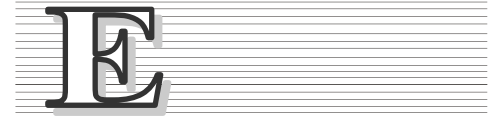




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ECONOMIC COMMISSION FOR AFRICA  
SUB REGIONAL OFFICE FOR SOUTHERN AFRICA

**Thirtieth meeting of the Intergovernmental Committee of  
Senior Officials and Experts of Southern Africa**

**20 - 21 November 2024  
Livingstone, Zambia**

## **Draft Report on the Work of ECA in Southern Africa**

### **Summary**

This report serves as an instrument by which member States, through the ICISOE, assess the relevance of the work of the ECA's SRO-SA, and provide guidance for the future work of ECA in the subregion. In this regard, the report highlights key programmed activities undertaken by ECA in Southern Africa and results achieved since the last ICISOE Session, held in November 2023. It also outlines challenges encountered and lessons learned in implementing the work programme for the period under review. The report also presents the Work Programme for 2025.

The Committee is invited to consider and endorse the report.

- 1. Introduction**
- 1.1 Background and legislative authority**

1. The United Nations Economic Commission for Africa (ECA), one of the five regional commissions of the United Nations, has a mandate to foster economic and social development of its member States, promote regional integration and advance international cooperation for Africa's development. In its dual role as the regional arm of the UN and as a key component of the African institutional landscape, ECA is mandated to operate at both the regional and subregional levels to harness resources and bring them to bear on Africa's priorities. The Commission has five Subregional offices (SROs) that serve the five regions of the continent, namely North, West, Central, Eastern and Southern Africa.

2. The Subregional Office for Southern Africa (SRO-SA) covers eleven member States namely Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. As with the other Sub Regional Offices, SRO-SA derives its programmatic direction and guidance from, and reports to the Intergovernmental Committee of Senior Officials and Experts (ICSOE), constituted by the Commission Resolution 826 of 1977 and General Assembly Resolution 40/243, as a principal platform for strategic engagement with member States and other stakeholders on policy and programmatic issues of priority to the sub region. Recommendations and decisions of each ICSOE are then transmitted to the Conference of African Ministers of Finance, Planning and Economic Development (CoM), which in turn reports to the Economic and Social Council, and thereon to the General Assembly of the United Nations.

## **1.2 Mandate and strategic orientation**

3. In line with the ECA strategic direction, SRO-SA has been designated as a centre of excellence for promoting inclusive industrialization aimed at fostering sustainable economic growth and reducing poverty and inequality in the Southern Africa subregion through: (i) enhancing the capacity of member States, Regional Economic Communities (RECs) and Intergovernmental Organizations (IGOs) to promote and develop inclusive industrialization policies, national and regional plans and institutional frameworks that are aligned with the goals of Agenda 2063 and the Sustainable Development Goals (SDGs) embodied in the Agenda 2030 for Sustainable Development; and (ii) strengthening the capacity of member States and RECs to design and implement subregional initiatives aimed at deepening regional integration and strengthening capacities to achieve inclusive industrialization for the reduction of poverty and inequality in Southern Africa.

4. To achieve the objective of this strategic orientation, each ECA entity, including its SROs follows an annual programming cycle which is based on current and emerging development issues and anchored on international, regional and sub regional development agendas to prepare an annual Programme of Work. This entails policy research; advisory services and provision of technical support to member States, RECs, IGOs, civil society and

the private sector around key thematic areas of focus, including industrialization, regional integration and trade, private sector development and sustainable development. Using its convening power, SRO-SA promotes policy analysis, policy dialogue and consensus building in addressing development challenges in Southern Africa.

### **1.3 Objectives of the report**

5. The report highlights key programme activities undertaken by ECA from the last ICSOE session held in November 2023 in hybrid format, under the guidance of its Bureau, chaired by the Government of Botswana. It also highlights results achieved, challenges encountered, and lessons learned thus far in implementing these activities. The report also provides a summary of key initiatives programmed for implementation in 2025. It serves as an instrument by which member States, through the ICSOE, assess the relevance of the work of SRO-SA, and provide guidance for the future work of ECA in Southern Africa.

## **2. Highlights of key activities implemented**

6. Firstly, the report provides highlights of the last ICSOE session, which was held in November 2023. Then, details of key interventions implemented, and results achieved are highlighted under SRO-SA's key thematic areas: inclusive industrialization; regional integration and trade; private sector and micro small and medium-sized enterprise (MSME) development; and development planning and governance.

