

No. ECA/23/031

ECA POLICY BRIEF

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

1. Background

Issues concerning the local adaptation of regional industrialization policies

Industrialization plays a critical role in driving economic recovery, growth and development in southern African countries, along with industrial development and trade creation, including through the Agreement Establishing the African Continental Free Trade Area. These are key elements for enhancing productive capacity, creating employment, eradicating poverty and setting economies on a more inclusive and sustainable growth path. Coordinating regional industrialization and establishing regional value chains, however, requires a uniform industrial policy environment across State borders.

The Economic Commission for Africa (ECA) acknowledges that the harmonization and alignment of industrial policy frameworks within a specific geographical space or region are critical pre-conditions for a coordinated approach to regional development, including the growth and maturation of value chains (ECA, 2020). Such harmonization and

alignment of policies and strategies would ensure a level operating environment for economic stakeholders to efficiently exploit opportunities across national boundaries and facilitate industrialization anchored in economies of scale, thereby enhancing the comparative and competitive advantages of States. The free movement of factors across national boundaries accelerates and smooths the development of regional value chains and deepens economic integration. While cognisant of the differences among States with respect to stages of development and the complexity of their economies, the harmonization of guiding principles creates a uniform operating environment that allows States to craft their own national policies that align with the regional frameworks through local adaptation and the introduction of pertinent new policy directions.

The debate and pursuit of local adaptation through alignment and harmonization is not new. Continental integration and the creation of the Treaty Establishing the African Economic Community (the Abuja Treaty) of 1991 and the Lagos Plan of Action and the Final Act of Lagos of 1980, are premised on stronger policy harmonization and alignment across the continent as the anchor for African development. Consequently, the articulation of regional integration as an anchor for development rests on policy harmonization and the attendant alignment of policies across States. Guided collectively by the expressed and agreed regional visions, States are able to develop and implement policies and strategies to anchor development in a uniform environment. While the Abuja Declaration provides the continental development aspirations, regional economic communities – as building blocks of the African Union – have crafted integration architecture that focuses on the objectives and aspirations of the respective communities.

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

The Industrialization Strategy and Roadmap of the Southern African Development Community (SADC) and the Industrial Policy Framework of the Common Market for Eastern and Southern Africa (COMESA) underpin industrial development in Southern Africa. These strategies articulate the broader industrialization visions and aspirations of Southern Africa and provide guidance to their respective member States on the key parameters for creating a favourable environment for coordinated regional transformation. Underpinned by the respective protocols and attendant sectoral strategies, the industrial frameworks provide a firm foundation to anchor development through structural transformation and value chain development. Notwithstanding the commitment to industrialization and the pronouncement for such in national policies, the local adaptation of regional aspirations remains weak across States in the region (ECA, 2022). Such adaptation is the crucial first step towards creating a harmonized policy environment for industrial development that is anchored in regional value chains. Questions arise regarding the specific elements of local adaptation, how best to do so by focusing on specific attributes and directions, and how best to promote local adaptation to ensure that the process evolves and progresses across States, cognisant of the differences among States, including their capacity and their amenability to specific policy directions.

The present policy brief contains the recommendations of a study conducted by ECA entitled "Accelerating the implementation of the industrialization policies and strategies of COMESA and SADC through local adaptation", and provides the elements of a proposed local adaptation template for the consideration of regional member States. The purpose of the study was to investigate the extent to which States in Southern Africa have adapted the provisions of the industrialization policies of SADC and COMESA to create conditions for a modern, competitive and robust industrial sector that is fully integrated into the African and global economy. It is important to create an industrial environment that is configured to effectively support competitive engagement of regional industrial stakeholders and to produce competitive goods and services to penetrate the global market. The policy brief is aimed at strengthening the knowledge base relating to the local adaptation of industrial policies through harmonization and alignment in support of regional value chain development. It is also intended to provide information to States in the region on possible routes towards local adaptation, so as to stimulate the design and implementation of industrial policies that facilitate growth, investment and development, in line with national and regional aspirations; and to present a template to guide local adaptation initiatives across those States.

