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AFRICA BUSINESS GROUP

Southern African Regional Stakeholder Forum

Report on private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth

United Nations
Economic Commission for Africa

Southern African Regional Stakeholder Forum

Report on private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth

Lilongwe

11–13 June 2018

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Preface

The historic signing in Kigali of the Agreement Establishing the African Continental Free Trade Area by 44 African countries in March 2018 and the subsequent securing of 22 ratifications in April 2019 signals a new era of intra-Africa trade and investments with the creation of the largest trading bloc in the world. The African Continental Free Trade Area has the capacity to accelerate the regional integration process in Africa as goods, and services can move freely and regional infrastructure development will be significantly enhanced.

However, in Southern Africa, despite various initiatives and strong political commitment, the pace of integration has been relatively slow in the region. . This is unfortunate in view of the immense economic potential that could be unleashed through effective integration in the region, which is home to the continent's relatively industrial economy. Enhancing and accelerating the integration process would provide numerous opportunities to promote intraregional trade and investment; increase human resource mobility; encourage specialization among countries; develop regional value chains; encourage diversification and competitiveness; and consolidate production infrastructure and processes across borders in order to achieve economies of scale.

The private sector constitutes the major anchor for promoting trade and investments in the regional landscape and accelerating the economic growth and development of member States. The SADC Industrialization Strategy and Roadmap, 2015 will be unrealizable if the private sector is not mainstreamed in regional development priorities and agenda. Regrettably, the private sector has often been conspicuously absent from the regional integration process in Southern Africa, and indeed throughout the continent. It is rarely part of the policy debate on the African integration process and does not participate in decision-making on the modalities and strategies of regional integration. Often times, the private sector becomes the recipient of regional public policy that it seldom engages but is required to drive. Mainstreaming the private sector in the policy discourse on regional integration and ensuring its active participation in the implementation of regional trade and industrial policies will create a win-win situation for regional institutions, member States and the private sector. It would provide an avenue for the private sector to expand production, benefit from the economies of scale, increase employment, and scale up profits.

Hence, the ECA Southern Africa Regional Office, the African Union, Southern Africa Regional Office (SARO) and the Africa Business Group (a private sector organization) collaborated in organizing a regional stakeholders' forum on the "The Private Sector and Regional Integration in Southern Africa: Accelerating the opportunities for investments and growth" that took place in Lilongwe from 11 to 13 June 2018, and was hosted by the Government of Malawi. The forum brought together key captains of industry, small and medium-sized enterprises, representatives of chambers of commerce and industry, development banks, regional institutions and public sector officials. Participants came from the following countries: Angola, Egypt, Eswatini, Jamaica, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe. The following Governments were represented: Angola, Eswatini, Lesotho, Mauritius, Mozambique, Zambia and Zimbabwe.

The objective of the Forum was to promote robust dialogue among key stakeholders and explore opportunities for the private sector in driving the regional integration process and promote trade and investments, and enhanced profit. The Forum thus provided a solid foundation for encouraging the private sector to take its rightful place at the centre of the regional integration process.

Engaging the private sector will be a continuous process, which the partners are committed to.

Said Adejumobi,
Director,
ECA-Southern Africa Office,
Lusaka,
Zambia.

Michael Surdakasa,
CEO,
Africa Business Group,
Johannesburg,
South Africa.

Auguste Ngomo,
Regional Delegate,
AU-SARO,
Lilongwe,
Malawi.

I. Joint opening ceremony at the Bingu International Conference Centre

The opening ceremony was jointly organized with the Malawi Investment Forum 2018, under the theme "Private sector-led growth: the key to Malawi's sustainable growth". During the ceremony, presentations were made by Chief Executive Officer of Malawi Investment and Trade Centre, Clement Kumbemba, and Chief Executive Officer of the Public Private Partnership Commission, Jimmy Lipunga. Opening remarks were delivered by the Secretary General of the Common Market for Eastern and Southern Africa (COMESA), Sindiso Ngwenya; Said Adejumobi, on behalf of the Executive Secretary of ECA, Vera Songwe; Ambassador Auguste Ngomo, on behalf of the Chairperson of the African Union, Moussa Faki Mahamat; Minister of Finance, Economic Planning and Development of Malawi, Goodall Gondwe; and Minister of Industry, Trade and Tourism of Malawi, Henry Mussa. The keynote speech was delivered by the President of Malawi, Arthur Peter Mutharika. Some of the speeches are to be found below.

A. Opening remarks: Malawi is open for business

Speakers: Minister of Finance, Goodall Gondwe; Clement Kumbemba; and Jimmy Lipunga

The three speakers made the case for Malawi as an appropriate destination for private sector investment. Mr. Gondwe referred to the efforts the present Government had made to restore macroeconomic stability to the country and said that, having stabilized the economy through manageable interest rates and reduced inflation to a single digit, the Government anticipated expenditure of $5.1 billion in the medium to long term on projects that would be resilient to factors that impede growth. A substantial proportion of that sum would be spent on the resilience of the economy, while close to $2 billion would be spent on electricity generation to enable Malawi to be self-sufficient on that front. Discussions were under way with investors from China on the Kam'mwamba coal project, $1 billion in transport infrastructure, including the Shire Zambezi Waterway, and investments in education and skills development. Regarding transport, the Government was looking for investor interest in the expansion of Chileka International Airport and rehabilitation and expansion of the Limbe-Marka-Nkaya-Mchinji railway lines, among others. Mr. Gondwe downplayed energy shortages, saying it was a continent-wide problem that did not only affect Malawi.

The two other speakers also strongly encouraged investment in Malawi, pointing out that (a) its membership in the Multilateral Investment Guarantee Agency ensured the security of investment; (b) investors were free to repatriate profits; (c) the Government was committed to driving private sector-led growth through tangible policy reforms and strategic joint investment in turnkey projects; and (d) Malawi had been a stable multiparty democracy since 1994. The country had improved its business environment through the implementation of several policy, administrative, regulatory and institutional reforms designed to enhance the attractiveness of Malawi as a destination for private investment. Those reforms had enabled Malawi to beat the regional average.

The speakers also underscored the resolve of the Government to roll out infrastructure, including through public-private partnerships, for which the following favourable conditions were in place: (a) a strong political will to involve the private sector; (b) clear legislation on such partnerships, and an implementing body, procedures and guidelines; (c) transparent procurement processes; (d) independent sectoral regulators; (e) strong feasibility study standards; (f) clear terms for PPP agreements; (g) property rights enshrined in the Constitution; (h) an independent judiciary and commercial court; (i) proven dispute settlement capacity; and (j) an emerging financial market on which to raise capital.

B. Remarks by the African Union Commission

Leopold-Auguste Ngomo

Guest of Honour, President of Malawi, Arthur Peter Mutharika

Minister of Industry, Trade and Tourism, Henri Mussa

All Cabinet Ministers here present,

Secretary General of COMESA, Sindiso Ngwenya,

Regional Director of the ECA Subregional Office for Southern Africa, Said Adejumobi,

Ambassador of Norway to Malawi and Dean of the Diplomatic Corps, Kikkan Haugen

Ambassadors and High Commissioners here present,

Distinguished guests,

Ladies and gentlemen,

All protocols observed,

First of all, allow me to apologize on behalf of the Chairperson of the African Union Commission, Moussa Faki Mahamat, who was to be here today to make opening remarks. Unfortunately, he is unable to be with us as he is preparing for the African Union Summit scheduled to take place in Mauritania this month. Please accept his apologies. He has asked me to speak on his behalf.

Allow me to express my gratitude to the President of Malawi, Arthur Peter Mutharika, and the Government of Malawi for inviting the African Union Commission to make remarks at this important event. Let me also thank everyone gathered here today for this meeting.

The African Union greatly appreciates your presence at this event. It clearly shows your interest in investment opportunities in Malawi and in the regional integration agenda. Through our regional and continental integration agenda, the African Union has the ambition of achieving the Africa we want, an Africa that is integrated, prosperous and peaceful, driven by its own citizens and representing a dynamic force in the international arena.

Integration has been identified as a step towards achieving this dream.

Your Excellencies,

Ladies and gentlemen,

It is therefore, very important for us to pay attention to the strategic objectives of the forums that we are jointly opening today. The Malawi Investment Forum 2018 and the Stakeholder Forum on the Private Sector and Regional Integration in Southern Africa are strongly linked. While the first provides a good platform for understanding investment opportunities in Malawi, the second allows investors and captain of industry, to appreciate the scale of the opportunities offered by our regional and continental market.

Let us take this opportunity to review the role of the private sector in the regional integration process in Southern Africa. This should help us to answer two questions:

a. Why is the private sector important in regional integration?

b. Why do we need the private sector to be closely involved in the continental free trade area?

As for the first question, you will agree with me that the private sector is one of the main engines of sustainable economic growth and development, job creation and poverty alleviation everywhere in the world.

In Africa, the private sector accounts for 80 per cent of total production, two thirds of investment, and three quarters of credit, and employs 90 per cent of the working age population. In addition, 90 per cent of private sector firms in Africa are small and medium-sized enterprises (SMEs). The participation of these businesses in cross-border trade is very limited, however, owing to lack of access to information on regional trade arrangements, non-tariff barriers, complex customs and trade procedures, lack of access to finance, and high transportation costs, among others. Because of these barriers, our private sector is not able to reach its full potential by tapping into our huge regional and continental market and thus becoming regional and continental champion, and of course, a world competitor.

Your Excellencies,

Ladies and gentlemen,

The Forum on the private sector challenges us today to examine the institutional and policy frameworks of the regional integration agenda and our key regional integration priorities, including trade, industrialization and infrastructure development, and also to look at the role of and space for the private sector in these priority areas.

It also provides a platform for exchange of ideas between the private sector and other stakeholders in the regional integration agenda in Southern Africa on how the private sector can effectively be mainstreamed into various regional integration projects and become the main driver.

Your Excellencies,

Ladies and gentlemen,

Let me call upon the private sector to seriously consider investing in strategic regional programmes, especially infrastructure and industrial projects, through public-private partnerships as real business opportunities, rather than a burden.

If we are to realize our vision of a prosperous, peaceful and integrated Africa, we must invest heavily in high quality regional and continental infrastructure and human skills. We also need to invest in trade facilitation and assist the private sector financially to expand trade.

It is therefore important to stress that, for regional integration to be a success, we must be able to finance these regional programmes ourselves.

It was because they realized the importance of self-financing of our development programmes and the significant role that financial institutions can play in our regional and continental integration, that our leaders adopted protocols for the establishment of the three financial institutions: the African Central Bank, the African Investment Bank and the African Monetary Fund.

These institutions aim to support private sector and financial market development and rapid industrialization in Africa, and to help Africa move to the top of global value chains. Let me take this opportunity to encourage Member States to sign and ratify these financial protocols, and the private sector to advocate for the domestication process.

Your Excellencies,

Ladies and Gentlemen,

The African Union is committed to transforming the continent by putting in place various instruments to facilitate regional integration. These include the African Continental Free Trade Area, which our Heads of State and Government agreed upon in March 2018 in Kigali.

Subsequently, member States also adopted the legal instruments constituting the African Continental Free Trade Area: the Agreement Establishing the African Continental Free Trade Area; the Protocol on Trade in Goods; the Protocol on Trade in Services; and the Protocol on Rules and Procedures for the Settlement of Disputes.

To make the continental market more attractive, in January 2018, the African Union launched the Single African Air Transport Market and the Protocol on Free Movement of Persons, Right of Residence and Right of Establishment.

Your Excellencies,

Ladies and gentlemen,

The African Continental Free Trade Area will lead to the creation of one of the largest markets in the world. It is estimated that a market of 1.2 billion consumers with a combined gross domestic product (GDP) of approximately $3 trillion will be created. Currently, Africa is probably the best destination for the world's businesses, mainly because of its growing middle-class and young populations, which account for more than 60 per cent of its total population and are eager for new products, services and solutions.

As for the second question, we should first understand that Heads of State and Government are putting in place frameworks and rules for fair and healthy competition for the benefit of the private sector and for nations at large. The private sector will be the key player and beneficiary of the African Continental Free Trade Area and, by generating jobs and wealth, it will make a huge contribution to the achievement of our global objectives.

In view of our huge population of young people and the high unemployment rate, let me stress the urgent need to improve our economy through massive investment in industrialization and manufacturing, while simultaneously improving our capacities to extract and export raw materials. Africa is in the process of creating industrial growth engines that will propel it to become competitive in manufacturing. It is the right time for you, investors and captains of industry, to join this exceptional and lucrative adventure.

Your Excellencies,

Ladies and gentlemen,

In conclusion, it is obvious that our continent is endowed with natural and human resources but many factors have made channelling those resources into economic development a challenge, among them the small size of our industrial and manufacturing industry. This shows that Africa needs the private sector to take the lead in this development agenda.

We should also remind ourselves that, in order for our regional and continental agenda to succeed, all Member States must domesticate and mainstream the African Union and regional legal instruments into their national frameworks. That would accelerate and secure a conducive environment for our private sector and for foreign direct investment.

