

Webinar Series based on The “Handbook on Special Economic Zones in Africa, Towards Economic Diversification across the Continent”

Session 2: Mainstreaming Sustainable Development Goals (SDGs) into investment promotion and investment facilitation: Focus on African SEZs

Tuesday, February 22nd | 10:00 (CET) – 11:30 (CET)

GENERAL CONTEXT

Special Economic Zones (SEZs) were adopted relatively late in Africa, but they have been gaining considerable traction recently. Today, there are an estimated 237 established SEZs in 38 of the 55 African Union Member States. Many more are under construction or in a projection stage. In addition, there are more than 200 single-enterprise zones (or free points).

Despite SEZs having been widely used for decades, there is relatively little systematic research on their performance or economic impact, especially in the African context. UNCTAD’s World Investment Report 2019 presented a comprehensive analysis on the number and types of SEZs, however, large gaps remain concerning data on their design and on the overall benefits accrued to the host economy.

There is, therefore, a need for greater knowledge, peer learning, and technical cooperation between regional and national authorities in the design and planning of effective and development oriented SEZs. They also need to adjust to the new regulatory environment that will be implemented across the Continent when the African Continental Free Trade Agreement (AfCFTA) is fully implemented.

The Handbook on Special Economic Zones in Africa: Towards Economic Diversification across the continent, developed by UNCTAD in partnership with GIZ, examines trends in African SEZs, scrutinizes best practices, policy recommendations, and serves as a foundation for technical cooperation in the development of sound policy guidelines for the development of more effective, resilient and sustainable SEZs in Africa. The Handbook makes particular emphasis on providing policy guidelines to help SEZs adjust to the new trade and investment environment in Africa after the full implementation of the AfCFTA. In addition, it delivers recommendations aimed at enabling SEZs and SEZ programmes to adjust proactively to current and future changes in global value chains and investment patterns.

WEBINAR SERIES PRESENTATION AND FORMAT

As part of the technical cooperation events organized for the dissemination of the findings of The Handbook, a series of webinars will be organized during the first quarter of 2022. The webinar sessions will include presentations of the findings of the Handbook to a diverse audience of policymakers and practitioners involved with SEZs’ issues and planning from Africa, in addition to panel discussions.

The programme will start with a presentation of the Handbook’s key messages and conclusions, with special focus on the webinar’s particular theme. The presentation will be followed by a discussion with external experts, and a Q&A session.

The first session, held on Thursday 3 February 2022, successfully gathered more than 150 participants from 43 countries. It was entitled “Global Value Chains and the Africa Continental Free Trade Agreement: What prospects and challenges for SEZs?”, and discussed key issues related to regional

integration and GVC, including the role Regional Economic Communities (RECs) and regional trade agreements such as the AfCFTA can play to support countries better connect and integrate in GVCs, more particularly through SEZs. The discussants also talked about the contribution of SEZs to support the creation of Regional Value Chains (RVCs) and the integration in GVCs.

Finally, the session addressed the trade and investment prospects of the AfCFTA for SEZs, as well as the challenges that the zones can face with the full implementation of the agreement.

SECOND WEBINAR SESSION: CONTEXT AND PRESENTATION

Since many first-generation zones often pursued an investment attraction strategy centered on low wages and lax employment conditions, SEZs have been criticized for not adhering to adequate social and environmental standards. Recent research by UNCTAD, however, presents the economic case for a ‘role reversal’: switching from a narrow focus on cost advantages to becoming champions of sustainability.

Enhanced environmental, social and governance (ESG) standards can render SEZs more competitive and attractive to investors. A focus on labour standards and environmentally friendly, gender-inclusive programmes can not only boost the societal contributions of SEZ policies, but also support resource efficiency within the zone. Solid ESG standards can, therefore, furnish substantive positive externalities in terms of the productivity of SEZ-based firms. Increasingly, specialization in “green” sectors enables SEZs to leverage investment flows in areas related to the Sustainable Development Goals (SDGs) as initiatives aimed at providing support to vulnerable groups decrease staff turnover and enhance workers’ productivity.

Against this backdrop, UNCTAD presented the framework for the sustainable development goal (SDG) model zone which functions as a menu of options to make SEZs work for the SDGs. Conceptually, such zones can be built around three key elements:

- A strategic focus on attracting investment in “SDG-relevant” activities
- The highest level of Environmental Social and Governance (ESG) standards and compliance
- Promoting inclusive growth through linkages and spillovers

In this context, the second webinar session, to be held on **Tuesday, February 22nd**, will discuss the mainstreaming of Sustainable Development Goals (SDGs) into investment promotion and investment facilitation, with a focus on African SEZs.

In particular, the session will address approaches for increasing the competitiveness, sustainability and resilience of economic zones, the complementarities between them and what role international partnerships between financing partners, SEZ developers, host countries, Investment Promotion Agencies (IPAs) and outward investment promotion agencies could play in the transition towards SDGs-oriented zones. The session will be focused on the African SEZs, with special emphasis on the opportunities coming with the implementation of the AfCFTA to drive the economic growth of the continent in a sustainable way.

Target audience

Participants will include experts, practitioners, and representatives from the governments of African countries, specialized agencies, and private sector organizations, as well as the African Union Commission, the African Association of Economic Zones, among other organizations.

Support documents

The material prepared for the webinars will be available after each session. They include the following:

- A comprehensive presentation summarizing the main findings of the Handbook on SEZs' in Africa.
- A non-technical summary, including a systematic overview of African SEZs and the best practices and lessons learnt, insights on the recent wave of African regionalism through the AfCFTA, and the future of SEZs, in addition to a set a recommendation.
- The report of the survey conducted by UNCTAD in partnership with the Africa Economic Zones Organization on SEZs in Africa, with a particular emphasis on their role in intra-continental trade and investment and on the impact of the implementation of the AfCFTA.
- The UNCTAD World Investment Report 2019, Chapter IV, with special focus on SEZs.

TENTATIVE AGENDA

Mainstreaming SDGs into investment promotion & investment facilitation: Focus on African SEZs

- 10:00 – 10:15 **General introduction and setting the scene**
- **Mr. James X. Zhan** | Director, Division on Investment and Enterprise, UNCTAD
 - **Mr. Jan Miksch** | Component Lead, Programme Support to the AfCFTA, GIZ AU Office
- 10:15 – 10:35 **SEZs in Africa & SDG practices: Case studies and opportunities in the context of the AfCFTA**
- **Prof. Andrés Rodríguez-Pose** | Princesa de Asturias Professor & Professor of Economic Geography; Director, Cañada Blanch Centre
- 10:35 – 11:15 **Panel Discussion**
- Moderator: Ms. U. Amelia Santos Paulino** | Chief – Investment Issues and Analysis Section, Division on Investment and Enterprise, UNCTAD
- **Mr. Andrew Mold** | Chief, Regional Integration and AfCFTA Cluster, Office for Eastern Africa, United Nations Economic Commission for Africa.
 - **Mr. Douglas Zhihua Zeng** | Senior Economist, World Bank
 - **Mr. İsmail Erşahin** | Executive Director, World Association of Investment Promotion Agencies (WAIPA)
 - **Ms. Githa Roelans** | Head, Multinational Enterprises and Enterprise Engagement Unit at International Labour Organization (ILO)
 - **Ms. Ursula Wellmann** | Skills, Enterprise and Community Development Project Specialist, Atlantis SEZ
- 11:15 – 11:30 **Q&A**
- Concluding remarks**