### **2.1 Session of 29th Annual Meeting of the Intergovernmental Committee of Senior Officials and Experts of Southern Africa**

7. The twenty-ninth session of the Intergovernmental Committee of Senior Officials and Experts of Southern Africa was, hosted by the Government of Botswana, was held in Gaborone in hybrid format on 8 and 9 November 2023, under the theme "*Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area to ensure inclusive development in Southern Africa: building on the free trade agreements of the regional economic communities, and harnessing technology and innovation for private sector and value chain development*". Delegations and participants attended from Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe. Among the delegates were representatives from ministries and agencies responsible for finance, economy and planning; foreign affairs; commerce trade and industry; micro, small and medium enterprises; education, science, and technology; labour; home affairs; as well as revenue authorities and central banks. Other participants in the session included representatives of academic and research institutions; the private sector and private-sector umbrella organizations; AU-Southern Africa Regional Office; RECs (COMESA and SADC); RECs Business Councils; secretariat of the African Continental Free Trade Area; secretariat of the Southern African Customs Union; media houses; civil society

organizations; non-governmental organizations; development partners; and UN entities including UNIDO; UNDP; and UN Resident Coordinator Offices..

8. The Minister of Industry and Trade of Botswana, Mr. Mmusi Kgafela, delivered the keynote address to officially open the twenty-ninth session of the Intergovernmental Committee. Welcoming remarks were delivered by the UN Resident Coordinator of Botswana, Mr. Zia Choudhury; the Director of the Subregional Office for Southern Africa, Ms. Eunice Kamwendo who spoke on behalf of the Deputy Executive Secretary (Programme) of ECA, Ms. Hanan Morsy; the Director of Policy, Planning and Resources Mobilization of the secretariat of the Southern African Development Community (SADC), Mr. Mubita Luwabelwa, speaking on behalf of the Executive Secretary of SADC, Mr. Elias Mpedi Magosi; the Director of Trade and Customs of the secretariat of COMESA, Mr. Christopher Onyango, speaking on behalf of the Secretary-General of COMESA, Ms. Chileshe Kapwepwe; the Permanent Representative of the African Union to COMESA and SADC, Mr. David Claude Pierre; and Chair of the Bureau of the twenty-eighth session of the ICSOE for Southern Africa, and Permanent Secretary of the Ministry of Industry and Trade of Mozambique, Mr. Jorge Fernando Jairoce.

9. The Committee considered three statutory reports submitted by the secretariat: a report on recent economic and social conditions in Southern Africa; the annual report on the Work of ECA in Southern Africa; and a report on the Implementation of Regional and International Agendas and Other Special Initiatives in Southern Africa, focusing on Achieving the Sustainable Development Goals in Southern Africa: National and Regional perspectives. The Committee also discussed the findings of the 29<sup>th</sup> ICSOE thematic report on Accelerating Implementation of the African Continental Free Trade Area (AfCFTA) for Inclusive Development in Southern Africa, Building on the RECs' FTAs and Harnessing Technology and Innovation for Private Sector and Value Chains Development. The Committee endorsed the recommendations of the three ad hoc experts group meetings on the Status of Poverty and Inequality in Southern Africa; on Leveraging the AfCFTA for Poverty and Inequality Reduction in Southern Africa; and on Accelerating the Implementation of the Agreement Establishing the AfCFTA in Southern Africa by Building on the Acquis of the RECs FTAs.

10. The Committee called upon member States, with support from partners, to among others, develop and implement national green industrialization strategies and policies that are aligned with pertinent regional frameworks and establish adequately financed institutions to oversee the implementation of these green initiatives; create and support a platform for the private sector, through incentives, public-private partnerships and other mechanisms, to invest in transport infrastructure and energy to strengthen value chains, support green development, foster regional trade and promote industrialization; introduce mechanisms and strategies to climate-proof agriculture to strengthen resilience, sustain productivity, address

food insecurity and inequality, and generate sustainable jobs; activities in rural and off-grid communities; accelerate regional integration in general, including the implementation of the agreement establishing the AfCFTA, including through the development and implementation of related national strategies and action plans; adopt and implement automated customs solutions to facilitate the ease of movement of exports and imports across national boundaries and to build the requisite capacity to sustain such initiatives; and develop and implement, in a fully inclusive process, harmonized regional policies on the disposal of e-waste, including waste from redundant technologies. Furthermore, the Committee called upon ECA to enhance efforts on domestic resource mobilization to meet the growing member States' technical support needs for industrialization; support the design and formulation of a SADC Regional AfCFTA Strategy and Implementation Plan; and strengthen and leverage collaboration and partnership with various stakeholders.

## **2.2 Promoting inclusive industrialization and green economies**

### ***2.2.1 Supporting alignment and harmonization of national industrial policies***

11. With ECA's technical support, the Government of Lesotho formulated its National Industrial Policy (2024-2028), as a successor to the country's National Industrial Policy (2015-2017). The development process of the successor NIP took into consideration changes in the regional operating policy environment, including the advent of the COMESA-EAC-SADC Tripartite Free Trade Area Agreement (TFTA) and the AfCFTA. It also ensured alignment with the SADC Industrialization Strategy and Roadmap, given its importance as a regional industrial development blueprint which aims to promote industrialization, enhance competitiveness, and deepen economic growth through structural transformation. Lesotho's successor National Industrial Policy was validated on 19 March 2024.