With Agenda 2063: The Africa We Want and its first 10-year implementation plan, we aspire to drive dynamic growth and competitiveness through the productive investment and technological innovation of private companies. We are convinced that such an approach will unlock the great potential of the African continent and its people.

If you want to start or grow your business in Africa and be part of this current and future economic growth, Malawi, the warm heart of Africa, is the place to invest.

Let me end by reiterating that, in order to develop, we need to become integrated. Let us grow together and let us develop together.

Thank you for your kind attention.

C. Remarks of the Common Market for Eastern and Southern Africa

Secretary General, Sindiso Ngwenya

President of Malawi and Guest of Honour and Patron of the 2018 Malawi Investment Forum, Arthur Peter Muthalika,

First Lady of Malawi, Getrude Mutharika,

Minister of Foreign Affairs of Malawi, Emmanuel Fabiano,

Minister of Finance and Economic Planning and Development of Malawi, Goodall Gondwe,

Minister of Industry, Trade and Tourism of Malawi, Henry Mussa

Honourable Ministers here present,

Ambassadors and High Commissioners accredited to Malawi,

Representatives of regional and international organizations,

Chief executive officers and private sector representatives, captains of industry here present,

Secretary to the Cabinet and senior officials, members of the media,

All protocols observed,

Ladies and gentlemen,

It is my honour and privilege, on behalf of the COMESA secretariat and on my own behalf to express our sincerest gratitude to the Government and people of Malawi for the warm welcome I and my delegation have enjoyed since our arrival in this beautiful country, the warm heart of Africa.

Allow me, on behalf of COMESA and indeed on my own behalf, to express our profound gratitude to President of Malawi and Patron of the 2018 Malawi Investment Forum, Arthur Peter Mutharika, for again hosting an important investment forum whose theme “Promoting private sector-led growth: the key to Malawi’s sustainable development” is appropriate for sustainable economic growth and job creation.

Our congratulations and appreciation also go to the people of Malawi, through the Ministry of Industry, Trade and Tourism and the Malawi Investment and Trade Centre, for the efficient organization of this third Forum.

Your Excellencies,

Honourable Ministers,

Ladies and gentlemen,

Investment and trade growth remain fundamental for the inclusive development of Malawi, the COMESA region and Africa as a whole. Indeed, Africa is rising and a great deal is changing in terms of economic growth in the realms of infrastructure, information and communication technologies, industrialization, the sciences and innovation, and tourism, among others, but much still needs to be done to promote and facilitate our trade and investment. Africa needs to create a business-friendly environment to attract investment in order to create jobs and wealth.

Since its creation in 1994, COMESA has undertaken a number of initiatives and programmes aimed at creating a more business-friendly environment in the region. This approach is in line with article 158 of its Treaty, in which member States recognized the need for effective resource mobilization, investment and the importance of encouraging increased flow of private sector investment into the Common Market for development. To this end, member States agreed to adopt harmonized macroeconomic policies for the purposes of attracting private sector investment into the Common Market.

A number of commendable programmes undertaken by COMESA in that regard included the establishment of the COMESA Regional Investment Agency, which was launched in 2006 to promote and market investment opportunities, in line with its ultimate objective of creating a fully integrated, internationally competitive and unified regional economic community in which goods, services, capital and persons move freely for the sustainable economic development of the region.

Other initiatives at the regional level concern putting in place instruments to facilitate trade and investment across the region. Trade facilitation instruments undertaken by COMESA include the One Cross-Border Post, the COMESA Virtual Trade Facilitation System, the COMESA Yellow Card, the Regional Customs Transit Guarantee and the Regional Payment Settlement System. Furthermore, to implement these programmes, COMESA has established 11 specialized institutions to support the private sector. These include the Trade and Development Bank, formerly the PTA Bank; the COMESA Business Council; the COMESA Competition Commission; the African Trade Insurance Agency; the Clearing House; the Africa Leather and Leather Products Institute; and ZEP-RE, an organization specializing in insurance.

Of the financial institutions, the Trade and Development Bank has invested hundreds of millions of dollars in supporting public and private sector investment in Malawi, while the African Trade Insurance Agency has provided political and credit risk insurance that accounts for approximately 2 per cent of the GDP of Malawi.

I cannot elaborate much on the integration agenda and the increasing market for investment and trade without recalling the Tripartite Free Trade Area, that brings together COMESA, the Southern African Development Community (SADC) and East African Community. The Agreement to form it was signed by Heads of State in Sharm El Sheikh, Egypt, on 10 June 2015. The Tripartite Free Trade Area will be the largest single market for trade and investment in Africa, with 26 participating countries, a combined GDP of nearly $1.5 trillion and a population close to 720 million consumers.

Furthermore, in March 2018, the Agreement establishing the African Continental Free Trade Area was signed in Kigali, creating a great opportunity for private sector development through an expanding market. We are now talking about a population of 1.2 billion people with a GDP of more than $2.6 trillion.

With regard to the issue of investment, more than half of global population growth until 2050 is expected to occur in Africa. The continent has had the highest rate of population growth of major areas, growing at annual rate of 2.55 per cent between 2010 and 2015. The population of sub-Saharan Africa is expected to more than double between 2015 and 2050. According to the United Nations Population Fund, by 2100, 10 countries in Africa, including three member States of COMESA, are projected to experience population growth that is five-fold or greater. The population of COMESA itself is projected to be one billion by 2050, according to the Department of Economic and Social Affairs of the Secretariat. In simple economic terms, this means a growing market: people who need to be fed and who create demand for, among other things, various goods and services, housing, jobs and infrastructure.

Your Excellency,

Since the first Malawi Investment Forum we attended in 2015, I am glad to note that Malawi has learned from experience how to handle investors, who are still welcomed in this beautiful country. I would not miss this opportunity to emphasize the success stories that are the fruits of the previous two investment forums, which realized more than $300 million. These successes include eight flagship projects with an approximate value of $180.4 million in sectors ranging from the construction of shopping malls, apartments and office space, the production and distribution of fertilizers, the production, storage and distribution of liquified petroleum gas, housing, bus terminal facilities, water, biofertilizers and cotton ginning. Given the immense needs, these projects are not a panacea, but rather are clear evidence of the existence of the political will to live up to the commitments made by the Government and business to build together and "walk the talk" in Malawi.

Your Excellency,

Honourable Ministers,

Ladies and gentlemen,

The figure of $300 million does not account for investments coming to Malawi through mergers and acquisitions. COMESA Competition Commission figures tell us that, of the 165 mergers and acquisitions assessed in the Common Market, 74 directly affected the Malawi market. This represents a total turnover of $3 billion, the major sectors affected being energy, agriculture and financial services. This is evidence, if any were required, that the Malawi market is attractive to regional and international investors.

Your Excellency,

Ladies and gentlemen,

To direct our focus as promoters of investment, I would also like to emphasize here the three categories of investors that we meet constantly in our investment promotion agencies.

First, market-seeking investors: it has been a challenge to attract significant investment to our single and fragmented markets. The African Continental Free Trade Area, made up of 55 States in Africa, bringing together 1.2 billion people with a combined GDP of more than $2.7 trillion, offers a bigger market where goods and services can move freely, allowing more production facilities to respond to demand. This calls for a change of mindset: countries must work together instead of competing with each other, because, at the end of the day, we are a single market. Countries can work together to promote joint investment projects in which each can supply components in respect of its comparative advantages. An example of this can be seen in the aerospace industry in Europe.

The second category is efficiency-seeking investors. In this era of the digital economy, artificial intelligence and the Internet of things, investors and their investments are looking for policy innovation that enhances transparency in economic management and corporate governance. In that regard, it is worth noting that the service industry grows in tandem with economic development. According to the Malawi Investment and Trade Centre figures on pledges, the services sector was expected to create more than 50,000 jobs in 2017. Sectors such as tourism have proven worldwide to be the best supplier of jobs.

Countries must also diversify beyond commodities through innovation, science and technology. For example, attracting investment in biotechnology and nanotechnology can result in increased productivity, access to improved seeds, job creation, food security and exports.

Your Excellency may wish to note that, thanks to funding from a private investor from Egypt, six scientists from Malawi received training in nanotechnology in Egypt, and 30 per cent funding was offered for the trainees to set up a nanotechnology plant in Malawi.

Your Excellency,

The third category is investors seeking natural resources. As the economy of Malawi is an agrarian economy, investment in agro-industries and value chains in agricultural products can make a difference by promoting and creating labour-intensive economic activities. This can also be extended to livestock and dairy industry value chains and fisheries.

Equally, as the country is endowed with significant deposits including uranium, heavy mineral sands, rare minerals, bauxite, niobium, coal, titanium, zinc, phosphates, gypsum, vermiculite, limestone, dimension stone, silica sand, sulphides, and precious and semi-precious stones, investors in this category may be interested in opportunities in the mining sector.

The role of energy in Malawi cannot be overemphasized. Generally, energy increases output in various economic sectors, so increasing the generating capacity, mainly in renewable sources of energy, and improving the transmission, distribution and supply of electricity, will contribute to an efficient energy system in the economy.

Your Excellency,

Honourable Ministers,

Ladies and gentlemen,

I would be remiss in my responsibility if I did not draw your attention to the limitations of the existing models of promoting economic growth thorough cross-border and foreign direct investments that do not embrace a multisectoral and intersectoral approach. It is against this background that I wish humbly to make the following observations and suggestions.

The first observation is that the projects being considered today are not aligned to the Malawi Growth and Development Strategy in that they are stand-alone projects without the sectoral linkages that are a necessary condition for economic transformation and inclusive growth. For example, the energy projects are designed to feed into the national grid, as opposed to serving economic activities where they are located. Hence the need to make investments that are, for example, linked to clusters of agro-industries in rural areas that will provide jobs for young people and reduce poverty. Most fundamentally, this developmental approach would bridge the urban-rural divide and curb rural-urban migration.

My second observation is that the investment projects before us do not address the natural resource endowments of different regions of Malawi. Three illustrations will suffice in this regard.

First, the southern region of Malawi is richly endowed with livestock, fish, macadamia nuts and tea. A holistic development and investment approach requires projects to be promoted in clusters of special economic zones to realize economies of scale and agglomeration economies. For example, leather and footwear clusters could be developed in the southern region for regional and international markets.

Second, the central region has potential for spurring inclusive and sustainable growth and development of value chains in tobacco, beans and maize.

Third, the northern region has the potential to achieve high growth rates through fish-farming, rebranded coffee, cassava starch and related products and rice. An interesting feature of the distinct rice from Malawi, with its unique taste and aroma, is that it spills across the borders into the United Republic of Tanzania. This provides opportunities for regional cooperation in production.

Your Excellency,

Honourable Ministers,

Ladies and gentlemen,

To conclude my remarks, let me recognize the significant efforts deployed by the Government to review and ease all aspects of the business environment in Malawi by initiating and implementing necessary reforms to facilitate investment and trade. I repeat that the COMESA secretariat will always be at your disposal to provide technical support.

Thank you.

D. Remarks by ECA

Director of the ECA Subregional Office for Southern Africa, Said Adejumobi

President of Malawi, gracious host of the Malawi Investment Forum 2018 and the Regional Stakeholder Forum, Arthur Peter Mutharika,

Vice-President of Malawi, Saulos Klaus Chilima,

Honourable Minister of Trade, and Industry, and other Ministers present,

Chairperson of the African Union, Moussa Faki, ably represented by the African Union Southern Africa Regional Delegate, Auguste Leopold Ngomo,

SADC Executive Secretary, Stergomena Lawrence Tax,

COMESA Executive Secretary, Sindiso Ngwenya,

Chief executive officers of public and private companies and corporations across SADC and Africa,

Members of the Diplomatic Corps,

Private sector and civil society,

Members of the media,

Distinguished ladies and gentlemen,

The ECA Executive Secretary, Vera Songwe, wanted to be here today but other pressing engagements made that impossible, so she asked me to deliver a few remarks on her behalf.

I am deeply honoured to deliver some remarks at this important joint opening ceremony of the Malawi Investment Forum and the Southern Africa Regional Integration Stakeholder Forum, which have the overall objectives of supporting the role of the private sector in the development of Malawi and the region and underscoring the pivotal role that the private sector can and should play in the regional integration agenda of Southern Africa.

Allow me to thank the President of Malawi, Arthur Peter Mutharika, and the Government and People of Malawi for their warm hospitality and the splendid arrangements they have made in hosting these two important events. ***Zikomo***!

Your Excellencies,

Distinguished ladies and gentlemen,

The world of private sector investment has changed vastly since the economic crisis of a decade or so ago. Investment decision-making is now much more complex, reflecting a variety of geopolitical, economic and social conditions here and elsewhere. The uncertainty wrought by Brexit and an inward-looking United States of America is intensifying the threat of nationalism rather than cooperation, and protectionism and counter-protectionism rather than expanding global trade with all its attendant benefits. Our continent and region are caught up in these economic wars, compounded by a global economy that has not fully recovered. We therefore need, not only to cope and adjust, but also to build resilience through our individual and collective strength and through resoluteness in implementing well thought-out economic and social programmes and agendas.

