



## **CONCEPT NOTE**

### **VALIDATION MEETING ON THE DRAFT POLICY, LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR THE COMMON AGRO-INDUSTRIAL PARK BETWEEN ZAMBIA AND ZIMBABWE AND ON THE ASSESSMENT STUDY REPORT ON REGIONAL MAIZE AND DAIRY VALUE CHAINS (ZAMBIA AND ZIMBABWE)**

**August 10<sup>th</sup> -11<sup>th</sup> 2022**

**Harare, ZIMBABWE**

## 1. Background

The COMESA Industrial Strategy and Action Plan seeks to promote value addition and value chains at both national and regional levels to anchor economic transformation, employment creation and poverty alleviation. The integrated manufacturing and sectoral linkages to emerge through industrialization are expected to contribute to the diversification of the regional manufacturing base leading to enhanced economic multipliers. Under the COMESA regional industrial framework, member States are encouraged to; incentivize investment in processing of high value agricultural products, promote local manufacturing of agro-processing machinery and equipment and encourage clustering of industries around specific agricultural resources. Furthermore, Article 99 of the COMESA Treaty specifically encourages member States to cooperate in industrial development to promote self-sustained and balanced growth; increase the availability of industrial goods and services for the intra-COMESA market; improve the competitiveness of the industrial sector thereby enhancing the expansion of intra-regional trade in manufactures to achieve structural transformation of the economy that would foster the overall socio-economic development in Member States; and develop local industrialists to own and manage the resulting diversified industries. The regional Industrial Strategy and Action Plan identifies the priority areas and value chains in industrial cooperation to include: agro-processing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and blue economy.

It is against this background that Zambia and Zimbabwe signed a Memorandum of Understanding (MOU) on joint industrialisation cooperation to anchor structural and economic transformation. The MOU between the two countries, signed on 18 March 2021, established a framework for cooperation on industrialization and builds on a long history of bilateral economic cooperation between the two member States. The countries' cooperation dates to the colonial period including during the Federation of Rhodesia and Nyasaland. In recent times, post-independence cooperation has continued to deepen in various sectors and in the power sector the cooperation continues to thrive through the Kariba Dam and Batoka Gorge projects from which both countries derive power.

Under the MOU, potential exists for the two countries to facilitate the setting up of joint ventures which utilize complementarities of national resource endowments, value-addition skills, technology, marketing and among other capabilities. The priority sectors under the cooperation could include agriculture and agro-industries, mining and mineral processing, petrochemicals, fertilizers and pharmaceuticals, capital goods industries, textiles, forest-based industries, building materials and knowledge economy, among others. Furthermore, the two countries can deepen regional value chains based on their comparative advantages in the resources sectors. In addition, given the membership of both countries of COMESA and the Southern Development Community (SADC), industrial cooperation will deepen collaboration in both RECs and also further strengthen the aspirations of the African Continental Free Trade Area Agreement.

The two member States have selected the establishment and management of a common agro-based industrial park based on comparative advantages in the agricultural sector as a

starting point for strengthening cooperation. The agro-industrial park will utilise the agricultural resources in both countries to create employment, anchor investment and economic growth across the borders as well as foster linkages with other economic sectors across the member States and create a sustainable base for expansion of trade under the AfCFTA. Among others, industries that could flourish in the agro-industrial park could include; agro-processing, textiles and garments, leather and leather products, agro-chemicals, agri-inputs, agri-infrastructure, storage and agricultural engineering. Micro, small and medium enterprises exploiting opportunities along the various value chains will evolve and mature in the park. Through these activities, the agro-industrial park will increase the share of agriculture in total GDP, anchor food security and improve livelihoods in the region by creating additional jobs and stimulating the development of MSMEs.

Stage 1 of the project included commissioning, drafting and validation of the prefeasibility study on establishing and managing a common agro-industrial park between Zambia and Zimbabwe through the collaborative efforts of the COMESA Secretariat and the United Nations Economic Commission for Africa (UNECA). The study was successfully validated in May 2021 setting the stage for Stage 2 of the CAIP development value chain which focussed on sensitization and drafting of a draft policy framework. The enterprises in the agro-industrial park will enjoy economies of scale and associated positive externalities by sharing infrastructure and taking advantage of opportunities for bulk purchasing and selling, training courses and extension services.

Parallel stakeholder sensitization meetings in the two member States were successfully rolled out. In addition, a high-level meeting with the Permanent Secretaries responsible for Commerce and Industry from the two member States was successfully organized. This ensured that the project development process remained at a high level in the two Governments.

