

Concept Note

Regional Policy dialogue on the Promotion and Implementation of Regional and National Industrialization Policies for Inclusive and Sustainable Development in Southern Africa and Sensitization of the Private Sector on National and Regional Policy Developments

Lilongwe, MALAWI and Virtual

7th to 9th December 2022

1. Background

Member States of the Southern African Development Community (SADC)¹ and the Common Market for Eastern and Southern Africa (COMESA)² have recently developed regional policies and strategies to anchor industrial growth and diversification. The two regional economic communities (RECs) have specifically intensified the promotion of industrialization as a precursor to enhanced and diversified trade through the adoption of industrialization frameworks and actions plans to guide member States in the endeavor to transform economies and facilitate regional value chains. Industrial development is central to economic diversification, enhancement of productive capacities, meeting the needs of regional citizens, the creation of wealth and employment, reduction of poverty and setting the economies on an inclusive and sustainable growth path. Overall, industrialization has become a regional policy priority in recent years and will anchor the implementation of the Agreement Establishing the African Continental Free Trade Area (AfCFTA). Regional member States³ are currently seized with developing national strategies to position themselves and their stakeholders to be able to participate competently in the wider African market with reduced barriers.

A key action in facilitating regional industrialization in both SADC and COMESA is the domestication or local adaptation of the aspirations of the regional frameworks and the subsequent alignment with national industrialization visions and strategic industrial development plans. Although currently regional member States are seized with the revision of industrialization policy frameworks and implementation plans, many of these new generation frameworks are not fully aligned to the regional blueprints and are neither harmonized amongst themselves nor in synergy. Yet for the success of the regional approach to industrialization through the pursuit of regional value chains, linkages and beneficiation as envisaged in the COMESA and SADC strategies, a harmonized policy environment to underpin the regional industrial base, promote, leverage and exploit the benefits envisaged under both the Tripartite and AfCFTA, is imperative.

The United Nations Development Account 12th Tranche Project on “*Promotion and Implementation of Regional and National Industrialization Policies for Inclusive and Sustainable Development in Southern Africa*”, seeks to accelerate regional industrialization through the creation of a harmonized environment cross member States to support regional value chains. The support primarily endeavours to enhance the capacity of RECs to elaborate regional industrialization strategies and promote increased engagement and awareness with member States and key stakeholders on its domestication or local adaptation. It further seeks to strengthen the capacity of member States to draft, in a fully transparent manner, and implement industrialization policies and strategies consistent and in harmony with the regional frameworks, including supporting private sector growth as both drivers and beneficiaries of the harmonized and competitive industrial environment.

Four analytical studies commissioned as part of the implementation of the project explored various dimensions and pertinent issues on regional industrialization and industrial development and proffered recommendations at various levels. The analytical studies are on: (i) COVID-19 and Regional Economic Development: impacts, coping strategies and post

¹ SADC Industrialization Strategy and Road Map (2015) and Action Plan (2017)

² COMESA Industrialization Framework

³ Malawi, Namibia, Zambia and Zimbabwe have already finalized their strategies with work advanced and underway in Botswana, Eswatini, Mauritius and Mozambique.

COVID development in the region; (ii) Harnessing the Potential of Special Economic Zones for Private Sector Development and Inclusive Industrialization in the region 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, supporting the various project were validated

The study on the Impacts of COVID-19 in Southern Africa presents an in-depth analysis of socio-economic impacts of the pandemic and of the strategies crafted and implemented by regional member States to address the challenges. It also interrogates the strategies that will be needed to address the long-term effects on regional economic development including how economies can build back faster. The lessons learned from this study will be invaluable going forward, building back better, more resilient and self-reliant economies, including for a successful and effective implementation of the AfCFTA agreement.

The alignment, harmonization and domestication studies explored the importance of the process in anchoring industrial development, linkages and value chains development. It examined the underlying tenets of domestication and how the process can be accelerated in the member States and made proposals for such acceleration. The studies examined the extent to which the national industrial policies of Malawi, Zambia and Zimbabwe align with and/or depart from the principles and tenets of the SADC and COMESA industrialization policies and strategies and provided recommendations to support national processes towards the formulation, harmonisation and alignment of these national industrialisation policies with the regional frameworks. Furthermore, the study proposed implementation frameworks for the domestication of strategies and policies to anchor industrial development in the three countries. The three member States have developed strategies to facilitate harmonization.