Reflecting these new global economic uncertainties, global investment flows remain below the pre-crisis year levels of 2007, even if they are expected to increase slowly to $1.8 trillion by the end of 2018, according to the ***World Investment Report 2017***. The same report tells us that foreign direct investment flows to Africa have continued to slide, reaching $59 billion, down 3 per cent from 2015, mostly reflecting low commodity prices, the destination of most of these investments.

Foreign direct investment inflows into Africa showed marked variations among regions, with North, East and West Africa increasing, while Southern and Central Africa showed declines in 2016. A large proportion of those inflows again go to the primary sector, attracted by improving commodity prices and new oil and gas discoveries, particularly in Egypt and Algeria. Nigeria and Ghana are benefiting from rising oil prices and higher prices of other commodities, such as cocoa.

In 2016, foreign direct investment to Southern Africa was estimated to have dropped by 18 per cent, with a precipitous 70 per cent drop in Zambia and falls of 20 per cent in Mozambique and 11 per cent in Angola. Foreign direct investment to South Africa rose by 31 per cent, but was lower than the previous average. However, Southern Africa remains host to the largest share of continental foreign direct investment inflows, followed by North, West, East and Central Africa.

The fickleness of international investment flows means that we cannot rely solely on that source for our investment needs. We need to support and grow our own investors and entrepreneurs within and across this region and the continent. Huge corporations from across the African continent have shown that these home-made multinationals are not only possible but can be highly successful. Such corporations, which include award-winning airlines, have proven that they can stand their ground against the very best in the world. New businesses are finding their way through the continent and need our support.

More needs to be done to support the private sector in our continent and region. While various investment and industrialization protocols and programmes acknowledge the private sector as a key beneficiary and driver of regional integration policy and programmes, the necessary efforts have not been made to involve the private sector from the very beginning of these regional policymaking processes. Their involvement is the only way those programmes can be well implemented and become sustainable.

An environment in which the private sector can thrive is of paramount importance. The recent peaceful changes in political leadership in Botswana, South Africa and Zimbabwe are clear indications of political stability in Southern Africa. We can build on these outcomes.

Your Excellencies,

ECA fully concurs and shares your concern about the poor economic performance in the region. Indeed, without high, inclusive and sustainable economic growth, the vast social needs of our citizens will never be met. With the theme of domestic revenue mobilization and private investment, the April 2018 issue of the International Monetary Fund ***Regional Economic Outlook*** estimated that the SADC economy grew by only 2.2 per cent in 2017, up from 1.7 per cent in 2016, but down from 2.7 per cent in 2015. Clearly, these economic growth rates are far below those needed to address the vast needs for education, health and infrastructure, among the many socioeconomic needs. It is imperative therefore to forge forcefully ahead with the policy reforms needed to grow our economies.

Part of this reform process is to put our public debt levels on a sound footing. A number of countries in Southern Africa, such as Mozambique and Zimbabwe, are categorized as debt-distressed, while others, such as Zambia, are seen as high-risk debt-distressed as of 2017, according to the ***Regional Economic Outlook*** (April 2018). High levels of government borrowing crowd out the private sector, as we know, and high debt levels raise servicing obligations on those debts to the detriment of social sectors.

The ***Global Competitiveness Report 2017-2018*** of the World Economic Forum draws a bleak picture of the competitiveness of the countries in Southern Africa. Of the 137 countries ranked, nine countries in Southern Africa (Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Seychelles, United Republic of Tanzania, Zambia and Zimbabwe) are ranked above 100; three (Botswana, Namibia and South Africa) are ranked between 50-100, and only one (Mauritius) is ranked in the top 50.

Correcting this situation is not beyond our capacity. Issues raised in the report and to which our attention is drawn are not unfamiliar to this august gathering. They include macroeconomic instability as evidenced by rising public debt and also the worrying signs of increasing inflation. To be sure, some of the results are the consequences of a recent severe dip in commodity prices, but they also reflect a deterioration in institutional governance. Indeed, the report laments the deteriorating institutions, particularly in Lesotho, South Africa and Zambia. I take great comfort in noting that concerted efforts are being embarked upon to strengthen social, financial, political and economic institutions around the region.

I have no doubt that the SADC Industrialization Strategy and Roadmap 2015–2063 and the action plan will attract foreign direct investment, and stimulate private sector development and job creation for our youth across the SADC region. Efforts to incorporate this strategy into national plans and to work hand-in-hand with the private sector need to be enhanced. The result would be a major shift from labour-intensive to skill-driven industry connected to regional and global value chains, developing interconnected production clusters, strengthening competitiveness and enhancing productivity.

Your Excellencies,

Distinguished ladies and gentlemen,

ECA, for its part, remains committed to continued support for Southern Africa, including the prioritization of private sector promotion in our organization. It will continue to collaborate with Member States and regional economic communities to support the private sector. Our modest support of this event is part of this resolve to contribute to the socioeconomic development of Southern Africa and the continent as a whole.

The Executive Secretary of ECA and her team look forward to working with Governments, regional economic communities and private sector colleagues to implement policies that support the private sector and regional integration. Promoting and supporting the private sector is a major priority and strategic focus for ECA and the Executive Secretary.

Thank you for your kind attention. May God bless Africa!

E. Remarks by the Minister of Industry, Trade and Tourism of the Republic of Malawi, Henry Mussa

I am greatly honoured this morning to stand in your midst on this very auspicious and strategic occasion. I would like to join the earlier speakers in welcoming you all to the third Malawi Investment Forum. This is a meeting that brings together renowned guests, investors, traders, financiers, government officials and non-governmental organizations in order to showcase investment and trade opportunities in Malawi and facilitate dialogue among stakeholders.

Distinguished ladies and gentlemen,

Allow me to recall the genesis of the Malawi Investment Forum. It was in 2015 that the President of Malawi, Arthur Peter Mutharika, opened the first Malawi Investment Forum. The Forum is aimed at showcasing the abundant investment and trade opportunities that exist in Malawi, also known as the warm heart of Africa. Following the success of the first Forum, a follow-up event was held in 2016. I am pleased to report that the first two forums resulted in the signing of 11 memorandums of understanding for projects in the energy, manufacturing, transport and infrastructure, agriculture and water development, and information, technology and communication sectors, and that investors are at various stages of implementation. Your Excellency, as a testimony to the fruits of the past investment forums, you have personally launched some of the projects borne out of them.

Your Excellency,

In November 2017, you commissioned the groundbreaking construction of a $100 million business park along the Lilongwe Bypass, where a hotel, malls, apartments and a conference hall will be built. You may also wish to note that a fertilizer manufacturing factory has been built in Lumbadzi, with equipment already installed. This is a remarkable development since it will help to meet the recurrent fertilizer input demands of the country. Furthermore, an infrastructure project has commenced along the Lilongwe Bypass, where one company is developing an international bus terminal. These are just some of the results of the first two forums. I could list many more, but in the interest of time let me just say that more details can be obtained from the Malawi Investment and Trade Centre.

Your Excellency,

Ladies and gentlemen,

On the sidelines of the Investment Forum we have highly successful trade exhibitions. In that regard, one of the objectives of the 2016 Forum was to showcase the products of Malawi. I am happy to report that, through that exhibition, trade deals amounting to $26 million were concluded.

Looking at the positive influence of past Malawi investment forums, we are pleased to host the 2018 Forum with high hopes that concrete deals and lasting partnerships will be established. Specifically, the 2018 Forum is aimed at fostering sustainable development through increased private sector activity in the economy. It will therefore promote investment in five priority sectors: agriculture and agro-processing; tourism; energy; manufacturing; and transport and infrastructure. A compendium of projects in these sectors was uploaded to the Forum website and further details on the projects can be obtained from the Malawi Investment and Trade Centre.

Your Excellency,

I would like to report that the organization of this Forum has been possible thanks to the generous support of the private sector in Malawi and multilateral and bilateral partners, who responded positively when we approached them. You may wish to note that ECA, AU-SARO and the Africa Business Group are the official partners who have a parallel event starting tomorrow. We have received support from numerous public and private entities. Their financial support is not only an act of generosity but also a symbol of their confidence that this Forum will create business partnerships and generate investments and trade deals. Thank you all for your kind support.

Ladies and gentlemen,

Let me urge all investors to see this event as an opportunity to advance your business portfolios. This Forum will provide you with vital information on investment and trade opportunities and give you a chance to interact with various stakeholders and potential business partners. The Government is here to provide all the necessary support to facilitate your investments in Malawi.

We should aim for the best outcome. I therefore wish us all a successful 2018 Malawi Investment Forum. And now, allow me to invite the President of Malawi, Arthur Peter Mutharika, to address us.

Your Excellency, Sir.

F. Keynote speech

President of Malawi, Arthur Peter Mutharika

Let me welcome you all to this great occasion. Those of you who have travelled to our country to be part of this moment, welcome to Malawi. We wish you a pleasant stay here.

And I want to begin with a story that will take you to Malawi with a different vision.

Once upon a time, a shoemaker sent two officials to an island to find out if it was worth opening a shoe factory there. But the two officials found no one wearing shoes on the island. In fact, the people didn't even know what a shoe was. One official went back and told his boss there was no point building a factory where nobody was wearing shoes. The other official went back and said he had found a great market because nobody was wearing shoes.

This is my point.

When you come to Malawi, you see what you choose to see. For us, Malawi is a land of great opportunities and possibilities. Malawi is a land of untapped investment potential. Malawi is the African paradox of a rich country with poor people. Malawi is a small but great country. Where many see poverty, we see potential riches. Where others see challenges, we see opportunities.

Our story is the story of Africa. Africa is a great continent of immeasurable riches and treasures. We are the richest continent, yet with the poorest people.

But we have abandoned the simplest principle of development. Development is the realization of potential. But for a long time, Africans have been aspiring to be equal to those who worked hard to achieve their best human potential. We have been searching outside for a destiny that we have forgotten is within ourselves. And with the national boundaries that came with colonialism, Africa underwent a process of economic and cultural disintegration.

I am most delighted that Malawi is hosting this investment forum at a time when Africa is finding herself again after years of economic disintegration. We are reintegrating our policies and rebuilding our bonds of doing business as a continent.

Malawi is spearheading the investment drive within the pan-African spirit of promoting private sector development and trade integration. In a special way, therefore, I want to welcome ECA, the African Union and the Africa Business Group, who are here with us this morning. They are here to accelerate your investment opportunities in the integration of Southern Africa.

The regional integration project is premised upon private sector investment. We need you in the region as private investors.

As a country, Malawi also needs you. Malawi has taken the necessary steps to encourage private sector investment growth. We are now ready to do business with the world. Our goal is to have a smaller government and a bigger private sector. We have undertaken aggressive reforms and ensured that we have a legal environment that protects investments. We have instituted systems that provide security to our investors and your investments. We are part of a number of regional and global markets. We have sufficient raw materials and hardworking citizens. And above all, we have ensured that Malawi enjoys political peace and stability.

As a result of our reforms, we have drastically reduced the cost of doing business. Malawi is ranked the third best reformer in Africa. We are the 110th in the world in the latest World Bank ***Ease of Doing Business Report***.

Our key challenge has been an energy deficit. For the last 50 years, this country did not invest sufficiently in energy expansion. Now we have lined up projects that will double the current power supply of 360 MW to 720 MW by 2020. And we want to generate at least 1,000 MW by 2023. In total, we are expanding and diversifying power generation towards the goal of 2,000 MW within 10 years.

I am delighted to note that some of you have defined our challenge as an investment opportunity – because that is what it is. I can also assure you that Malawi has a very good economic outlook. In 2018, we expect economic growth in Malawi to be 4.1 per cent. This is well above the sub-Saharan average of 3.4 per cent, and indeed well above the global average of 3.9 per cent. In 2019, we expect our growth to rise to 6 per cent, way above global and regional averages.

It has taken hard work to achieve economic recovery through a series of national disasters without donor budgetary support. Some people say the economy of Malawi is a miracle. Four years ago, this country was almost bankrupt. Our deficit was almost equal to our annual national budget. Inflation was running at 24 per cent. We have brought inflation down to a single digit: inflation is 9.7 per cent as of April 2018. Our interest rate was 25 per cent; today, it is 16 per cent. Our foreign currency import cover was below two months – the lowest in the history of Malawi. As I speak, our foreign currency import cover is six months – the highest in our history.

As you can see, in the last four years we have worked intensively to create an environment that favours business and economic growth.

We are now implementing our National Transport Masterplan to expand our road network, our rail network, our airports and our use of sea transport. At the same time, we are creating a skilled labour society to provide high quality skills and services to our people. We are establishing community technical colleges in all districts across the country. We want our young people to drive our industrialization programme. We also want to provide a highly skilled but affordable labour force to our investors.

We want Malawi to give you the best return on your investment. If Africa is above the global average of return on investment, we want Malawi to be above Africa. We are set to make Malawi an investment haven of Africa. With these remarks, I declare the Malawi Investment Forum and the Southern Africa Regional Integration Stakeholder Forum officially open.

Thank you.

May God bless Africa.

And God bless you all.

Day 1 — Public-private dialogue: accelerating regional integration

After the opening ceremony, the Stakeholder Forum began its programme at the Sunbird Capital Hotel in Lilongwe.