The policy brief is organized into five sections. Section I provides a background of the issues relating to industrialization in Southern Africa through local adaptation. Section II contains a summary of the key elements of the regional industrialization platform in Southern Africa, focusing on the SADC and COMESA frameworks and exploring the complementarity between them to provide a holistic guide on adaptation for States that are members of both regional economic communities. Section III sets out the key elements of local adaptation, alignment and harmonization, highlighting how a uniform policy environment can be created across the member States. Section IV provides an outline of the operational principle of industrial policy adaptation. It also contains an examination of the national impediments to local adaptation, focusing on political, financial and technical issues that undermine the process, and introduces a theoretical framework for adaptation. Section V contains a discussion on facilitating and accelerating local adaptation, elaborating on the minimum convergence template and highlighting the importance of institutions in its successful implementation. In addition, the section provides policy recommendations and presents key national- and regionallevel actions to accelerate local adaptation.

2. Key elements of regional industrialization platforms in Southern Africa

A. Framework of the Southern African Development Community

The push for transformation through industrialization in the SADC member States is articulated in SADC Vision 2050. Furthermore, the regional industrial policies and strategies are anchored in, among others, the SADC Treaty, the SADC Protocol on Trade, the Industrial Policy Development Framework, the Regional Infrastructure Development Master Plan, the Industrial Upgrading and Modernization Programme, and the Revised Regional Indicative Strategic Development Plan (2015–2020).

The SADC Industrialization Strategy and Roadmap (2015–2063) and its attendant Action Plan, which were approved by the SADC Heads of State and Government in 2015 and 2017, respectively, provide specific actions towards regional transformation. In this framework, industrialization

ECA POLICY BRIEF

is underlined as the pillar for economic and technological transformation; competitiveness as the pillar to move from comparative advantage to competitive advantage; and regional integration as key to industrial development and economic prosperity. In addition, the strategy specifies three mutually reinforcing and compatible growth paths for the region: agriculture-led growth, including agricultural value chains; natural resource-led growth, including mineral beneficiation and agroprocessing, which link into value chains, both regional and global; and enhanced participation in domestic, regional and global value chains. Accordingly, industrialization in the SADC zone is centred on agroprocessing, mineral beneficiation and downstream processing, regional integration and value chain development. The coming into force of the Agreement Establishing the African Continental Free Trade Area on 30 May 2019 has provided further impetus to the importance of the nexus between industrialization and trade. Other supporting frameworks, such as the SADC Regional Mining Vision, provide more specific strategies for mineral value chain development as part of the industrialization process.

B. Framework of the Common Market for Eastern and Southern Africa

In the case of COMESA, the regional Industrial Policy and Strategy, which is based on the natural resources-led and the human resources-led modes of industrialization, focuses on nine priority areas: agroprocessing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agrochemicals, light engineering and the blue economy. These areas are considered to have the greatest potential impact for sustainable and inclusive economic growth in and among COMESA member States. Measures to achieve the overarching goal of the strategy include: creating policies to stabilize the macroeconomic environment; mainstreaming regional integration into national development programmes; and addressing the infrastructure, skills and financing challenges. The policy acknowledges the centrality of the private sector in investment and growth of the industrial sector, including the contribution of appropriately capacitated micro-, small and medium-sized enterprises in value chains and the critical significance of attendant linkages in supporting local development. The overarching goal of the COMESA industrialization strategy is transformation through leveraging human and natural resources. The key elements guiding member States in this endeavour encompass a regional approach to industrialization and trade creation, by harmonizing industrial policy aspirations across the region,

strengthening sectoral linkages, and promoting balanced industrial development and equity, skills development, and innovation.

The ECA study on policy adaptation ascertained that the industrial frameworks of both COMESA and SADC share the common goal of developing the regional manufacturing base and facilitating value addition and industrialization.

