

Green Horizons

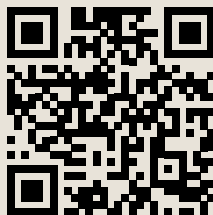
Transforming COMESA through Sustainable Trade and Green Industrialisation





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List of Acronyms

AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
CBAM	Carbon Border Adjustment Mechanism
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of the Congo
EAC	East African Community
EPR	Extended Producer Responsibility
ESG	Environmental, social and governance
EU	European Union
EUDR	European Union Deforestation Regulation
EV	Electric vehicle
GDP	Gross domestic product
IEA	International Energy Agency
LPI	Logistics Performance Index
NTB	Non-tariff barrier
OECD	Organisation for Economic Co-operation and Development
PV	Photovoltaic
R&D	Research and development
SADC	Southern African Development Community
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
USGS	United States Geological Survey
WTO	World Trade Organization



Executive Summary

The global transition to low-carbon development is reshaping international trade, industrial competitiveness and investment patterns. Increasingly, market access depends not only on cost and productivity, but also on carbon intensity, product traceability, environmental performance and compliance with sustainability standards. The EU Carbon Border Adjustment Mechanism (CBAM) has applied under its definitive regime since 1 January 2026, while the EU Deforestation Regulation (EUDR) is due to apply from 30 December 2026 for large and medium-sized operators and from 30 June 2027 for most micro and small operators. Although these measures were adopted unilaterally by the EU, they can reshape conditions of access to the EU market and affect trade flows. This underscores the importance of regulatory dialogue, capacity support and WTO reform aimed at transparent, non-discriminatory and multilaterally coherent trade rules (European Commission, 2026a, 2026b; WTO, 2022).

For the Common Market for Eastern and Southern Africa (COMESA), these changes present both significant risks and new opportunities. COMESA comprises 21 Member States, representing a regional market of more than 640 million people, a combined GDP of approximately US\$1 trillion and merchandise trade exceeding US\$383 billion (COMESA, 2026). The region also possesses one of the world's richest concentrations of critical minerals needed for the clean energy transition and digital economy. The Democratic Republic of the Congo (DRC) produces an estimated 70-77% of global cobalt, while Zambia and the DRC together account for around 15% of global copper production and more than 94% of Africa's copper output. Zimbabwe hosts Africa's largest lithium reserves, while Madagascar is a leading producer of graphite and nickel, positioning COMESA as a strategically important supplier to the global battery, electric-vehicle and renewable-energy industries (AfDB, 2024; IEA, 2025; USGS, 2025).

Despite these endowments, COMESA countries capture only a limited share of the value associated with emerging green industries. This reflects a broader African pattern: although the continent supplies substantial quantities of critical minerals,

much of this output is exported without extensive processing, while Africa accounts for less than 1% of the value generated by global clean-energy technology manufacturing (IEA, 2025). COMESA policy assessments similarly identify continued reliance on unprocessed primary commodities, low levels of industrialisation and limited domestic and regional value addition (COMESA, 2021, 2023). In 2024, intra-COMESA exports were estimated at approximately US\$14 billion, compared with US\$202 billion in COMESA exports to the world, equivalent to about 6.9%, indicating that productive and trade integration within the region remains limited (COMESA, n.d.).

This brief argues that COMESA's industrialisation challenge cannot be reduced to either market access or productive capacity alone. Tariff escalation, additional taxes and charges, non-tariff barriers (NTBs), fragmented trade regimes and logistics constraints can raise costs and restrict regional trade, while gaps in technology, skills, innovation, quality infrastructure, finance and institutional coordination limit firms' ability to respond competitively. These constraints reinforce one another and are compounded by limited readiness for emerging sustainable-trade requirements.



To address these challenges, the brief identifies four priority green value chains where COMESA has strong resource endowments, market opportunities and value-addition potential:

- critical minerals and green manufacturing;
- renewable energy technologies;
- climate-smart agriculture and agro-industrial systems; and
- circular economy industries.

