

**FEDERATION OF NATIONAL ASSOCIATIONS OF WOMEN
IN BUSINESS IN EASTERN AND SOUTHERN AFRICA**



**BRIEFING NOTE ON THE DEVELOPMENT OF THE
FEMCOM COMPLEX,
LILONGWE, MALAWI**

DATED 24TH JULY, 2018

1.0 INTRODUCTION

The purpose of this brief is to provide a status update on the progress so far in regards to the construction of the FEMCOM Ultra-Modern Complex. It is intended to act as a guide for the Government of the Republic of Malawi in drafting a memorandum to the relevant authorities in relation to this Project. The same is prefaced by a brief statement of the FEMCOM mandate, its vision and mission. It also singles out certain milestones in furtherance of the Project goals.

1.1 Institutional Background

The Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM) was established in July 1993 in Zimbabwe with the endorsement of the Authority (made up of Heads of States and Governments of the COMESA member states).

FEMCOM draws its mandate from Article 155 of COMESA treaty and FEMCOM Charter, which mandates FEMCOM to *“act as a forum for the exchange of ideas and experience among women entrepreneurs; an instrument through which the appropriate portion of COMESA Women in Development Programmes shall be implemented; a forum for network among women entrepreneurs and an instrument for encouraging women to set up or expand existing enterprises.”* Worthy of note is the fact that the late President Bingu wa Mutharika was very instrumental in the formulation and accession to the Treaty. Additionally, his footprints are very conspicuous in the formulation and ratification of the FEMCOM Charter as well as its launch in Harare, Zimbabwe.

The mandate draws from the realisation of the express role that women play in development, and the obligation imposed on the Member States as Article 154 of the COMESA Treaty, the crux of which is that it advocates a plethora of affirmative initiatives whose fundamental objective is the promotion of integration and participation of women at all levels of development, especially at decision-making levels.

FEMCOM’s distinct purpose and commitment has been instrumental in helping it to realise its Vision, which is *“to be recognized for effective promotion of women in business interests worldwide.”* This dedication is anchored in its Mission: *to develop women entrepreneurship in COMESA through programmes that promote, encourage and serve the needs of women and their businesses, working in smart collaboration with relevant partners.*

Several global developments shine a bright light on the condition of women around the world. It is these events and developments that provide the impetus for FEMCOM's agenda, enabling it to move from the realm of principle and policy to practice.

The vision of Africa expressed in Agenda 2063 is one of an Africa whose development is people-driven, especially relying on the potential offered by its women. It envisages that there will be gender equality in all spheres of life. This means that the African woman would have equal economic rights, including the rights to own and inherit property, execute contracts, register and manage businesses. Over 90% of rural women would have access to productive assets, including land, credit, inputs and financial services.

The Africa of 2063 would see attainment of full gender parity. It would see women occupy 50% of elected offices at state, regional and local bodies, and 50% of managerial positions in government and private sector would be women. The economic and political glass ceiling hindering women's progress would finally have been broken.

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) adopted by world leaders in 2015, embody a roadmap for progress that is sustainable and leaves no one behind. Achieving gender equality and women's empowerment is integral to each of the 17 goals. Only by ensuring the rights of women and girls across all the goals will we get to justice and inclusion, economies that work for all, and sustaining our shared environment now and for future generations.

FEMCOM believes that the primary purpose of an institution with a broad and disciplined mandate such as it has is to shrink the spaces of incapacity for women in business and to also make a difference in their lives. Since its formation, the centre piece of the institution's work remains grounded in the quest to improve the lot of women in business across the COMESA Region.

Using multi-pronged approaches, FEMCOM has, since its inception, undertaken a number of activities and interventions in realisation of its vision. It has facilitated, stimulated, catalyzed and supported women entrepreneurs' struggles and linked them into networks for wider struggles thus supporting the emergence of a vibrant greater constituency of women in business with leverage to cause significant reforms in the space for their participation in business ventures.