12. Furthermore, the Government of Zambia, with ECA's technical support, validated, on 19 – 20 June 2024, two related industrial policy documents, the Mid-Term Review of the National Industrial Policy (2018-2027) and the Implementation Plan of the National Industrial Policy (NIP 2024-2027). The mid-term review ascertained the extent to which the National Industrial Policy (NIP) has been deployed, by reviewing the results achieved over the first 5 years of the NIP implementation (2018-2022), with good progress made on some policy objective targets with regression on others. For instance, over this period, the value-added ratio of the country's manufacturing sector from an average of 26 percent in 2018 to 35 percent in 2022, indicating increased efficiency and productivity level in the sector. However other parameters such as manufacturing value added experienced a decline by an average of 3.3 percent in contrast to the expected annual growth of at least 5 percent; while the contribution of the manufacturing sector to total national gross output declined from 16 percent to 12 percent mainly attributed the adverse impacts of COVID-19 on the sector, and underscoring the significant challenges and vulnerabilities faced by the sector in times of

crisis. The mid-term review proffered recommendations on how the NIP would be better aligned to the SADC and COMESA industrialization strategies and implemented through the validated NIP Implementation Plan (2024-2027), to spur industrial development during the remaining ‘life’ of the industrial policy, including the need to develop a requisite legal and regulatory framework and appropriate institutional arrangements to facilitate implementation of the country’s Local Content Strategy; revise and implement the Industrial Upgrading and Modernisation Programme; facilitate the integration of MSMEs industry including the manufacturing sector; ensure coherent linkages and alignment of the industry with other sectoral policies such as infrastructure and agriculture.

### ***2.2.2 Promoting the development of special economic zones and regional value chains***

13. As part of ongoing support towards the development of the transboundary special economic zone (SEZ) on the Battery Electric Vehicle (BEV) initiative between the DRC and Zambia, SRO-SA, in collaboration with AFREXIMBANK and the Government of Zambia, ECA convened a workshop for stakeholders and experts in Zambia (15-16 April 2024), which reviewed and validated the Prefeasibility study on the establishment of a BEV SEZ. Among other critical issues, the prefeasibility study demonstrated the immense opportunities for the two member States and their stakeholders from the envisaged SEZ, and identified other key issues to be addressed such as inclusion of land-based incentives and of preferential rights to SEZ developers and SEZ occupant units; inclusion of fiscal and non-fiscal incentives that are proportional to the size of the investment as the case is in successful SEZs; linking investments in the SEZ to employment generation, the extent of local participation (local content) and technology transfer as a way of deepening local benefits; and creation of an enabling ecosystem that includes key elements such as technology and skills transfer; inclusion of MSMEs along the battery value chain in the transboundary SEZ, to accelerate its establishment and operationalization. The stakeholders also proposed the need to develop a financing plan, and resource mobilization and investment promotion strategies. The assessment of the policy, legal and institutional frameworks in the report identified areas requiring harmonization and alignment across the two countries to create harmonized conditions for the transboundary SEZ. Similarly, a comparative evaluation of the investment incentive schemes in the two countries benchmarked against experiences in other countries provided direction on the needed adjustments going forward. The stakeholders validated the draft which was later validated by stakeholders in the DRC. The Terms of Reference for the selection of a developer/strategic to take the BEV initiative forward are currently under preparation with technical support from ECA and AFREXIMBANK. Once selected, the developer/strategic partner will proceed with a detailed feasibility study.

14. Additionally, ECA supported ongoing efforts to mobilize resources to finance a detailed feasibility study on developing another transboundary SEZ, the Common Agro-

industrial Park (CAIP) between Zambia and Zimbabwe. As part of the CAIP Technical Working Group, the Commission, under the leadership of COMESA, and with other members including UNIDO, AfDB, and technical officials from the two countries, convened a meeting on 10 May 2024, which discussed resource mobilization (which has been a major challenge) for the detailed feasibility study, the establishment of a Task-force to spearhead project development, updates on proposed sites for the CAIP in the two countries, and agreed to organize a larger meeting involving the Permanent Secretaries of the two member States to re-energize the process. Both Zambia and Zimbabwe reported reaching out to AFREXIMBANK for support under the Bank's Project Preparation Facility and discussions on this are still underway. The AfDB urged the two countries to also explore other funding avenues such as the Trust Funds, under its auspices. COMESA reported on a grant application made to the Arab Bank for Economic Development in Africa (BADEA) which still awaits endorsement by the two member States. On project site, the meeting was informed that Zambia has selected Musokotwane Farm Block in border district of Kazungula. Zimbabwe also identified farms in the Mashonaland West area along the Harare-Chirundu Highway as potential sites for the SEZ. The Zambian site already has critical infrastructure such as roads, railway line, connectivity to the national electricity grid; access to water bodies including the Zambezi River; and is close to Zimbabwe. The meeting agreed on the need to enhance sensitization on the CAIP to potential investors by developing an investment strategy and showcasing the project including on the COMESA Regional Investment Agency website.

