



SPECIAL ECONOMIC ZONE

SYMPOSIUM FOR THE SUCCESSFUL HARMONIZATION
OF FRAMEWORKS FOR THE DEVELOPMENT AND
OPERATIONALIZATION OF NEW-GENERATION SPECIAL
ECONOMIC ZONES IN AFRICA

Douala – Cameroon, 21-23 January 2025

CONCEPT NOTE

In partnership with



MINMIDT
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Technological Development



I. CONTEXT AND RATIONALE

1. The United Nations' 2030 Agenda and the African Union's Agenda 2063 require Member States to adopt inclusive and sustainable development models, combining economic growth and environmental protection. For many developing or transition countries, this is an opportunity to rethink their industrial fabric after decades of deindustrialization, the corollary of several economic reforms in contexts marked by structural adjustment plans or political reforms. For many specialists, it is now important to link economic development choices to inclusive and sustainable industrialization, through the establishment of industrial parks and special economic zones (SEZs).
2. In the International Guidelines for Industrial Parks published by the UN Industrial Development Organization (UNIDO) in 2019, it emerges that several trends have shaped the future of industrial parks over the past three decades. First is the increase in the number of industrial parks since the early 1990s has created competition for investment and pressure to offer ever-higher standards of service. Second are increasing urbanization and the development of residential and mixed-use areas in or near industrial parks, which have exerted pressure for better integration of the latter into their wider urban context. Third is the ever-growing concern over improved management of environmental externalities in recent years, particularly in the context of growing awareness of climate change, which has become an increasingly important factor in business operations and decision-making around “green growth” and resource-conserving “circular” business models. Fourth is the advent of digital transformation, particularly in technologies related to Industry 4.0, which presents both opportunities and challenges for companies actively embracing this trend and striving to keep pace with productivity gains. And fifth is the COVID-19 pandemic and the resurgence of relocation of certain industries, leading to a deceleration of globalization.
3. At a time when several countries continue to adopt and create SEZs, industrial parks, technology parks, agropoles, export processing zones, some 5400 SEZs were functional in 147 economies in 2019, with Asia alone accounting for 4046 of these economic spaces, followed by Latin America. In Africa, Senegal and Egypt were the first to adopt SEZs in the 1970s, followed by the Democratic Republic of Congo, Ghana and South Africa in the 1990s.
4. A growing number of studies show the importance of SEZs for industrialization, especially in Asia. This literature argues that SEZs increase investment, output, wages, employment and labour productivity in formal enterprises. The benefits of SEZs for Asian countries, and the mixed results for African countries, raise the need to further the understanding of these economic spaces for African countries in general, and those of Central Africa in particular, while identifying strategies and strategic orientations that should lead to the implementation and development of successful SEZs in a context marked by the implementation of the African Continental Free Trade Area (AfCFTA) and the post COVID-19 global recovery.
5. In this context, the ECA Sub-Regional Office for Central Africa (ECA/SRO-CA), its strategic partners (including the African Union Commission (AUC), UNIDO, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Development Programme (UNDP)), as well as other development partners such as the African Development Bank (AfDB), have identified the need for more in-depth research and global comparative

studies to understand the potential impact of SEZs in Africa, and to identify new orientations, policy perspectives, industrial acceleration strategies and ways and means to successfully operationalize SEZs in a constantly changing post-COVID-19 world, for inclusive and sustainable industrialization.

6. These studies highlight the potential of SEZs as an economic policy tool that can allow governments to better integrate their national economies, combat factors of fragility (such as economic exclusion, unemployment and regional instability), strengthen policy coherence and institutional collaboration, and support local small and medium-sized enterprises (SMEs), either by encouraging them to set up directly in the zones, or by helping them become suppliers to companies established in the zones.¹ This, at a time when the AfCFTA Council of Members has adopted regulations that govern and provide guidance on goods produced in SEZs, offering SMEs the opportunity to increase their investments, meet regional and continental market needs, and become the catalyst for a wider entrepreneurial culture.²
7. This should accelerate economic diversification and deepen regional integration and clustering, while increasing the chances that Africa and its sub-regions and local economies will emerge as a world-class industrial base for the on-site processing of strategic raw materials and critical minerals, an essential hub for energy, ecological, logistical and digital solutions, and a regional research and innovation hub focused on the integration of brains, intelligence, data, software, future technologies and essential know-how.
8. Some of these studies influenced the development of draft model guidelines on the operationalisation for new-generation SEZs (NGSEZs), based on objective diagnostic analyses and a benchmark of lessons learned from SEZ development in Central Africa. They also led to the preparation of draft legal texts to guide the shaping of strategic and operational instruments and frameworks for SEZ development at local, national, regional and continental levels, taking into account the new context of competition and risks marked by the implementation of the AfCFTA and new-generation master plans for industrialization and economic diversification (PDIDE).
9. The products of these studies and surveys were the subject of a webinar co-organized by ECA/SRO-CA and UNIDO in June 2022, and of a joint feedback meeting of the Intergovernmental Committee of Senior Officials and Experts (CIE) from November 15 to 18, 2022, organized in the Seychelles by ECA/SRO-CA and ECA/SRO East Africa (ECA/SRO-EA). The objectives of this latest meeting were to review the results of the study on the operationalization of NGSEZs in Central Africa, and to make recommendations for strengthening the regulatory and institutional arrangements for the development of SEZs in the subregion. Subsequent meetings organized with the UNDP, the International Institute for Environment and Development (IIED), the AUC and other public and private partners (including Afreximbank and the AfCFTA Secretariat) followed in June and July 2024, to explore strategies

