

Validation meeting on the study to assess the feasibility of establishing and managing a common agro-industrial park between Zambia and Zimbabwe





United Nations
Economic Commission for Africa

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First printing: November 2021

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Designed and printed in Addis Ababa by the ECA Printing and Publishing Unit. ISO 14001:2015 certified.
Printed on chlorine free paper

Cover photo: Shutterstock

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I. Introduction

Building on a long history of collaboration, the Governments of Zambia and Zimbabwe have launched a joint industrialization programme to promote structural and economic transformation in the two countries. The two member States have identified the development of a common agro-industrial park as a starting point for industrial cooperation. A recently-signed memorandum of understanding on a joint industrialization programme will support the agro-industrial park initiative. The programme is anchored in the Common Market for Eastern and Southern Africa (COMESA) Industrialization Strategy 2017–2026 and its associated action plan, which identify a number of priority areas for value chain development, including agroprocessing, energy, textiles and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and the blue economy.

The planned agro-industrial park will utilize agricultural resources in both countries to create employment, attract investment and promote cross-border economic growth. The park will facil-

itate the development of micro-, small and medium-sized enterprises, exploiting opportunities along commodity value chains. It is envisaged that the agro-industrial park will boost the share of GDP generated in both countries by agriculture, strengthen food security and improve people's livelihoods by creating sustainable jobs and promoting the development of micro-, small and medium-sized enterprises.

The COMESA secretariat, with the support of the Subregional Office for Southern Africa (SRO-SA) of the Economic Commission for Africa (ECA), retained a consultant to undertake a study to assess the feasibility of establishing and managing a common agro-industrial park between Zambia and Zimbabwe within the context of subregional efforts to advance industrialization. The draft feasibility study report was reviewed and validated at a virtual regional meeting jointly organized by COMESA and SRO-SA on 31 May 2021. The present report contains a summary of the discussions and outcomes of that validation meeting.

II. Opening of the meeting

The meeting opened with remarks by: the Acting Director of SRO-SA, Sizo Mhlanga¹; the Chair of the twenty-sixth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, Rethabile Maluke; the Director, Agriculture and Industry at the COMESA secretariat, Providence Mavubi; the Acting Permanent Secretary, Ministry of Commerce, Trade and Industry of Zambia, Paul Lupunga; and the Deputy Director, Ministry of Industry and Commerce of Zimbabwe, Spiwe Nyamatore.

Mr. Mhlanga welcomed all delegates and participants to the meeting on behalf of ECA. He high-

lighted the importance of the agricultural sector to socioeconomic development, the attainment of the Sustainable Development Goals and other developmental aspirations in Southern Africa, noting that the sector contributed an estimated 40 per cent of gross domestic product (GDP) in COMESA countries and supported the livelihoods of over 70 per cent of the subregion's citizens. Agriculture presented member States with opportunities to address poverty, hunger, unemployment and inequality and also to pursue agricultural-led industrialization through the deepening of commodity value chains and linkages with other economic sectors. He stressed that the development

¹ Mr. Mhlanga passed on July 3 2021.

of agroprocessing industries had even greater potential for enhancing inclusive growth, sustainable economic transformation and job creation. He highlighted the importance of value addition and value chain development in transforming regional economies and in creating sustainable jobs, and emphasized that the production of value added products was particularly important within the context of the opportunities offered by the establishment of the African Continental Free Trade Area (AfCFTA). The secretariats of both COMESA and the Southern African Development Community (SADC) should continue to encourage member States to support investment in agroprocessing and promote the local manufacture of agroprocessing machinery and equipment.

The industrialization agenda in Southern Africa was anchored on strengthened integration among member States and policy harmonization, and the joint industrialization cooperation programme between Zambia and Zimbabwe would further accelerate structural and economic transformation and provide business and growth opportunities for micro-, small and medium-sized enterprises along a range of commodity value chains. The meeting would provide an opportunity to examine the findings and recommendations of the feasibility study report and refocus policies and implementation strategies. In closing, he thanked the COMESA secretariat for its support and reiterated the ongoing commitment of ECA to supporting the agro-industrial park initiative.

In her remarks, Ms. Maluke commended ECA for its ongoing support for regional development initiatives and for working closely with both COMESA and SADC in that regard. Drawing attention to the outcomes of the Forum on the Promotion and Implementation of Regional and National Industrialization Policies for Inclusive and Sustainable Development in Southern Africa, which had been convened by ECA the previous week and which had called for the accelerated domestication of regional industrialization frameworks in support of regional development, she underscored the importance of the technical assistance provided by

ECA. She commended the Governments of Zambia and Zimbabwe for their decision to establish a common cross-border agro-industrial park in order to leverage the rich and diverse agricultural base of the two countries. She underlined that the disruption of supply chains due to the COVID-19 pandemic had highlighted the need for accelerated regional trade and value chain development, stressed the critical role that could be played by the private sector in building back better and emphasized that micro-, small and medium-sized enterprises were ideally placed to exploit opportunities along subregional value chains. She urged private-sector stakeholders to take advantage of the industrial cooperation agreement between the two countries and to build linkages through value addition. She also emphasized the need to factor in green industrialization and climate change issues in the activities of the agro-industrial park, noting the energy-intensive nature of industrialization and the need to embrace green energy, identify uses for agro-industrial waste and develop recycling programmes. She trusted that the agro-industrial park would successfully leverage innovative technologies to increase efficiency and produce competitive products for African markets. She expressed confidence that the meeting outcomes would not only help Zambia and Zimbabwe establish a viable agro-industrial park, but would also provide valuable input for other member States and stakeholders wishing to launch similar initiatives.

Ms. Mavubi reminded the meeting that the COMESA secretariat and member States were strengthening their efforts to promote industrial development, including through capacity-building initiatives for micro-, small and medium-sized enterprises with a view to achieving regional structural transformation. Article 99 of the COMESA Treaty provided that member States should cooperate in industrial development and harmonize related policies, including for the establishment of agro-industries in support of sustainable and inclusive regional economic transformation. She also noted that the Treaty mandated the COMESA secretariat

to initiate programmes to improve industrial competitiveness with a view to boosting intraregional trade in manufactured goods.