FEMCOM remains persuaded that the framework of engagement through association has the capacity of limiting the unequal power relations that accentuates subjugation of women

and limit their capacities in engaging in entrepreneurship. It has National Chapters in all the 19 COMESA member states. The Government of Malawi host the headquarters of FEMCOM, and has generously provided 10 acres of land for the construction of FEMCOM, headquartered in Lilongwe Malawi.

At the regional level, continued progress towards greater economic integration provides an opportunity for FEMCOM to expand its reach and deepen its programmes. The attainment of, or progress towards the operationalisation of the Continental Free Trade Area Agreement portend well for inter-regional trade and investment in general and opportunities for FEMCOM in particular. This is partly because the environment that a continental policy convergence will create an integrated market with a combined population of almost 1.216 billion people and a total Gross Domestic Product (GDP) of about US \$1.515 trillion! No less.

FEMCOM has prioritised the strengthening of Women-owned Business enterprises working through the FEMCOM National Chapters and young women entrepreneurs Associations. FEMCOM implementing the Business Incubator for African Women Entrepreneurs (BIAWE) whose main objective is to establish and upgrade a network of business incubators in the COMESA Region that will contribute to the increased survival and growth of women enterprises.

FEMCOM is building the capacity of Four incubation Centres namely the Burundi Business Incubator (BBIN), Kenya Industrial Research and Development Institute (KIRDI), Sudanese Women General Union (SWGU), Small Enterprise Development Company (SEDCO) which will provide business development services to women entrepreneurs .

Most women entrepreneurs in the COMESA region have not grown their business due to lack of access to credit. In order to enhance women's access to affordable finance, FEMCOM has being supporting the development and strengthening of Women owned financial institutions. The Association of Burundi Women Entrepreneurs (AFAB) – FEMCOM Burundi Chapter AFAB with technical support of FEMCOM/COMESA and a loan facility of US\$500,000 from PTA Bank led to the establishment the Women's Initiative for Self-Empowerment (WISE) Bank. Further, COMESA/FEMCOM has supported the establishment of the Women Banks in Zimbabwe and Ethiopia. The setting up of Women-owned finance institutions was geared towards improving women entrepreneurs' access to affordable credit, capital and technology for expansion of women-owned enterprises.

FEMCOM has also supported the setting up of the Women Investment Cooperative, a Savings and Credit Cooperative organisation (SACCO) in Malawi.

Further, FEMCOM is in the process of partnering with Trade and Development Bank for Eastern and Southern Africa on setting up a Credit Guarantee Scheme. The Scheme will guarantee loans given to women entrepreneurs by the local banks in four pilot countries namely Burundi, Kenya, Swaziland and Sudan

At the background of all these initiatives, FEMCOM has placed itself at the centre of discourses and interventions on the financial inclusion gender gap (referring to disproportionate exclusion of women from access to and usage of formal financial services) with financial service providers, regulatory bodies, policy makers, civil society entities, and consumers – on how best to engage women in business in ways that meet the needs of both consumers and providers situated within different market contexts.

FEMCOM believes that the primary purpose of an institution with a broad and disciplined mandate such as it has is to shrink the spaces of incapacity for women in business and to also make a difference in their lives. Since its formation, the centre piece of the institution's work remains grounded in the quest to improve the lot of women in business across the COMESA Region.

Using multi-pronged approaches, FEMCOM has, since its inception, undertaken a number of activities and interventions in realisation of its vision. It has facilitated, stimulated, catalyzed and supported women entrepreneurs' struggles and linked them into networks for wider struggles thus supporting the emergence of a vibrant greater constituency of women in business with leverage to cause significant reforms in the space for their participation in business ventures.

FEMCOM remains persuaded that the framework of engagement through association has the capacity of limiting the unequal power relations that accentuates subjugation of women and limit their capacities in engaging in entrepreneurship.