A. Setting the scene: the private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth

Chair: Permanent Secretary of the Ministry of Finance and Economic Development of Zimbabwe, Willard L. Manungo

Speakers: Associate Economic Affairs Officer, ECA Subregional Office for Southern Africa, Koffi Elitcha

Chair, COMESA Business Council, Amany Asfour

Executive Director, CEO African, Kipson Gundani

Association of SADC Chambers of Commerce and Industry

Mr. Elitcha presented a background paper entitled "The private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth". The paper reviewed and discussed the state and dynamics of regional integration processes in Southern Africa, with a particular emphasis on the role, issues, challenges and investment potential of the private sector in the integration agenda. The review showed that the pace of integration had been relatively slow in the region. While significant progress had been made in the lead-up to the establishment of the SADC Free Trade Area in 2008, the integration agenda stalled thereafter.

The regional trade market was still very fragmented and characterized by low levels of intra-industry trade and productive integration, which clearly suggested little participation in regional value chains and the existence of untapped potential for investment and growth.

The continued lack of industrial growth in the region had motivated the adoption of the SADC Industrialization Strategy and Roadmap 2015–2063, which emphasizes the development and strengthening of regional value chains and places the private sector at centre stage of the implementation plan.

The paper discussed at length the key and multifaceted role of the private sector in the whole process. For instance, the private sector was mainly responsible for running operations and investing along identified regional value chains; it could also facilitate implementation of the industrialization strategy by actively contributing to infrastructure and skills development and creating the conditions for enhanced access to finance.

Key recommendations for enhanced involvement of the private sector included: consolidate the Free Trade Area by sustaining efforts towards the elimination of all sorts of non-tariff barriers and curtail the development of new ones; further the regional integration of the business and professional services markets; facilitate labour mobility by expediting implementation of the Protocol on Movement of Persons; maintain regular communication with private sector bodies; strengthen safeguards for protection of foreign and domestic investors; and allow the private sector to participate on an equal and complementary footing with public infrastructure providers.

Ms. Asfour gave a presentation entitled "Towards trade support and business facilitation in COMESA: challenges, opportunities and collaboration areas to be addressed by the COMESA Business Council and partners". She explained the vision of Agenda 2063 as an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.

She then discussed challenges to industry and how the COMESA Business Council was conducting workshops as part of campaigns to urge member States to meet them. First, regarding trade facilitation, member States were called upon to simplify customs requirements and documentation; establish a logistics information hub as a depository of the documentation required for movement of goods between countries; and allow effective timelines for adjustments to new requirements or procedures along borders.

Regarding illicit trade and counterfeit goods along borders, she urged member States to increase awareness through the sharing of information on the control of illicit trade along borders; review various regulations whose stringent requirements indirectly contribute to the proliferation of illicit businesses; and improve inter-agency cooperation on customs, law enforcement, fighting counterfeiting, and standards to ensure a coordinated business-friendly approach to curbing illicit trade.

She also called for the development of a regional law on illicit trade that would provide a uniform, effective, consistent and business-friendly legal framework for eliminating all forms of illicit trade, and tools for preventing illicit activities through national and regional public-private measures and cooperation.

On the topic of digital services, she reminded member States that information and communication technologies were cross-cutting business facilitation instruments for all sectors that could improve the efficiency and quality of business operations in the region. The COMESA Business Council had been tasked to bring together key public-private stakeholders to propose synergies to increase competitiveness through industrial partnerships as well as information and communication technologies partnerships.

Regarding horticulture, she urged Member States to build the capacities of the standard certification bodies and to promote the mutual recognition of those bodies and regulatory authorities in countries with strong trade ties or partnerships; to ensure the harmonization of standards and sanitary and phytosanitary measures at a regional level and in conformity with international standards; and to reduce the cost of certification to encourage compliance with regional and global standards in order to increase market access.

She urged the financial sector to develop a model that would consider financing SMEs and small-scale producers, particularly in the agricultural industry, allowing longer payment periods for seasonal crops.

Government procurement offered a unique route to empowering women and combating poverty. Public procurement accounted for over 30 per cent of GDP in developing countries and some 10 to 15 per cent of GDP in developed countries. SMEs had been largely excluded from that sizeable market by lack of access to information on bids, understanding of procedures and ability to meet requirements.

After the presentations, the plenary discussion focused on the challenges faced by micro-, small and medium-sized enterprises, noting that those challenges were particularly acute for women traders. Such enterprises constituted the majority of businesses in Africa and employed more people than large businesses. They therefore needed to be supported on numerous fronts, including at borders and in the development of their marketing strategies. The harassment of informal traders when they cross international borders had to cease. Most such enterprises were unaware of their rights under regional protocols. Accordingly, both traders and officials should be made aware of regional economic community rules on cross-border trade. Traders should be assisted with critical infrastructure and services, particularly when they crossed country borders, while adequate remuneration should be awarded to officers at information centres, especially at the border between Zambia and Zimbabwe.

Participants further noted the lack of connectivity among African countries, arguing that that impeded trade and investment across borders. Countries should therefore do more to enhance connectivity infrastructure since the costs associated with doing so would be more than compensated for by the amount of trade that would follow.

B. Private sector as a catalyst in implementing the African Continental Free Trade Area

Chair: Chairperson of the Board of the Industrial Development Corporation, South Africa, Busisiwe Mabuza

Speakers: Jamie Macleod, ECA, Country Business Index of the African Continental Free Trade Area

Lesley Wentworth, Southern Africa Business Forum

Oswald Chinyamakobva, African Union Commission

Mr. Macleod presented the ongoing work of ECA to develop the Index of the African Continental Free Trade Area. The main tasks were to ensure that companies doing business in the Trade Area were supported and that the Index provided value, and that the Area could be evaluated on the ground, as it actually affected businesses.

He explained that the Index aggregated the opinions of businesses in Africa and expressed them in the form of an index to ensure that the African Continental Free Trade Area responded to their interests, listened to the actual effect the Trade Area had on business, and challenged countries to respond by improving the trading environment. The Index recognized the efforts of star performing countries and identified and flagged laggards. The idea was that it should measure impact in a way that generated real value for representatives of the private sector in the Area.

The objectives of the Index were to do the following:

a. Measure implementation of the Agreement on the ground, as it actually affects businesses;

b. Benchmark countries to reward those effectively implementing the Agreement, and flag laggards;

c. Provide value to the full breadth of private sector operators, from micro-, small and medium-sized enterprises to large corporations;

d. Evaluate the developmental impact of the Agreement, including the gender dimensions and implications for vulnerable groups;

e. Shine light onto knowledge gaps by creating data where none previously existed.

The way the programme would be implemented is as follows:

a. Views are collected from businesses: a survey is administered through regional and local chambers of commerce and industry allowing the collection of primary data for the Index;

b. That information is supplemented by data-based indicators: analysis of secondary data, including tariff schedules and volumes of trade;

c. Those views and data are aggregated into metrics across four dimensions: the implementation of the Agreement, easing trade in Africa, trade for development and impact of the Agreement);

d. (d) Countries are ranked by their score according to each dimension.

He stressed that the Index was still at the development stage, so the developers wanted to hear from businesses what trade-related issues they would like put into metrics and expressed to policymakers, the main challenges they faced with other preference schemes (e.g. COMESA and SADC), and what the success indicators would be.

Mr. Chinyamakobva gave a presentation on the private sector as a atalyst in the implementation of the African Continental Free Trade Area.

The general objectives of the African Continental Free Trade Area were as follows:

a. Create a single market for goods and services facilitated by freedom of movement of persons in order to further the economic integration of the African continent in accordance with the pan-African Vision of an integrated, prosperous and peaceful Africa enshrined in Agenda 2063;

b. Create a liberalized market for goods and services through successive rounds of negotiations;

c. Contribute to the movement of capital and natural persons and facilitate investment, building on the initiatives and developments in the States parties and regional economic communities;

d. Lay the foundations for the establishment of a continental customs union at a later stage;

e. Promote and attain sustainable and inclusive socioeconomic development, gender equality and structural transformation of the States parties;

f. Enhance the competitiveness of the economies of States parties within the continent and the global market;

g. Promote industrial development through diversification and regional value chain development, agricultural development and food security;

h. Meet the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

Negotiations on the Agreement were a member State-driven process, involving 55 member States of the African Union, which had the sovereign right to constitute their delegations. It was expected that they would consult all relevant stakeholders ahead of negotiations.

Steps were being undertaken at the African Union Commission level to engage with the private sector. For example, the Pan-African Chamber of Commerce and Industry had been invited to some events related to the Agreement; regional awareness-raising workshops had been held; the Afro-Champions had been made aware of the Agreement; a business forum had been instituted and trade fairs supported; and the Intra-African Trade Fair was to be held in Cairo in December 2018.

Ms. Wentworth emphasized that the voice of business had to be heard: business had to be able to lobby in order to influence government policy. Trade and investment policy affected industrial and private sector development, influencing growth, jobs and wealth redistribution. Informal cross-border trade needed a strong voice to ensure that the Agreement had a simplified trade regime. It was particularly important for women to be heard since they were so active in cross-border trade in Southern Africa. The private sector had to be involved and should be equipped to participate in consultations on the policies affecting it.

Businesses were reliant on regional trade agreements so the private sector should participate in continental and regional agreements through various mechanisms, including the following:

a. Participation in economic dialogue with Governments;

b. Engagement with Governments and State institutions;

c. Execution of trade flow analyses, both before and after the establishment of trade agreements, in order to determine the effects of such agreements;

d. Establishment of collective associations (e.g. industry or sector associations);

e. Preparation of research positions that help inform government negotiations;

f. Implementation of, monitoring of and reporting on trade agreements;

g. Identification of welfare effects.

The opportunities provided by the Agreement included enhanced competition at industry and enterprise level; promotion of innovation; development of value chains enabling export development and diversification; opportunities to manufacture goods; continental market access; better reallocation of resources (raw materials and intermediate goods); and ease of doing business through tariff liberalization and harmonization.

In the ensuing plenary discussion, participants bemoaned the fact that regional protocols and undertakings were between Governments and did not involve the private sector. They called for formal mechanisms to ensure that Governments conducted national consultations with key stakeholders, in particular the private sector, on trade and investment issues before embarking on regional and continental multilateral negotiations. Since the private sector was routinely represented by business associations, participants strongly advocated capacity-building for those associations to enable them to represent their members more effectively. They stressed the importance of women being represented and heard, including through their own specific associations, as they account for a significant proportion of small and informal traders. Participants also noted the poor disaggregated data on micro-, small and medium-sized enterprises and informal traders, and argued that the lack of data stifled the voices of women in such enterprises and informal economies.

Trade in the region and the continent was hobbled by the indecision of Governments about whether they wanted to be protectionist or to open their borders to trade. Participants called for the removal of barriers to trade. Governments needed to "remove the big walls in Africa" and do away with the colonial divide-and-rule mentality of the past. A comparison was made between India and Africa. While they have roughly the same population, they differ with regard to internal trade. India had no barriers, while Africa, despite frequent talk of unity, remained divided. Concern was expressed that key regional agreements that would facilitate private sector growth and trade between countries – such as the SADC Industrialization Strategy and Roadmap 2015–2063 –

were not followed up with action, simply because of the difficulties countries faced in opening up for trade with fellow Africans.

While broadly welcoming the African Continental Free Trade Area Business Index under development by ECA, some participants said it should take into account issues related to gender and young people when measuring implementation of the Agreement. They also called for the development of a baseline to enable progress to be measured as part of the Index.

Some participants noted that countries were progressing to the continental level without having honoured their commitment to implement a free trade area within their regional economic communities, a fact that raised questions of commitment. One reason for sidestepping the issue was that countries were preoccupied with the short-term revenue considerations that come with a protectionist posture and were ignoring the long-term benefits that free trade would bring. Much more needed to be done to inform and raise awareness of the long-term benefits of free trade and allay of fears of short-term revenue losses by putting compensatory measures in place.

Day 2 – Sector integration workshops: removing barriers and expanding regional value chains and partnerships

A. Developing public-private partnerships to increase investment in regional infrastructure

Chair: Ambassador Timothy MacPherson, Maroons Jamaica

Speakers: Frank Mvula, African Development Bank Country Office, Malawi

Snowden Mmadi, NEPAD Infrastructure Technical Expert

Sofia Cassimo, Vice-President, Femme, Mozambique

Iouana Pillay, Seychelles Chamber of Commerce and Industry

Mr. Mvula discussed the current African Development Bank policy of ensuring infrastructure development through its five development priorities. Known as the High 5s, the priorities are: (a) light up and power Africa, (b) feed Africa, (c) industrialize Africa, (d) integrate Africa, and (e) improve the quality of life for the people of Africa. The High 5s are a 10-year strategy that began in 2015. The Bank changed its strategy in order to become more agile and responsive to the continent's needs. It adopted a new business model and introduced three vice-presidencies, paying particular attention to agriculture; human and social development; and the private sector, infrastructure and industrialization. Those changes would help achieve the structural transformation outlined in the Bank Ten-Year Strategy covering the period 2013–2022.