15. The Commission also continued to work closely with member States in the subregion to strengthen their capacity towards formulating strategies for regional value chain development. As a result of broad consultations undertaken thus far, priority value chains have been identified for assessment. This includes the ongoing engagement with and support to the Government of Botswana, in collaboration with other development partners, mainly the Arab Bank for Economic Development in Africa (BADEA), which is aimed at developing a competitive regional beef value chain with the participation of other African countries. The proposed support would deliver a detailed assessment and mapping of the Botswana beef sector and will proffer strategies including a roadmap for developing an integrated regional value chain. Key elements to be covered by this ongoing initiative, will include a situational analysis of the status of the Botswana beef sector; the status of veterinary services, and the animal health regulatory system; the national and regional food safety and conformity assessment system (including inspection and testing); logistics infrastructure (including abattoirs and the cold chain facilities); and private sector and small-scale beef producers' compliance levels.

16. Furthermore, the Commission had started to provide technical support and advisory services to the governments of Lesotho and Namibia, aimed at enhancing capacities of the two countries to formulate an Automotive Policy Framework to Support Namibia and Lesotho's Integration into Automotive Regional Value Chains in Southern Africa, in alignment with the

AfCFTA Automotive Strategy which advocates for market integration of the automotive manufacturing value chain across Africa. Thus far, the terms of reference have been prepared to guide a detailed assessment towards developing the policy framework, envisaged to include key elements such as domestic policy harmonization and alignment with the SADC Protocol on Industry for an integrated automotive value chain in Southern Africa; key incentives and requirements for the development of automotive SEZs for the automotive sector's alignment to the AfCFTA's SEZ model templates; and business linkages for MSMEs in the automotive value chain including capacity development support programmes and schemes in support of productive capacities for firms.

17. ECA started providing technical assistance to the Government of Malawi, upon a request from the Ministry of Trade and Industry, towards development of a comprehensive SEZs Regulatory and Institutional Framework to the Special Economic Zones Act (SEZs Act), in alignment with the National Industrial Policy (NIP, 2024-2029). The NIP and the SEZs Act are important for the cohesive development of SEZs as one of the strategic tools towards supporting inclusive industrialization for increasing productivity, value addition, export development and import substitution. This initiative is currently underway, guided by terms of reference that have been reviewed and endorsed by the lead institutions of the Government namely the Ministry of Trade and Industry and the Malawi Trade and Investment Center and is expected to be finalized in early 2025.

18. ECA provided support to the Government of Zimbabwe, in hosting the 7<sup>th</sup> SADC Industrialization Week and Exhibition, which was organized in collaboration with the SADC Secretariat, the Confederation of Zimbabwe Industries and the SADC Business Council in Harare from 28 July to 2 August 2024. The event was held under the theme of the 44<sup>th</sup> Summit of SADC Heads of State and Government, *Promoting innovation to unlock opportunities for sustainable economic Growth and Development towards an industrialized SADC*, which underlined the desire of the subregion to anchor growth and development on industrialization, value addition, beneficiation and technology and innovation. The event was attended by stakeholders from the 16 SADC member States including Ministers and senior government officials, the private sector, academia, civil society organizations, women and youth business organizations, regional and international organizations, and the UN. As part of the programme of the event, ECA convened an expert session on *Supporting Inclusive Industrialization through Special Economic Zones in Southern Africa* on 31 July 2024, focused on SEZs as a tool for industrialization, and included interventions by panellists from Malawi, Mauritius, Namibia, South Africa and Zimbabwe who shared their experiences and lessons. The Commission also organized a second expert session on *Mineral Value Chains and Transformation in the SADC Region: Opportunities from Critical Energy Transition Minerals (CETM)* on 1 August 2024, which explored the opportunities from the emerging CETM sector emphasizing on how member States could collectively develop strategies that optimize benefits from the current boom. At end of the event, the Declaration of the 7<sup>th</sup> SADC Industrialization Week was adopted, and it



outlined key priority areas that require attention and action from all stakeholders including member States on among others, finance and investment; mobilizing the diaspora for regional development; mobilizing private investment for infrastructure development; innovation; and promoting the development of the MSME sector and intellectual property rights.

### ***2.2.3 Supporting transition to inclusive green economies***

19. ECA convened a Virtual High Level Policy Dialogue, on 15 February 2024, that discussed the theme of ECA COM2024 “Financing the Transition to Inclusive Green Economies in Africa: Imperatives, Opportunities and Policy Options”. The policy dialogue was attended by more than 70 participants and key panellists included senior representatives from public and private sector in Southern Africa, from regional/international organizations, private sector and civil society (including Secretary of State of Angola for Climate Action and Sustainable Development; CEO, Economic Development Board-Mauritius; CEO-Namibia Investment Promotion and Development Board; African Centre for Green Economy; Ministry of Green Economy and Environment of Zambia and UN Environment Programme). The dialogue stimulated reflections on the imperative for the Southern African region to transition towards inclusive green economies and priority pathways for doing so; and on the financing opportunities and options for accelerating the transition towards inclusive green economies in Southern Africa. The dialogue also built momentum for participation in the Conference of Ministers held from 28 February to 5 March 2024, in Victoria Falls, Zimbabwe.