Though at different stages of implementation, the frameworks generally align with each other. The emphasis on regional value chains and trade integration are notable areas of very strong congruency and consistency between the two regional frameworks. Both **COMESA** SADC emphasize in their frameworks the critical roles of regional value

Key message

The COMESA and SADC regional industrialization frameworks largely complement each other, with varying degrees of emphasis on certain elements, but guided by similar principles.

chains, value addition, trade integration, and private sector investment in industrial development and structural transformation. In addition, priority in both frameworks is placed on upgrading regional value chains through strengthening the business environment, supporting investment in knowledge assets (including research and development and design), and fostering the development of important economic competencies, notably technical and managerial skills. Similarly, priority interventions are proposed in both frameworks that focus mainly on enhancing competitiveness, through adopting and developing better and more productive technologies, deepening regional integration and improving the policy and business environment for industrial development in the region.

By and large, the regional industrialization frameworks are complementary with varying degrees of emphasis on certain elements, but guided by similar principles. Three noticeable areas of alignment and complementarity between the regional industrialization strategies and the strategies of most member States emerge: the desire to attract investment that promotes sustainable development, to preserve flexibility in host country regulatory space so as to safeguard the public interest and prioritize social development, and to use policy to impose direct obligations on foreign investors in the conduct of their business. The overriding aspirations in Southern Africa are to enhance its competitiveness, deepen regional integration and

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

improve the policy and business environment for industrial development in the region.

The minor differences identified between the COMESA and SADC frameworks in terms of target areas of development intervention, definitions of target groups, priority sectors, and sources of finance for industrial development, may result in weak operationalization of regional strategies, which would be compounded by a lack of specific development targets and a lack of harmonized and high-quality data for monitoring and implementation. Furthermore, the two regional frameworks have different implementation time frames, which may create challenges for countries belonging to both regional economic communities and could especially be pertinent to the strategies targeted at the growth of regional value chains, including the facilitation of regional linkages. The differences in priority sectors and in the definitions of micro-, small and medium-sized enterprises by the two regional economic communities also have a potential to affect the local adaptation of the frameworks by member States. For the five member States belonging to both regional economic communities, any misalignments in the two regional policy frameworks, be they in terms of development targets, priority areas, and strategic areas of intervention and the accompanying action plans, have implications for local adaptation by the States. The pace and extent of the adaptation of COMESA and SADC industrialization strategies in countries with overlapping memberships will also depend on national priorities and the availability of resources at the national level in respect of finance, infrastructure, institutional set-up, and the demands and expectations of citizens.

3. Local adaptation through policy harmonization, alignment and standardization

A. Local adaptation

The conceptual framework for the local adaptation of COMESA and SADC industrial policies is based on the proposition that, through this process, regional policy ideas become part of the national policy and practice (Alasuutari and Qadir, 2013; Devlin and Moguillansky, 2011). Such adaptation then becomes a process through which regional policies and strategies are adopted and incorporated or mainstreamed into the national development plans, industrial policies, strategies and action plans of member States. Silverton (1994) and Simmons, Dobbin and Garrett (2007) described local adaptation as the incorporation of information and technologies into the local environment.

Within the policy context, Alasuutari and Qadir (2013), defined local adaptation as the creation of a global or regional approach within the local or domestic context. This entails bringing the principles and directions of a regional policy into the local environment through rationalization and adaptation in the domestic context. Accordingly, local

adaptation of the SADC and COMESA industrial policies and strategies in member States involves recognizing opportunities, implementing targeted actions to incorporate directions from regional frameworks into national policies and strategies, making the most of the new environment and engaging with key stakeholders to deliver sustainable and inclusive growth at the level (Balchin, national Booth and te Velde, 2019). Through such adaptation, the industrial policies of member States become consistent with regional industrial aspirations and principles. Theoretically, full adaptation would also encompass complete congruence of

Key message

- a. The local adaptation of regional policies is a gradual process encompassing alignment, harmonization and standardization;
- b. Through this process,
 Governments use
 rational arguments
 to introduce global
 or regional (or both)
 industrial policy
 visions, strategies and
 interventions into
 national development
 plans, industrial
 policies and action
 plans.

national mechanisms for implementation, monitoring and evaluation with regional approaches thereto.