The special economic zones (SEZs) study identified measures, policies, partnerships and institutional frameworks to enable regional member States to effectively harness the efficacy of the economic zones in driving private sector development, including the micro, small and medium enterprises and to achieve sustainable and inclusive industrialization. Overall, the study helped improve knowledge and understanding of the relevance and importance of SEZs as strategies for private sector development in the region and brought out key structural tenets for the promotion of such ventures.

SRO-SA organized a virtual Regional Industrialization Forum on 27 to 28 May 2021 to review the findings and recommendations and validate the studies. Following the review and finalization of the studies, policy briefs have now been drafted synthesizing the recommendations and providing direction for stakeholders going forward. The Commission, in collaboration with the Ministry of Trade and Industry (Malawi), will organize a Regional Policy Dialogue on 7th to 9th December 2022 in Lilongwe to review and synthesize the policy directions from the analytical studies and policy dialogues in readiness for the transmission to stakeholders for implementation as well as sensitize the private sector on new policy directions on industrialization.

2. Objectives

The overall objective of the regional industrial policy dialogue and the private sector sensitization meeting is to provide regional stakeholders with a platform to discuss the recommendations and policy directions from the four analytical studies undertaken to anchor regional support on industrial policy domestication and harmonization in Southern Africa. The dialogue will facilitate discussion among stakeholders on the policy developments in industry

in the regional as well as share experiences on dealing with the fallout from the pandemic as well as explore the opportunities offered by the AfCFTA in supporting recovery.

2.1 Regional Policy Dialogue

The regional policy dialogue will review the policy briefs on domestication, harmonization, the impacts of COVID-19 and on SEZs interrogating the recommendations of each study to sharpen them for pointed guidance to regional member States and stakeholders in; (i) the alignment and harmonization of national policies with the regional frameworks; (ii) addressing the impacts of COVID-19 and strategizing for building back faster and; (iii) harnessing special economic zones for inclusive industrialization and economic transformation. Informed by these four studies, the Policy Dialogue will review the proffered recommendations and policy directions to lay the platform for dissemination to and implementation by member States RECS and other stakeholders.

2.2 Sensitization of the Private Sector

The private sector sensitization session will discuss national and regional policy developments in support of industrialization; the challenges and opportunities from the COVID pandemic and how the business enterprises are so far building back better and faster in light of other challenges impacting the cost of doing business. During this session, member States and RECs will share on initiatives for supporting industrial revival especially among MSMEs as COVID has waned and in light of the opportunities presented by the AfCFTA.

3. Format

The regional policy dialogue will be in plenary with presentations and discussant interrogations/reviews of the four draft policy briefs on (i) accelerating domestication (ii) alignment and harmonization processes in Malawi, Zambia and Zimbabwe (iii) post-COVID-19 recovery and (iv) special economic zones and private sector development.

The session on sensitizing the private sector will be in plenary and will include presentations and discussions by the business sector (chambers of commerce), government representatives and regional economic communities on post COVID support, policy changes and the AfCFTA.

4. Participation

Government representatives from Ministries of Commerce, Industry, Trade, Industrialization, Regional Integration, Small and Medium Enterprises and Finance, experts in industrialization, industrial policy development, value chains development, trade and regional integration, academic and research institutions, micro, small and medium enterprises, women business organizations, youth groups, CSOs, private sector representatives and other development partners will participate in the meeting. AU-SARO, SACU, SADC and COMESA Secretariats will participate in the Policy Dialogue to anchor pertinent regional dimensions. The United Nations family including UNCTAD and UNIDO and UNRCOs and UNCTs for Malawi, Zambia and Zimbabwe will participate in the meeting. The Bureau of the 28th Intergovernmental Committee of Senior Officials and Experts of Southern Africa will Chair the proceedings.

5. Date and Venue

The Regional Policy Dialogue and private sector sensitization session will be organized in hybrid on 7th to 9th December 2022. The face to face session will be in Lilongwe, Malawi. Provision will be made for other participants to join virtually and the attendant connection details will be shared with confirmed participants.

