



FUNDED BY  
THE EUROPEAN UNION



**REGIONAL  
ENTERPRISE  
COMPETITIVENESS AND  
ACCESS TO MARKETS  
PROGRAMME  
FACT SHEET**



Increasing private sector participation in regional  
and global value chains





RECAMP is about boosting participation of the private sector in regional and global value chains. The Programme does this through the improvement of the investment and business climate and enhanced competitiveness in the COMESA region.

## investment competitiveness

- private sector participation
- improvement of business climate
- intra-regional trade
- regional market integration

agro-processing

## horticulture

leather products

## livestock

quality maize seeds

### Which value chains?

RECAMP focuses on three specific value chains, i.e. agro-processing, horticulture, leather and leather products.

For agro-processing the focus is on maize, livestock (fish, dairy, poultry, meat and related products) and agro-inputs, in particular quality seeds.

They all have potential for increased investment and trade within and outside the COMESA region.







## Agro-processing: Maize

- In the COMESA region, there is a structural deficit of maize. The region, as a whole, is a net importer of maize and relies on exports from South Africa and sometimes from the United States and Latin America. Nevertheless, currently, intra-regional trade has an important role in buffering domestic production shocks.
- Regional market integration is well advanced in normal periods and surplus maize is shipped across borders to deficit regions.
- On average, from 6-21% of total household expenditures is spent on maize alone, while maize sales are responsible for 5.5-21% of total household income.
- Although COMESA is officially a free trade zone, trade flows are often restricted, driven by national interests to stabilize domestic food supply. However, national markets are connected with markets in neighbouring countries through formal and informal trade.
- Agricultural markets in the COMESA region are exposed to strong seasonal price fluctuations with seasonal gaps of more than 50%. Maize markets in the COMESA region are among the most volatile markets worldwide.
- Governments in the COMESA region regularly limit export quantities by imposing bans and quotas. Most of the export restrictions are related to local supply shortages, while the reduction of import tariffs is used to reduce the consumer price for imported maize.

## Livestock

- COMESA has the highest population of livestock in Africa and therefore has a huge potential for intra-regional trade, as well as trade with other markets.
- The promotion of market-focused collaborations

among different stakeholders who produce, and market value-added livestock and livestock products, is crucial to enhance livestock value chain operations, generate employment opportunities and incomes, strengthen regional integration through trade and improve the livelihoods of livestock dependent communities.

## Agro-inputs: Quality seeds

COMESA is in the process of implementing the Seed Trade Harmonisation Regulations. This will:

- Facilitate farmers' access to improved varieties from all COMESA Member States through simplified customs procedures, speedier release of new seed varieties and distribution into other countries, and eliminate inhibitive quarantine requirements through adoption of a common pest list.
- Improve seed quality, as seed companies will be breeding seed adaptable to farmers' local systems and smallholder farmers will also be involved in selection of living genetic resources to suit their needs.
- Avail a wide range of varieties for all farmers (small, medium and large) to choose from, i.e. increased diversity of crop species, varietal choice and crop rotations options.
- In the area of climate change mitigation, increase access to drought and heat tolerant seeds in the COMESA region.

## Horticulture



- Horticulture presents great potential for trade in the COMESA region if fully exploited. The sector mainly includes fresh vegetables and fruits and is considered to have low volume/high value as opposed to high volume/low value agricultural commodities such as maize.