In the regional context, local adaptation in Southern Africa can be defined as the gradual and strategic approach taken by regional member States to ensure that national policies and strategies are consistent with SADC and COMESA frameworks. Local adaptation consists of harmonization, alignment and standardization, processes through which member States modify their national industrialization strategies, priorities or activities to be in sync with regional priorities within the domestic setting. Both regional alignment and harmonization must account for the fact that member States, being at different stages of development, are guided by national priorities and capacity in the pace and extent of local adaptation.

ECA POLICY BRIEF

1. Alignment

The alignment of policies across the region creates conditions that support industrialization, especially the proliferation of regional value chains. As noted by Erkomaishili (2019) and Guerrero and Martínez-Chávez (2020), alignment is a continuous process based on member States' commitments to implement regional industrial and trade integration strategies. Alignment can be accomplished through the development and enactment of complementary policies and strategies at the national level. The entry points for alignment are usually the low hanging fruit, which can easily be accommodated and implemented within the existing national frameworks with minimum adjustments. National industrial policies and strategies can also be aligned if they are already designed to be completely and comprehensively consistent with regional commitments.

Chaminade and Padilla- Pérez (2017) identified two forms of policy alignment – vertical and horizontal – noting that vertical alignment implies tailoring industrial policies to the specific needs and characteristics of the industrial sector. It also implies the alignment of priority sectors, objectives, strategies and specific measures in response to the challenges of the sector. Horizontal alignment, on the other hand, implies the coordination of industrial policies among various ministries and other public agencies, and their coordination with the overall development agenda. This characterization can be extended across national borders to indicate relative congruence and consistency between the elements of national industrial policies and those of regional industrial policies and strategies.

Alignment, in the context of the regional policy environment in Southern Africa, refers to the extent that the industrialization strategies and roadmaps of COMESA and SADC are similar to those of member States. Coherence and similarity in the vision for industrial development and transformation in the region are important attributes of alignment. Overall, the key areas of alignment include definitions, policies, targets, priority areas, consistency with continental integration and industrialization frameworks, and the role of the private sector.

2. Harmonization

Harmonization refers to the narrowing of policy differences through minimizing redundant or conflicting standards, which may have evolved independently, with the ultimate goal of finding commonalities, identifying critical requirements that need to be retained and providing a common standard. Policy harmonization is often seen as a solution to problems arising from differences in policy and regulation between political entities and is key to regional integration. Standardization is also a term commonly used in related literature, but is usually described within the context of adopting specific technical or scientific parameters.

B. Challenges in local adaptation

The ECA study established that member States of COMESA and SADC face a multitude of political, financial and technical challenges in attempting to adapt regional

industrial policies and strategies; and that the implementation actual of policies hinges on other factors such as infrastructure. The lack political commitment regional-level policy pronouncements, limited human and institutional capacity, poor (including infrastructure electricity and roads, and science and technology

Key message

The process, approach, target and pace of local adaptation are unique to each country (or region), being influenced by internal country-specific factors and other pertinent external factors.

infrastructure that allows the use of information and communications technology), can undermine local adaptation. An unstable economic and sociopolitical environment can also undermine local adaptation efforts, along with the following impediments:

a. Political impediments to local adaptation revolve around the inability of the Governments to incorporate regional agreements into the national legal and policy architecture to facilitate implementation due to various domestic issues, including national priorities that take precedence over regionally agreed agendas. In certain instances, regional decisions, while important, may not appeal to the electorate and thus are pushed down the priority list. Political will at various government levels can be the driver of local adaptation or its Achilles heel. Furthermore, since States tend to regard industrial development as a national matter, local adaptation could be politically unsavoury, and nationally focused arguments (such as protection of infant industries, national security and protection and preservation of national sovereignty and integrity) could cloud discussions on integration;