Together, these sectors offer the greatest potential to increase regional value addition, strengthen intra-regional trade, create quality employment and position COMESA competitively within rapidly expanding global green value chains.

The brief recommends five strategic priorities:

- Align trade and industrial policy to support regional green manufacturing and value addition.
- Invest in productive capacity, including technology, industrial skills, quality infrastructure

and finance.

- Improve transport, energy and logistics systems that support regional value chains.
- Establish practical regional coordination mechanisms focused on strategic green industries.
- Strengthen sustainable trade readiness through carbon accounting, traceability systems, sustainability reporting and responsible-sourcing requirements.

Without coordinated action, COMESA risks remaining a supplier of raw materials while facing increasingly stringent sustainability-related trade barriers on value-added exports. With targeted reforms, however, the region can become a competitive hub for climate-resilient industrial production and sustainable trade.





1

Why Green Industrialisation Matters for COMESA

The global transition to clean energy and digital technologies is reshaping industrial production and international trade. Demand for the critical minerals needed for electric vehicles, renewable energy technologies, battery storage systems and digital infrastructure is expected to grow substantially over the coming decades as countries pursue net-zero emissions pathways (IEA, 2025). At the same time, sustainability-related trade measures are increasingly making market access contingent on carbon performance, responsible sourcing, environmental standards and supply chain transparency.

COMESA holds significant resource endowments and market opportunities in this emerging industrial landscape. Unlike many regional economic communities, it combines abundant critical mineral resources, extensive renewable energy potential, diverse agricultural systems and one of Africa's largest integrated markets. Together, these assets provide a strong foundation for developing competitive regional green value chains.

While in economic terms, comparative advantage concerns the activities in which an economy is relatively more efficient, reflecting opportunity costs rather than resource abundance alone (WTO, n.d.). Natural-resource abundance can create potential, but it does not by itself establish comparative advantage. Whether COMESA can produce green goods competitively depends on delivered input costs, energy reliability, logistics, technology, skills, scale and policy conditions. The analysis therefore treats the region's minerals, renewable resources, agricultural base and market size as endowments and opportunities whose competitiveness must be demonstrated at specific stages of each value chain.

The region's mineral endowment is particularly significant. The DRC accounts for an estimated 70–77% of global cobalt production, while Zambia and the DRC together produce around 15% of the world's copper, both of which are indispensable for batteries, electricity transmission, electric vehicles and renewable energy infrastructure. Zimbabwe possesses Africa's largest lithium reserves, while

Madagascar is among the world's leading producers of natural graphite and nickel. These minerals are also essential for semiconductors, artificial intelligence infrastructure and telecommunications equipment, making COMESA strategically important to both the global clean energy transition and the digital economy (AfDB, 2024; IEA, 2025).

Despite its resource wealth, COMESA has yet to translate these endowments into industrial competitiveness. Many of Africa's critical minerals continue to be exported in raw or semi-processed form, while much of the higher-value processing and manufacturing, including refining, battery-material production and component manufacturing, takes place elsewhere, particularly in Asia. Consequently, despite supplying substantial shares of key minerals such as cobalt and manganese, Africa captures less than 1% of the value generated by clean-energy technology and component manufacturing (IEA, 2025; UNCTAD, 2025).

Trade in environmental goods, products that directly support environmental protection or resource management, including renewable-energy and pollution-control technologies, is expanding as economies invest in decarbonisation. The WTO identifies wider access to these goods, services and technologies as an important channel through which trade can support climate action (WTO, 2022). Yet Africa accounts for less than 1% of global value added in clean-energy technology manufacturing, despite supplying many of the critical minerals these



industries depend on (IEA, 2025). For COMESA, the challenge is therefore not simply to increase exports, but to move up regional and global value chains through beneficiation, manufacturing and technological upgrading.