6. Expected Outcomes

The expected outcomes of the Policy Dialogue will include;

- i. enhanced understanding of the progress, challenges and recommendations and policy directions in the domestication of regional policies and alignment and harmonization of national policies with regional frameworks;
- ii. enhanced understanding of the impacts of COVID-19 on socio-economic development patterns in the region and recommendations and policy directions to assist regional economies build back better and faster;
- iii. enhanced appreciation of the benefits of harnessing the potential of SEZ to drive socio-economic transformation and provide opportunities for MSMEs for active participation in value chains and of the policy directions on SEZ promotion; and
- iv. improved networking and coordination for knowledge exchange and complementarity among the experts, project partners and the regional economic communities;

The expected outcomes of the sensitization session with the private sector will include;

- i. enhanced sensitization of the private sector on regional industrial policy developments including harmonization and domestication and the creation of competitive operating conditions including the opportunities from the AfCFTA and a better appreciation of the post-COVID environment and the recovery strategies being employed by stakeholders.

7. Expected Outputs

The expected outputs will include;

- i. Recommendations to refocus the policy directions from the analytical studies which will be used to finalize the drafts together with action plans; and
- ii. Recommendations from the sensitization of the private sector, especially how the sector can take advantage of the emerging policy environment and directions on further policy adjustments to support the sector; and reports of the deliberations including directions on how the policy briefs will be disseminated for action.

8. Contact Details

Confirmation of participation and the request for additional information and all other communication on the Forum should be addressed to:

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Draft Agenda

Regional Policy Dialogue on the Promotion and Implementation of Regional and National Industrialization Policies for Inclusive and Sustainable Development in Southern Africa and Sensitization of the Private Sector on National and Regional Policy Developments

7th to 9th December 2022

1. Opening Session

- a. Director SRO-SA
- b. United Nations Resident Coordinator (Malawi)
- c. Chair of the Bureau of the 28th ICSEO
- d. Representative of the Private Sector (Malawi)
- e. Official Opening by the Minister of Trade and Industry (Malawi)

2. Overview on the Policy Dialogue and Objectives

3. Plenary Presentation of Findings and Recommendations of Analytical Studies and the Policy Briefs

- a. COVID-19 and Regional Economic Development: impacts, coping strategies and post COVID development in Southern Africa
- b. Regional Policy Domestication
- c. Alignment and harmonization of regional and national industrialization frameworks focusing on Malawi, Zambia and Zimbabwe
- d. Harnessing the Potential of Special Economic Zones for Inclusive Industrialization in Southern Africa

4. Introduction to Breakout Groups

5. Breakout Group discussions of Policy Directions

- a. Group 1: Regional Policy Domestication
- b. Group 2: COVID-19 and Regional Economic Development: impacts, coping strategies and post COVID development in Southern Africa
- c. Group 3: Alignment and harmonization of regional and national industrialization frameworks focusing on Malawi, Zambia and Zimbabwe
- d. Group 4: Harnessing the Potential of Special Economic Zones for Inclusive Industrialization in Southern Africa

6. Plenary Presentation of Group Synthesis of Policy Briefs

7. Sensitization of the Private Sector on Industrial Policy Development in Southern Africa and on post-COVID recovery Strategies

8. Closing Session

- a. Director SRO-SA

- b. Chair of the Bureau of the 28th ICSOE
- c. Representative of the Government of Malawi



Draft Programme of Work

Regional Policy Dialogue on the Promotion and Implementation of Regional and National Industrialization Policies for Inclusive and Sustainable Development in Southern Africa and Sensitization of the Private Sector on National and Regional Policy Developments