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

- **b. Financial impediments** often refer to the unavailability of financial resources to implement the commitments needed to accelerate industrialization. This could be a lack of resources or their limited availability given the national priorities. Policy development is invariably costly and is often assigned a low priority in the budgeting process;
- c. Technical impediments pertain to the institutional challenges that undermine the ability of government institutions to implement regional aspirations. Such challenges include:
 - Lack of institutions specifically mandated to deliver on specific tasks;
 - ii. Inadequate national capacity to design, implement and monitor regional industrial development programmes;
 - iii. Lack of human resources and technical capacity for effective coordination of local adaptation;
 - iv. Limited understanding of regional priorities by national stakeholders, including those tasked with pushing harmonization forward.

In the light of the above, the question arises as to how the implementation of regional industrial policies and strategies in Southern Africa can be accelerated through local adaptation. The adaptation of regional agreements and policies requires a large degree of public management at the member State level, for which capacity is the key. Primarily, the industrialization agenda of the region and the pace of its pursuit is as strong or weak as the commitment of the member States to push it forward. Inaction in the local adaptation of regional industrial policies hampers a regional approach to industrialization, including the establishment of regional value chains and cross-border special economic zones. Member States are expected to have the capacity and resources to adapt regional industrial policies and strategies and mainstream them into their national policies, national development plans and action plans, and to implement them. Hasić, Džananović and Mesihović (2020) noted, however, that even though member States had committed to doing so, their national policies were not always complementary. They also noted that, in some countries, local adaptation of the policies would remain nationally contextualized and guided by specific dynamics in the member State. In the absence of an enforceable monitoring and evaluation framework, local adaptation remains at the mercy of moral suasion, which, without political will, undermines the broader intentions of industrialization.

4. Operational principles for local adaptation of regional industrial policy

The local adaptation framework provides an outline of the key principles to be considered, followed and implemented in the process of adaptation by member States. It is important to emphasize that there is not one simple and single formula for the successful local adaptation of a regional policy; each country, guided by national development aspirations and priorities, has to individually experiment and learn by doing when establishing its industrial policy and strategies.

Devlin and Moguillansky (2011) present two strategic and operational principles that should guide the effective local adaptation of regional industrial policy. First, government initiatives must be proactive, selective and focused on the long term, rather than simply tied to the electoral cycle or the need to gain popularity. Governments may carefully pick winners, proactively seek solutions to cope with problems faced by industries, and improve government support for businesses to upgrade towards more productive and value-adding activities. Second, Governments need to focus on the interconnectedness of the industrial development and structural transformation processes and overall national development, and to forge a common vision for collective action.

Table 1 presents some of the operational principles that member States could follow when designing and pursuing local adaptation and the implementation of regional industrial policies and strategies.

There has been debate over the most efficient strategy for local adaptation in terms of the principal stakeholders and the process. For example, the United Nations Conference on Trade and Development (2009) discussed the importance of establishing a pilot agency for development initiatives, including industrial policy, citing the Ministry of International Trade and Industry in Japan, the Economic Planning Board in the Republic of Korea and in Singapore, and the Council on Economic Planning and Development in Taiwan Province of China, as examples of institutions that were effective in leading the technical aspects of local adaptation. Rodrik (2004) suggested that Governments must identify the most competent agencies and empower

ECA POLICY BRIEF

Table 1: Operational principles for local adaptation of regional industrial policy