20. Furthermore, the Commission, in collaboration with the UNDP (Mauritius and Seychelles) had implemented an initiative under the Joint SDG Fund project on “Contributing to establish an enabling environment to promote sustainable green and blue economy in Mauritius and Seychelles”. The initiative relates to supporting the Government of Mauritius to setup a Business Information Portal on Renewable Energy Technologies, aimed at facilitating access to data on renewable energy in the country by investors. The Portal has been developed through a broad stakeholder consultative process and is awaiting to be hosted by the Government Online Centre website. The portal is a national priority for the Government of Mauritius as part of its overall development policy objective to achieve 60% of electricity production from renewable energy sources by 2030.

## **2.3 Supporting economic diversification through private sector development**

21. Under the UN Development Account 13<sup>th</sup> Tranche Project on “Innovative approaches for MSME competitiveness to promote trade and inclusive industrialization in Southern Africa”, ECA supported 6 member States by delivering a virtual capacity building training workshops for MSMEs (in Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia), in collaboration with the public and private sector organizations including

chambers of commerce and business associations. The virtual training sessions titled “Driving Growth and Competitiveness in MSMEs through technology and innovation” strengthened the capacities of participating MSMEs to achieve the intended outcomes, including enabling them to use or adopt at least one business intelligence tool that optimizes their processes; equipping them to develop and implement different innovation strategies that would increase their competitiveness and enhance their growth, and for MSMEs to practically use design thinking and other innovation framework toolkits to develop new market ready products and services that will increase their market share. The training materials were delivered through a set of videos and consisted of 5 weekly sessions for each country. The training was delivered over a five-week period, from 13 May to 10 June 2024. A total 126 MSMEs participated and completed the course of which 40 percent were women entrepreneurs. Participants online expressed their satisfaction with the quality and usefulness of the training programme. A follow-up evaluation workshop convened virtually on 10 September 2024 indicated increased knowledge and skills among the MSMEs that had participated in the online training course, and their adoption of design thinking and other innovation toolkits to develop new market ready products and services and adopt business intelligence tools to optimize their processes and operations to enhance their competitiveness.

22. Furthermore, the Commission delivered, in joint collaboration with UNCTAD, and under the aegis of the Ministry of Finance and National Planning of Zambia, a four-day capacity building workshop for Zambia (from 12-16 February 2024) on Public-Private Partnerships (PPPs), followed by a meeting of the High-Level Ministerial Council on PPPs that was attended by 3 ministers responsible for finance and national planning; transport and logistics; and infrastructure. The workshop, delivered under the UN Development Account 13<sup>th</sup> Tranche project “*Zambia’s Integrated National Financing Framework (INFF) for Sustainable Development*”, raised awareness and built technical knowledge among key stakeholders and agencies regarding PPPs and their sustainable development in Zambia, and further enhanced institutional capacity for the government agencies on PPPs. In total, 56 participants from 24 institutions attended the workshop, 21 women (38 percent) and 35 men (62 percent). Most of the participants were from the Ministry of Finance and National Planning (28), including the officials of the PPP Office. At the end of the workshop, participants were asked to complete an evaluation form. In total, 43 participants out of 56 responded (77 percent). At the end of the workshop, 88 percent respondents of the administered survey reported that they were either “highly”, “very highly” or “fully” satisfied that the workshop had equipped them with technical knowledge on sustainable PPPs. The knowledge and skills acquired from the training workshop will enable the senior government officials to develop and deliver PPP projects that are well-prepared and bankable, but also environmentally and socially sustainable.

23. ECA is also supporting the Government of Zambia, under the same DA INFF project, to develop two policy tools, a Policy Manual on Domestic Resource Mobilization for Zambia which has been completed; and a Handbook on Innovative Finance for Industrialization and Private Sector Development in Zambia, which is due to be completed by the end of 2024. Drafts of the Policy Manual and the inception report of the Handbook were presented and discussed at a Dialogue that was organized by ECA and the Ministry of Finance and National Planning and held on 13 June 2024, in Lusaka. The dialogue was attended by participants from a wide range of institutions from both the public and private sector, and international and regional organizations.

#### **2.4 Enhancing intra-regional trade through the AfCFTA in Southern Africa**

24. With technical support from ECA, the Government of Eswatini officially launched its National AfCFTA Strategy on 7 March 2024 in Ezulwini, by Acting Minister of Commerce, Industry and Trade, Tambo Gina. The National AfCFTA Strategy, formulated earlier with technical support from the Commission, is structured around seven strategic objectives, and it complements a broader development framework in relation to Eswatini's trade policy environment and seeks to propel the landlocked country towards increasing its local production base, services sector and export orientation. The inclusive and participatory approach, during its formulation, with active participation and inputs of stakeholders drawn from both the public and private sectors, the legislature, non-state actors and other non-governmental organizations ensured that the Strategy is nationally owned and reflects the views, concerns, expectations and aspirations of a wide range of stakeholders. The subsequent official launch of the AfCFTA Strategy paved the way for the start of its implementation.

25. Furthermore, ECA continued to provide technical support to the Government Botswana towards the ongoing efforts to develop its National AfCFTA Strategy through a broad-based consultative process. Efforts are also underway in supporting the Government of Angola, to formulate its National AfCFTA Strategy. Additionally, ECA in partnership with UNDP, is supporting the Government of Lesotho to develop its National AfCFTA Action Plan, anchored on the country's National Trade Policy and National Export Policy.