Under Stage 2, the project partners retained a consultant to draft ***“a harmonized policy, legal and regulatory and institutional framework for the establishment and management of the common agro-industrial park between Zambia and Zimbabwe”*** to provide guidance on the operations. A draft has been prepared. Stage 3 of the project life cycle involves the validation of the draft policy, legal, regulatory and institutional framework of the CAIP. In that regard, the project partners, ECA and COMESA will organize an experts meeting (AEGM) to validate the draft policy and institutional framework in Harare, Zimbabwe on August 10<sup>th</sup>, 2022. While the policy framework sets out the broad parameters including the expectations and responsibilities of government and other stakeholders, the legal and regulatory frameworks makes the policy aspirations justiciable and the institutional framework provides a structured management and administration framework.

The AEGM will also validate a study on ***Assessment of the Regional Maize and Dairy Value Chains in Zambia and Zimbabwe*** under the project on ***Strengthening Member State Capacity to Develop Regional Agricultural Value Chains to Enhance diversification and intra-African trade*** on August 11<sup>th</sup>, 2022. The findings of the value chains study will complement the CAIP work as these two value chains are amongst the nine target value chains under the common park initiative. Further, the findings of the study will help to promote the application of the

AU Guidelines for the development of RAVCs in Africa as related to maize and dairy value chains in the COMESA region.

## **2. Meeting Objectives**

The two-pronged objective of the ad hoc experts meeting (AEGM) is to validate the draft policy, legal, regulatory and institutional framework for the common agro-industrial park and the draft assessment study report on regional maize and dairy value chains between Zambia and Zimbabwe. Specifically, the experts will;

- (i) discuss the work accomplished so far on the planned establishment of the common agro-industrial park including reviewing the findings and recommendations of the prefeasibility study to isolate issues requiring further analysis and consideration as the project progresses to the next phase and identifying the investment need in further sensitization of stakeholders in the two countries;
- (ii) reflect further on the possible locational of the park given the discussion so far on possible configuration of the park;
- (iii) review the harmonized draft policy, legal, regulatory and institutional framework proposals to assess the adequacy of the suggested frameworks and consider how the harmonization and creation of a common policy, legal, regulatory and institutional framework for the park in the agreed configuration could be expedited building on already existing structures and collaboration mechanisms between the countries – ensuring that elements for harmonization and alignment are clearly identified and implications on stakeholders outlined;
- (iv) proffer recommendations to refine the harmonised policy, legal, regulatory and institutional framework for establishing and managing the CAIP and provide timelines and a roadmap for the completions of these adjustments and documents; and
- (v) review and validate the study on the dairy and maize value chains, including its findings and recommendations and proffer a way forward on advancing these value chains by addressing the identified challenges.

## **3. Format**

The experts meeting will be in plenary with presentations on, (i) the feasibility study findings, (ii) on the draft policy, legal, regulatory and institutional framework report followed by open discussions and (iii) the assessment study report on regional maize and dairy value chains. Presentations will be followed by nominated discussants/experts providing to review of the two draft documents/reports. These interventions will be complimented by open discussions. Representatives of the private sector will be invited to share their views on the appropriateness of the proposed policy and regulatory framework, as well as the viability for the promotion of regional value chains of maize and dairy between the two countries.

## **4. Participation**

The meeting will be attended by representatives of the two governments, especially from the Ministries responsible for Agriculture, Commerce and Industry and the related institutions, the private sector (including chambers of commerce and industry), micro small and medium enterprises representatives, academia and women business organization. The United Nations family in Zimbabwe including UNRC, FAO, UNDP, IOM, ILO, UNCTAD, and UNIDO will be invited to the meeting. The COMESA Secretariat and UNECA will also attend the meeting.

## **5. Date and Venue**

The AEGM will be organized on August 10 and 11, 2022 at **Rainbow Towers Hotel** in Harare, Zimbabwe

## **6. Expected Outcomes**

The expected outcomes will include:

- Greater appreciation and understanding of;
  - the objectives of and the modalities and opportunities from the common agro-industrial park and the implications going forward; and
  - the policy, legal, regulatory and institutional framework;
  - status of maize and dairy value chains;
  - action required to promote regional maize and dairy value chains between the two countries and across the region; and
- Enhanced networking among stakeholders in industry, private sector, development partners and Government on cross border special economic zones;

## **7. Expected Outputs**

The expected output will be:

- Recommendations (i) to improve the policy, legal, regulatory and institutional framework for the establishment and management of a CAIP between Zambia and Zimbabwe; and (ii) to improve the assessment study report on maize and dairy value chains;
- A report of the proceedings of the experts meeting validating the draft policy, legal, regulatory and institutional framework and the assessment study report on regional maize and dairy value chains; and
- Reviewed documents on the policy, legal, regulatory and institutional framework and the assessment study report on regional maize and dairy value chains.