The evolving sustainable trade agenda reinforces this imperative. The EU CBAM has applied under its definitive regime since 1 January 2026, while the EUDR is due to apply from 30 December 2026 for large and medium-sized operators and from 30 June 2027 for most micro and small operators (European Commission, 2026a, 2026b). These measures introduce competitiveness requirements related to emissions intensity, traceability and environmental performance. While they may increase compliance costs, they could also create incentives to invest

in cleaner production, renewable-powered industrialisation and more sustainable supply chains. Because unilateral measures can set new conditions for trade flows, dialogue within the WTO and other forums remains important to promote transparency, a level playing field and greater coherence with multilaterally agreed rules (WTO, 2022).

COMESA's strategic opportunity lies not simply in exporting natural resources, but in transforming them into regionally integrated manufacturing ecosystems that generate higher-value production, quality jobs and more diversified exports. Realising this potential will require coordinated investment, stronger regional integration and policies that support competitive green industries.





Industrialisation Challenges: Beyond Tariff Liberalisation

Trade liberalisation has substantially reduced tariffs on intra-COMESA trade, although its industrial and trade benefits remain uneven across member states. This experience indicates that tariff reduction is necessary but not sufficient to achieve regional industrial transformation.

Competitiveness continues to be constrained by non-tariff barriers, additional taxes, lengthy customs procedures, overlapping and incompletely harmonized trade regimes, infrastructure and logistical gaps, and limited productive diversification. A balanced policy response should therefore combine trade facilitation, regulatory harmonisation and improved market access with complementary investment in infrastructure, technology, skills, productive finance, institutional capacity and regional value-chain coordination (COMESA, 2023, 2024, n.d.).

One challenge is the fragmentation of regional trade regimes. Many COMESA Member States belong to multiple regional economic communities, including the East African Community (EAC), the Southern African Development Community (SADC) and the African Continental Free Trade Area (AfCFTA). This creates overlapping tariff schedules, rules of origin and regulatory obligations that increase complexity for businesses. Tariff escalation also continues to discourage value addition, as processed goods and industrial intermediates often face higher duties than raw materials, reducing incentives for regional manufacturing (UNCTAD, 2024).

Non-tariff barriers (NTBs) have increasingly replaced tariffs as a major obstacle to regional trade. Evidence from multi-country analysis shows that regulatory and procedural NTBs can impose substantial ad valorem-equivalent trade costs, with disproportionate effects on manufacturing firms and small and medium-sized enterprises (World Bank & UNCTAD, 2018). Exporters may face redundant sanitary and phytosanitary requirements, delays, duplicated testing and certification, and limited mutual recognition of national measures, particularly in agricultural and food trade (COMESA, 2025). More broadly, COMESA identifies lengthy and costly customs procedures and additional taxes and charges among the region's prevalent

non-tariff barriers (COMESA, n.d.). Differences in national regulations, combined with limited access to local testing and certification services, can increase compliance costs for exporters. UNCTAD estimates that regulatory cooperation in Africa could reduce non-tariff-measure-related costs by 30–40% in sectors such as agriculture and manufacturing (UNCTAD, 2026).

Transport and logistics constraints further undermine industrial competitiveness. The World Bank's 2023 Logistics Performance Index assesses customs efficiency, infrastructure, logistics competence, tracking and tracing, and shipment reliability; many COMESA Member States remain below leading global performers on these dimensions (World Bank, 2023). Landlocked Member States face additional corridor, border and transit costs, which raise the price of intermediate inputs, reduce export competitiveness and discourage investment in regional manufacturing.

Productive capacity is a central, but not exclusive, dimension of COMESA's industrialisation challenge. UNCTAD defines productive capacities as the productive resources, entrepreneurial capabilities and production linkages that enable an economy to produce goods and services and grow (UNCTAD, 2024a). World Development Indicators show that manufacturing value added remains below 15% of GDP in many COMESA Member States, while UNESCO data indicate that research and development expenditure is below 1% of GDP across most African economies with reported data (World Bank, 2025; UNESCO Institute for Statistics, 2022). Limited technological capability, shortages of engineers and technicians, inadequate industrial finance, and weak links between universities and industry can constrain firms' ability to upgrade and move into higher-value manufacturing. Progress will therefore likely require coordinated action on productive capacity alongside tariffs, NTBs, logistics, market access and institutional reform.



