



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

DRAFT REMARKS

by

**Mr. Salvator Niyonzima, UN Resident Coordinator, Kingdom of
Lesotho**

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

28 – 29 October 2020

Maseru, Lesotho

**GOOD MORNING! Please allow me to pay my respects to:
His Majesty King Letsie III
The Right Honourable Prime Minister,
The Honourable Speaker of the National Assembly,
The Honourable President of the Senate;**

Honourable Ministers present in this virtual hall;

**The Chairperson of the 25th ICISOE, Mr. Mluleki Dlamini,
Director, Ministry of Commerce, Trade and Industry, Kingdom
of Eswatini**

**Your Excellency, Dr. Stergomena Lawrence Tax, the Executive
Secretary of SADC OR Her Representative;**

**Your Excellency, Ms. Chileshe Kapwepwe, the Secretary General
of COMESA OR Her Representative;**

Senior Government Officials and Experts;

**My Colleague, Sizo Mhlanga, Director of the Sub-Regional Office
of ECA,**

**Dear Colleagues from the United Nations across the eleven
Member States covered by the ECA Office in Southern Africa;
including my fellow RCs,**

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

Members of the public and private media;

Distinguished Ladies and Gentlemen;

Under normal circumstances, the **26th session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa** would have taken place in Maseru, Lesotho. However, due to the COVID-19 pandemic, it is taking place virtually. Nonetheless, I am very pleased to extend a warm welcome to each one of you. I am grateful to my ECA colleagues for making facilities available to have some semblance of a face-to-face gathering and thus a feeling of being in each other's presence.

On behalf of my colleagues from UN agencies in the Kingdom of Lesotho, and indeed on my own behalf, allow me to express our sincere appreciation to ECA, for inviting us to this important meeting, and for the privilege accorded to me to make a few remarks at the beginning of these important deliberations.

Distinguished Senior Officials and Experts,

As you may know, the theme of this Session of is ***“Policies and strategies towards effective private sector-led growth and job creation in Southern Africa”***. I am pleased that the choice of this theme coincided with Lesotho Chairing the Intergovernmental Committee of Senior Officials and Experts for Southern Africa, as the Government of Lesotho's Second National Development Plan centers around private sector-led growth and job creation. Private sector led growth is a well-studied topic in Lesotho and so a topic on which can add a valuable contribution to.

The private sector has enormous capacity to achieve economic transformation, industrialization, job creation, poverty reduction and social inclusion. However, the private sector also needs support, in the form of business-friendly government policies and strategies, to achieve its full

potential. In particular, Micro, Small and Medium Enterprises (MSMEs), who despite their size, contribute the most to job creation, need targeted support to be competitive and to provide productive employment.

Unfortunately, COVID-19, and the associated lockdown, has dealt a heavy blow to the private sector. This is acutely true for MSMEs, who have limited buffers to survive the suspension of economic activity and are deemed too high risk by commercial lenders to be offered increased finance to weather the storm. Regrettably, such a predicament applies to businesses everywhere, despite Governments spending an additional US\$ 13 trillion globally to offset the health and socio-economic impact of COVID-19.

According to the IMF's most recent growth forecast (in the October 2020 World Economic Outlook) the Lesotho economy will contract by 4.8% in 2020, a forecast which is down from -5.2% in April 2020. This is mainly due to COVID-19 and the associated lockdown and restrictions. The closure of diamond mines and textiles factories in Lesotho, the country's two largest industries, have caused massive job losses and will likely trigger an increase in poverty of between 1.2 and 1.9% compared to pre-crisis levels. This amounts to an additional 25,000 to 40,000 Basotho falling into poverty in 2020.

The private sector desperately needs support to maintain productive employment and prevent rising poverty in the face of COVID-19. Yet, this is also not straightforward. The economic upset caused by COVID-19 has reduced government revenue. At the same time, governments have critically increased spending on their health sectors. Further, the global nature of the pandemic has limited the reach of humanitarian assistance. Consequently,

there is increasingly shrinking space for governments to provide the much-needed support to the private sector.

However, I believe there is an alternative. Innovative and supportive policies, that are reactive to the situation on the ground, may help the private sector to survive the pandemic. Well-designed policies may de-risk MSMEs and unlock financing to keep businesses afloat, whilst costing Governments nothing. Well-designed policies may promote a switch to digital transactions, which will increase customers access to markets and businesses access to customers, despite social distancing measures. Well-designed policies may encourage investments in telecommunications infrastructure, which would enable individuals to work from home, protecting employment and increasing the country's long-term growth potential. There are numerous opportunities.

The United Nations in Lesotho, and in all Member States, are committed to supporting the recovery from COVID-19 and to Build Back Better. We are committed to supporting a green, equitable and inclusive recovery that protects livelihoods and ensures that nobody is left behind. However, our end goal of achieving the Sustainable Development Goals by 2030, requires collaboration between the private and public sectors. I therefore encourage everyone here today to think innovatively, especially in the wake of COVID-19, as to how the public sector, the private sector and the United Nations can work together to achieve inclusive and fair private sector led job creation and to Build Back Better.

Your Excellencies

Distinguished Senior Officials and Experts,

Ladies and Gentlemen,

Once again, on behalf of the UN system in Lesotho, I am indeed honored to address the *26th Session of the Intergovernmental Committee of Senior Officials*.

I wish you fruitful deliberations and I thank you for your attention.