## **8. Contacts**

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## **Draft Agenda**

### **VALIDATION MEETING ON THE POLICY, LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR THE COMMON AGRO-INDUSTRIAL PARK AND ON THE ASSESSMENT STUDY REPORT ON REGIONAL MAIZE AND DAIRY VALUE CHAINS IN ZAMBIA AND ZIMBABWE**

**Harare, ZIMBABWE**

**August 10<sup>th</sup>, 2022**

1. Opening Session
2. Introductions
3. Overview and Objectives of the AEGM
4. Feasibility Study on the Common Agro-Industrial Park (CAIP): Findings and Recommendations
5. Open Discussion
6. Draft Policy, Legal, Regulatory and Institutional Framework for the Common Agro-Industrial Park
7. Discussant/Expert Interventions
8. Views of the Private Sector
9. Discussions and Way Forward
10. Closing Session

**August 11<sup>th</sup>, 2022**

1. Introduction
2. Overview of the maize and dairy value chains in Zambia and Zimbabwe
3. Overview of the maize and dairy value chains in Zambia and Zimbabwe
4. Open Discussion
5. Challenges and opportunities for the development of regional maize and dairy value chains
6. Open Discussion
7. Overview of policy and regulatory framework
8. Open Discussion
9. Discussant/Expert Interventions
10. Discussions and Way Forward
11. Closing Session

## Draft Programme of Work

### VALIDATION MEETING ON THE POLICY, LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR THE COMMON AGRO-INDUSTRIAL PARK BETWEEN ZAMBIA AND ZIMBABWE AND ON THE ASSESSMENT STUDY REPORT ON REGIONAL MAIZE AND DAIRY VALUE CHAINS IN ZAMBIA AND ZIMBABWE

**August 10<sup>th</sup>, 2022**

**Harare, ZIMBABWE**

| <b>Day 1: Draft Policy, Legal, Regulatory and Institutional Framework for the CAIP</b> |                           |   |
|--|---------------------------|---|
| #  | Time                      | Agenda Item Description   |
| 1  | 09:00<br>to<br>10:00      | Opening Session<br>i. Remarks ECA SRO-SA Director, Ms. Eunice Kamwendo<br>ii. Remarks COMESA Secretariat<br>iii. Official Opening, Minister of Commerce and Industry, Zimbabwe, Dr. S. Nzenza |
| 2  | <b>10:00 to<br/>10:30</b> | <b>Tea/Coffee Break &amp; Media Briefing</b>  |
| 3  | 10:30 to<br>10:50         | Overview and Objectives of the AEGM <b>Oliver Maponga, ECA SRO-SA</b>   |
| 4  | 10:50 to<br>11:20         | Feasibility Study on the Common Agro-Industrial Park (CAIP): Findings and Recommendations <b>Rongai Chizema, Consultant, ECA</b>  |
| 5  | 11:20 to<br>11:50         | Open Discussions  |
| 6  | 11:50 to<br>13:00         | Draft Policy, Legal, Regulatory and Institutional Framework for the Common Agro-Industrial Park, <b>Wisdom Kaleng'a, ECA Consultant</b>   |
| 7  | <b>13:00 to<br/>14:00</b> | <b>Lunch Break</b>  |
| 8  | 14:00 to<br>15:30         | <b>Discussant Interventions</b><br>Dr. Tobias Mulimbika<br>Ms. Mwanda Phiri<br>Dr. Maxwell Mutema<br>Prof. Gift Mugano<br>Mr.   |
| 9  | <b>15:30 to<br/>16:00</b> | <b>Tea/Coffee Break</b>   |
| 10   | 16:00 to<br>17:00         | The Private sector View of the Policy, Legal, Regulatory and Institutional Framework<br>Zambia<br>Zimbabwe  |
| 11   | 17:00 to<br>17:30         | Discussions and Way Forward   |



| <b>Day 2: Assessment study report on regional maize and dairy value chains</b> |                      |   |
|--|----------------------|---|
|  | <b>Time</b>          | <b>Agenda Item Description</b>  |
| 1  | 09:00<br>to<br>09:10 | Welcome, Previous day's recapitulation and introduction to Day 2  |
| 2  | 09:10<br>to<br>09:20 | Overview of the draft Assessment study report on regional maize and dairy value chains: <b>Medhat Elhelepi, ECA</b> |
| 3  | 9:20 to 9:50         | Tea/Coffee Break  |
| 4  | 9:50 to<br>10:20     | Overview on the maize and dairy value chains in Zambia and Zimbabwe   |
| 5  | 10:20 to<br>10:50    | Open Discussion   |
| 6  | 10:50 to<br>11:20    | Challenges and opportunities for the development of regional maize and dairy value chains                           |
| 7  | 11:20 to<br>11:50    | Open Discussion   |
| 8  | 11:50 to<br>12:20    | The policy and regulatory framework for the maize and dairy value chains  |
| 9  | 12:20 to<br>13:00    | Open Discussion   |
| 10   | 13:00 to<br>14:00    | Lunch Break   |
| 11   | 14:00 to<br>14:40    | Expert Interventions (4 discussants)  |
| 12   | 14:40 to<br>15:20    | Discussions and Way Forward   |
| 13   | 15:20 to             | Closing Session<br>i. ECA<br>ii. COMESA Secretariat<br>iii. Ministry of Commerce and Industry                       |