No.	Issues	Key principles
1	Identification of the lead sector ministries and identification of areas in the regional framework that are aligned with national priorities	Ensure that technical leadership of an industrial policy is in the hands of key ministries (e.g. industry, trade and related executing agencies)
2	Promotion of medium- and long-term strategic thinking on policy development	Give ministries and executing agencies sufficient time to analyse, design and implement an industrial policy
3	Identification of at least one dedicated implementing agency for each priority sector to help unpack and adapt the regional policy	Establish dedicated specialized units to manage and oversee the implementation of an industrial policy, and assign each main function required in industrial policy implementation to an accountable and responsible agency
4	Introduction of more high-level and structured coordination that is fully resourced	Establish a clear mandate and hierarchy of functions for each agency involved
5	Development of selective medium- and long-term strategies, by highly professional, career-oriented, and non-politicized personnel	Create a more competent and meritocratic civil service through competitive recruitment, above-average salary and working conditions, extensive lifelong training, promotion by merit and insulation from politicization
6	Application in a systemic manner of incentives after proper assessment of how they are individually managed and collectively coordinated	Establish effective coordination of incentives across agencies to guarantee policy coherence and maximize the long-term impact of industrial policies
7	Development of effective programmes and instruments intimately linked to the management of the industrial policymaking process	Bring all relevant external parties and the private sector on board, provide sufficient funding of programmes, and enhance knowledge on how to effectively implement policies
8	Objective assessment of the implementation and the impact of the industrial strategies	Create capacity to independently evaluate the policies and achieve high levels of transparency in the implementation of public policy
9	Collaboration with structured public- private alliances representing a diversity of interests, with well-established rules for transparency and evaluation, and supported by a professional bureaucracy	Ensure that the issue of special interest capture of government is addressed by having independent evaluations and clearly prioritized objectives

Source: Adapted from Devlin and Moguillansky (2011).

Key message

Institutions, institutional mandates and reporting lines are key for the success of industrial policymaking and implementation, including through local adaptation.

them with resources, a mandate and authority to lead the process, while Devlin and Moguillansky (2011) concurred that using tried and tested structures is better than creating new agencies of unknown competence. Accordingly, the location of competence should be prioritized over the choice of policy instruments (Rodrik, 2004).

To deal with the politicization of industrial policy and industrial development, Evans (1998) and Roll (2014) advised that Governments should proactively partner with the private sector and non-governmental bodies and be very aggressive in disregarding political interest in the policy implementation process. Autonomy of the designated institutions is critical. In other compelling views, Schneider (2013, 2015) and the United Nations Conference on Trade and Development (1994) advised that Governments should strengthen coordination by facilitating information exchange and social learning between the private sector and government bodies.

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

A. Regional initiatives for accelerating local adaptation

At the time the study was carried out, the state of local adaptation of regional industrialization policies in Southern Africa was found to be uneven and to be constrained mainly by a range of socioeconomic and political factors, such as limited financial resources, weak infrastructure, and institutional deficiencies (ECA, 2019).

Notwithstanding the slow progresss in local adaptation, there is evidence that, at the regional level, initaitives have been implemented to support regional member States in their industrial policy development efforts. Both COMESA and SADC have employed various strategies and interventions to facilitate the local adaptation of industrialization policies. The broad areas of support have included capacity development, micro-, small and medium-sized enterprise development, the promotion of value chains and value addition, technical and human resources capacity-building, financial mobilization support, and the promotion of joint regional programmes.

1. Common Market for Eastern and Southern Africa

For example, the COMESA secretariat, through its Industry and Agriculture Division, provides financial support (grants) and technical support to member States in adapting COMESA frameworks for regional industrialization, micro-, small and medium-sized enterprises and local content policy, as well as assistance in mobilizing technical and financial resources to support member State implementation of regional and national industrialization policies, and micro-, small and medium-sized enterprise strategies and programmes. The secretariat support member States in improving the ease-of-doing-business environment, building on regional best practices and peer-to-peer experience sharing. Furthermore, it provides support to member States through its Regional Integration Support Mechanism, which facilitates the development of leather value chain strategies across the region. The COMESA Local Content Policy Framework and the framework for managing special economic zones and industrial parks are intended to optimize the economic value to be derived from the development of natural resources. This will be done through domestic linkages while taking into account the country's development goals, its vision for a specific sector, trade competitiveness and the financial viability of the natural resource being leveraged. In addition, special economic zones and industrial parks are key enablers of industrialization for the successful local adaptation of regional industrialization policies.

