8 locations, interviewing up to 4,000 people in the country for construction of the inbound and outbound tourism tables. Pre-COVID-19, the tourism sector accounts for over 600,000 jobs in the country and is therefore of crucial importance for sustainable livelihoods.

41. On the horizon, the TSA Committee, with continuing capacity building support from ECA, will guide the process of the orientation of enumerators, identified by the Namibia Statistical Office to undertake the inbound and outbound surveys in later 2022 and early 2023. Further capacity building workshops for the TSA committee are planned for the next 9 months. This training is critical in guiding the statistical and planning officers from the various agencies to construct the TSA tables and deliver the final product. It envisaged that this type of capacity building support can be replicated for other countries of the region interested in strengthening and developing this important sector.

2.5 Other Capacity Development Activities

(a) Supporting regional development planning in Southern Africa: Revival of the SADC National Planning Entities Platform

42. ECA supported the revival of the SADC National Planning Entities Platform (SADC NPEs Platform), which merged the informal network for National Planning Entities formed at a subregional meeting convened on 29 January 2020 in Johannesburg into the official SADC body. The revival of the SADC NPE Platform took several rounds of consultations, including at the level of the SADC ES, which culminated in the convening of a hybrid meeting (mainly in-person in Lilongwe, Malawi) on 7 - 8 April 2022. The meeting was attended by representatives of NPEs of 13 SADC member States, and SADC National Contact Points from Foreign Affairs Ministries. The meeting reviewed and adopted its framework and workplan to guide the operation of the SADC NPE Platform.

43. The Platform is a formal space upon which ministries, commissions, or agencies that are responsible for national development planning of member States, in the SADC region, share information, experiences, lessons and best practices on development planning. The revived SADC NPEs Platform,

with Malawi and Zambia as Co-Chairs, and ECA as technical partner had developed a workplan, which is under implementation, with planned deliverables such as a resource mobilization strategy, an online platform for sharing information and best practices on NDPs, and a working group structure covering key thematic issues.

44. The SADC NPEs Platform, with ECA technical support, convened a virtual Dialogue on the *Macro-Economic Impacts of the Conflict in Ukraine in the SADC Region* on 4 August 2022. The Dialogue raised awareness amongst the NPEs on the macroeconomic impacts of the Russia-Ukraine conflict on the SADC region; identified short, medium and long-term opportunities for SADC countries; elicited concrete proposals/recommendations on how SADC countries can best manage the negative impacts, while at the same time, exploiting the opportunities which might arise; and explored how to incorporate recommendations into the work of the Platform and in national plans and budgets.

(b) Training on the Integrated Planning and Reporting Toolkit (IPRT) for member States in Southern Africa:

45. ECA continued to build the development planning capacities of member States by delivering training workshops on the use of the IPRT, a digital tool developed in response to the needs of African countries to simultaneously adopt and integrate both the 2030 Agenda and Agenda 2063 into their national development and be able to report progress in a harmonised way. For instance, ECA conducted a training workshop, virtually, for the Government of Botswana, from 1 – 5 August 2022, which was attended by a select group of experts who are now officially the IPRT Team for the country and will oversee the entire process of implementing the toolkit at the national level. The experts Team will also serve as training of trainers in Botswana, including for the face-to-face session. Furthermore, another training session was conducted in Gaborone (26 – 29 September 2022), which enabled Botswana stakeholders to understand and appreciate the functionalities of the IPRT and use it in planning and alignment of the 2030 Agenda and Agenda 2063 with national development plans. About 30 experts drawn from different ministries and their institutions, Statistics Botswana and other stakeholders attended the training.

46. ECA delivered a similar training for the Government of Malawi (22 - 25 Feb 2022) in Lilongwe. It was aimed at building the capacity of the National Planning Commission and the line ministries to monitor the implementation of the Malawi Vision 2063 using the IPRT. At the end of the training the baseline data was entered into the IPRT system. The virtual and face to face training sessions for Zambian stakeholders will hold late November 2022. In addition, discussions are currently underway with Zimbabwe on scheduling of the IPRT training in country.

(c) Capacity Building Workshop on Domestic Resource Mobilization and Illicit Financial Flows in Zambia

47. ECA in collaboration with UNCTAD, convened a capacity building workshop in Lusaka from 15-18 March 2022, under the Integrated National Financing Framework (INFF) initiative. The workshop, among others, informed policymakers in Zambia of the INFF process; highlighted the domestic resource mobilization needs of Zambia in view of the pressing needs to achieve the SDGs; considered the

conceptual framework and guidelines on the statistical measurement of IFFs and equipped the participants with knowledge and skills on measuring tax and commercial illicit financial flows. Furthermore, the workshop enhanced awareness of the scale of illicit financial flows in Africa and Zambia and their implications on development and the achievement of SDGs.