Recognizing the devastation caused by COVID-19 on regional industrial production and supply chains, she urged member States to strengthen regional value chains and develop joint industrial projects to boost production as they built back better. She emphasized the strong framework provided by the COMESA Industrialization Strategy 2017–2026 and its associated action plan, the COMESA-EAC-SADC Tripartite and AfCFTA in the regional industrialization endeavour. The COMESA secretariat would continue to support the joint industrialization cooperation programme between Zambia and Zimbabwe, which would help the two countries make optimal use of their diverse natural resources, foster synergies in resource utilization, improve competitiveness, reap the benefits of economies of scale and promote regional industrialization and integration. She commended the two Governments for signing the memorandum of understanding on a joint industrialization programme in March 2021 and for their ongoing commitment to that programme. She also commended ECA for providing technical assistance and for commissioning the feasibility study. She expressed appreciation to the Africa Development Bank for committing to facilitate the mobilization of resources in support of the joint industrialization programme.

COMESA had developed a framework for managing industrial parks and special economic zones to support efforts by member States to promote sustainable, inclusive, and competitive industrial parks and special economic zones, which could play a key role as industrialization enablers. She noted the recent adoption of the framework by the Ministerial Committee on Industry and emphasized that the framework should be a guiding tool for the Governments of the two countries as they developed the common agro-industrial park.

Mr. Lapunga commended the COMESA secretariat for the support it was providing for the regional

integration agenda and for facilitating the signing by Zambia and Zimbabwe of the memorandum of understanding on a joint industrialization programme. He also commended ECA for facilitating the feasibility study on the proposed agro-industrial park, which provided a strong basis for future action, and the African Development Bank for its offer to mobilize some \$15 million to support the agro-industrial park and the joint industrialization programme. That programme was firmly anchored in the COMESA Industrialization Strategy 2017–2026, which had been adopted with a view to strengthening subregional value chain development and key industrial sectors, including agroprocessing, agro-chemicals, textiles and garments, and leather and leather products. The establishment of the agro-industrial park would mark another milestone in ongoing collaboration between two countries; it would strengthen livelihoods and food security and facilitate the development of micro-, small and medium-sized enterprises. The Government of Zambia would remain committed to the success of the common agro-industrial park initiative.

Ms. Nyamatore highlighted the importance of the recently-signed memorandum of understanding between Zambia and Zimbabwe in promoting economic cooperation and industrial development. She emphasized that the Government of Zimbabwe had prioritized industrialization as the anchor for poverty reduction and job creation and that the agro-industrial park was a starting point for strengthened future collaboration between her country and Zambia. She also underscored the long history of collaboration between the two countries, especially in energy, and said that the agro-industrial park had the potential to mobilize investment in manufacturing, enhance competitiveness, and enable both countries to leverage the opportunities offered by the recently-established AfCFTA. She thanked ECA for facilitating the feasibility study, the COMESA secretariat for facilitating the signing of the memorandum of understanding and the African Development Bank for its commitment to support the joint industrialization programme. In closing, she expressed confidence

that the outcomes of the meeting would enrich understanding of industrialization in the region and value chain development and lay the founda-

tion for the success of the common agro-industrial park initiative.

III. Attendance

The meeting was attended by representatives of COMESA and SADC member States, including from ministries of industry, agriculture and trade, as well as from national chambers of commerce and industry, academic and research institutions, civil society organizations, the COMESA and SADC secretariats, the African Development Bank and United Nations agencies, including ECA, the Food and Agriculture Organization of the United Na-

tions (FAO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), and United Nations country teams from Zambia and Zimbabwe. A number of independent experts also attended the meeting. The full list of participants is provided in the annex to the present report.

IV. Adoption of the agenda

The meeting, which was presided over by the Chair of the twenty-sixth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, Rethabile Maluke, adopted the following agenda:

1. Opening of the meeting
2. Objectives of the meeting
3. Overview: the Zambia-Zimbabwe memorandum of understanding on a joint industrialization programme
4. Presentation on guidelines for regional value chain development in Africa
5. Presentation of the report on the study to assess the feasibility of establishing and managing a common agro-industrial park between Zambia and Zimbabwe
6. Discussant interventions
7. Plenary discussion and recommendations
8. Way forward
9. Closing of the meeting

V. Account of proceedings

Objectives of the meeting

A representative of ECA, Oliver Maponga, outlined the objectives of the meeting, and emphasized the importance of the input of experts in shaping the final report, recommendations and policy directions. The overall objective of the meeting was to validate the report on the study conducted to assess the feasibility of establishing and managing a common agro-industrial park between

Zambia and Zimbabwe. The expected outcomes of the meeting included: enhanced understanding of key issues relevant to the development of agro-industrial parks, including the proposed park between Zambia and Zimbabwe; enhanced knowledge of potential value chain development, related opportunities for micro-, small and medium-sized enterprises, including women's business organizations, the benefits stemming from in-

dustrial collaboration, including in the context of agro-industrial parks, and the potential impact on the activities of the proposed agro-industrial park of AfCFTA, the COVID-19 pandemic, green industrialization, e-commerce and the so-called “fourth industrial revolution”. On the basis of the meeting deliberations, a report would be drafted containing succinct recommendations to guide policy design and implementation strategies for the establishment of the proposed agro-industrial park.

Overview: the Zambia-Zimbabwe memorandum of understanding on a joint industrialization programme

A representative of the COMESA secretariat, Innocent Makwiramiti presented an overview of agro-industrial parks and highlighted the salient points of the memorandum of understanding that had been signed by Zambia and Zimbabwe. He outlined the overall objectives of the memorandum of understanding, highlighted potential entry points for collaboration, and emphasized that the joint industrialization programme was in line with article 99 of the COMESA Treaty, which provided that COMESA member States should cooperate in industrial development to achieve the broad objective of self-sustained and balanced growth. He further noted that Zambia and Zimbabwe could deepen their collaboration by establishing additional joint ventures with a view to exploiting complementarities in terms of their national resources, value addition skills, technology, marketing and other capabilities. Indeed, collaboration between the two countries could facilitate regional value chain development anchored on their relative comparative advantages.