7th to 9th December 2022

Day 1	
TIME	AGENDA ITEM
08:00 – 09:00	Arrivals/registration of participants
Director of Ceremonies/Moderator: Mr. Silas Sindi, Deputy Director, MIT (Malawi)	
09:00 – 09:30	Opening session <ul style="list-style-type: none"> Remarks by Director, Economic Commission for Africa (ECA) Sub-regional Office for Southern Africa Remarks by the UN Resident Coordinator Remarks by Chair of the 28th ICSOE of Southern Africa Remarks by the Representative of the Private Sector (Malawi) Official Opening Statement by the Ministry of Trade and Industry (Malawi)
09:30 – 09:45	TEA/HEATH BREAK/MEDIA BRIEFING
Moderator: Oliver Maponga/Voronica Mufudza	
09:45 – 10:00	Overview on the Policy Dialogue and Objectives: Mr. Oliver Maponga, SRO-SA
10:00 -10:30	Presentation of the Policy Brief on Regional Policy Domestication by Dr. Tobias Mulimbika
10:30 – 10:45	Discussions
10:45 – 11:15	Presentation of the Policy Brief on: COVID-19 and Regional Economic Development: impacts, coping strategies and post COVID development in Southern Africa by Mr. Peter Chikwekwete
11:15 – 11:30	Discussions
11:30 – 12:00	Presentation of the Policy Briefs on: Alignment and harmonization of regional and national industrialization frameworks in Southern Africa focusing on Malawi, Zambia and Zimbabwe by Dr. Richard Kamidza
12:30 – 12:45	Discussions

12:45 - 13:15	Presentation of the Policy Brief on: Harnessing the Potential of Special Economic Zones for Inclusive Industrialization in Southern Africa by Dr. Josaphat Kweka
13:15 – 13:30	Discussions
13:30 – 14:30	LUNCH BREAK
Moderator: Voronica Mufudza/Juliet Achen	
14:30 – 14:35	Introduction to Groupwork , Mr. Oliver Maponga, SRO-SA
14:35 – 17:30	Breakout Groupwork on Synthesis of Policy Briefs and Elaboration of Action Plans
Day 2	
08:30 – 09:30	Finalization of Synthesis of Policy Briefs and Action Plans
09:30 – 10:15	Presentation and Discussion: Group 1
10:15 -10:30	HEALTH BREAK
10:30 – 11:15	Presentation and Discussion: Group 2
11:15 – 12:00	Presentation and Discussion: Group 3
12:00 – 12:45	Presentation and Discussion: Group 4
13:00 – 14:00	LUNCH
Moderator: Oliver Maponga	
14:00 – 14:10	Sensitization of the Private Sector on Industrial Policy Developments on the region – Overview
14:10 – 14:30	Recent developments in the COMESA Regional Industrial Policy Frameworks by Ms. Esther Mwimba/Mr. Innocent Makwiramiti
14:30 – 14:45	Recent developments in the SADC Regional Industrial Policy Frameworks by Mr. Calicious Tatalife
14:45 – 15:00	Discussions
15:00 – 15:15	Impact of the COVID Pandemic on the Private Sector – Experience from Malawi
15:15 – 15:30	Impact of the COVID Pandemic on the Private Sector – Experience from Zambia
15:30 – 15:45	Impact of the COVID Pandemic on the Private Sector – Experience from Zimbabwe
15:45 – 16:00	Discussions
16:00 – 16:30	HEALTH BREAK and END OF DAY
Day 3	
09:00 – 09:20	Supporting Post COVID Recovery - Regional Initiatives (COMESA and SADC)
09:20 – 09:30	Discussions
09:30 – 10:30	Supporting Post COVID Recovery - Malawi, Zambia and Zimbabwe
10:30 – 10:40	Discussions
10:40 – 11:00	HEALTH BREAK
Moderator: Oliver Maponga/Voronica Mufudza	
11:00 – 11:20	The AfCFTA in Operation: Recent Developments; Batanai Chikwene, ATPC
11:20 – 11:35	Recovery Opportunities through the AfCFTA (Malawi),
11:35 – 11:50	Recovery Opportunities through the AfCFTA (Zambia)

11:50 – 12:15	Recovery Opportunities through the AfCFTA (Zimbabwe)
12:15 – 12:35	Discussions, Recommendations and Way Forward
12:35 – 13:00	Closing Session <ul style="list-style-type: none"> •Director, SRO-SA, Eunice Kamwendo •Chair, 28th ICSOE of Southern Africa, Mozambique •Representative of the Minister of Trade and Industry
13:00 – 14:00	LUNCH