Mr. Mmadi began by noting a number of sad realities:

a. Most public utilities were insolvent and heavily subsidized by the State;

b. Millions of people lacked access to safe water and adequate sanitation and power;

c. Waste was discarded by millions of people without being properly treated;

d. Urban infrastructure was so deficient that traffic jams had become the norm.

The reason for those realities was not lack of money: institutional investors had more than $100 trillion in assets under management globally. A small fraction of that sum could easily plug the financing gap in Africa.

The list of investment hotspots was also getting longer, with seven visible leaders: Côte d'Ivoire, Egypt, Ethiopia, Kenya, Morocco, Rwanda and South Africa. Public-private partnerships had become popular in all seven countries. The ***World Bank Report 2013*** had noted that Governments suffered from constrained public budgets and that multilateral institutions and donors had acted as major sources of funding for infrastructure projects but could not fully meet the very substantial financial requirements by themselves.

Public-private partnerships had many advantages. Such partnerships focused on outputs; made projects affordable; were better value for money over the lifetime of the project; were more efficient at procurement; had faster project delivery with more projects in a defined time frame; enabled risks to be allocated to the party best able to manage risk; and enabled off-balance sheet financing.

Political considerations were a significant challenge to public-private partnerships as they constrained cost-reflective prices, particularly at election time. As a result, public pressure encouraged policymakers to hold prices below costs, resulting in services that operated at a loss and required funds to be diverted from other programmes. In most instances, the price of goods did not reflect their cost. In the energy sector, however, there were examples of the price itself being excessive. Cost-reflective did not necessarily mean excessive, however.

Other challenges to public-private partnerships were the very real hurdle of bankability; the challenge that investors faced in identifying and structuring bankable projects; and those relating to government aptitude. In most cases, Governments owned the jurisdiction and the asset, so it was up to them to guide regulations and concessions to kick-start agreements. All too often, political agendas created hurdles for transactions.

The speaker underscored the issue of consultations in public-private partnerships.

Mr. Mmadi said that feasibility studies were particularly useful tools for determining the extent and desirability of public participation in a particular infrastructure project – that is, whether a project was amenable to private sector involvement or would be better suited to traditional infrastructure procurement (based on the “design-bid-build” approach). The feasibility study should therefore include a complete risk analysis. The greater the private sector involvement, the greater the transfer of risk from the public to the private actor.

Furthermore, project preparation should also involve adequate consultations with end users and other stakeholders prior to the initiation of the project, preferably at the planning stage. Private participation in infrastructure was unlikely to be successful unless the authorities had first established that the envisaged undertakings were in the public interest and acceptable to consumers and other stakeholders.

The main policy actions to promote long-term investment in infrastructure needed to be developed further and government support for long-term investment needed to be prioritized, because the limited number and sporadic nature of investment opportunities in the infrastructure sector were perceived as the main barrier preventing investors from including infrastructure in their long-term investment strategy.

Ms. Cassimo gave a presentation on public-private partnerships, approaching the issue from the perspective of women and young people. She outlined the role of the Federation of Women Entrepreneurs in Mozambique (FEMME) in increasing such partnerships in regional infrastructure. The main challenges were restoring macroeconomic stability and re-establishing confidence, both of which could be achieved by improving economic governance and increasing transparency.

Mozambique continued to suffer from the effects of the 2016 hidden debt crisis. Real GDP growth had fallen to 3.7 per cent in 2017, down from 3.8 per cent in 2016; inflation, however, had eased to 7 per cent, and that was supported by a more stable metical and falling food prices.

FEMME was a business lobbying organization. It had 800 individual members (20 per cent of them in the informal sector) and 32 member associations (totalling 3,000 people, 70 per cent in the informal sector).

Public-private partnership successes in Mozambique had been achieved when a conception-construction-concession model was followed, and when stakeholders reached an agreement to share benefits, risks and obligations. Infrastructure partnerships were deemed successful when the private party derived profit from management and services, usually with tax incentives. Another enabling factor was the Public-Private Partnership Act and Regulation (Act No. 15/2011) of 10 August and Decree No. 16/2012.

Examples of successful public-private partnerships in Mozambique included developing infrastructure in agriculture, especially to support the cotton, cashew and banana subsectors; supporting industrial production and steel production; Mozal (the aluminium smelter company) through the Sasol gas pipeline; and the Maputo Corridor, which had seen the development of infrastructure such as roads, hospitals, ports, cargo terminals and bridges.

Ms. Pillay began by saying that she had attended many conferences addressing subjects similar to those discussed at the Forum and emphasized that the main question facing the meeting was what would happen after it had ended.

Before opening to the floor for questions and comments, Ambassador MacPherson spoke of the importance of developing public-private partnerships to increase investment in regional infrastructure. The “sixth region” of Africa – the diaspora – had a direct interest in the development of the continent, and gave the example of the Lumi Africa Diaspora partnership and its commitment to developing 1 gigawatt of energy on the continent.

Participants agreed that public-private partnerships were gaining in popularity in Africa and commented on the potential benefits such partnerships could bring if applied correctly as outlined in the presentation. They also expressed a number of concerns, however.

First, it was argued that such partnerships could be seen as an admission of State failure and misused as a substitute for a functional and capable State. It was stressed that the State had primary responsibility for the provision of public goods, including quality health care, sanitation and water supply, and that should not be offloaded onto public-private partnerships. A functional State was also needed to regulate such partnerships, which should focus on economic and resource-generating activities.

Second, public-private partnerships faced political risks in many countries, especially when there was a change of Government. Therefore, to ensure continuity, extensive consultation should take place before such arrangements were entered into.

A related third point was that the people most affected by public-private partnerships, especially the poor, were not consulted, resulting in any benefits from such arrangements bypassing them. Partnerships should therefore incorporate a human rights dimension from the outset. Participants noted here that public-private partnerships tended to focus on commercial rather than public interest and should therefore be carefully crafted not to affect the poor disproportionately, thereby deepening poverty and widening inequality.

Another point was that broader consultations on public-private partnerships would make for greater transparency and help to reduce or even eliminate corruption.

Lastly, partnerships tended to focus on large projects requiring enormous amounts of funding, which in turn tended to eliminate local business participation and involve mostly foreign-owned large businesses. It was suggested that the involvement of development financial institutions would help local businesses obtain finance to participate in public-private partnerships.

Participants noted that public-private partnerships could be vehicles for linking up with the diaspora on such critical projects as energy and road infrastructure. Deliberate steps should be taken to create a conducive environment to advance such cooperation.

Some participants asked why the African Development Bank, an African institution, held its meetings outside the continent, and wondered about its commitment to the continent. It was explained that the Bank had 24 non-African shareholders, who were entitled to host such meetings. Those external member States had been added as shareholders because the Bank had limited resources and had to mobilize concessionary funds to be used in continental and country-specific development projects.

Participants then asked why the African Development Bank was not following its own advice by transitioning into green growth. The reply was that the Bank was transitioning gradually as most African countries still had to rely for a while on fossil fuel-based energy sources. It still viewed coal as an integral part of the energy mix. It was pointed out that country contributions had to be increased to subsidize the least developed countries that contributed little to the Bank.

Participants argued that Governments should use innovative financing to fund infrastructure projects. Balance sheet optimization, the use of social funds, such as pension funds, and the creation of a low-interest African bond were suggested.

Some participants commented that the political risk of public-private partnerships was not unique to the African context. The current model of seismic policy changes seen in the United States was mentioned. The government policy environment had to be stabilized. Some support was voiced for making such partnerships subject to public procurement legislation instead of creating laws specific to them. Other participants disagreed, arguing that public-private partnerships should be subject to specific laws as they were unique instruments in their own right. Some participants thought that public-private partnerships required more oversight in terms of whether or not they benefited the poor and were free of corruption. It was suggested that more should be done to engage civil society before such partnerships were entered into.

B. Accelerating cross-border investment and trade towards greater regional integration in Southern Africa

Chair: Baffour Ankomah

Speakers: Thabo Qhesi, CEO, Private Sector Foundation, Lesotho

Joseph Musariri, Federation of Clearing and Forwarding Associations

Mr. Qhesi said it was important to talk about trade because it could be used to create job opportunities and fight poverty. On the basis of the international poverty line of $1.90 a day, the global population of people living below that line had increased by 2.5 million people from 2016 to 2017 (from 766 million to 768.5 million, respectively). The largest share of the poor were in Sub-Saharan Africa, with 338.7 million in 2016 and 390.2 million in 2017.

According to the ***World Investment Report 2018***, in 2017, foreign direct investment flows to Africa as a whole declined by 21 per cent.[1] Regional declines were as follows: North Africa, 4 per cent; West Africa, 11 per cent; Central Africa, 22 per cent; East Africa, 3 per cent; and Southern Africa, 66 per cent.

According to the same report, growth in global value chains had decreased significantly across all regions, both developed and developing. Foreign value added was a key measure of global value chains. Foreign value added in trade was the imported goods and services incorporated in a country's exports. The share of the developed economies in that was 32 per cent, while Africa's was 14 per cent. The factors contributing to poor performance and low trade were the following:

a. Lack of cohesiveness within line ministries (e.g. the Ministry of Foreign Affairs not passing on messages within a reasonable time);

b. Insufficient public-private dialogue;

c. Sluggish private sector as a result weak institutional capacity, meaning that business associations were unable to play a sufficient facilitating role and hold the Government accountable.

He cited global development frameworks that had not been fully utilized: most countries had failed to meet the Millennium Development Goals; the Almaty Declaration, adopted by the International

1 World Investment Report 2018: Investment and New Industrial Policies, p. xi (United Nations publication, Sales No. Sales No. E.18.II.D.4).

Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation in 2003; and the Istanbul Declaration and Programme of Action for the Least Developed Countries, adopted by the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul, Turkey, in May 2011. The overarching goal of the Istanbul Programme of Action was to overcome the structural challenges faced by the least developed countries, to eradicate poverty, achieve internationally agreed development goals, and enable half of the 48 least developed countries to progress out of that category by 2020.

In the ten-year period starting in 2020, the national policies of the least developed countries and international support measures for them would focus on the following specific objectives:

a. Achieve sustained, equitable and inclusive economic growth by strengthening productive capacity;

b. Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;

c. Reduce the vulnerability of least developed countries to economic, natural and environmental shocks and disasters by strengthening their resilience;

d. Ensure enhanced financial resources, and enhance good governance at all levels by strengthening democratic processes, institutions and the rule of law.

The World Trade Organization Integrated Framework was initially established in October 1997 at the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. The other core partner agencies in the Integrated Framework were the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme and the World Bank. In 2006, a task force on an enhanced integrated framework had provided recommendations that led to the current Enhanced Integrated Framework. The Enhanced Integrated Framework was intended to assist least developed countries in their use of trade as an engine of growth, sustainable development and poverty reduction strategies, including by incorporating trade into sectoral strategies, action plans and budgets. Finally, at the 2013 Bali Ministerial Conference, members of the World Trade Organization concluded negotiations on the landmark Trade Facilitation Agreement, which entered into force on 22 February 2017, following its ratification by two-thirds of its membership.

Mr. Musariri noted that many countries were landlocked, but that seaports were available for trade with overseas markets. However, he lamented the generally inadequate infrastructure; border crossings plagued with delays that had economic and social consequences; the negative effects of transportation of goods by road; and common challenges across the region, including corruption. He also argued that meetings of trade delegations were purely Government-to-Government affairs in which private sector involvement was very limited. Furthermore, the private sector faced funding challenges. He castigated many Governments for their gatekeeper approach, whereby they focused on import revenues at the expense of industrial growth and domestic taxes. He called on Governments to strike a balance between revenue collection and trade facilitation.

During the discussion that followed, participants stressed that regional economic integration was undermined by challenges on the ground, particularly at border posts. The most serious of those were long delays in clearing goods owing to poor administrative capacity, lack of appropriate technology, lack of understanding of the rules governing cross-border trade, corruption, and insufficient human resources and skills. Those problems increased the cost of doing business across countries.

Several participants argued that there should be fewer incentives to stay at borders. That meant efficient cross-border systems that allowed trucks and individuals to clear goods quickly and move on. Other participants held the view that infrastructure and services around borders should be developed to boost tourism and benefit local communities. Accommodation, banking services and shopping should be part of such developments to boost the living conditions of local communities.

It was suggested that rail networks should be developed to facilitate the movement of goods and alleviate stress on roads that led to frequent maintenance needs and costs and toll fees and insurance requirements raised the costs of doing business even further. Railways would also go some way to solving the problem of corruption at the many road blocks. Participants agreed that double guarantee bonds should be done away with, and a single third-party insurance implemented.

Parallel sector round-tables: good practices, incentives, innovations, obstacles and recommendations

The five parallel breakaway sessions dealt with sectoral issues. They identified good practices, discussed government incentives that had expanded cross-border trade and innovations that could lead to increased regional integration and trade. Various obstacles were discussed and solutions suggested. Overall, the sessions focused on sector-specific development strategies to support the private sector in the context of regional integration.