The specific objectives of industrial cooperation and collaboration under the COMESA Treaty included increasing the availability of industrial goods and services for bilateral trade, expanding intraregional trade in manufactured goods, fostering the emergence of a group of industrialists who could manage and acquire ownership of industries, developing industrial skills and know-how, and strengthening collaboration and net-

working among policymakers, regulators, industry and academic institutions. Several initiatives to facilitate joint industrialization ventures in priority sectors were planned and were expected to further enhance the production of and trade in industrial goods and services in the two countries. A ministerial-level joint working group had been established to oversee implementation of the joint industrialization programme; that group have met virtually on several occasions prior to the signing of the memorandum of understanding. He warmly welcomed the high-level political commitments made by stakeholders during the discussions of the joint working group, which augured well for future collaboration.

In closing, he reminded the meeting that the feasibility study was a key part of the agro-industrial park initiative. He expressed his thanks to ECA for facilitating the completion of the study and for securing resources for the preparation of a harmonized policy, legal, regulatory and institutional framework for the agro-industrial park. He further advised that other development partners, including the African Development Bank and UNIDO, were expected to support future activities within the context of the joint industrialization programme.

Presentation on proposed guidelines for regional value chain development in Africa

A representative of ECA, Medhat Elhelepi, gave a presentation on proposed guidelines for regional value chain development in Africa. He emphasized that, although the development of African countries’ agricultural sectors was critical if they were to achieve the Sustainable Development Goals and realize other development aspirations, the continent was characterized by low land and labour productivity while regional economies remained fragmented. He also noted the lack of a vibrant agribusiness sector in the region, which further undermined the agricultural sector’s overall contribution to GDP growth. By strengthening regional value chains, African countries could

enhance the role of their agricultural sectors. Furthermore, the creation of an appropriate policy environment, strengthened economic integration and the promotion of regional production and processing mechanisms could further strengthen the role of the sector. The development of strong regional value chains would catalyze trade and industrialization and facilitate the development of comparative and competitive advantages and economies of scale.

The proposed guidelines adopted a structured approach and would enhance the coordination of production and marketing processes. He then outlined the elements of the proposed guidelines and a strategy for their implementation at the member State level, which would be anchored in a fully consultative process. ECA was ready to support member States in that endeavour.

Presentation of the study to assess the feasibility of establishing and managing a common agro-industrial park between Zambia and Zimbabwe

A consultant working with ECA, Rongai Chizema presented the draft findings and recommendations of the study. The agro-industrial park initiative, launched thanks to strong political will in both Zambia and Zimbabwe, had been conceived within the context of a long history of bilateral relations between the two countries, which dated back to the pre-independence era. The initiative would strengthen economic integration in the COMESA subregion, while the memorandum of understanding on a joint industrialization programme would foster and accelerate cross-border investment and development, initially in the two countries but with spillover effects for the economy of the wider subregion and beyond. Indeed, the development of agroprocessing value chains had a potential to enhance inclusive growth, sustainable economic transformation and job creation.

Both Zambia and Zimbabwe had already established special economic zones and industrial parks. The policies adopted in support of those initiatives had informed the agro-industrial park policy framework. Both countries could also draw on the experience of agroprocessing industries operating within their existing special economic zones. Zambia, for example had established multi-facility economic zones pursuant to the provisions of the Zambia Development Agency Act of 2006. Those zones operated, simultaneously, as industrial parks and as free trade and export processing zones. The new agro-industrial park would, moreover, benefit from the complementarity of the policy environments in the two countries, particularly with regard to industrial development.

There was considerable potential for value chain development in Zambia, particularly with regard to trade in maize, soybeans, sugar, livestock, leather, cotton and horticulture, and in Zimbabwe, particularly with regard to trade in soybeans, livestock, dairy products, leather, cotton, horticulture and sugar. Those value chains were aligned with the priorities outlined in recent COMESA and SADC value chain mapping studies, which had highlighted the importance of complementarity. The new agro-industrial park would be ideally positioned to facilitate trade in cotton, soybeans, maize, sugar, livestock, dairy products, leather, wheat, rice and horticultural products.

A wide range of stakeholders were involved in the agro-industrial park initiative and a consultative process involving all relevant stakeholders would continue to be needed to ensure the initiative's long-term success.

The study had reviewed lessons learned by other African countries in the establishment and operation of other agro-industrial parks and special economic zones, including the parks established in the context of the Ethiopian Integrated Agro-Industrial Parks Programme, the Mali, Côte d'Ivoire and Burkina Faso Cross-Border Special Economic Zone, and the Nigeria and Benin Special Econom-

ic Zone. The experience of countries outside Africa had also been taken into consideration in the study, including lessons learned within the context of the Kazakhstan–Uzbekistan–Tajikistan Economic Development Corridor. On the basis of that review, the draft study report recommended that Zambia and Zimbabwe should establish an integrated agro-industrial park. By adopting a holistic approach, the park would support the sustainable development of the agricultural and related sectors and the integration of local stakeholders into agricultural value chains. Furthermore, by leveraging agriculture sector resources and regional production and marketing opportunities, the park would enhance self-sufficiency at the national level. The park would create opportunities for balanced agro- and food industrialization in both countries and help combat rural poverty and rural-to-urban migration by facilitating the transformation of rural economies into industrial enclaves.

The agro-industrial park should be located along a key transit transport on either side of the border at Chirundu. The agro-industrial park could, moreover, be linked to rural transformation centres located at both the Chirundu and the Kariba–Siyavonga border crossings, providing rapid access to domestic markets in urban areas. Furthermore, by extending agricultural value chains, the agro-industrial park could act as a springboard for rural industrialization.