(d) Supporting the Migration Statistics and Recognition of the Skills of Migrants Initiative in Southern Africa

48. ECA, in collaboration with stakeholders including the UN Department of Economic and Social Affairs (DESA), ILO and IOM, is leading the implementation of capacity-building programmes to support member States, on the continent, to build national migration data platforms and design and implement national migration strategies. In Southern Africa, Zimbabwe and South Africa are among the six African countries receiving technical support under this project. Other countries from the continent are Côte d'Ivoire, Mali, Senegal, and Morocco.

49. In that regard, ECA facilitated a stakeholders-meeting in South Africa on 2 - 4 June 2022 during which the draft reports by the two expert consultants on *data and statistics and skills recognition* were presented and discussion. The experiences of Mali, Cote d'Ivoire and Senegal on migration was also presented during the meeting. For Zimbabwe, ECA led the Mission on 11 - 14 June 2022 to launch the migration project and specifically enhanced understanding by senior government officials and other stakeholders of the contribution of migration to economic growth and the reduction of poverty and vulnerability; strengthen Zimbabwe's capacity to monitor and report on progress at the level of the Global Compact for Safe, Orderly and Regular Migration and engage with other stakeholders to fully appreciate the migration terrain and explore areas of collaboration and synergy. The launch provided the consultant with the opportunity to meet with all stakeholders and pave the way forward for preparation of the study on *data and statistics and skills recognition* in taking forward this project, which is still in progress.

(e) Supporting the Work of the United Nations and other Development Partners in Member States

50. ECA, as part of the United Nations 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.

3. Challenges and Lessons

51. COVID-19 pandemic had constrained programme delivery, especially in late 2021 to mid-2022 thereby inhibiting timely implementation of planned activities, especially those related to convening of meetings and delivery of field level advisory services and technical support. In mitigation, SRO-SA continued to leverage online conference platforms to organize meetings, although these are not free of technical disruptions and glitches in the conduct of virtual meetings. Limited availability of official statistical data also continues to be a challenge that affects delivery of the analytical and research work,

especially on emerging issues of priority to member States and the subregion. Furthermore, there has been a challenge in ensuring high level representation and participation, especially in statutory meetings such as the ICSOE, of senior officials who are able to make necessary decisions and ensure that recommendations made are taken to the national level for timely implementation.

52. Key lessons included the following: leveraging of ICTs is critical to ensuring program delivery, particularly in convening meetings amid shocks such as the COVID-19 pandemic; partnerships with RECs, IGOs and development institutions at subregional and national level are key to ensuring relevance of interventions undertaken and support provided; working closely with other UN entities at subregional and country levels is critical to facilitating building synergies and leveraging resources and expertise for maximum impacts of development initiatives; and that developing capacities in member States and involve them early in processes is critical to anchoring support.

4. Highlights of the Work Programme for 2023

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 2023, 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 partnerships.

54. In line with the stated objective, Table 1 shows key initiatives and deliverables programmed for delivery for 2023:

Table 1: Summary of key deliverables for 2023

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><i>1. Session of the ICSOE for Southern Africa</i></p> <ul style="list-style-type: none"> - Report on key economic and social developments and prospects for regional integration in Southern Africa - Report on the work of ECA in Southern Africa - Progress report on regional and international agendas and other special initiatives in Southern Africa
(b) Analytical policy studies	<p><i>2. Policy studies and ad hoc expert groups meetings</i></p> <ul style="list-style-type: none"> - Industrialization in Southern Africa

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
and ad hoc expert group meetings	<ul style="list-style-type: none"> - Regional integration in Southern Africa
(c) Generation and transfer of knowledge	<p>3. <i>Fellowship programme for young African economists on inclusive industrialization and regional integration</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"> - Forum on regional integration in Southern Africa - 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 (several countries) - COMESA: collaborative initiative on advancing industrialization agenda in the COMESA region (including the Zambia-Zimbabwe Agro-industrial Park Initiative) - Building capacity of Govt of Namibia to Measure the Performance of the Tourism Sector and its Economic Impacts using Tourism Satellite Accounts - Others, upon request from member States, RECs and IGOs
(f) Policy dialogue and support to consensus building initiatives	<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 (DA) Projects	<p>7. <i>DA 12th Tranche Project (2020-2023):</i> Promotion and implementation of regional and national industrialization policies for inclusive and sustainable development in Southern Africa</p> <p>8. <i>DA Global MSME Surge Project (2020-2022):</i> Increase access to technology and innovation</p> <p>9. <i>DA 13th Tranche Project (2020-2024):</i> Innovative Approaches for MSME Competitiveness to Promote Trade and Inclusive Industrialization in Southern Africa in the Post-COVID Context</p> <p>10. <i>DA Project INFF: Towards Integrated National Financing Frameworks (Zambia)</i></p>