3 Strategic Green Value Chains for Regional Transformation

Given limited fiscal resources and differing levels of industrial development across Member States, COMESA cannot pursue every green industry simultaneously. Strategic prioritisation is therefore essential to maximise industrial competitiveness, regional integration and sustainable trade.

This brief identifies four priority green value chains:

- critical minerals and green manufacturing;
- renewable energy technologies;
- climate-smart agro-industrial systems; and
- circular economy industries.

They were selected because they offer:

1. strong resource endowments and market opportunities;
2. rapidly growing global and regional demand;

3. significant value-addition potential;

4. employment and enterprise development opportunities; and

5. alignment with emerging sustainable trade requirements.

Together, these sectors provide the greatest opportunity to diversify exports, strengthen regional value chains and build resilience to climate-related trade measures

TABLE 1. PRIORITY GREEN VALUE CHAINS IN COMESA

Priority Value Chain	Strategic Resource Base and Opportunity	Principal Constraints	Strategic Policy Priority
Critical minerals and green manufacturing	Globally significant cobalt, copper, lithium, graphite and rare earths	Limited beneficiation, weak downstream processing	Regional mineral beneficiation, battery precursor production and battery manufacturing
Renewable energy technologies	Abundant solar, hydro, geothermal and wind resources	Heavy dependence on imported technologies	Renewable equipment manufacturing and regional industrial clusters
Climate-smart agriculture and agro-processing	Extensive agricultural resources and growing regional food markets	Low productivity, fragmented value chains and high post-harvest losses	Climate-smart agro-industrial corridors and regional food value chains
Circular economy industries	Growing urbanisation, mining waste and industrial by-products	Weak recycling systems and fragmented waste governance	Regional Extended Producer Responsibility (EPR), recycling and industrial symbiosis

Source: Authors' construction based on COMESA (2017, 2024), IEA (2025), World Bank (2023, 2025) and UNCTAD (2024a, 2024b).



3.1 Critical Minerals and Green Manufacturing

Critical minerals represent COMESA's greatest industrial opportunity and provide the clearest pathway to higher-value manufacturing. The region hosts globally significant deposits of cobalt, copper, lithium, graphite, nickel and rare earth elements that are essential for electric vehicles, battery storage systems, renewable energy infrastructure and digital technologies.

The DRC produces an estimated 70–77% of global cobalt, while Zambia and the DRC together account for around 15% of global copper production and more than 94% of Africa's copper output. Zimbabwe possesses Africa's largest lithium reserves, while Madagascar ranks among the world's leading graphite producers (AfDB, 2024; IEA, 2025).

Yet these advantages have not translated into industrial competitiveness. Most minerals continue to be exported in raw or minimally processed form, while refining, battery-precursor production and cell manufacturing remain concentrated outside Africa. COMESA's strategy must also remain technology-neutral and regularly reassess demand: lithium iron

phosphate and emerging sodium-ion batteries are reducing cobalt intensity in some market segments, even as overall demand for several critical minerals continues to grow (IEA, 2025). Consequently, the region should build flexible capabilities in processing, components, recycling and multiple battery chemistries rather than depend on a single mineral or technology. The Zambia-DRC Battery Value Chain Initiative demonstrates the potential for regional cooperation in battery-precursor production and electric-vehicle manufacturing. Scaling this model will require stronger regional coordination across mining, processing, manufacturing, testing and recycling.

The development of these value chains should also be guided by responsible mining and environmental safeguards, while increasing opportunities for local enterprises, workers and mining-affected communities to benefit from industrial development.

Developing diversified regional battery and materials value chains would allow COMESA to capture more value from its mineral wealth while strengthening resilience to changing technologies and demand.