26. The Commission also delivered a five-day national training workshop on "Trade Policy Analysis, Trade Agreements and Trade Negotiations" from 27 - 31 May, in Lusaka, Zambia. This was in collaboration with the Commonwealth Secretariat, GIZ and under the aegis of the Ministry of Commerce, Trade and Industry (MCTI), Zambia. The training workshop was attended by 54 participants from both the public and private sectors (59% male and 41% female). The workshop strengthened the knowledge base of trade officials at MCTI and a wide range of other participants, in international trade theory and analysis, broadened their awareness of regional and global trade negotiations and agreements, and

deepened their understanding of compliance with, and utilisation of trade agreements. The workshop was facilitated by a broad range of trade experts from ECA (both SROSA and ATPC), Commonwealth Secretariat, GIZ, SADC Secretariat, TRALAC, University of Zambia and MCTI. Several international organisations also informed participants about their work on trade and regional integration in Zambia and Africa, namely UNCTAD, CUTS International, COMESA and the World Bank-Zambia. The training programme was successfully delivered, and as such 82% of the participants rated the workshop as “Very Good” and an additional 12 percent as “Good.”

27. Furthermore, ECA in collaboration with the AfCFTA Secretariat and TRALAC supported the Graca Machel Trust and enhanced the knowledge of 50 female entrepreneurs (MSMEs) from South Africa by conducting a capacity building training on trading under the AfCFTA held on 18-19 July 2024 in Johannesburg. The training course which was convened by the Graca Machel Trust as part of its Flagship “Women Creating Wealth Programme”, included enhancing the knowledge of the female entrepreneurs on trading under the Guided Trade Initiative, and AfCFTA protocols on digital trade, and women; and on instruments to operationalize the AfCFTA. More online trainings will be delivered by Graca Machel Trust, SROSA and TRALAC to target a total of 500 women entrepreneurs from across Southern Africa.

28. Following the formulation and subsequent launch of its National AfCFTA Strategy, developed earlier with ECA’s technical support and advisory services, the Government of Malawi embarked on several initiatives in 2024, towards implementation of the Strategy. For instance, the Government initiated the process of joining AfCFTA Guided Trade Initiative (GTI) by working closely with the AfCFTA Secretariat since the latter’s visit in March 2024 to assess the country’s readiness. The country also began preliminary work on Greening the National AfCFTA Strategy with the draft “Green Supplement” for the cotton value chain developed, which was reviewed at a workshop co-organized by the Ministry of Trade and Industry on 10-11 September 2024 during which stakeholders from both the private and public sector provided valuable inputs to the draft Green Strategy, which is expected to be finalized by December 2024. Under the same project, funded by DANIDA, a validation workshop was held in Lusaka from 8 - 9 October 2024 to discuss the Green Supplement to the National AfCFTA Strategy for Zambia focusing on cotton and textiles and wood and wood value chains. Also, a validation workshop was held in Harare from 13-14 November 2024 and reviewed the “Green Supplement to National AfCFTA Strategy for Zimbabwe, focusing on wood and paper and oleaginous plants, seeds and fruits value chains. Furthermore, in August 2024, Malawi also kickstarted work on Innovative Digital Trade Under the AfCFTA to promote food security and agricultural value chains in Africa, a UN Development Account project aimed at addressing the challenges of food insecurity, high food prices, and inefficient food distribution mechanisms in targeted countries by leveraging digital technologies and the opportunities presented under the AfCFTA. Malawi is one of six beneficiary countries, including Mozambique, on the project led by ECA’ Subregional Office for East Africa.

29. Under the project “Strengthening Capacities in Trade in Services Statistics for Southern African member States”, ECA convened a capacity-building workshop on trade in services and informal cross-border trade measurement for the Government of Mozambique held in Maputo in December, in collaboration with the SADC secretariat. The aim of the workshop, held under the aegis of the Ministry of Industry and Trade, was to build the capacity of government officials (Ministry of Industry and Trade, Central Bank, Customs, National Statistical Office and other stakeholders) in the areas of trade in services and informal cross border trade (ICBT) from both the perspectives of policy-making and statistical measurements. The workshop resulted in a better understanding of the interface between the SADC Protocol on Trade in Services and the AfCFTA Protocol and the contribution of ICBT in the context of fostering regional trade. Other knowledge skills acquired by participants included use of merchandise trade statistics, statistical tables for trade reporting; harmonization of trade statistics across stakeholders; use trade in services statistics in line with IMTS 2010; measurement of ICBT; formal trade data compilation procedures; and the use Eurotrace software. This initiative is complementary to the support that the Commission provided to Mozambique to finalize its National AfCFTA strategy and the study that assessed the implications of the AfCFTA in Mozambique in 2023. ECA also provided policy advice on how Mozambique can position itself to take advantage of trade in services commitments embedded in other trade negotiations such as under the AfCFTA and SADC to increase its share in infra-African trade as well as enhance the competitiveness of its services sector.