Parallel session 1: manufacturing

Moderator: Lucy Nampemba, Zambia National Broadcasting Corporation

Participants discussed a number of issues and challenges hindering the development of the manufacturing sector in Southern Africa. In particular, they noted a disconnect between national policies and practices and the strategies adopted at the regional level by member States. Low levels of productive capacity had a significant negative impact on the competitiveness of firms (especially SMEs), constituting a major obstacle to investment and the development of the whole sector. The complexity of rules of origin and tariff regimes, especially in the textiles subsector, was another issue that was especially important as many private sector operators in those sectors had little knowledge or grasp of the regulations and technicalities involved in cross-border trade or of the particularities of the manufacturing sector. Moreover, individual countries did not have the required human capital to participate effectively in technical negotiations at regional and international levels. Participants expressed concern about the lack of communication between Governments and specialized private sector operators or associations, in particular with firms and representatives of traders or retailers in the textile industry. They also questioned the political will of national leaders to implement the protocols, rules and regulations adopted at the regional level. In addition, the development of the manufacturing sector in the region was negatively affected by global factors, including trade agreements with developed and third countries, and the actual demand side of manufactured products. While some of those factors, such as the demand and preference for products by regional citizens, were difficult to control, they indicated the need for national and regional leaders to consult with key stakeholders in the relevant sectors before signing agreements that could have important repercussions for the development of the sector.

Several recommendations were made to help foster the development of the manufacturing sector in the region:

a. Member States should build and strengthen their capacities to effectively participate in sectoral and technical negotiations, including through requests for technical assistance from regional economic communities or development partners;

b. Independence should be the cornerstone of discussions and partnerships between the public and private sectors;

c. Private sector associations needed to be established or strengthened (including by sector of activity). In that regard, it was important for the private sector to take the lead in strengthening its own capacities in terms of understanding technical trade regulations and cross-border procedures;

d. Rules of origin procedures needed to be simplified, and tariff lines needed to be simplified and harmonized;

e. Governments had to be made accountable for policies and the implementation of regional protocols and strategies, including market access commitments;

f. Productive capacities had to be developed through technology enhancements, innovations and skills development programmes, including vocational training initiatives, centres of excellence, and research and development programmes;

g. It was important for Member States to seek ways to increase their financial contributions to regional funds designed to address deficiencies in technology and human capital.

Parallel session 2: agriculture and agribusiness

Moderator: Kipson Gundani, CEO, Association of SADC Chambers of Commerce and Industry, and CEO, African Roundtable

Participants identified several issues and challenges affecting the growth of the agriculture sector and agribusiness in Southern Africa. The perception that farming and agriculture in general was for the elderly and the retired inhibited full participation by young people. Furthermore, investment in the agriculture sector by Governments in the region remained much lower than the threshold of 10 per cent of the annual national budget that is enshrined in the Maputo Declaration. Participants also pointed out that smallholder farmers lacked access to finance because they lacked the collateral demanded by banks and other financial institutions. A further challenge was the insecurity of land tenure systems in most countries of the region that limited access to land for increased agricultural production, especially among women smallholder farmers. The agricultural productivity of smallholder farmers remained low, which in turn affected their competitiveness. The small scale of their operations meant that smallholder farmers lacked production capacity to take advantage of the large market opportunities offered by supermarket chains, and the capacity to meet quality and safety standards, especially as demanded by regional markets. Related to the issue of quality standards, the high costs and inadequate availability of quality certification services also affected smallholder access to regional and international markets. Other challenges included the inadequate availability and high cost of energy and water, which affected agricultural production and agro-processing, and the high costs of business services that limited the capacities of smallholder farmers to expand their production and harness markets.

Despite those challenges, there were many opportunities for growth in the agriculture sector and agribusiness. The lack of market information; the lack of skills among smallholder farmers; and the limited availability of storage and warehousing, cold chain and packaging facilities and services all represented business opportunities for the private sector, while regional and continental trade arrangements and agreements presented large potential input and output markets for the private sector.

Based on the challenges and opportunities identified, participants made recommendations that, if implemented, could spur the growth of agriculture and agribusiness in Southern Africa. The most important recommendations included the following:

a. As a matter of urgency, undertake agrarian reforms to tackle the problems of access to land and affordable finance, especially by women and young farmers;

b. Promote value addition and agro-processing, including by building the necessary infrastructure, including storage, abattoirs, processing plants, transportation and energy;

c. Revamp agricultural extension services and facilitate farmer access to and uptake of technology aimed at enhancing productivity;

d. Facilitate the organization of farmers into groups or cooperatives and build their collective capacities to meet market demand;

e. Facilitate farmer access to information on agricultural input and output markets to enhance production and trade;

f. Promote the value chain approach to agricultural development and promote backward and forward linkages;

g. Enhance the skills and knowledge base of farmers through targeted training programmes that address production, value addition and business management, among others.

Parallel session 3: tourism

Moderator: Angela Chishimba, Deputy News Editor, ***Zambia Daily Mail***

Participants mentioned several obstacles preventing the tourism sector from blooming and contributing more to economic growth, job creation and enhanced regional integration, include the absence of a single visa for SADC countries; a lack of knowledge among operators about tourism products and their quality; and a need for harmonized industry standards across the region, as some international private hotel chains were not consistent in what they offered in the different countries of the region. There was also a need to cluster tourism products and to market the region as a whole instead of countries marketing themselves individually. Markets had to be integrated and source markets clearly defined. Tourism had the potential to create jobs for youth. It was pointed out that some travel agencies involved in packaging regional products did not keep the profits generated in certain countries and that, if funds were not shared equitably, tourism could not grow equitably. Concern was expressed about the slow pace of infrastructure development in the region. The absence of good air corridors and international corridors was seen as creating high costs for travellers and longer trips. It was hoped that the forthcoming tourism investment forum would effectively match investors with potential infrastructure development opportunities. Tourism had suffered by being given low priority by Governments. The funding of the Regional Tourism Agency of Southern Africa had been sporadic at best. Countries did not support it and it would benefit from private sector support. An effective new strategy was required that targeted local markets and intraregional travel.

There were some success stories. The ECA Single Visa and the Zambia-Zimbabwe Tourist Visa were models that could usefully be replicated throughout the region. Airbnb could also be seen as a model. Partnerships between South Africa National Parks and the private sector had resulted in improved infrastructure in and around game parks. Sho't Left, a local tourism promotion initiative in South Africa, had resulted in higher numbers of local tourists, while the campaign promoting Kigali as the cleanest city in Africa was an example for cities across the region.

Recommendations for the tourism sector included:

a. Market different tourist products to eliminate the notion that tourism is expensive;

b. Promote local travel by marketing local tourism during off-peak periods at lower prices and having international rates during peak season;

c. Provide a platform where established chains in the industry train and integrate SMEs;

d. Attract more tourists by improving sanitation and security, following the example of Rwanda;

e. Increase budget allocation to tourism, which is now the second-largest sector in Rwanda; and

f. Improve skills training in key tourism corridors as a means to an overall improvement in standards in the sector.

Parallel session 4: financial services

Moderator: Nozipho Sibiya, *Swazi Observer*, reporter on financial services

Participants agreed that the availability of and access to affordable finance was one of the most critical constraints on the emergence of a vibrant and dynamic private sector: regional value chains would fail to materialize in the absence of investment finance. A shortage of credit for businesses undermined their ability to obtain production inputs and invest in the required capital goods and equipment needed to undertake value addition and beneficiation, which tended to be capital-intensive activities. While access to credit was a serious concern for all firms, regardless of size, it was an acute problem for micro-, small and medium-sized enterprises, which often had little credit history or tangible assets to use as collateral.

A wide variety of possible sources of business finance was explored. The increasing popularity of public-private partnerships could be a way for Governments to support local business ventures, but currently most such arrangements were dominated by foreign companies, leaving local businesses as mere spectators. The reason they were left out was lack of funds. Another issue was the tendency of Governments to misuse public-private partnerships to run away from their core function of providing services to citizens. Governments should focus on core social service provision and not surrender basic services to such partnership arrangements in which profitability was a key consideration on the private sector side. Public-private partnerships worked better if they were focused on economic areas requiring high-level skills and finance. If a Government abrogated its responsibility for basic service provision, the ensuing partnerships would not be sustainable, in particular when there was a change of Government.

Existing sources of funding, such as public development financial institutions, should be encouraged to provide venture or seed capital and training as part of their support to local entrepreneurship. Rather than claim that there was a lack of bankable projects, those institutions should take it upon themselves to provide training to citizens, in particular women and youth, on how such projects could be developed.

The diaspora was another source of innovative funding that had proved useful in the few cases where it had been used, in such areas as infrastructure development (e.g. the energy sector). However, to encourage financing from that source, Governments had to create a conducive environment that was business-friendly and encouraged remittances (e.g. avoiding excessive charges when funds are wired for local investment).

Participants also underscored the need to build networks that would provide financial and other support to small-scale ventures (including early-stage entrepreneurs). The Mo Ibrahim Foundation and the Tony Elumelu Foundation were examples of successful angel and philanthropic investors that could help promote (young) local entrepreneurs.

Turning to the issue of cross-border trade, participants acknowledged that the non-convertible and non-tradeable nature of most national currencies impeded regional or cross-border trade in goods and services because market players, especially MSMEs, were compelled to use cash or the United States dollar, which in turn put pressure on exchange rates. Participants encouraged the development of regional cashless or electronic payment systems that would enable market players, including MSMEs, to transact without using cash or the dollar. That would facilitate regional trade in goods and services, reduce exchange rate pressure on national currencies and eliminate the risks associated with carrying and transacting with cash across borders.

Parallel session 5: trade

Moderator: Baffour Ankomah, Editor-at-Large, *New African* (trade)

Participants discussed several issues hampering cross-border trade in Southern Africa, including some already mentioned in relation to the manufacturing sector in particular.

Regarding the lack of communication between the public and private sectors, Governments failed to inform key stakeholders in the private sector appropriately about the outcomes of various trade agreements and negotiations. That sometimes resulted in the key actors on the ground being unaware of rules, regulations and procedures. It was noted that the complexity of cross-border trade documents and requirements often created severe complications for the private sector, especially SMEs, and impinged on their investment dynamics. The persistent issue of non-tariff barriers (including customs and border clearance issues and quality of logistics) arose many times during the discussion.

Participants noted the challenge of balancing industrial development and market access commitments: protecting and promoting a number of key strategic productive sectors in domestic markets against the backdrop of international trade liberalization processes. Overlapping memberships of regional economic communities and the extent to which that explained the slow pace of integration in the region was also an issue. For example, should the Southern African Customs Union be maintained or integrated into the SADC as one single regional block? Trade negotiations had not paid sufficient attention to the services sector.

The recommendations included:

a. Improve communication and information-sharing between the public and private sectors;

b. The private sector needed to be better organized at the national and regional levels, including in order to be familiar with product and market access regulations;

c. It was imperative to implement agreements and policies adopted at the regional and international levels;

d. Give more support to informal cross-border traders, in particular women, by building their capacities in terms of understanding the policies, protocols and procedures governing cross-border trade, access to information on their rights, and access to facilities such as storage, finance and general services;

e. Develop a regional cashless or electronic payment system to enable market players, including MSMEs, to transact without using cash or trading through the dollar as a way of facilitating regional trade in goods and services, reducing exchange rate pressure on national currencies and eliminating the risks associated with carrying and transacting using cash across borders;

f. Provide a sustainable, competitive and enabling business environment that promotes private sector development and fosters cross-border trade dynamics in the region;

g. Member States should design and develop road, railway, energy, information and communication technologies projects and infrastructure projects with a broader regional perspective, along the lines of the corridor approach, to facilitate and enhance regional integration in general and regional trade in particular;

h. Member States and regional economic communities should to redirect their focus on trade in goods, but also explore the possibility of expanding trade in services, which has great growth potential;

i. Trade and competitiveness need to be linked so Member States should develop policies that support competitiveness by creating an enabling environment, while private sector players should develop their internal competitiveness by investing in building systems and automating their operations.

Day 3 — Unlocking public-private partnership models

A. Cross-cutting issues and sector integration recommendations

The plenary session heard the reports of the various parallel breakaway sessions, focusing on key issues and recommendations, some of which are detailed below.

Risk factors in MSMEs were high, and therefore mechanisms to support the sector needed to be strengthened from various angles: financial management; capacity-building of entrepreneurs; help to link them up with big business to promote backward and forward linkages; facilitation of a forum for experience-sharing and to find ways to give them a voice; and infrastructure and service provision by Governments as part of job creation and supporting economic growth.

Participants supported the idea of using movable assets as collateral. The suggestion arose from the realization that MSME owners were poor citizens with no fixed assets. Another suggestion was to use group collateral to raise funds. It was suggested that animals could be used as collateral in rural areas.

Governments were encouraged to be innovative in raising funding for business. Public pension funds and diaspora savings were just two possible sources, in addition to local resource mobilization efforts.