3.2 Renewable Energy Technologies

Renewable energy is both an enabler of industrial development and an industry in its own right. COMESA possesses abundant and diverse renewable energy resources, including significant hydropower potential in the Democratic Republic of Congo, Ethiopia and Zambia; geothermal resources along the East African Rift, particularly in Djibouti, Ethiopia and Kenya; and extensive solar and wind resources across much of the region (COMESA, 2020). These resources could create a cost and emissions advantage for low-carbon industrial production, particularly where reliable renewable electricity can reduce production costs and emissions.

Despite this potential, clean-energy technology manufacturing remains extremely limited across Africa, while global production of solar photovoltaic modules, batteries and related components is concentrated in a small number of economies. COMESA countries consequently rely substantially on imported renewable-energy technologies and components, although the degree of dependence varies by country and technology (IEA, 2024).

Selective development of regional manufacturing, assembly and service capabilities could diversify supply, improve energy security, create industrial employment and, where production is powered by low-carbon electricity, reduce supply-chain emissions. Such capabilities could also help regional producers respond to increasingly stringent carbon-related requirements in export markets.

A practical starting point would be to assess individual value-chain segments against regional demand, existing industrial capabilities, energy and logistics costs, workforce skills and access to finance. Initial opportunities may lie in module and battery-pack assembly, mounting structures, cables and other balance-of-system components, as well as installation, maintenance, repair and recycling. This selective approach would be more realistic than attempting to establish complete technology supply chains immediately (IEA, 2022, 2024).

Building regional manufacturing capacity would reduce import dependence while supporting the region's clean-energy transition.



3.3 Climate-Smart Agriculture and Agro-industrial Systems

Agriculture remains central to employment, food security, industrial inputs and export earnings across the COMESA region. COMESA estimates that the sector provides livelihoods for approximately 80% of the regional labour force, accounts for about 65% of foreign-exchange earnings and supplies more than half of the raw materials used by industry (COMESA, 2021). Agricultural productivity and regional trade nevertheless remain constrained by limited access to appropriate inputs and technology, fragmented value chains, inadequate storage and market infrastructure, inefficient logistics and insufficiently harmonised sanitary and phytosanitary (SPS) systems. Post-harvest losses reduce the volume and reliability of agricultural supplies available to processors and markets, potentially contributing to regional food-import dependence (COMESA, 2020, 2021, 2025).

Climate-smart agriculture should therefore be treated not only as an agricultural intervention but also as an element of industrial strategy. Linking

climate-resilient production with agro-processing, storage, logistics and regional markets could raise productivity, improve food security, reduce losses and expand opportunities in manufacturing and services. Implementation of the African Continental Free Trade Area (AfCFTA) provides a larger potential market for regional agricultural commodities and processed foods, strengthening the commercial prospects for cross-border agro-industrial value chains (UNCTAD, 2016).

Regional priorities could include climate-resilient seeds and other agricultural inputs, efficient irrigation, cold-chain and storage facilities, agro-processing, packaging, food-safety and quality infrastructure, and the transport and market infrastructure required to connect producers with processors and regional consumers.

Stronger agro-industrial value chains can improve food security while creating higher-value manufacturing and employment opportunities.

3.4 Circular Economy Industries

Circular economy industries can improve resource efficiency while creating new sources of industrial value. Rapid urbanisation, industrial expansion and mining activities are generating increasing volumes of municipal, industrial and electronic waste across COMESA. Rather than viewing waste solely as an environmental challenge, circular economy approaches recognise it as a source of secondary raw materials for manufacturing.

Mauritius provides an important regional example of coordinated waste governance. The country has progressively introduced Extended Producer Responsibility (EPR) principles, strengthened waste legislation, restricted selected single-use plastics and expanded public-private partnerships in recycling and waste management. Although recycling rates remain relatively modest, Mauritius illustrates how coherent regulation, institutional coordination and producer responsibility can support secondary-materials markets and strengthen resource recovery

(Government of Mauritius. (2023). Mauritius should therefore be presented as an evolving policy example whose regulatory and institutional reforms could strengthen resource recovery and secondary-material markets, rather than as a case in which those outcomes have already been fully achieved.