From its inception, the Secretariat has held various consultative meetings with financing institutions in the COMESA Member States and participated at various national, regional and international conferences and seminars, where concept notes were submitted to potential cooperating partners in an effort to mobilize resources for the Secretariat's activities as well as its National Chapters.

2.0 CONSTRUCTION OF THE FEMCOM COMPLEX PROJECT

The relocation from COMESA Secretariat in Lusaka, Zambia to Lilongwe, Malawi in April 2009 set the stage for the formal institutionalization of FEMCOM and provided an impetus for the operationalization of its various programmes and activities with the generous support by the Government of the Republic of Malawi. The mark of approval and encouragement from the COMESA Heads of State and Government Summit in Nairobi in 2008 also proved very vital in this regard, not least in a tacit appreciation of the level of advocacy for women entrepreneurship by the late President Mutharika.

However, even with the many challenges associated with start-ups, there was need to build the capacity of the institution to enable it effectively implement its mission and to respond to the financial demands associated with it. Still yet, some more challenges came in the way. The offices (then at an address off Queen's Drive in Area 6 within the capital, Lilongwe) were twice broken into and office accessories carted away in both incidents. The Area generally had several security-related incidents and this negatively impacted the institution which was still crawling from its infancy. Additionally, it was not prepared to confront the life with serpentine encroachments, with several sightings of venomous snakes and rodents becoming a new normal at the premises. This really intimidated the skeletal staff that the institution had.

All these incidents, and with a further intervention (and compassion) by the Malawian Government necessitated a move to the current location, Zimbabwe House, situate at the City Centre. However, a time should come when we have to relieve the Government from underwriting our accommodation as we move towards financial autonomy. This is as it should be.

The expression of the African spirit of generosity and humanity by the Government of the Republic of Malawi in allocating land for development of the FEMCOM Complex needs some context. From hosting the institution to being ever so accommodating to help FEMCOM stave off challenges, this has been fraternal love at its best. Comfort and confidence are the least that we could draw from this.

In August 2011, COMESA on behalf of FEMCOM concluded and signed a Host Agreement with the Government of the Republic of Malawi. Other than conferring FEMCOM with the international juridical status, the Agreement also provided a legal framework for the

establishment of the FEMCOM Secretariat in Malawi, complete with the attendant Immunities and Privileges applicable to international organisations resident in Malawi.

This development truly enabled FEMCOM to be a stand-alone COMESA entity, whereby its instrumental role in facilitating business linkages for its primary beneficiaries – women in business in Eastern and Southern Africa – through enhancing their capacities was reaffirmed and fostered than ever before.

It is in the same year that the Government offered FEMCOM 10 Hectares of land, for the development of a complex that was intended to host the institution.

In July 2012, the Ministry of Lands, Housing and Urban Development wrote to FEMCOM, informing it that the allocation was subject to payment of development charges and other statutory fees which would be paid by FEMCOM. The latter would be required to pay K 60,100,000.00 as development charges and a further K 3,088,800.00 as other statutory fees, in fulfilment of the conditions aforesaid.

In August 2012, FEMCOM responded to the letter informing the Ministry that FEMCOM's mandate or Charter is embedded in the Treaty Establishing the Common Market for Eastern and Southern Africa, COMESA, under Article 155, and being a COMESA institution, FEMCOM enjoys immunities and privileges under Article 7 of the Host Agreement, and thus requested for a letter of exemption from the Ministry of Finance through the Ministry of Lands. .

The Council of COMESA Ministers at its Thirty First Meeting held on 20th November 2012 at Kampala Uganda commended the Government of Malawi for allocating land for construction of the FEMCOM Complex.

In April 2014, the Government through the Minister responsible for Land Matters executed a transfer of the property (4.065 Ha) aforesaid in favour of FEMCOM and presented for registration by the Land Registrar. The same was registered and a Land Certificate (dated 23rd April, 2014) for the property was forthwith prepared and formally allocated Title Number ALIMAUNDE 54/10 in the Registration District of Lilongwe within the City of Lilongwe. The property is situate along M1 Road, directly opposite Central Poultry, and 3km from MM Campus and 7km from Kamuzu International Airport. A property valuation commissioned by FEMCOM in December 2016 returned its fair value at MK 101,400,000.00.