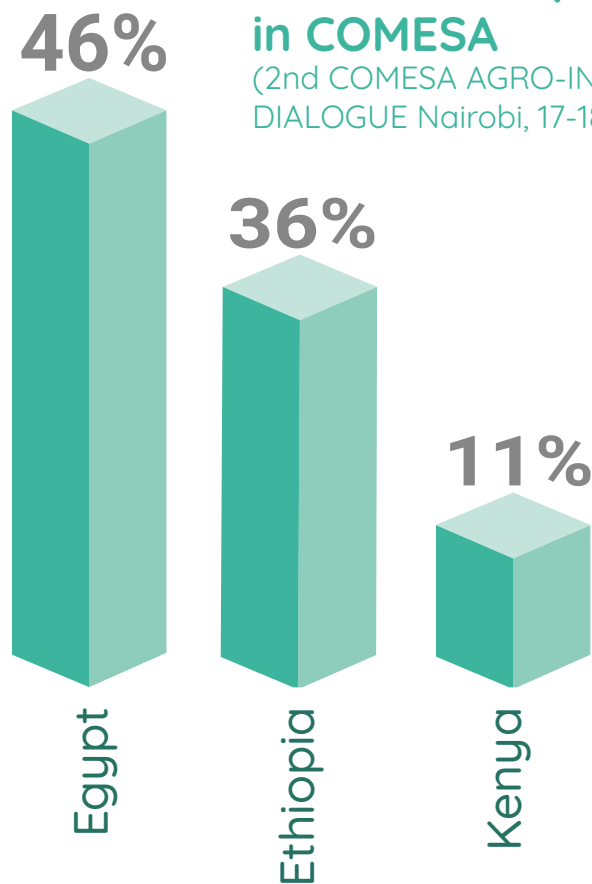
- Among the top exporters of horticultural products in COMESA are Egypt (46%), Ethiopia (36%) and Kenya (11%), while the rest of the countries only share a small proportion.

- A huge market for horticultural products within COMESA exists.

- The horticulture sector is at the centre of supply chain linkages with other sectors in the economy like the tourism sector, manufacturing and wholesale and retail industries. For most of the COMESA countries, production is centered along small scale producers.

### Top exporters of horticultural products in COMESA

(2nd COMESA AGRO-INDUSTRY DIALOGUE Nairobi, 17-18 May 2017)



## Leather and Leather Products

- The regional livestock herd has been rising steadily over the years, but value addition has lagged behind.
- The level of development of the value chain in the COMESA region is greatly varied across the COMESA Member States. Some countries export only raw materials; others have tanneries but produce semi-tanned leathers, whereas only a few have a fully vertically integrated value chain from raw hides and skins to finished leather products. This scenario creates opportunities for intra-regional trade.
- Value addition of raw materials will unleash productivity and quality improvement in the sector and generate the following economic impacts in the COMESA region:

An increase in value chain products traded within COMESA

Increase in employment creation in the sector

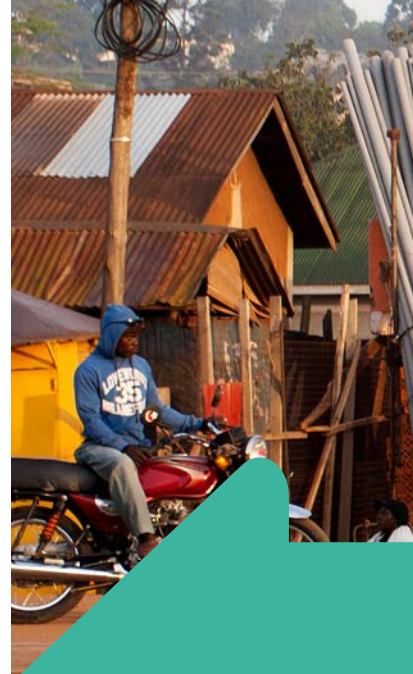
A rise in the sector's contribution to GDP







Why does RECAMP focus on these three value chains ?