At the regional level, greater alignment of EPR frameworks, recycled-content and product-quality standards, material classifications and procedures for the environmentally sound movement of recyclable materials could enlarge markets and improve the commercial viability of recycling, repair, remanufacturing and resource-recovery industries. Regional implementation would also require coordinated enforcement, traceability systems and safeguards against the uncontrolled movement or dumping of hazardous waste.

Regional recycling industries can reduce waste while creating new sources of secondary raw materials for manufacturing.



Regional Policy Gaps and Sustainable Trade Alignment

The COMESA Industrialisation Strategy (2017–2026) established an important foundation for manufacturing, value addition and regional integration. Although it addresses sustainable industrialisation, cleaner production, finance and innovation, it predates newer trade requirements such as carbon-border measures, digital product passports and supply-chain due diligence and therefore provides limited guidance on their implementation (COMESA, 2019).

COMESA has introduced several sector-specific mechanisms: harmonised seed regulations supported by regional seed labels and certificates; leather value-chain traceability systems implemented in 14 Member States; and regional sanitary and phytosanitary (SPS) regulations intended to reduce duplicated testing and support mutual recognition. Implementation nevertheless remains uneven. In 2018, only seven Member States had harmonised their national seed regulations with the regional framework, while COMESA reported in 2024 that the SPS regulations had faced implementation difficulties, including limited technical capacity. These initiatives demonstrate progress in individual sectors, but the available evidence does not establish a comprehensive and interoperable regional system for sustainability data and product traceability across green value chains (COMESA, 2018, 2024, 2025a, 2025b). Greater integration would help producers meet emerging requirements and reduce duplicated

compliance costs. This is increasingly urgent because the European Union's Carbon Border Adjustment Mechanism entered its definitive phase on 1 January 2026, covering selected cement, iron and steel, aluminium, fertiliser, electricity and hydrogen imports and requiring information on, and, where applicable, verification of, embedded emissions (European Commission, 2026a; European Parliament & Council of the European Union, 2023, 2024).

COMESA has further adopted regional frameworks for industrial coordination, finance, research, innovation and technology transfer. The main challenge is uneven financing, domestication and implementation across member states. Stronger coordination of investment priorities, regional value chains, green industrial finance and technology diffusion would support complementary production systems, economies of scale and more competitive low-carbon manufacturing networks (COMESA, 2019, 2021).

TABLE 2. INDICATIVE ASSESSMENT OF COMESA'S SUSTAINABLE TRADE READINESS

Sustainable Trade Dimension	Current Readiness	Key Gap
Green industrialisation vision	High	Implementation remains uneven
Renewable energy potential	High	Weak manufacturing capability
Regional value chains	Moderate	Limited industrial coordination
Critical mineral advantage	Moderate	Limited regional beneficiation
Carbon competitiveness	Low	No regional carbon accounting framework
Product traceability	Low	Weak digital traceability systems
Sustainability reporting and due diligence	Low	Fragmented sustainability reporting
Circular economy	Moderate	Limited regional EPR implementation
Green industrial finance	Moderate-Low	Limited dedicated financing mechanisms

Source: Authors' construction based on COMESA (2017, 2024), IEA (2025), World Bank (2023, 2025) and UNCTAD (2024a, 2024b).



Methodological note: The ratings are an indicative qualitative assessment based on the authors' expert judgement and review of the cited regional and international sources. They are not derived from a formal scoring model, statistical index or independently validated methodology, and should be interpreted as a policy-readiness diagnostic rather than a comparative ranking.