2. Southern African Development Community

In a similar manner, the SADC secretariat has supported its member States in establishing and consolidating national structures to achieve the regional industrialization agenda. These include the SADC national committees, which bring together relevant government authorities and non-State actors to work towards implementing regional protocols and policies at the national level. These structures facilitate the synchronization of national plans and regional priorities, and the local adaptation of the regional agenda into national plans and budgets. The programme also supports a monitoring system. Part of the regional support provided consists in building the capacity of member States to mobilize financial and other resources required for the implementation of national industrialization policies and strategies. Deliberate efforts are being made to support local adaptation through the roll-out of the capacity-building programme aimed at aligning the industrialization strategies of member States with the SADC Industrialization Strategy 2015-2063, using a methodology aimed at enhancing the quality of industrial policies. Through the programme, countries are empowered to design goal-oriented, evidence-based and context-appropriate industrial policies. Furthermore, its helps to build networks among member States with a view to aligning national and regional industrial policies. In addition, SADC has developed a monitoring and evaluation framework to assess and evaluate progress in all member States that provides for periodic checks.

Notwithstanding the above initiatives, the pace of local adaptation continues to remain rather sluggish, which, in turn, undermines the broader industrialization agenda.

5. Facilitating and accelerating local adaptation

A minimum local adaptation template has been proposed as a guide to support regional economic communities in their efforts to accelerate that process. If implemented, it will, in a stepwise manner, facilitate policy alignment and harmonization across the region. The template consists of the following three steps:

Step 1. Identification of success factors to accelerate the local adaptation of COMESA and SADC industrialization policies and strategies. This includes the strategic ranking of entry points and implies the allocation of requisite resources and nomination of institutional arrangements to support the process;

ECA POLICY BRIEF

Step 2. Using a comparative gap analysis to match the COMESA and SADC industrialization policies and strategies with those of member States to identify elements for alignment;

Step 3. Developing a comprehensive approach that focuses on common local adaptation elements and developing an attendant monitoring and evaluation framework with a specific reporting mechanism. The common elements should guide member States in aligning the SADC and COMESA frameworks with national industrialization policies and strategies, with a view to acelerating local adaptation and implementation.

Table 2 details the key actions to be taken immediately at both the regional and member State levels to accelerate local adaptation.

The resultant policy convergence across national boundaries will facilitate the implementation of the COMESA and SADC industrialization strategies and thus create an environment that is conducive to the development of regional value chains and the pursuit of investment opportunities. The alignment between regional and national strategies is critical for efficient utilization of skills and capabilities and for reducing duplication of effor and wastage of limited resources.

Table 2: Key immediate actions to accelerate industrialization through local adaptation of the regional frameworks

	SADC and COMESA level	Member State level
1	Establish a dedicated task force to: (a) facilitate local adaptation, develop and implement a monitoring and evaluation framework to track progress in local adaptation; (b) develop a roadmap for local adaptation with specific actions, timelines, champions and structures for periodic reporting; (c) establish and operationalize a platform for periodic sharing of experiences concerning progress made; (d) develop guidelines for implementing capacity-building programmes for national institutions to address shortcomings in policy and regulatory frameworks and business environments, and shortcomings in the capacity of national institutions responsible for industrial policymaking and implementation	 a. Adopt and implement the minimum convergence template to progressively align national industrial policies and strategies with regional frameworks b. Establish well-resourced national institutional structures to supervise local adaptation that report directly to the responsible minister c. Develop a harmonized and time-bound national road map for local adaptation and implementation of regional industrial policies that is aligned with regional timelines d. Report periodically at the regional level on progress in local adaptation and the implementation of industrial policies
2	Establish or strengthen regional technical and institutional capacity to support national policy adaptation and implementation at the national level	Establish mechanisms and requisite institutions to fast- track the implementation of regional industrialization commitments, including policy harmonization and value chains development
3	Mobilize and pool financial resources towards supporting member States in facilitating local adaptation and implementing industrialization and transformation programmes	Mobilize and pool financial and technical resources to support the adoption and implementation of the minimum convergence template to accelerate industrialization and transformation
4	Establish a harmonized framework for the regional statistical system, aligning it with regional industrialization and trade integration aspirations, to provide timely and high-quality industrial data for monitoring progress in industrialization	Establish consultative structures to involve the private sector, universities and civil society organizations in the local adaptation of regional industrial commitment policies
5	Create a forum for the sharing of knowledge on industrial policies for better coordination of regional industrialization activities and programmes	