The reasons why these particular value chains have been selected are:

- ▶ Their potential to generate value addition
- ▶ Their potential to create jobs
- ▶ Their contribution to the increase of trade
- ▶ They are likely to generate regional value chains
- ▶ Their participation in global value chains
- ▶ Their potential to attract investment
- ▶ Their facilitation of upgrading of operations



## Challenges facing the private sector active in the three value chains

Different as the value chains may seem, the private sector in all three value chains face the same challenges, such as:

Lack of access to information and business linkages in the agro-processing, horticulture, and leather and leather products sectors

Lack of capacities of firms related to Sanitary and Phytosanitary and regional standards and quality management

Lack of effective and efficient public-private dialogue platforms aimed at promoting business opportunities

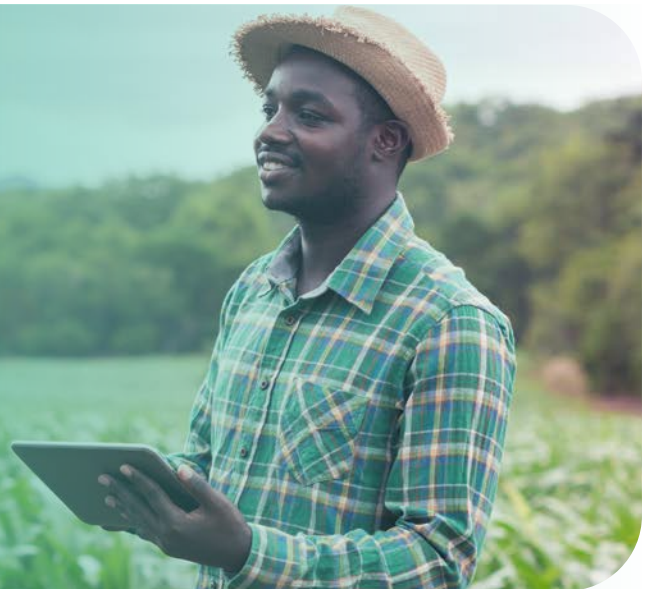
Lack of regional policies in favour of value chains development for mainstreaming in national policies



## RECAMP's response to these challenges

RECAMP aims to improve competitiveness and market access of SMEs in the targeted value chains and sectors in the COMESA region by:

Creating better access to market information and business linkages in the targeted sectors



Further improving the capacities of beneficiary firms related to SPS and regional standards and quality management





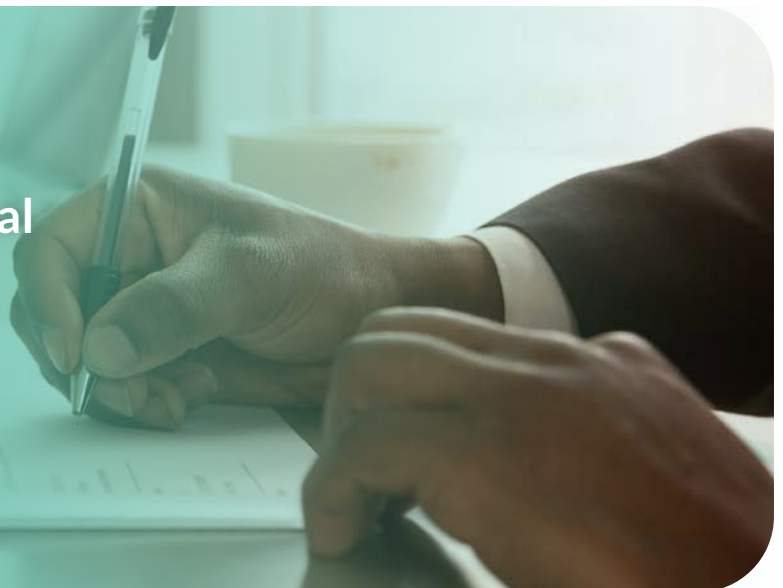


**RECAMP aims to improve business environment for SMEs and other private sector players participating in value chain activities by:**

**Supporting and enhancing regional public-private dialogue platforms, aimed at promoting business opportunities**



**Further developing regional policies in favour of value chains and mainstreaming them in national policies**



COMESA Secretariat  
Ben Bella Road  
P O Box 30051, Lusaka, ZAMBIA  
Tel +260 221 229725/32  
Email: [info@comesa.int](mailto:info@comesa.int)  
<http://www.comesa.int>  
Twitter: [@comesa\\_lusaka](https://twitter.com/comesa_lusaka)  
Facebook.com/COMESA/