Overall, the COMESA Industrialisation Strategy provides an important policy foundation, but its implementation and continued relevance warrant systematic evaluation against current industrial and trade conditions. Such an evaluation should consider tariffs and tariff escalation, additional taxes and charges, NTBs, fragmented trade regimes, productive-capacity constraints and emerging sustainable-trade requirements. The next Industrialisation Strategy (2027–2035) could use this evidence to strengthen carbon competitiveness, traceability, green finance, technology upgrading, regional production coordination and mechanisms for monitoring implementation.

Tariff escalation occurs when duties rise with the degree of processing. This makes value-added exports more expensive in the destination market and can also raise a manufacturer's costs when processed inputs face higher duties than raw materials. UNCTAD's electric-vehicle value-chain data provide an illustrative benchmark: across developing economies other than least developed countries, average most-favoured-nation tariffs were 3.9% on raw critical minerals, 3.8% on processed minerals, 4.4% on battery materials, 9.4% on battery packs and 17.0% on electric vehicles. For least developed countries, the corresponding averages were 6.6%, 6.0%, 6.8%, 14.1% and 16.5%. Thus, a regional firm moving from minerals into battery packs can encounter a tariff more than twice that applied to battery materials; a firm moving into electric vehicles can face an even larger market-access penalty. Additional national surtaxes and charges can compound these costs when inputs or components cross borders several times (UNCTAD, 2025).

For COMESA, rationalisation should begin with a product-level audit of the tariff lines, surtaxes and other charges applied at each stage of the four

priority value chains. Member States could eliminate tariffs on qualifying intra-COMESA intermediate and finished goods; lower or suspend duties on specialised machinery, components and inputs not produced competitively within the region; remove duplicative para-tariff charges; and harmonise rules of origin so that genuine regional processing receives preferential treatment. This would improve competitiveness through three channels: lowering the landed cost of production inputs, preventing cumulative charges as components cross regional borders, and reducing the tariff disadvantage faced by regionally manufactured finished goods. The result would be a larger effective regional market in which firms can specialise, achieve scale and compete more effectively with finished imports. Any concessions should be transparent, time-bound and reviewed against investment, learning and value-addition objectives (UNCTAD, 2025, 2026).

NTBs constrain green industrialisation through time, uncertainty and duplication. A manufacturer that must obtain separate product tests or approvals in several Member States, repeat sanitary or technical certification, or wait unpredictably at borders carries additional inventory and financing costs and may miss delivery contracts. These burdens are particularly damaging for small firms and for regional value chains in which components cross borders several times. Concrete remedies include mutual recognition of accredited tests and certificates, common regional standards for priority green products, interoperable digital single windows, published service deadlines and fees, risk-based inspections, and a monitored mechanism for reporting and removing recurring NTBs (World Bank & UNCTAD, 2018; UNCTAD, 2026).

The evaluation should therefore trace the landed cost of representative products at successive stages, such as mineral, precursor, component and finished battery, and identify where tariffs, surtaxes, repeated certification or border delays increase the cost of regional processing. This evidence would allow the successor strategy to prioritise reforms with measurable effects on production costs, delivery times, investment and intra-COMESA trade (UNCTAD, 2025, 2026).



5

Priority Policy Actions

Converting COMESA's resource endowments and market opportunities into competitive green industries will require industrial policy to build on trade liberalisation rather than treat the two as alternatives. Alongside further tariff rationalisation and action on additional taxes and charges, NTBs and fragmented trade procedures, long-term transformation will depend on productive capacity, infrastructure, technology, finance and regional coordination. The following actions are proposed for consideration in the next COMESA Industrialisation Strategy (2027–2035).

