

# FINAL REMARKS

by

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**26<sup>th</sup> Session of the Inter-Governmental Committee of Senior  
Officials and Experts (ICSOE) of Southern Africa**

***Theme: Policies and strategies towards effective  
private sector led growth and job creation in  
Southern Africa***

**28 – 29 October 2020**

**Virtual**

I wish to recognize the Chairperson of the African Union Commission (AUC), His Excellency Moussa Faki Mahamat and the Officer in Charge of the African Union Southern Africa Regional Office to availing me this opportunity to deliver these remarks on their behalf.

**Your Excellencies, Honorable Ministers, present;**

**Senior Government Officials and Experts;**

**Representatives from COMESA and SADC Secretariats;**

**Mr. Sizo Mhlanga, Director of the Sub-Regional Office of ECA, and all colleagues from the United Nations System;**

**Representatives from local and international organizations, civil society, the private sector and the academia;**

**Members of the public and private media;**

**Distinguished Ladies and Gentlemen;**

It gives me great pleasure to be here, at this **26<sup>th</sup> session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa**, under the theme *“Policies and strategies towards effective private sector led growth and job creation in Southern Africa”*.

Let me on behalf of the African Union’s Southern Africa Regional Office (AU-SARO), and indeed on my own behalf, express profound gratitude and appreciation to ECA, for inviting us to this important meeting, and for the singular honor and privilege accorded to me to make a few remarks.

### **Distinguished Senior Officials and Experts,**

The theme of the 26<sup>th</sup> Session of Intergovernmental Committee of Senior Officials and Experts (ICSOE), *“Policies and strategies towards effective private sector led growth and job creation in Southern Africa”*, is indeed highly relevant to our beloved continent, and to Southern Africa. At the onset, allow me to add my thoughts on the uniqueness of the 26<sup>th</sup> ICSOE, especially how it has been shaped by the COVID-19 pandemic including the impacts on socio-economic development patterns. According to experts, the regional economy is expected to shrink by 1.4 percent, total merchandise exports by 17 percent, and government revenues are expected to fall by 5 percent due to the disruption of economic activities due to the pandemic. This means further challenges to an already struggling region and this pushes back the gains towards Agenda 2030 and AU Agenda 2063. Allow me to allude to and congratulate regional member States for the tireless efforts in developing and implementing response mechanisms to cushion the effects of the COVID-19 pandemic, including health and economic measures through support from development partners as well the mobilization of domestic resources. The challenges remain and discussions in this forum focused on capacitating the private sector are central for building back better and faster.

**Distinguished Senior Officials and Experts,  
Ladies and gentlemen,**

The importance of private sector-led economic growth and job creation cannot be overemphasized. In fact, to promote economic integration and private sector development the AU is implementing several key flagship projects under Agenda 2063. The AU is currently promoting the ratification and implementation of the African Continental Free Trade Area (AfCFTA) and the Free Movement Protocol as key drivers for private sector development and regional economic integration. The AfCFTA is a huge opportunity to boost regional trade, industrial dynamism, strengthen the regional value chains, accentuate the development of infrastructure, and promote local talents and skills. However, as you well know, the implementation of the AfCFTA agreement will expose the sub-regional private sector to a more competitive environment. Regional Micro, Small and Medium Enterprises (MSMEs) owned by women and young entrepreneurs will be exposed to a more challenging environment and will thus require support to boost capacity and enhance product quality.

Over the years, the African Union has implemented programmes for strategic partnerships with the private sector through Public Private

Partnership engagements including developing partnerships with African Philanthropists to support the implementation of key development initiatives at a regional and continental level and such support will become more pertinent in an open trading environment. Furthermore, the African Economic Forum Platform was launched as a multi-stakeholder meeting to bring together the African political leadership, the private sector, academia and civil society to reflect on how to accelerate Africa's economic transformation harnessing its vast resources to enhance the development of the African people. The forum discusses key opportunities as well as the constraints that hamper economic development and proposes measures to be taken to realize the Aspirations and goals of AU Agenda 2063.

**Your Excellencies,  
Distinguished Senior Officials and Experts,  
Ladies and Gentlemen,**

Of interest to the continent, and to Southern Africa, is the critical role that the micro, small and medium enterprises (MSME) sector plays in inclusive economic growth and sustainable job creation. For instance, statistics show that the MSMEs employ the largest share of the working age population and are increasingly recognized as productive drivers of economic growth and development for African countries. In many African countries MSMEs account for about 50% of job creation. In South Africa, for instance, it is estimated that MSMEs employ between 50 and 60 percent of country's work force and contribute around 34 percent of GDP. However, the MSME sector has been relatively stagnant over the last decade, capping their job creation and economic contribution potential.

In this regard, therefore, a vibrant private sector, including MSMEs, existing alongside larger enterprises is key to the achievement of economic growth that lifts greater numbers of people out of poverty. There is consensus that the private sector plays a catalytic role in fostering growth, job creation, poverty reduction and contributes to sustainable regional development and integration.

So, focusing on the private sector, especially in this sub region that is facing high levels of both unemployment and underemployment is important to exploit the ability of this sector to expand economic opportunities, enhance access to both public and private services, create decent jobs and reduce poverty for our people.

It is fitting, therefore, that this year's session of the *Intergovernmental Committee of Senior Officials for Southern Africa*, deliberates on strategies and policies towards supporting the private sector as anchors of development, job creation and growth in the sub region. This is especially timely that the continent, as is the rest of the globe, is fighting the COVID-19 pandemic that has ravaged the world and national economies destroying jobs and livelihoods.

**Dear distinguished Senior Officials and Experts,**

As the programme of work that has been provided show, this meeting is aimed at identifying national and regional level strategies and attendant policies to elevate and strengthen the contribution of MSMEs to industrialization and economic and social transformation in the Southern Africa region.

Among others, review the social and economic conditions in Southern Africa focusing on the socio-economic impacts of the COVID-19 pandemic and the post-pandemic responses; and review the implementation of regional and international agendas, including African Union Development Agency NEPAD and other special initiatives in the sub region focusing on progress in the implementation of the agreement on the African Continental Free Trade Area (AfCFTA).

I am confident that the deliberations and final outcomes of the next two days will inform the strategic direction, design and implementation of future national and regional private sector development initiatives to leverage the sector's role in spurring economic growth and advancing development effectiveness and creating decent and sustainable jobs.

No doubt, the meeting will, in this regard, proffer recommendations to refocus the work of ECA, as the ICSOE Secretariat, towards regional priorities and align technical support to member States and regional institutions in Southern Africa.

I, indeed, look forward to a robust discussion for the next few days, and by the end of the meeting, concrete recommendations and outcomes, on *policies and strategies towards effective private sector led growth and job creation in Southern Africa.*

**Your Excellencies**  
**Distinguished Senior Officials and Experts,**  
**Ladies and Gentlemen,**

Again, on behalf of the African Union Southern Africa Office, it is indeed an honor to be part of the *26<sup>th</sup> Session of the Intergovernmental Committee of Senior Officials* and we look forward to continued collaboration with ECA SRO-SA in addressing the challenges in the region.

I wish you all fruitful discussions.

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