Commending the strong political will demonstrated by both member States, he suggested the adoption of an integrated agro-industrial park development model to leverage existing and emerging comparative advantages for sustained growth. A joint agro-industrial park strategy was needed as an initial step to guide project development. A joint eco-agro-industrial park programme would also prove critical to ensure the sustainability of the project. The design and operational framework should also promote domestic enterprise capacity development, policy harmonization and coherence (both internally and across borders), the establishment of requisite institu-

tional arrangements, opportunities for micro-, small and medium-sized enterprises and women and youth entrepreneurs in targeted value chains, and the design and adoption of business-enabling policies.

Mr. Chizema concluded by emphasizing that there was a compelling case for the development of a common agro-industrial park to leverage the comparative advantages of both countries with a view to advancing agro-led industrialization and delivering mutually beneficial outcomes to both member States. The common agro-industrial park should make optimal use of water and electricity infrastructure in the vicinity to generate and capture industrialization opportunities in agro-food value chain production systems, create labour-intensive manufacturing jobs and facilitate progress towards higher-value activities.

Discussant interventions

Three discussants, namely Raymond Mari, a researcher at the University of Pretoria Gordon Institute of Business Science, South Africa, Owen Skae, Director, Rhodes Business School, South Africa, and Dev Chamroo, an independent consultant specializing in industry and trade policy, commented on the draft report, its findings and recommendations.

Mr. Mari focused on the potential impact on the operations of the agro-industrial park of the so-called fourth industrial revolution, commonly known as 4IR, and particularly its impact on agro-processing. 4IR was likely to enhance the responsiveness of businesses to economic opportunities, facilitate and enhance national, regional and global competitiveness, support the integration of micro-, small and medium-sized enterprises into mainstream value chains, facilitate the development of linkages, anchor export development and foster the generation of spillover-related business opportunities. For the two Governments, 4IR would support economic growth, create jobs, and contribute to poverty reduction and the attainment of the Sustainable Development Goals and the aspirations, goals and targets of Agenda

2063. For consumers, 4IR would enhance access to goods and services. To fully exploit the opportunities stemming from 4IR, governments and other stakeholders should develop capabilities through education and skills development, bolster research, promote innovation and development, including through digital innovation hubs and recalibrate policy frameworks to support the digital economy. He concluded by drawing attention to a number of 4IR-related challenges, including those stemming from limited Internet access and financial resources, and skills and technology gaps, which could limit the benefits stemming from the establishment of the agro-industrial park.

Mr. Skae commended the author of the draft report for providing context to foster understanding of the potential benefits of the agro-industrial park and for underscoring the substantial political will for the park's establishment. The author had identified priority value chains and had drawn attention to the key role that the private sector should play in the park's operations. The identification of key stakeholders would provide a basis for broad-based consultations on the agro-industrial park. The draft report also drew attention to the potential impact of the recently-launched AFCFTA on the agro-industrial park and how the park could support the achievement of the Sustainable Development Goals.

For completeness, however, the draft feasibility report needed to: clearly indicate, where possible, at preliminary level, the associated costs of the initiative, including opportunity costs; clearly elaborate measures of success as well as the consequences of failure; elaborate more succinctly the role of the private sector; provide more comprehensive stakeholder mapping; and elaborate further on cross-border dynamics and national economic policies and discuss how these could affect the park's operations. The recommendations regarding the park needed to be detailed and succinct and should be accompanied by a high-level action matrix detailing the actions to be taken by relevant stakeholders. Other issues that needed further clarification included whether the agro-

industrial park was to be designated a "reform zone" or "concession zone" and the duties and responsibilities of the sector committees and their links with high-level political stakeholders.

Mr. Chamroo welcomed the clear and detailed report, which provided a good platform for further investigation of issues pertinent to the agro-industrial park. Further information was needed, however, regarding the cost and revenue aspects of the park and clarity was needed on whether it would be physical or virtual in nature. Other important issues that required further clarification were land attribution in the park, who would be responsible for geographical development and potential high-level policy challenges. Importantly, the feasibility study needed to provide details on the design attributes of the park, its governance structure, its infrastructure development strategy and the contribution of each Government to its development. Further details regarding oversight of the agro-industrial park were also required. In that connection, he suggested that a specialist company could be selected to oversee park operations or that a special purpose vehicle could be created for that purpose. It was, moreover, important for the report to outline strategies for mobilizing the resources needed to kick-start park operations and to identify potential funding sources.

Plenary discussion and recommendations

In the ensuing plenary discussions, participants raised a number of questions concerning the agro-industrial park, including with regard to its configuration, operating environment and the benefits it would bring to the citizens of both countries. The plenary discussions were also enriched by input from the two member States in question and by private-sector stakeholders.

While commending Zambia and Zimbabwe for the progress they had made towards the establishment of the agro-industrial park, a number of participants emphasized the need for the mem-

ber States to earmark adequate financial resources to ensure its successful launch and operation. It was, moreover, critical to create an appropriate physical and operational environment within the park to attract both national and international investors. The engagement of other financing and technical partners would be necessary and efforts were needed to promote the project as a common regional public good. Strategies to crowd-in other financing sources needed to be developed as part of the overall package to promote the agro-industrial park. In that connection, the African Development Bank could be invited to participate in the project within the context of its Feed Africa programme.

The need to create an enabling policy and legal environment under which the park would operate was emphasized. Participants noted that, given the complex nature of the socioeconomic and operational environment across the two member States, the feasibility study report needed to propose strategies to overcome challenges in the two operating environments. The study report should, for example, discuss ways to harmonize currency, taxation and other fiscal regimes. In that regard, the experience of SADC countries in overcoming payment and currency-related challenges was instructive. Participants underscored the need for an operational and enabling policy, legal and regulatory framework to facilitate the launch and long-term sustainability of the park.