TABLE 3. PRIORITY POLICY ACTIONS FOR GREEN INDUSTRIAL TRANSFORMATION

Priority Area	Strategic Actions	Expected Outcomes
1. Align trade and industrial policy	Undertake value-chain tariff and tax audits; lower or suspend duties on green industrial inputs not produced competitively within COMESA; remove tariff escalation and phase out duplicative surtaxes and para-tariff charges; harmonise and simplify rules of origin; and provide transparent, time-bound incentives linked to investment, learning and regional value addition.	Increased regional manufacturing, higher value addition and stronger regional value chains.
2. Strengthen sustainable trade readiness	Establish regional frameworks for carbon accounting, product traceability, ESG reporting, mutual recognition of standards and conformity assessment. Develop digital product passports for critical minerals and agricultural exports.	Improved compliance with CBAM, EUDR and other sustainability-related trade measures, enhanced export competitiveness and reduced compliance costs.
3. Build productive capacities	Increase investment in industrial skills, technology transfer, research and development, innovation systems, quality infrastructure and access to industrial finance. Promote stronger collaboration between universities, research institutions and industry, together with targeted supplier development and industrial skills programmes for SMEs, women and young people.	Enhanced technological capability, productivity, innovation and industrial upgrading.
4. Invest in regional infrastructure	Upgrade strategic transport corridors, modernise rail systems, improve border management, expand renewable-powered industrial parks and strengthen regional electricity interconnections. Accelerate digital customs and single-window systems.	Lower logistics costs, improved reliability of regional supply chains and enhanced industrial competitiveness.
5. Strengthen regional industrial coordination	Establish sector-specific regional platforms for batteries, renewable energy equipment, agro-processing and circular economy industries. Support flexible “coalitions of the willing” among Member States and mobilise blended finance for regional industrial projects.	Greater industrial specialisation, economies of scale and coordinated investment in regional green value chains.

Source: Authors' construction.



Implementation should be phased and should reflect the respective roles of regional and national institutions. In the short term, the COMESA Secretariat could coordinate the development of regional frameworks, common methodologies and sector platforms, while Member States review additional taxes and charges, regulatory requirements and sustainable trade readiness at national level. Over the medium term, governments, the private sector, development partners and financial institutions could work together to develop and finance priority regional value-chain projects. Progress could be monitored through indicators covering trade and logistics

costs, recognition of regional standards, carbon and traceability readiness, regional investment, and growth in value-added production.

These actions are mutually reinforcing. Investments in productive capacity will have limited impact without efficient logistics and regulatory reform, while improvements in sustainable trade readiness will be ineffective unless firms have the technology, skills and finance needed to meet emerging environmental standards. Successful implementation will therefore require a coordinated regional framework that aligns trade, investment, infrastructure, innovation and environmental policy.





Conclusion

The transition to low-carbon and digitally enabled economies is reshaping global trade and industrial competitiveness. For COMESA, this presents a strategic opportunity to move beyond commodity exports and become a regional hub for green manufacturing and sustainable trade. The region's abundant critical minerals, renewable energy resources, agricultural potential and integrated market provide a strong foundation for that transformation. Realising it, however, will require converting these endowments into competitive industrial capabilities.

This brief argues that COMESA's industrialisation constraints arise from the interaction between market-access conditions and productive capacity. Tariff escalation, additional taxes and charges, fragmented regulations, persistent NTBs and weak logistics can raise the cost of regional trade, while limited technological capability, constrained industrial finance and insufficient coordination can restrict firms' ability to respond. The COMESA Industrialisation Strategy (2017–2026) established an important foundation; its evaluation and successor strategy should address these challenges jointly and reflect the sustainability requirements now shaping international markets.

The next industrialisation strategy should place sustainable trade readiness at the centre of regional industrial policy. This means investing in industrial capability, supporting technology transfer,

strengthening innovation systems, expanding renewable-powered manufacturing and developing harmonised frameworks for carbon accounting, product traceability and sustainability certification. Coordinated regional value chains in critical minerals, renewable energy technologies, climate-smart agriculture and circular economy industries will be central to achieving these objectives.

The decisions made over the next decade will determine whether COMESA remains primarily an exporter of raw materials or becomes a globally competitive producer of higher-value green goods and services. By aligning industrial policy with the demands of sustainable trade, strengthening productive capacity and deepening regional cooperation, COMESA can position itself as a leader in Africa's green industrial transformation and secure more resilient, inclusive and climate-compatible economic growth.



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