B. Supporting micro, small and medium-sized enterprises and innovation: creating an enabling environment for inclusive regional economic growth

Chair: Ulrich Klins, Programme Manager, Business for Development Pathfinder, Southern Africa Trust, South Africa

Speakers: President, Southern African Research and Innovation Management Association, Head of Technology Transfer Office, University of the Western Cape, Janine Chantson Chief Executive Officer, Federation of the Eswatini Business Community, Duduzile Dlamini-Nhlengethwa Chairperson, Southern African Business and Technology Incubation Association, Zaid Mohidin

Ms. Chantson explained that the key drivers of innovation were population support for innovation, the ability to partner with universities, effective intellectual property and patent protection, and the efficacy of public-private partnerships. The deterrents to innovation were inefficiency and poor coordination of government support, low budget allocations by Government to innovation, poor private investment support and the slow speed at which innovative products come to market. Linking entrepreneurship to innovation, she argued that large companies were innovative but tended to use innovation to reduce jobs, while entrepreneurs and small businesses tended to be more innovative than large businesses, and that entrepreneurs and tech start-ups were more likely to use innovation to develop products and services that people want or need, to create jobs and enhance economic growth.

Universities had a big role to play in economic growth and development, including by conducting research aimed at solving real-world problems of regional or commercial interest; creating new ventures and transferring technologies to companies for job creation and economic growth; and providing students with valuable knowledge, research experience, marketable skills and entrepreneurship training. She encouraged universities to partner with industry to benefit from assistance in translating research findings to fit industry needs, new opportunities for research funding, access to external test beds for university technology, and finding licensees and entrepreneurs to commercialize university technology. The benefits of such partnership for industry were access to high quality technologies, access to high quality interns and future employees, and access to university expertise, resources, and equipment.

Ms. Dlamini-Nhlengethwa began by discussing the characteristics and importance of MSMEs. They were defined differently in different countries and were generally extremely diverse; women accounted for a large proportion of entrepreneurs, especially at micro level and in the informal sector; MSMEs created the largest proportion of jobs and contributed to economic growth, which made their growth important; their performance often lagged behind that of larger organizations; and MSMEs were an important source of export revenue and ultimately regional integration.

The challenges faced by MSMEs were identified as:

a. Poor profiling;

b. Inability to leverage regional and national value chains;

c. Limited resources, including financial, human, physical and technological (a lack of digital skills was especially important as activities and transactions in value chains were increasingly digitized);

d. Administrative, legislative, security and language barriers (women, youth and the informal sector);

e. Low penetration of regional and global markets;

f. Poor expansion and diversification strategies;

g. Poor coordination at the national and regional levels;

h. Constraints on the movement of business people and cross-border trade, including the informal sector;

i. Poor innovation and workmanship;

j. Inability to meet standards and the cost of certification;

k. Lack of knowledge.

She made several proposals regarding the promotion of MSMEs:

a. Targeted support and interventions for MSMEs by sector;

b. Product and service diversification strategies;

c. Prioritizing MSMEs at national level and in the regional integration agenda;

d. Change in attitude on the part of both MSMEs and stakeholders (a need for stakeholders to be brave enough to address inclusion and make commitments to support MSMEs);

e. Facilitating meaningful growth and development and/or inclusion of the informal sector to become micro-, small and medium-sized enterprises (which requires a multi-faceted approach);

f. Gender mainstreaming of MSME development strategies and programmes nationally and regionally;

g. Social protection and security schemes directed towards MSMEs;

h. Simplified trade documents;

i. Increased protection of traders (personal safety, extended banking services such as mobile money and mobile banking);

j. Equity funding and buy-out facilities (development financial institution financing, especially for public-private partnerships);

k. Institutionalized collaboration and multi-sectoral support by stakeholders (government, multinationals, the diaspora, financial services providers);

l. Inclusive empowerment programmes, especially for women, youth, persons with disabilities and the informal sector;

m. Exchange of ideas and best practices, and information gap management;

n. Strengthening and recognizing the role of business federations at national and regional level, especially those involved with MSMEs;

o. Capacity-building using simplified terminology and local languages, twinning, monitoring and evaluation (impact assessment);

p. Mainstreaming research, science and technology, including innovative ideas and protection of intellectual property;

q. Effective Government and private sector dialogue and partnership;

r. Provision of affordable quality standards and certification of goods services for MSMEs;

s. Establishment of affordable commercial dispute resolution structures at national and regional level;

t. A facilitating mechanism to assist migration from the informal sector to micro-, small and medium-sized enterprises;

u. Databases for MSMEs, profiled by sector.

The MSME sector needed special and urgent support to drive the industrialization agenda. Young people, women, people with disabilities and the informal sector needed special, targeted programmes to enable their enterprises to grow and diversify into all sectors of the economy.

Mr. Mohidin focused on strategies to unlock economies through business incubation, with the overall objective of fostering innovative partnerships between MSMEs, which were key to economic development and job creation, and the public sector. He discussed the benefits of incubators for MSMEs, most of which entered with laudable intent, but found themselves facing several challenges, including poor integration, lack of visibility, organizational and functional silos, high costs, vulnerability and inefficiencies, that ultimately led to frustration and discouragement.

He described the role of the Southern African Business and Technology Incubation Association in promoting and supporting incubation through its efforts to strengthen business and technology incubation as effective instruments for sustaining the growth and development of MSMEs as vehicles for economic growth and development. It helped to build effective entrepreneurial ecosystems by connecting talents to mentors and global value chains, developing a corporate culture of best practices, emphasizing the benefits of science and technology, facilitating understanding of government regulations and laws and of how to navigate within that environment to build a successful venture. He discussed challenges faced by MSMEs when attempting to enter global markets and the South African market, and emphasized the need for network hubs and to identify trusted and certified partners.

Annex I: Outcome statement

Southern African Regional Stakeholder Forum

The private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth

Lilongwe

11–13 June 2018

Preamble

1. The Southern African Regional Stakeholder Forum was jointly organized by the Economic Commission for Africa Subregional Office for Southern Africa (ECA-SA), the African Union Southern Africa Regional Office (AU-SARO) and the Africa Business Group (ABG). The theme of the Forum was "The private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth", and it was held in Lilongwe from 11 to 13 June 2018. The objective of the Forum was to provide a comprehensive, integrated and inclusive platform for intense dialogue, focused on policy and programme development, among a broad range of constituencies from the private sector, regional economic communities, Governments, financial institutions and development partners. The Forum was also aimed at discussing the implementation of strategies for harnessing the potential of the private sector to accelerate regional integration, and specifically regional market development, in Southern Africa. The essential question was how the private sector could be the driver and major beneficiary of the regional integration process in Southern Africa through increased opportunities for investment, profit and growth in the region.

2. It was a high-level forum that attracted chief executive officers and captains of industry and the financial sector in the region and beyond, chambers of commerce and industry, senior government officials, regional economic communities, the African Union, the Economic Commission for Africa (ECA), multilateral institutions and development agencies, civil society organizations and other key stakeholders, including the diaspora. Participants came from the following countries: Angola, Egypt, Eswatini, Jamaica, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe. The following Governments were represented: Angola, Eswatini, Lesotho, Mauritius, Mozambique, Zambia and Zimbabwe. Organizations represented at the Forum included ABG, the Zambia Development Agency, the Zimbabwe National Chamber of Commerce, the Industrial Development Corporation of South Africa, the Southern African Development Community, the Development Bank of Southern Africa (DBSA), the African Union Commission, the Southern Africa Trust, the COMESA Competition Commission, TRALAC (trade law centre), the National Economic Advisory Council of Zambia, the COMESA Business Council, the NEPAD-Infrastructure and Trade Programme, Temo Ya Tlhabane Holdings, Reed Exhibitions Africa,

Thompsons Africa, the Confederation of Zimbabwe Industries, the Trade and Development Bank, the Federation of Women Entrepreneurs in Mozambique (Femme), the Southern African Research and Innovation Management Association and Technology Transfer Office, the University of Western Cape, the Federation of the Eswatini Business Community, the Southern African Business and Technology Incubation Association, the Federation of Clearing and Forwarding Associations, Peritum Agri Institute, the Private Sector Foundation of Lesotho, the National Clothing Retail Federation, the Zambia Chamber of Commerce and Industry, Zambia Young Emerging Farmers, the Seychelles Chamber of Commerce and Industry, the Namibia National Farmers Union, the Lesotho Chamber of Commerce, the Tanzania Private Sector Foundation, the National Industrial Development Corporation of Swaziland, Africa Roundtable, the Association of SADC Chambers of Commerce and Industry, the Regional Tourism Organization of Southern Africa, the Federation of Swaziland Employers, TPN Training and Recruitment, GIZ-CESARE, Grow Africa, FINACCO Pty Limited, Tutwa Consulting and NEPAD Business Forum Partner Organization, Business Botswana, Nino's SA, the SADC Banking Association, the Ministry of Finance for the Accompong Maroons, Jamaica, the African Advisory Board, Mzuzu Coffee, the Alliance for African Partnership, the Malawi Confederation of Chambers of Commerce and Industry (MCCCI), the African Development Bank Country Office, USAID Malawi, the Zambia National Broadcasting Corporation, the Zambia ***Daily Mail***, ***New African/African Interest Magazine***, the ***Swazi Observer***, the Malawi News Agency, the Times Group and ECA.

3. The opening ceremony was jointly organized with the Malawi Investment Forum 2018. During the ceremony, presentations were made by the Chief Executive Officer of the Malawi Investment and Trade Centre, Clement Kumbemba; and the Chief Executive Officer of the Public-Private Partnership Commission, Jimmy Lipunga. Remarks were delivered by the Secretary General of COMESA, Sindiso Ngwenya; Said Adejumobi on behalf of the Executive Secretary of ECA, Vera Songwe; Ambassador Auguste Ngomo on behalf of the Chairperson of the African Union, Moussa Faki Mahamat; the Minister of Finance, Economic Planning and Development of Malawi, Goodall Gondwe; and the Minister of Industry, Trade and Tourism of Malawi, Henry Mussa. The keynote speech was delivered by the President of Malawi, Arthur Peter Mutharika.

4. The agenda of the Stakeholder Forum was as follows:

- Opening ceremony
- Setting the scene: the private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth
- The private sector as a catalyst in implementing the continental free trade area
- Developing public-private partnerships to increase investment in regional infrastructure
- Accelerating cross-border investment and trade towards greater regional integration in Southern Africa

- Parallel sector round tables: good practices, incentives, innovations, obstacles and recommendations

- Side event organized with the Southern Africa Trust

- Cross-cutting issues and sector integration recommendations

- Supporting micro-, small and medium-sized enterprises and innovation: creating an enabling environment for inclusive regional economic growth

- Closing ceremony

Key observations

5. After presentation of the main reports, the Stakeholder Forum participants:

a. Acknowledged the progress made at the regional and continental levels in creating frameworks, policies and strategies to promote regional integration, industrialization, regional value chains and economic development in Southern Africa and the continent as a whole, noting that domestication, implementation and monitoring progress remain key issues;

b. Noted that the private sector needs to be more involved in order to drive the regional integration process, with the attendant benefits for the private sector of creating better opportunities for investment, profit and the growth of the private sector;

c. Observed that the private sector should be more involved in policymaking processes on regional integration, industrialization, and economic development, including on trade negotiations in the region and the continent;

d. Argued that micro-, small and medium scale enterprises are still limited in their ability to take advantage of the opportunities provided by expanded markets through the regional integration process. The main beneficiaries remain large firms, most of them concentrated in the trade, communication and service industries; appropriate strategies are therefore needed to mainstream MSMEs into the regional integration process and enable them to reap its benefits;

e. Noted that information flow remains key for the private sector in tapping into the opportunities provided by expanded markets and investment potential in the region. These include adequate and available information on private sector organizations in the region encouraging joint investments, and regional value chains, the details of the various protocols and strategies as they affect and benefit the private sector, and how business flows can be eased in the region;

f. Highlighted the inefficiencies at border posts, including the slow pace of clearance of goods, the absence of the required technology, the lack of uniformity of rules between and among countries, the lack of unified regional insurance arrangements, and inadequately skilled human resources;

g. Noted that informal cross-border traders, in particular women traders, have little capacity in terms of understanding the policies, protocols and procedures governing cross-border trade, have no access to information about their rights and face a critical shortage of facilities, such as for storage and other general services;

h. Noted that indigenization policies could serve the purpose of promoting the local economic empowerment of citizens; such policies require careful consideration of quality, standards, merit, efficiency and productivity, however;

i. Welcomed the African Continental Free Trade Area Country Business Index currently under development by ECA, as it will help member States to monitor progress on the implementation of the Agreement establishing the African Continental Free Trade Area. Establishing a baseline for the Index would facilitate the monitoring process;

j. Noted the lack of data on MSMEs, particularly in a disaggregated form that would make it easier to monitor progress on gender representation, youth involvement and informal economic activities;

k. Expressed their concerns that the fragmented nature of private sector associations weakens their ability to speak with one voice on matters concerning the private businesses they represent;

l. Agreed that it is the responsibility of both Governments and the private sector to devise a marketing strategy on tradeable goods and services;

m. Noted that greater interaction between large businesses and MSMEs is necessary to promote forward and backward linkages, enhance local entrepreneurship, and create jobs and skills;

n. Acknowledged that public-private partnerships are gaining in popularity, but noted that they could be a substitute for a functional and capable State. The State has prime responsibility for the provision of public goods, including quality health care, sanitation and water supply, and it was essential not to offload those responsibilities onto public-private partnerships. A functional State is also necessary to regulate the public-private partnership regime;

o. Noted that public-private partnerships face political risks, particularly when there is a change of Government;

p. Underscored the fact that lack of finance prevented local entrepreneurs from being able to participate in public-private partnership arrangements, and that that resulted in foreign companies taking a large share of such partnerships, and participants noted that local communities in the vicinity of public-private partnership projects tend to miss out on the benefits of those projects;

q. Underscored the support and opportunities that the diaspora could provide by investing in the region and the continent, and acknowledged the current investment by the diaspora in the energy sector in Africa;

r. Acknowledged that the non-convertible or tradeable nature of most national currencies impedes regional and cross-border trade in goods and services, since market players, especially MSMEs, have to use cash or transact using the dollar, which in turn puts pressure on exchange rates.