Participants further observed that the feasibility study report needed to be more specific on the form of the agro-industrial park, its design and the key sectors that would form part of value chains. In addition, greater clarity was needed with regard to the park's governance framework and structural issues relevant to the park's operations. Some participants suggested that a secretariat should be established to oversee park operations on a day-to-day basis.

Furthermore, participants observed that, although the draft feasibility study report alluded to the potential benefits stemming from the

establishment of the agro-industrial park, these needed to be further elaborated and unbundled across the two countries in terms of their extent and sustainability. In particular, the report should elaborate in greater detail the potential impact of the agro-industrial park on communities in Zambia and Zimbabwe so that relevant stakeholders could gain a deeper understanding of the value proposition of the initiative.

The feasibility study report needed to provide further details of potential capacity development initiatives for entrepreneurs to enable them to take full advantage of the opportunities stemming from the agro-industrial park and should emphasize the critical importance of policy harmonization, both in-country and across borders. Indeed, to ensure the successful launch of the agro-industrial park initiative, policy harmonization was critical. Recognizing the importance of best practices and lessons learned in other countries, some participants suggested that a fact-finding mission should be undertaken to those countries as part of the implementation strategy. Drawing on the experience of other countries that had launched similar projects would enhance confidence in the feasibility of the proposed agro-industrial park.

Participants called for further details to be provided in the feasibility study report concerning potential value chains that could be facilitated by the agro-industrial park and, where possible, details of possible anchor companies that could facilitate the smooth operation of those value chains. Reference was made to a value chain diagnostic tool that had been developed by UNIDO, which could provide important insights regarding potential value chains. To ensure its accuracy and relevance, the feasibility study report should, moreover, be amended on the basis of the latest available data.

The importance of the agro-industrial park initiative, including its potentially very positive impact on other member States in Africa, was underscored by participants, who also emphasized the need for the park to be firmly grounded on good policy and institutional frameworks.

A representative of the Zambia Development Agency, Jessica Chombo, emphasized that, to be successful, industrial parks must be linked to high-quality and reliable infrastructure, including roads and electricity and water supplies, and that funding for the provision of that infrastructure needed to be secured by the member States in advance. The agro-industrial park, which would span two different countries, would be subject to a special regulatory regime. The Governments of Zambia and Zimbabwe needed to promote the potential opportunities for businesses establishing operations in the agro-industrial park and would need to provide substantial financial support to ensure that the park achieved the goals for which it had been established and could provide a quick return on investment. She suggested that the two Governments could lease facilities on a long term basis to investors. She further emphasized that the success of the park would depend on the extent to which it promoted business linkages, especially for downstream industries, so as to accelerate downstream investment and enhance skills transfer. She underlined the importance of aligning incentives with fiscal policies and of not providing unfair advantages to foreign investors at the expense of domestic investors. The agro-industrial park must, moreover, function as a “one stop shop”, where all administrative issues could be resolved under one roof. In closing, she stressed that business enterprises operating within the park should be export oriented and provided with appropriate support so that they could take full advantage of business opportunities stemming from the establishment of AfCFTA.

Ms. Nyamatore, speaking on behalf of the Government of Zimbabwe, reiterated her thanks to ECA and the COMESA secretariat for commissioning the feasibility study and emphasized that regional and international institutions were keen to support industrial development in Africa. She commended the author of the study report, noting that it was well researched and convincing in its findings and recommendations, but noted the many important issues that had been raised by meeting participants that needed to be ad-

ressed. She further advised on the need for additional and broader stakeholder consultations.

The Chief Director, Ministry of Industry and Commerce of Zimbabwe, Florence Makombe reiterated her Government’s support for the agro-industrial initiative and its eagerness to implement the memorandum of understanding.

A representative of the Zambia Association of Manufacturers, Lewis Chimfembe, said that the agro-industrial park was an exciting opportunity that was likely to promote the development of micro-, small and medium-sized enterprises in the area of agroprocessing. Some micro-, small and medium-sized enterprises were already exporting to regional and international markets and were eager to leverage the benefits of the agro-industrial park for further growth. Challenges faced by agroprocessing micro-, small and medium-sized enterprises included the costly and problematic sourcing of raw materials and other inputs, and challenges impeding the export of their products such as low export volumes, high transportation costs, mistrust between producers and transporters, and inadequate soft and hard infrastructure, including storage facilities, laboratories, roads and power supplies. To ensure that micro-, small and medium-sized enterprises were able to take full advantage of opportunities stemming from proposed agro-industrial park, it was important to strengthen stakeholder engagement, including through activities to raise their awareness of how the park was to be operated and through the provision of appropriate capacity-building and technological support. It was also important to implement measures that could build trust between manufacturers and transporters.

Following the plenary discussions, meeting participants voiced their support for the feasibility study report and its recommendations. With regard to content/technical issues, they further recommended the following:

- (i) Implementation plan: A costed implementation plan (action plan) with nomi-

- nated champions (who will do what and when) will need to be formulated as part of the detailed feasibility study. The study report should also set forth indicative resource mobilization strategies in support of agro-industrial park operations;
- (ii) Articulation of project benefits: The pre feasibility study report should clearly articulate the potential benefits of the agro-industrial park for Zambian and Zimbabwean citizens and for businesses in the two countries. Quantification of those benefits would enhance buy-in;
 - (iii) Elaboration of key challenges: The report should underscore the impact of key challenges, including the different economic, taxation, currency and political environments in the two member States, and outline strategies by which those challenges could be addressed;
 - (iv) Overview of value chains: The report should provide a clear overview of potential value chains and identify lead value chain stakeholders in order to draw attention to the potential benefits of the park in terms of linkage development. Reference should be made to the diagnostic tool developed by UNIDO;
 - (v) Policy framework: Recommendations regarding the elaboration of an operational policy, legal, regulatory and institutional framework should be strengthened in the feasibility study report, which should, inter alia, draw attention to issues that must be addressed in the operational framework for the park. The report should, moreover, address issues such as property rights, legal jurisdictions and recourse mechanisms;
 - (vi) Proposals for infrastructure development: While the report recognized the infrastructure gaps that must be addressed to support agro-industrial development, it did not provide recommendations on how to deal with that challenge. Options for infrastructure financing should be incorporated into the recommendations of the study report;
 - (vii) Form and structure of the park: The form, structure and management framework of the park needed to be elaborated to guide the planning processes; and
 - (viii) Learning from other projects: The feasibility study should provide recommendations on how those responsible for the establishment of the agro-industrial park could learn from similar projects in other countries, such as by taking part in familiarization tours.
- While approving the structure of the draft feasibility study report, meeting participants made the following recommendations:
- (i) The report summary be sharpened and its recommendations should be more succinct; and
 - (ii) A draft action plan should be incorporated into the report.