30. At subregional level, ECA contributed to the consultative workshop that was held from 30 September to 3 October 2024 in Johannesburg, which was aimed at engaging key stakeholders in shaping the Regional Strategy for Implementing the AfCFTA, being developed by the SADC Secretariat, to ensure that it reflects diverse perspectives across the region. The workshop also sought to gather inputs from member States, the private sector, civil society, and other stakeholders; identified key priorities and challenges for AfCFTA implementation in the SADC region. Based on the discussion, it was proposed and subsequently decided that the Strategy being developed be renamed as the SADC AfCFTA Coordination Plan to emphasize the need for better coordination among SADC member States to enhance the effectiveness of implementation of regional trade agreements. Additionally, ECA in close collaboration with the SADC Business Council, continued to provide technical support towards developing a SADC Online Trade and Investment Platform. Once completed, the Platform will serve as a digital space for sharing information to promote trade and investment in the SADC region.

## **2.5 Development planning and governance and other development initiatives in Southern Africa**

31. The Commission continued to provide support to the SADC National Planning Entities (NPEs) Platform, as a forum established to foster cooperation on integrated development planning among the ministries, commissions, or agencies that are responsible for national development planning of member States in the SADC region. During the period under review, ECA provided

technical support through the SADC Secretariat to develop an Online Portal for the SADC NPEs Platform, whose design has been completed, for use by NPEs in sharing knowledge, information, lesson and best practices for enabling development planning, facilitate the integration of regional, continental and global goals and commitments, such as SADC Vision 2050, 2030 Agenda, Agenda 2063, and Agenda 2030 to enhance coherence with national development plans and to strengthen regional-national linkages. As a community of practice for development planners and other stakeholders, the Online Portal is a digital tool with multimedia archiving and retrieval functionality for data and information sharing on development priorities and emerging issues of common interest in the SADC region. Furthermore, ECA in collaboration with the SADC Secretariat convened a capacity building training workshop from 16-18 October 2024 in Johannesburg, through which 16 officials (administrators, planners and other technical users) from NPEs the 16 SADC member States and 2 officials from SADC Secretariat were equipped with technical knowledge and skills on how to utilize the digital tool for improved integrated development planning. The completed SADC NPEs Online Platform developed by ECA was unveiled with participants capacitated to populate information and documents from their respective NPEs employing knowledge, skills and tools from the training.

32. ECA received separate requests for technical support from the Governments of Zambia and Malawi towards the review and formulation of economic diplomacy policy frameworks as part of their respective foreign policies. For instance, the Government of Zambia seeks to develop its economic diplomacy strategy that would enable the country to strengthen its capacity to boosting regional and international trade, and attract investments for sustainable development through leveraging private capital for development, positioning itself to benefit from appropriate financial instruments; and pursuing effective partnerships with local and international partners anchored on the vision of the country's 8<sup>th</sup> National Development Plan. On the other hand, Malawi seeks to review its Foreign Policy and its Strategic Plan aimed at realising the Malawi 2063 agenda, as a strategic instrument for the country to achieve its agriculture, tourism and mining agenda. It is also envisaged that the new policy will focus on long-term national development, including innovative means to attract international and domestic development financing and investment opportunities. In this regard, ECA had initiated consultations with the respective ministries of Foreign Affairs as well as other partners at country level in readiness for kick-starting the process of providing technical support to the two countries, whose delivery is in progress and will continue in early 2025.

33. The Commission has been providing capacity building support to the Government of Namibia, in developing the Tourism Satellite Accounts (TSA), aimed at enhancing the country's tourism statistics to support policy design and development of the sector. Technical support entailed building capacity in the collection of systematic, accurate and timeous data, and the TSA provides a mechanism for compiling a comprehensive set of tourism statistics outside the conventional national accounting framework. By building the national capacity in TSA

development and implementation, technical support to the Government will subsequently enhance policy formulation, decision-making, and resource allocation towards sustainable tourism development in Namibia. ECA's technical support to the government has been delivered through a series of training workshops for officials, comprised of representatives from all relevant stakeholders in the country's tourism sector. The TSA framework, whose formulation has since been completed, through collaboration between ECA's SRO-SA and SRO-EA, was launched for implementation by the Minister of Environment, Forestry and Tourism, Mr. Pohamba Shifeta on 8 February 2024 in Windhoek, Namibia. The TSA framework measures the direct economic contribution of tourism to country's economy in support of efforts aimed at boosting investment in the sector which contributes significantly to the country's gross domestic products (GDP). It captures comprehensive statistics to inform decision-making and strategic planning for the tourism sector.

### **3 Challenges and lessons**

34. One of the challenges faced is delayed implementation of interventions mainly due differences in planning horizons of member States, RECs and other partners. As a lesson, it was learned that continuous and early engagement with member States and partners on interventions is critical to ensure their timeous implementation as well as alignment and coherence of priorities of such initiatives. As such, the ECA's SRO-SA will enhance outreach, engagement and strategic communication, including targeted policy dialogues as a way of facilitating the uptake of policy recommendations arising from policy research and analytical studies.