Recommendations

6. On the basis of those observations, participants made the following recommendations:

a. More information-sharing and discussion on policy are needed between the private sector and other key stakeholders, including Governments, regional economic communities, the African Union, ECA and development partners, to improve coordination and support for the private sector in driving and benefiting from the regional integration process. Events such as the Stakeholder Forum organized by ECA, the African Union and ABG are therefore to be strongly encouraged;

b. The private sector should be involved in the design, formulation, implementation, and monitoring of regional protocols, strategies and programmes on industrialization, regional value chains, cross-border trade, private sector development and trade negotiation issues;

c. Governments should take a long-term term view of the costs and benefits of regional and continental agreements and protocols, rather than focusing on short-term revenue gains;

d. Governments and regional economic communities should ensure greater efficiency and smoothness at border posts for easy and timely passage of trucks and other trade-related movements. This should include speedy clearance of goods through the use of technology, uniformity of rules between countries, the provision of adequately skilled human resources, and the facilitation of cross-border movement of persons;

e. Informal cross-border traders, in particular women traders, need greater support to build their capacity to understand policies, protocols and procedures regarding cross-border trade, to access information on their rights and to access facilities such as storage, finance and general services;

f. Since the countries of Southern Africa are largely agrarian societies, most of their citizens still being engaged in the agriculture sector, the development of agro-industry, the enhancement of agricultural productivity, and regional value chains in agriculture must be promoted in the region;

g. Governments should implement indigenization policies giving due consideration to effective strategic planning and issues of quality, standards and productivity, while encouraging the economic empowerment of citizens. Indigenization policies should not be haphazard or impulsive or promote inefficiency, cronyism and mediocrity;

h. Governments should speedily incorporate regional agreements, protocols and strategies related to regional trade and investment at the national level in order for the private sector to take advantage of the economic benefits of regional economic integration;

i. Governments should put in place mechanisms that encourage foreign direct investment to create linkages with local MSMEs, including in the agricultural sector, with a view to creating backward and forward linkages, capacity-building and job creation;

j. Stakeholders, both public and private, should help build the capacities of business associations, assist them in improving their organization and entrenching institutional mechanisms whereby their voices are heard on national and regional issues (e.g. National Economic Development and Labour Council in South Africa);

k. Public-private partnerships are beneficial and to be encouraged but cannot be a substitute for State capacity in the provision of public goods and the regulation of the economy. The State must assume full responsibility for the provision of essential public goods and services, while concentrating public-private partnerships more on economic and resource-generating activities;

l. In order for public-private partnerships to be sustainable, consultations with the private sector, the communities affected by them and other stakeholders are required; such consultations will enhance the accountability of such partnerships and improve the way they are constituted;

m. As the sixth region of Africa, the diaspora should be encouraged to invest, partner with local businesses and promote business tours and linkages with the private sector in the region and the continent as a whole;

n. A regional cashless (electronic) payment system needs to be developed that would enable market players, including micro-, small and medium-sized enterprises, to transact without using cash or trading through the dollar, as a way of facilitating regional trade in goods and services, alleviating exchange rate pressure on national currencies and eliminating the risks associated with carrying and transacting using cash across borders.

The way forward

The participants thanked the organizers for facilitating the Stakeholder Forum and encouraged them to sustain the facilitation of similar private sector events. The requested the organizers to circulate the outcome statement to key stakeholders at national and regional levels.

Done at Lilongwe

13 June 2018

Annex II

Programme of the Forum

Day 1: Public-private dialogue: accelerating regional integration

8 a.m.-9 a.m. Accreditation and registration

9 a.m.-12:30 p.m. **Joint opening ceremony with Malawi Investment Forum 2018** (Bingu International Conference Centre)

12:30 p.m.-1 p.m. Move to the Sunbird Hotel

1 p.m.-2:30 p.m. Lunch

2:30 p.m.-3:45 p.m. Setting the scene: the private sector and regional integration in Southern Africa: accelerating opportunities for investment and growth

Chair: **Willard L. Manungo,** Permanent Secretary, Ministry of Finance and Economic Development, Zimbabwe

- **Koffi Elitcha**, Associate Economic Affairs Officer, ECA Subregional Office for Southern Africa
- **Amany Asfour**, Chair, COMESA Business Council
- **Kipson Gundani**, CEO, Association of SADC Chambers of Commerce and Industry

The plenary session will consist of background paper presentations analysing trends in regional integration processes in Southern Africa by examining institutional and policy frameworks with special reference to trade, industrialization and infrastructure development and the role of the private sector in them. In particular, presentations will identify the challenges faced by the private sector in engaging in or strengthening regional value chains and discuss key investment and growth opportunities for the sector. Preliminary policy recommendations will be tabled for consideration by participants.

3:45 p.m.-4 p.m. Coffee and tea break

4 p.m.-5:30 p.m. The private sector as a catalyst in implementing the Continental Free Trade Area

Chair: Busi Mabuza, Chairperson of the Board, Industrial Development Corporation, South Africa

- Jamie Macleod, ECA, African Continental Free Trade Area Country Business Index Lesley Wentworth, Southern Africa Business Forum

- **Oswald Chinyamakobvu,** African Union Commission

5:30 p.m.-6:30 p.m. **Networking/Exhibition**

The plenary session will discuss the key elements of the Continental Free Trade Area and how the private sector stands to drive each element, deriving enormous economic gains from doing so. Presentations will elaborate on what regional economic communities, development partners and development financial institutions are doing to support the private sector in its drive to make the Continental Free Trade Area gain traction.

6:30 p.m.-8:30 p.m. Dinner and cocktails

Day 2: Sector integration workshops: removing barriers-expanding regional value chains and partnership

9 a.m.-10:15 a.m. **Developing public-private partnerships to increase investment in regional infrastructure**

- Chair: Ambassador Timothy MacPherson, Maroons, Jamaica

- Frank Mvula, African Development Bank Country Office, Malawi

- Snowden Mmadi, NEPAD Infrastructure Technical Expert

- Sofia Cassimo, Vice-President, Femme, Mozambique

- Iouana Pillay, Seychelles Chamber of Commerce and Industry

The plenary session will focus on the benefits of public-private partnerships in reviving and/or developing new national and cross-border infrastructure to support regional integration, trade facilitation and investment. Successful examples will be highlighted, and recommendations suggested on how legislative and institutional frameworks on public-private partnerships in Member States should or could be enhanced to boost cross-border investment, in particular, and economic development and trade in general, within and across countries.

10:15 a.m.-11:30 a.m. Accelerating cross-border investment and trade towards greater regional integration in Southern Africa

Chair: **Chancellor Kaferapanjira**, CEO, Malawi Confederation of Chambers of Commerce and Industry

Betty Chinyamunyamu, CEO, NASFAM (or nominee)

George Lipimile, Chair, TRALAC Board, and CEO of the COMESA Competition Commission

Thabo Qhesi, CEO, Private Sector Foundation, Lesotho

Joseph Musariri, Federation of Clearing and Forwarding Associations

Devine Ndhlukula, Managing Director, Securico

The plenary session will focus on supporting cross-border investment through appropriate policies, implementation of regional protocols, infrastructure development, business-to-business interaction and support, access to finance and cross-border administration – all aimed at motivating the private sector to seek investment opportunities across countries. Issues of tariff and non-tariff barriers will also be broached with a view to finding ways of fast-tracking their removal.

11:30 a.m.-12 p.m. Coffee and tea break and move to parallel sector round tables

12 p.m.-1:15 p.m. Parallel sector roundtables: good practices, incentives, innovations, obstacles and recommendations

Manufacturing	Agriculture and Agribusiness	Tourism
Johansein Rutaihwa, SADC secretariat **Dephine Mazambani**, Confederation of Zimbabwe Industries **Michael Lawrence**, National Clothing Retail Federation **Mtetwa Bachazile**, Ministry of Trade, Eswatini **T. Mugaga**, Zimbabwe National Development Agency	**Yunike Phiri Nhari**, President, Zambia Young Emerging Farmers Association **Belinda Louw**, Peritum Agri Institute **Brenda Tlhbane**, Managing Member, Temo Ya Tlhabane Holdings **Mushokabanji Mwilima**, Namibia National Farmers Union **Bernard B. Kaunda**, Acting CEO, Mzuzu Coffee **Peter Boone**, Home Office Director, USAID Feed the Future Project, Malawi	**Thembi Kunene-Msimang**, CEO, Regional Tourism Organization of Southern Africa **Andre Paul**, Ministry of Trade, Mauritius **Papy Luzala**, Sponsorship Manager, Reed Exhibitions Africa **Themba Ndayi**, Customer Success Manager, Africa and Middle East, Thompsons Africa **O. Mungule**, National Economic Council of Zambia
Moderator: **Lucy Nampemba**, Zambia National Broadcasting Corporation	Moderator: **Kipson Gundani**, CEO, Association of SADC Chambers of Commerce and Industry, and CEO, African Roundtable	Moderator: **Angela Chishimba**, Deputy News Editor, *Zambia Daily Mail*

1:15 p.m.-2:30 p.m. Lunch break

2:30 p.m.-3:45 p.m. **Round-tables (continued)**

Financial services	Trade
G. Mamba, Trade and Development Bank **Khetsiwe Mdluli-Dube**, Business Development Manager, Swaziland Industrial Development Company **N. Sululo**, National Development Agency, Mozambique **John Mulongoti**, Ministry of Trade, Zambia **R. Rantsane**, Ministry of Trade, Lesotho **William Lugemwa**, DBSA, Principal Deal Originator for SADC	**Prisca Chikwashi**, Zambia Chamber of Commerce and Industry **Boitumelo Gofhamodimo**, Independent Consultant **Azeem Salehmohammed**, National Development Agency, Mauritius **Chimombe**, Ministry of Trade, Zimbabwe **Flavia Gomes**, National Development Agency, Angola **Carla Guilaze Soto**, Ministry of Trade, Mozambique
Moderator: **Nozipho Sibiya**, *Swazi Observer*, Reporter	Moderator: **Baffour Ankomah**, Editor-at-Large, *New African*

The parallel breakaway sessions on day 2 will deal with sectoral issues, elaborating on good practices and discussing government incentives that have worked through expanded cross-border trade and the generation of innovations that could also lead to increased regional integration and trade. Various obstacles encountered by sectors will be discussed and solutions suggested. Overall, the sessions will focus on sector-specific development strategies to support the private sector in the context of regional integration.

3:45 p.m.-4 p.m. Coffee and tea break

4 p.m.-6 p.m. **Exhibition | B 2 B | Networking**

6 p.m.-8:30 p.m. **SARIS Forum Gala Dinner**

This session is intended to give private sector participants an opportunity to interact and exchange ideas that would be of mutual benefit beyond the Forum. SMEs, in particular, will find networking with large corporations beneficial in creating backward and forward linkages across borders, as well as supporting the development of entrepreneurship, especially among women and youth.

Day 3: Unlocking public-private partnership models

9 a.m.-10:15 a.m. Cross-cutting issues and sector integration recommendations

Agriculture and agribusiness

Tourism

Manufacturing

Financial services

Trade

The plenary session is a report-back from the day 2 parallel breakaway sessions, with a focus on key issues and recommendations. The plenary will consolidate the cross-cutting issues and make recommendations.

10:15 a.m.-10:30 a.m. Coffee and tea break

10:30 a.m.-11:45 a.m. Supporting MSMEs and Innovation: Creating an Enabling Environment for Inclusive Regional Economic Growth

Chair: **Ulrich Klins**, Programme Manager, Business for Development Pathfinder, Southern Africa Trust, South Africa

- **Janine Chantson**, President, Southern African Research and Innovation Management Association, Head of Technology Transfer Office, University of Western Cape
- **Rangarirai Machemedze**, SADC Council of Non-Governmental Organizations
- **Duduzile Dlamini Nhlengethwa**, CEO, Federation of the Eswatini Business Community
- **Zaid Mohidin**, Chairperson, Southern African Business and Technology Incubation Association

11:45 a.m.-12:30 p.m. Discussion and adoption of outcome statement

12:30 p.m.-1 p.m. Closing ceremony

Annex 3

List of participants

Stakeholder Forum

"Private Sector and Regional Integration in Southern Africa:

Accelerating Opportunities for Investment and Growth"

Lilongwe

11 to 13 June 2018

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