Way forward

Representatives of COMESA and ECA advised the meeting that the finalization of the feasibility study would take place in accordance with the following steps:

- (i) Recirculation of the current draft of the feasibility study:** Noting that some participants had not received the draft feasibility study report in a timely manner, the current draft of the report would be recirculated to facilitate the submission of any additional comments, including by the African Development Bank;
- (ii) Revision of the draft feasibility study report:** Comments, observations and suggestions by participants, including representatives of the two member States and private-sector stakeholders, would inform the amended draft feasibility study report, which would then be recirculated prior to finalization;

(iii) Consultations: Further consultations would be held with key stakeholders, representatives of the two member States and private-sector actors in the two countries, including representatives of micro-, small and medium-sized enterprises, with a view to capturing in a holistic manner any other important aspects that should be addressed in the revised feasibility study report;

(iv) Next stage: Terms of reference would be developed and a consultant engaged to formulate a harmonized policy, legal and regulatory framework for the agro-industrial park; and

(v) Submission of revised draft: The consultant would resubmit the revised draft feasibility study report within three weeks of the meeting.

Closing of the meeting

The meeting concluded with statements by: Mr. Mhlanga, Ms. Maluke, a representative of COMESA secretariat; the Director of Industry, Ministry of Commerce, Trade and Industry of Zambia and Ms. Nyamatore.

Mr. Mhlanga thanked all participants for their input to the validation process and assured them that the revised draft report would incorporate their comments. He extended particular thanks to the representatives of the two member States for their Governments' commitment to the agro-industrial park initiative and assured them that ECA, together with COMESA and SADC, stood ready to support the establishment of the agro-industrial park and broader regional development. He underscored the importance of industrialization based on regional value chains, noting that the linkages generated were critical in addressing poverty, unemployment and inequality. He also expressed his appreciation for the efforts exerted by COMESA and SADC in addressing regional development challenges.

Mr. Mhlanga then thanked the consultant for compiling the draft report and for participating

in the review process. He urged the consultant to ensure that the gaps identified in the validation meeting were addressed, and to remain mindful of the fact that further consultations would be needed in certain areas. Thanking the Chair of the twenty-sixth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, Ms. Maluke, for ably steering the deliberations of the validation meeting, Mr. Mhlanga underscored the key role of the Bureau in monitoring delivery of the secretariat's work programme. He also thanked the staff of the Subregional Office for Southern Africa for their tireless efforts to facilitate discussions on regional development issues. In conclusion, he assured participants that ECA would continue to engage with them and seek their input pending the establishment of the agro-industrial park.

Speaking on behalf of the COMESA secretariat, Esther Mwimba, Senior Private Sector Development Officer, thanked the participants for their input during the deliberations of the validation meeting, which would facilitate implementation of the joint industrialization programme by Zambia and Zimbabwe. The meeting had helped deepen understanding of the economic and industrial development landscape of the two countries. She noted that by examining potential value chains and the role of different stakeholders in the implementation of the joint industrialization programme, including private sector, micro-, small and medium-sized enterprises and women, the feasibility study report could provide a roadmap for implementation of the initiative. She thanked ECA for the presentation on guidelines for regional value chain development in Africa, which were critical for the continent, particularly within the context of the recently launched AfCFTA, from which the region could benefit through strengthened regional value chains and/or joint industrial projects. COMESA stood ready to integrate the guidelines into regional programmes.

Ms. Mwimba then thanked the discussants and participants for their thought-provoking comments and questions, including in connection

with potential risks and challenges. She also thanked ECA for supporting the agro-industrial park and the African Development Bank for the attention it was giving to the initiative. In closing, she thanked the Chair for moderating the validation meeting and all the experts for contributing to the meeting's success.

The Director of Industry, Ministry of Commerce, Trade and Industry of Zambia, Sunday Chikoti, underscored the commitment of his Government to the successful implementation of the agro-industrial park initiative. He had welcomed the rigorous discussions that had taken place during the validation meeting and stressed that the insights provided would be invaluable in the process to finalize the feasibility study report. The meeting discussions had enhanced participants' understanding of a range of issues, including value chain development, opportunities emanating from forward, backward and sideways linkages, and opportunities for the active participation of micro-, small and medium-sized enterprises and women's business organizations in value chains. The discussions had also helped highlight the potential roles of the public and private sectors in the agro-industrial park initiative and also enhanced understanding of the potential impact on agro-industrial park activities of the ongoing COVID-19 pandemic, the launch of the African Continental Free Trade Area, green industrialization, the fourth industrial revolution and e-commerce.

The validation meeting had undoubtedly achieved its objectives. Mr. Chikoti congratulated the meeting participants on a job well done and for providing valuable input for the finalization of the feasibility study report. He looked forward to receiving the revised report, which should contain policy recommendations and implementation strategies that would help chart the way forward. He was confident that the establishment of the joint agro-industrial park would not only facilitate the optimal use of agricultural resources in both Zambia and Zimbabwe, improve livelihoods through job and wealth creation and increase economic activity along the border between the

two countries, but would also strengthen food security and facilitate the participation of micro-, small and medium-sized enterprises, particularly those run by women and young people, in economic activities across both countries.