FEMCOM and COMESA Secretariats have obtained a check list of requirements from the Government of Malawi, through its Commissioner of Lands, with which they must comply before and during the intended construction of the ultra-modern Complex. Efforts in fulfilment of these requirements are already in place.

FEMCOM has intensified resource mobilization for the development of the FEMCOM Complex. A numbers of activities have been undertaken to ensure that this very noble idea is actualized:

- a) Development of specific construction strategies;
- b) Conceptualization of the intended Project Plan
- c) Development of concept papers and proposals for fundraising
- d) Consultation with governments
- e) Constitution of a design team comprised of Board members, partners including COMESA, UN and representatives of government;
- f) Identification of professional consultants, developers and project investors (local and foreign).

With the confirmation that the allocated space is vastly sufficient, FEMCOM remains keen on mobilization of financial and technical resources towards the construction of its ultra-modern complex in Lilongwe. In August 2016, and in reflection of the project plan, FEMCOM conceptualized the Complex as comprising a new headquarters, office accommodation, state –of- the art conference facilities as well as real property development/real estate comprising hotel, office and retail accommodation.

FEMCOM envisages that this development would be executed through the PPP Model of the F-BOT (Finance, Build, Operate and Transfer) variety for the first phase. The design would be in accordance with the terms and conditions to be mutually agreed upon between the developer and FEMCOM.

Specifically for the Host Country, other than accommodating FEMCOM and other COMESA institutions and programmes, FEMCOM intends to foster business investment and linkages

in Malawi as well as in augmenting provision of healthcare. The net worth of a project like this would be reflected in the improved facilities in Malawi, attractive business environment and enhanced FEMCOM revenue.

In May 2016, FEMCOM Chief Executive Officer, Mrs. Katherine Ichoya, and H.E. Pan Hejun, Ambassador and Head of Mission, Chinese Embassy in Lilongwe caucused on a number of issues relating to the strengthening collaboration non enhancing exchange of information and business between women from China and the COMESA Region. At the meeting an official request for the construction of the Complex was issued.

However, the immediate response was that the request would be forwarded to Beijing and the outcome would be communicated to FEMCOM in due course. The position conveyed then was that the Chinese Government was involved in supporting projects at a bilateral level and there was at the moment no policy in supporting regional organisations.

However, it is our considered belief that should such a request be repackaged and sent through a State, the response would be favourable. It is in this regard that FEMCOM is now seeking the help of the good Government of the Republic of Malawi to put together a plan of their involvement in a possible aid deal with the Chinese Government.

In October 2017, CGCOC expressed an interest in assisting FEMCOM to secure financing from China and participating in the project. The letter however did not provide any specifications. The company has a rich pedigree in such projects, including having participated in the construction of the African Union offices in Addis Ababa, Ethiopia.

In Lieu of a Conclusion

FEMCOM was a Heads of States agenda. It remains one. Endorsement of the fundraising efforts by the Government of the Republic of Malawi can be very useful, especially if it agrees to join efforts in meeting with potential funders and build support for the project. We humbly pray for its active participation.

Most importantly, it shall help in actualizing the original dream by the late President Mutharika, the 1st Secretary General of COMESA, who through the institution's journey towards prosperity nurtured FEMCOM as his baby and offered it pride and comfort of a home in Lilongwe.

FEMCOM remains open to ideas from the Government of the Republic of Malawi on how to mobilise resources and hence ensure that the dream of a FEMCOM ultra-modern complex becomes a reality in our time. In our considered orison, Heads of States should be

encouraged towards making contributions for the Project. Even as we do this, an idea in which a structure under which the development partners of COMESA could be requested to chip is founded in good sense.