Industrialization policies and strategies of the Common Market for Eastern and Southern Africa and the Southern African Development Community: accelerating implementation through local adaptation

References

Alasuutari, Pertto, and Ali Qadir, eds. (2013). National Policy-Making: Domestication of Global Trends. London: Routledge.

Balchin, Neil, David Booth and Dirk W. te Velde (2019). How economic transformation happens at the sector level: evidence from Africa and Asia. London: Overseas Development Institute.

Chaminade, Cristina, and Ramón Padilla-Pérez (2017). The challenge of alignment and barriers for the design and implementation of science, technology and innovation policies for innovation systems in developing countries. In Research Handbook on Innovation Governance for Emerging Economies: Towards Better Model, Stefan Kuhlman and Gonzalo Ordóñez-Matamoros, eds. Cheltenham, United Kingdom of Great Britain and Northern Ireland: Edward Elgar Publishing, pp. 181–204.

Devlin Robert, and Graciela Moguillansky (2011). Breeding Latin American Tigers: Operational Principles for Rehabilitating Industrial Policies. Santiago, Chile: United Nations Economic Commission for Latin America and the Caribbean; Washington, D.C.: World Bank.

Economic Commission for Africa (2020). Harmonization of regional industrialization strategies and policies in Southern Africa. Addis Ababa.

_____(2022). Accelerating the Implementation of the Industrial Policies of the Common Market for Eastern and Southern Africa and the Southern African Development Community through Local Adaptation. Addis Ababa.

Erkomaishvili, David (2019). Alliance index: measuring alignments in international relations. International Studies, vol. 56, No. 1 (March), pp. 2845.

Evans, Peter (1998). Transferable lessons? Re-examining the institutional prerequisite of East Asian economic policies. In East Asian Development: New Perspectives, Yilmaz Akyüz, ed. London: Frank Cass. pp 66–86.

Guerrero, Maribel, and Mariangélica Martínez-Chávez (2020). Aligning regional and business strategies: looking inside the Basque Country entrepreneurial innovation ecosystem. Thunderbird International Business Review, vol. 62, No. 5, pp. 607–621.

Hasić, Jasmin, Nedžma Džananović and Lejla Ramić Mesihović (2020). "Implicit" contestations of EU foreign policy norm-domestication in Bosnia and Herzegovina and North Macedonia. Global Affairs, vol. 6 (Issue. 4–5), pp. 417–432.

Rodrik, Dani (2004). Industrial policy for the twenty-first century. Centre for Economic Policy Research Discussion Paper, No. 4767. London.

Roll, Michael, ed. (2014). The Politics of Public Sector Performance: Pockets of Effectiveness in Developing Countries. London: Routledge.

Schneider, Ben Ross (2013). Institutions for effective business-government collaboration: micro mechanisms and macro politics in Latin America. IDB Working Paper, No. 418. Washington, D.C.: Inter-American Development Bank.

_____(2015). Designing Industrial Policy in Latin America: Business-State Relations and the New Develop mentalism. New York: Palgrave Macmillan.

Silverstone, Roger (1994). Television and Everyday Life. London and New York: Routledge.

Simmons, Beth A., Frank Dobbin and Geoffrey Garrett (2007). The global diffusion of public policies: social construction, coercion, competition or learning? Annual Review of Sociology, vol. 33, No. 1, pp. 449–472.

United Nations Conference on Trade and Development (1994). Trade and Development Report 1994. United Nations publication.

_____ (2009). UNCTAD Annual Report 2009. United Nations publication.