Ms. Nyamatore joined the other speakers in thanking ECA and COMESA for organizing the validation meeting and for bringing together a diverse group of experts and other stakeholders to critically review the draft feasibility study report and its recommendations. On behalf of the Zimbabwean Government, she thanked ECA for facilitating the feasibility study and urged other development partners to provide support to the agro-industrial park project. Her Government was committed to the successful implementation of the project and believed that the successful establishment of the agro-industrial park would support her country's national industrialization drive, which was anchored on stronger regional collaboration. She encouraged the private sector, and especially micro-, small and medium-sized enterprises, to prepare to exploit the opportunities that would arise once the park was established.

In her closing remarks, Ms. Maluke, Chair of the validation meeting, commended the participants for the considerable efforts they had exerted to review the draft feasibility study report. She was confident that the consultant would now be able to finalize the document on the basis of their input. She thanked the consultant for the well-researched draft report, which had served as a basis for the enriching discussions and urged him to consider carefully the provisions of the recently adopted regional special economic zone framework and relevant local content guidelines as he revised the draft report.

Ms. Maluke then thanked ECA and COMESA for their ongoing support to States as they strove to implement their development agendas. She also thanked the Governments of Zambia and Zimbabwe for supporting the agro-industrial park initiative and looked forward to the successful establishment of the park. In closing, she urged

participants to continue to stay safe by taking appropriate precautions to minimize the spread of the COVID-19 virus.

Annex: List of participants

| | Name | Job title/Organization |
|-----|----------------------|--|
| 1. | Alfios Mayoyo | Agri Indaba, Zimbabwe |
| 2. | Allan Majuru | President, Zimbabwe Clothing Council |
| 3. | Admire Masenda | Director, Association of Cotton Value Adders of Zimbabwe |
| 4. | Farai Zizhou | Independent Consultant, Zimbabwe |
| 5. | Maxwell Mutema | Agro-value Chain Consultant, Zimbabwe |
| 6. | Nicky Moyo | Managing Director, DEAT Capital, Zimbabwe |
| 7. | Fambaoga Myambo | Project Manager, Regional Integration Implementation Programme, COMESA Clearing House |
| 8. | Bisrat Belete | Ethiopian Chamber of Commerce and Sectoral Associations |
| 9. | Godfrey Chikowore | Regional economic integration expert, Zimbabwe |
| 10. | John Basera | Permanent Secretary, Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement, Zimbabwe |
| 11. | Daniel Ndlela | Managing Director, ZimConsult, Zimbabwe |
| 12. | Ahmed Abdelsalam | Head of COMESA Brussels Liaison Office |
| 13. | Willard Mwemba | COMESA Competition Commission, Malawi |
| 14. | Ciise Xalane | Deputy Director General, Somali Federal Chamber of Commerce and Industry |
| 15. | Stephen Ruzibiza | Chief Executive Officer, Rwanda Private Sector Federation, Rwanda |
| 16. | Godfrey Nehanda | Country Director, Farmer to Farmer programme, Zimbabwe |
| 17. | Busisa Moyo | Chairman, Zimbabwe Investment Development Authority |
| 18. | Simbarashe Mhungu | Chief Operating Officer, CBZ Holdings, Zimbabwe |
| 19. | Joseph Raj | Ministry of Investment, Entrepreneurship and Industry, Seychelles |
| 20. | Suzanne Ambesta | Ministry of Investment, Entrepreneurship and Industry, Seychelles |
| 21. | Dev Chamroo | Senior Consultant, Industry and Trade Promotion, Mauritius |
| 22. | James Manzou | Secretary for Foreign Affairs and International Trade, Zimbabwe |
| 23. | Hugnin Guillaume | President, Mauritius Chamber of Commerce and Industry |
| 24. | Ben Mudiwa | Monitoring, Evaluation and Learning Team Lead, Fostering Agribusiness for Resilient Markets, Chemonics International, Zimbabwe |
| 25. | Enias Muradzvi | Deputy Director, Ministry of Industry and Commerce, Zimbabwe |
| 26. | Yohane Mukabe | Project Manager, Regional Association of Energy Regulators for Eastern and Southern Africa |
| 27. | Owen Skae | Director, Rhodes Business School, South Africa |
| 28. | Sifelani Javangwe | Chairman, Cotton Company of Zimbabwe |
| 29. | Nathalie Ben Ayed | Director of Foreign Relations and International Cooperation, Chamber of Commerce and Industry, Sfax, Tunisia |
| 30. | Mekonnen Hailemariam | Africa Leather and Leather Products Institute, Ethiopia |
| 31. | Raymond Mari | Africa Industrialization Researcher, Gordon Business School, South Africa |
| 32. | Farai Mutambanengwe | Chief Executive Officer, Small and Medium Enterprises Association of Zimbabwe |
| 33. | Victor Djemba | Chief, Africa Regional Division, UNIDO |
| 34. | Joachim Kabamba | Economist, Ministry of Commerce, Trade and Industry, Zambia |
| 35. | Paul Lupunga | Acting Permanent Secretary, Ministry of Commerce, Trade and Industry, Zambia |
| 36. | Sunday Chikoti Chiko | Director of Industry, Ministry of Commerce, Trade and Industry, Zambia |
| 37. | Pamela Chitulangoma | Chief Economist, Ministry of Commerce, Trade and Industry, Zambia |
| 38. | Chrissy Simukonda | Senior Economist, Ministry of Commerce, Trade and Industry, Zambia |
| 39. | Sabe Mphande | Economist, Ministry of Commerce, Trade and Industry, Zambia |
| 40. | Calicious Tatalife | Senior Programme Officer, Value Chains, Directorate of Industrial Development and Trade, SADC secretariat, Botswana |