¹ AfDB, *Special economic zones in fragile situations: A useful policy tool?* (December 2018); UNCTAD, *Handbook on special economic zones in Africa: Towards economic diversification across the continent* (October 2021); African Union, *Policy for establishing a viable SME business ecosystem in Africa: Special economic zones contribution to the SME integration and local economic development toward a pragmatic approach* (November 2024).

² African Union, *Policy for establishing a viable SME business ecosystem in Africa*, supra; UNDP and AfCFTA Secretariat, *The Futures Report: Making the AfCFTA work for women and youth* (December 2020).

for making SEZs more inclusive and sustainable, ensuring that they contribute to broader economic and social development objectives.

10. This symposium, organized by ECA/SRO-CA in collaboration with CEMAC, UNDP, UNIDO, the AUC, AfDB and other strategic partners, is a logical follow-up to the work sessions of the Intergovernmental Committee of Experts and Senior Officials to be held in Seychelles in 2022, the subregional Webinar on the challenges and opportunities of NGSEZs for economic diversification and industrialization in Central Africa, as well as the ongoing efforts and recent work of partner institutions such as UNDP, the AfDB, UNIDO and the AUC, to promote and operationalize NGSEZs in Africa in general, and in Central Africa in particular.

II. OBJECTIVES

11. The overall objective of the symposium is to bring together stakeholders (governments, private sector, financial institutions, development partners), to discuss and explore ways and means of facilitating and accelerating the operationalization of NGSEZs in Central Africa, as an instrument for inclusive and sustainable industrialization and economic diversification in Member States.

12. Specifically, the symposium will seek to:

- ✓ Strengthen the capacities of decision-makers, the private sector and other stakeholders involved in NGSEZ development in Central Africa, to enable them to make better-informed decisions when choosing and setting up these zones, and to monitor their implementation more effectively. Emphasis will be placed, among other things, on the economic, fiscal and commercial advantages and regulatory framework of SEZs, and on the contribution of SEZs to sustainable development objectives, the AU's Agenda 2063, to the operationalization of industrial strategies, and to the development of high-potential value chains.
- ✓ Strengthen cooperation frameworks through the power of partnership and collective action, by mobilizing experts on the implementation of SEZs in Africa, strategic investors, international organizations, donors and other stakeholders interested in helping countries and regional economic communities (RECs) in the sub-region learn before building their NGSEZs and supporting them in this process.
- ✓ To co-create a regional platform of implementing partners able to support the countries of the sub-region in their constantly renewed efforts to accelerate and expand industry.
- ✓ Identify capacity gaps and other needs that could be addressed through a joint program on SEZs in Central Africa, which will aim to support states in the sub-region in developing and managing more inclusive and sustainable SEZs.

III. EXPECTED RESULTS

- The step-by-step acquisition of an in-depth understanding of the key aspects of setting up NGSEZs, the issues involved in developing the strategic support infrastructures to interconnect them, and the engines and launch pads to get them off the ground.

- The co-creation of an inter-agency working group and a robust regional cooperation platform to accelerate the operationalization of industrialization strategies and the implementation of high-potential value chain and new-generation SEZ approaches.
- The launch of work on a joint program to support the states of the sub-region in the development and implementation of new-generation SEZs, which would contribute to inclusive and sustainable industrialization and other broader economic and social development objectives.

IV. PARTICIPANTS

13. Participants will come from AU Member States, RECs (notably CEMAC and ECCAS), the private sector, academia and research, and partner institutions (including development or international financial institutions).

V. DATE AND VENUE

14. The symposium will be held at Krystal Palace Hotel in Douala, Cameroon, from 21-23 January 2025.

VI. SECRETARIAT AND CONTACTS

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