35. Furthermore, SRO-SA faced the challenge of electricity outages which affected the operations of the Office, including interruptions of internet connectivity. This is because of the electricity generation deficit being experienced by the host country and other countries in the subregion that depend on hydro electricity generation that has brought about by the drought that affected Southern Africa. A key lesson learned that having diversified energy sources and supply is an important way of ameliorating the electricity crisis. As a result, the Office has undertaken a needs assessment of installing an off-grid green energy supply solar system, as a backup at the office premises.

36. Also, dwindling financial resources that the UN system is facing continues to have a negative bearing on delivery of support to member States, especially in responding to increasing requests for support. As a lesson, ECA will continue to strengthen partnerships with RECs, IGOs and other development partners, including other UN entities at subregional and country levels is to facilitate building synergies and leveraging available expertise and available limited financial resources for maximum impacts of development interventions.

### **4 Highlights of the Work Programme for 2025**

37. SRO-SA has been designated as ECA's Centre of Excellence for Inclusive Industrialization, whose long-term objective is to *deepen regional integration and strengthen capacities to achieve inclusive industrialization for the reduction of poverty and inequality in Southern Africa*. In this regard, ECA's proposed Programme of Work for Southern Africa in 2025, will mainly focus on strengthening capacities of member States, RECs and IGOs to formulate and implement policies, strategies and programmes aimed at deepening regional integration and accelerating inclusive industrialization and trade through the AfCFTA and RECs FTAs and support to initiatives on private sector/MSME development for the reduction of poverty and inequality. This will be done through analytical policy studies, convening policy dialogues and consensus building forums, providing advisory services and technical support to member States, RECs and IGOs, while leveraging on partnerships at regional and country levels.

38. Furthermore, the Commission will continue to enhance capacities of members States and the private sector to address the challenges and harness the opportunities of the green economy in the context of sustainable development and poverty eradication, and to increase productive capacities given the situation of energy resource deficiency in the region and the impact of climate change on key sectors.

39. Key initiatives and deliverables programmed for 2025 are outlined in *Table 1* below:

**Table 1: Summary of key deliverables for 2025**

<b>OBJECTIVE: Deepen regional integration and strengthen capacities to achieve inclusive industrialization for the reduction of poverty and inequality in Southern Africa</b>	
<b>Category</b>	<b>Key programmed initiatives/deliverables</b>
<b>(a) Servicing of statutory intergovernmental meetings</b>	<p>1. <i>Session of the ICSOE for Southern Africa</i></p> <ul style="list-style-type: none"> <li>- Report on key economic and social conditions in Southern Africa and prospects</li> <li>- Report on the work of ECA in Southern Africa</li> <li>- Progress report: regional and international agendas and special initiatives in Southern Africa</li> </ul>
<b>(b) Analytical policy studies and ad hoc expert group meetings</b>	<p>2. <i>Policy studies and ad hoc expert groups meetings</i></p> <ul style="list-style-type: none"> <li>- Industrialization in Southern Africa</li> <li>- Regional integration in Southern Africa</li> <li>- Green economy in the context of sustainable development and poverty reduction in Southern Africa</li> </ul>
<b>(c) Generation and transfer of knowledge</b>	<p>3. <i>Fellowship programme for young African economists</i></p> <p>4. <i>Operationalization of the Inclusive Industrialization Database informing issues papers and briefs for knowledge transfer and sensitization.</i></p>



<b>(d) Seminars and workshops</b>	<p>4. <i>Workshops and forums</i></p> <ul style="list-style-type: none"> <li>- Seminar on energy transition in Southern Africa</li> <li>- Workshop on economic and social development in Southern Africa</li> </ul>
<b>(e) Technical support and advisory services</b>	<p>5. <i>Advisory services to member States and RECs and Technical Cooperation</i></p> <ul style="list-style-type: none"> <li>- Developing and supporting implementation of national AfCFTA strategies</li> <li>- Promoting the development of national and transboundary special economic zones including the Common Agro-Industrial Park between Zambia and Zimbabwe; Electric battery initiative between DR Congo and Zambia; and supporting Malawi to develop its regulatory and institutional framework for its special economic zones</li> <li>- Supporting the development of regional value chains (including beef and automotive value chains that have already been identified)</li> <li>- Private sector/MSME development</li> <li>- Strengthening governance and development planning including ongoing work to support Malawi and Zambia develop their economic diplomacy frameworks</li> <li>- Others, upon request from member States, RECs and IGOs</li> </ul>
<b>(f) Policy dialogue and consensus building</b>	<p>6. <i>Policy dialogue and consensus building</i></p> <ul style="list-style-type: none"> <li>- Policy brief on industrialization and economic transformation in Southern Africa</li> <li>- Policy dialogue on economic development in Southern Africa</li> </ul>
<b>(g) UN Development Account projects (DA)</b>	<p>9. <i>UN Development Account 17<sup>th</sup> Tranche Project (2025-2028): Innovative Climate Action to Accelerate Green and Inclusive Industrialization in the Southern Africa Region</i></p>

40. The Committee is invited to consider and endorse the report.

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