| | Name | Job title/Organization |
|-----|-----------------------|---|
| 41. | Johansein Rutaihwa | Senior Programme Officer, Industrialization and Competitiveness, Directorate of Industrial Development and Trade, SADC secretariat, Botswana |
| 42. | Noel Lihiku | Directorate of Industrial Development and Trade, SADC secretariat, Botswana |
| 43. | Farai Manhanga | Directorate of Industrial Development and Trade, SADC secretariat, Botswana |
| 44. | Victoria Muzenda | Ministry of Foreign Affairs and International Trade, Zimbabwe |
| 45. | Leonard Mhuru | Ministry of Foreign Affairs and International Trade, Zimbabwe |
| 46. | Daoud Abdou Ali | Ministry of Commerce, Djibouti |
| 47. | Vij Neeraj | African Development Bank |
| 48. | Lufeyo Banda | African Development Bank |
| 49. | Lewis Bangwe | African Development Bank |
| 50. | Walter Odhiambo | African Development Bank |
| 51. | Chukwuma Ezedinma | African Development Bank |
| 52. | Bokang Mokati-Sunkutu | African Development Bank |
| 53. | Zodwa Mabuza | African Development Bank |
| 54. | Mark Flynn | FAO, Zimbabwe |
| 55. | Roy Machoko | FAO, Zimbabwe |
| 56. | Dayford Nhema | Ministry of Industry and Commerce, Zimbabwe |
| 57. | Spiwe Nyamatore | Ministry of Industry and Commerce, Zimbabwe |
| 58. | Tavonga Tavengwa | Ministry of Industry and Commerce, Zimbabwe |
| 59. | Pride Marimo | Ministry of Industry and Commerce, Zimbabwe |
| 60. | Donnybrook Sanhanga | Ministry of Industry and Commerce, Zimbabwe |
| 61. | Kosheni Mtisi | Ministry of Industry and Commerce, Zimbabwe |
| 62. | Bridget Mhonderwa | Ministry of Industry and Commerce, Zimbabwe |
| 63. | Mukula Makasa | Zambia Development Agency |
| 64. | Medhat Elhelepi | Private Sector Development and Finance Division, ECA |
| 65. | Shadreck Saili | Independent Consultant |
| 66. | Innocent Makwiramiti | COMESA secretariat, Zambia |
| 67. | Esther Mwimba | COMESA secretariat, Zambia |
| 68. | Providence Mavubi | Director, Industry and Agriculture, COMESA secretariat, Zambia |
| 69. | Joan Kagwanja | ECA |
| 70. | Rongai Chizema | Consultant, Zimbabwe |
| 71. | Cynthia Nyam | African Capacity-Building Foundation |
| 72. | Wendson Mavoro | Industrialization Journalist, Prime TV, Zambia |
| 73. | Kuda Ndoro | Chief of Party, Fostering Agribusiness for Resilient Markets, Chemonics International, Zimbabwe |
| 74. | Sekai Kuvarika | Chief Executive Officer, Confederation of Zimbabwe Industries |
| 75. | Lindani Ndlovu | SADC Industrialization Expert, German Agency for International Cooperation (GIZ), Zimbabwe |
| 76. | Lewis Chimfwembe | Zambia Association of Manufacturers |
| 77. | Rethabile Maluke | Deputy Principle Secretary, Ministry of Finance, Lesotho and Chair of the twenty-sixth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa |
| 78. | Maseeiso Lekholoane | Director, Ministry of Finance, Lesotho |
| 79. | Said Ali | Filatec, Kenya |
| 80. | Stephanie Haile | |
| 81. | Innocent Makwiramiti | COMESA secretariat |
| 82. | Jabu Chisipo | Ministry of Industry and Commerce, Zimbabwe |
| 83. | Mamvura Mabika | Ministry of Industry and Commerce, Zimbabwe |
| 84. | Patrick Musira | Ministry of Industry and Commerce, Zimbabwe |

| | Name | Job title/Organization |
|------|--------------------|---|
| 85. | Adam Williea | Ministry of Industry and Commerce, Zimbabwe |
| 86. | Violet Mutama | Ministry of Industry and Commerce, Zimbabwe |
| 87. | Munyaradzi Chitsa | Ministry of Industry and Commerce, Zimbabwe |
| 88. | Kelvin Mutede | Ministry of Industry and Commerce, Zimbabwe |
| 89. | Jonathan Shoko | Ministry of Industry and Commerce, Zimbabwe |
| 90. | Christopher Musada | Ministry of Industry and Commerce, Zimbabwe |
| 91. | Sizo Mhlanga | Interim Director, ECA Subregional Office for Southern Africa, Zambia |
| 92. | Isatou Gaye | Chief, Subregional Initiatives Section, ECA Subregional Office for Southern Africa, Zambia |
| 93. | Mzwanele Mfunwa | Economic Affairs Officer, ECA Subregional Office for Southern Africa, Zambia |
| 94. | Oliver Maponga | Economic Affairs Officer, ECA Subregional Office for Southern Africa, Zambia |
| 95. | Bineswaree Bolaky | Economic Affairs Officer, ECA Subregional Office for Southern Africa, Zambia |
| 96. | Fanwell Bokosi | Economic Affairs Officer, ECA Subregional Office for Southern Africa, Zambia |
| 97. | Koffi Elitcha | Associate Economic Affairs Officer, ECA Subregional Office for Southern Africa, Zambia |
| 98. | Henry Lubinda | Programme Management Officer, ECA Subregional Office for Southern Africa, Zambia |
| 99. | Ian Filakati | Knowledge Management Officer, ECA Subregional Office for Southern Africa, Zambia |
| 100. | Lavender Degre | Communications Officer, ECA Subregional Office for Southern Africa, Zambia |
| 101. | Bedson Nyoni | Senior Information Management Assistant, ECA Subregional Office for Southern Africa, Zambia |
| 102. | Jackline Mutambo | Administrative Assistant, ECA Subregional Office for Southern Africa, Zambia |
| 103. | Ceciwa Banda | Finance Assistant, ECA Subregional Office for Southern Africa, Zambia |
| 104. | Ronald Nkhoma | Computer Systems Assistant, ECA Subregional Office for Southern Africa, Zambia |
| 105. | Dailes Matoka | Senior Staff Assistant, ECA Subregional Office for Southern Africa, Zambia |

