



**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**

**DRAFT SPEECH
BY**

**COMESA SECRETARY GENERAL AT THE
THE 26TH MEETING OF THE INTERGOVERNMENTAL COMMITTEE OF SENIOR
OFFICIALS AND EXPERTS (ICSOE) OF SOUTHERN AFRICA**

THEME: "Digital integration"

- **Honourable Thabo Sofonea, Minister of Finance, Kingdom of Lesotho,**
- **Mr. Sizo Mhlanga – Director/OIC, ECA/SRO-SA:**
- **Honorable Chair of 25th ICISOE Bureau (Eswatini):**
- **UN Resident Coordinator, Lesotho:**
- **AU-SARO Representative;**
- **SADC Executive Secretary Representative**

Ladies and Gentlemen, all protocols observed

Good morning!

On behalf of COMESA and the Secretary General Madame Chileshe Kapwepwe, I am very delighted to participate in this 26th Intergovernmental Committee of Senior Officials and Experts (ICSOE) of Southern Africa whose main theme is “Policies and strategies towards effective private sector led growth and job creation in Southern Africa”.

Ladies and Gentlemen,

The formation of Regional Economic Communities is intended to promote trade and investment at regional and continental level to create jobs and reduce poverty among others. For trade and

investment to increase there is need of industrialization in order to value add resources (mining, agriculture etc) and to diversify the range of products and services. The private sector as an engine of economic growth is the major stakeholder that trades, invests and industrializes. Private sector is the engine for sustainable and inclusive economic growth and development at regional and continental levels. Industrialization which is driven by the private sector is the major pillar of promoting trade and investment in the African region and hence will determine the success of the African Continental Free Trade Agreement (**AfCFTA**).

Ladies and Gentlemen

COMESA has put in place several measures to promote private sector. In this respect, the following COMESA Policies: **COMESA Industrial Strategy and Action Plan**, the **COMESA MSME Policy**, **COMESA Local Content Policy Framework**, the **COMESA Common Investment Area (CCIA) agreement** had the participation of the private sector among other stakeholders during discussion and adoption by Member States. Such involvement of the private sector must be upscaled to AfCFTA level for it to succeed. This will rope in the private sector in terms of policy ownership and implementation.

Ladies and Gentlemen

The Secretariat facilitates the implementation of policies related to private sector development through resource mobilization (technical and financial) among others. The resources are largely for capacity building and in some cases for increased production. In this respect, resources have been mobilized for implementation of private sector activities related to the COMESA Industrial Strategy and Action Plan, COMESA MSME Strategy, the development of the Simplified Trade Regime (STR) for small scale cross border traders, technical support to COMESA Cross Border Trader`s Association (CBTA), creation of an enabling environment through the CCIA .

Under the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), the EU has granted COMESA funding to the tune of 10 000 000 Euros, to support SME private sector initiatives in developing competitiveness in selected value chains namely horticulture, agro - processing and leather and leather products.

Similar arrangements are being negotiated with the AfDB and UNECA to support private sector development under the Zambia –

Zimbabwe Joint Industrial Project. The project between the two Member States aims at promoting joint industrial projects based on comparative advantage. This will be upscaled to other Member States in order to promote regional industrialization and consequently industrialization at continental level under the AfCFTA.

The COMESA Business Council (CBC) an implementing institution of COMESA on issues related to private sector development has put in place many initiatives to promote the private sector. Among others these include capacity building for SMEs, business linkages, facilitating cross border investment, free movement of all factors of production, advocacy, trade facilitation. These are all aimed at deepening regional and continental integration along the AfCFTA.

Ladies and Gentlemen

COVID-19 pandemic is posing unprecedented economic and enormous human health impairment across the world and is affecting COMESA Member States.

In this respect, COMESA has crafted draft Guidelines for sustainable and inclusive industrial production of goods and services across the COMESA Region during and after COVID 19 pandemic.

Further, COMESA Member States have adopted Guidelines in April 2020 aimed at facilitating faster movement of goods and services produced by the private sector during and after COVID 19 pandemic. These guidelines will facilitate the movement of goods and services during the COVID-19 Pandemic without amending or replacing any provisions of the COMESA Treaty.

Member States together with the private sector, need to take this opportunity to strengthen regional value chains and/or joint industrial projects to boost industrial production during and post COVID 19 in the context of the COMESA Industrial Strategy and Action Plan, the Tripartite and the African Continental Free Trade Area.

Ladies and Gentlemen

The private sector faces several challenges in its operations, and these include:

- i) Inadequate funding specially for productive purposes affecting MSEs specifically
- ii) Lack of information on trade and investment among others
- iii) Lack of government will and commitment to promote projects that will positively impact on private sector development

- iv) Lack of capacity to turn challenges into opportunities
- v) Continued existence of trade barriers and free movement of factors of production.
- vi) Lack of an enforcement mechanism to implement adopted policies, frameworks etc

Ladies and Gentlemen

The way forward will be to:

- i) Engage the key stakeholders on the benefits and opportunities of deepening regional integration.
- ii) Creation of and/or strengthening support to Regional Institutions that promote trade and investment by the private sector
- iii) Along the lines of the EU, come up with an enforcing mechanism to implement and monitor adopted policies, frameworks and strategies
- iv) Resource mobilization
- v) Engage continuously the private sector in policy development and implementation in order to promote ownership of projects.

Ladies and Gentlemen

In conclusion, the challenges in implementing economic and industrial growth strategies, require political will and commitment, good leadership, support from the RECs and related institutions including the private sector and assistance from cooperating partners. This will enable the region to industrialize for inclusive and sustainable development.

Wish you a successful and productive Meeting of the 26th Meeting of the Intergovernmental Committee of Senior Officials and Experts (ICSOE) of Southern Africa.

I thank you for your attention