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Twenty-Third Session of the Intergovernmental
Committee of Experts(ICE)

26-27 October 2017
Bulawayo, Zimbabwe

Outcome statement

Preamble

1. The twenty-third Intergovernmental Committee of Experts (ICE) Meeting of Southern Africa was hosted by the Government of Zimbabwe in Bulawayo, Zimbabwe on 26 and 27 October 2017 under the theme “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap”.
2. The Honourable Minister of Finance and Economic Development, Dr. Ignatius M.C. Chombo officially opened the meeting following welcoming remarks by Honourable Eunice Sandi-Moyo, Provincial Affairs Minister for Bulawayo Metropolitan Province. Ms. Giovanie Biha, Deputy Executive Secretary, United Nations Economic Commission for Africa (ECA), Mr. Said Adejumobi, the Director of the Economic Commission for Africa’s Subregional Office for Southern Africa (SRO-SA), Dr. Auguste Ngomo, representing the African Union, Southern Africa Regional Office and Mr. Peter Simbani, representing the Chair of the Bureau of the twenty-second ICE also made remarks.
3. Delegates from the following member States attended the twenty-third Session of the ICE: Angola, Lesotho, Malawi, Mauritius, Namibia, Swaziland, Zambia and Zimbabwe.
4. Organizations represented at the meeting included: African Business Group, African Development Bank, African Union Commission, African Union Southern Africa Office, Centre for Trade Policy Development, Centre of Studies on Regional Integration of Eduardo Mondlane University, Common Market for Eastern and Southern Africa (COMESA), Human Sciences Research Council, Infrastructure Development Bank of Zimbabwe, Ministry of Small and Medium Scale Enterprises of Zimbabwe, Mpulungu Harbour, New Partnership for Africa’s Development (NEPAD), National Association of Non-Governmental Organizations, National University of Science and Technology, Oxfam, Ports Management Association for Eastern and Southern Africa, Reserve Bank of Zimbabwe, Southern Africa Cross Border Traders Association, Southern Africa Trust, Southern African Research and Documentation Centre, Southern and Eastern Africa Trade Information and Negotiation Institute, Streetwise Informal Traders Association, Swaziland Investment Promotion Authority, University of Zimbabwe, Zimbabwe Chamber of Informal Economy Association, Zimbabwe Coalition on Debt and Development, Zimbabwe Cross Border Traders Association, Zimbabwe National Statistics Agency, Zimbabwe Revenue Authority, and Zimconsult. Media organizations represented were: the Chronicle, L’Express, New African Magazine, South African Broadcasting Corporation, Times Group, Zambia Daily Mail, Zambia National Broadcasting Corporation and Zimbabwe Broadcasting Corporation. Experts in regional integration, infrastructure and trade also attended the meeting.

Programme of work

5. The delegates elected Zimbabwe as Chairperson of the Bureau of the twenty-third ICE, Lesotho as Vice-Chairperson and Namibia as Rapporteur.

6. The twenty-third ICE Session adopted the agenda below:
 - (a) Opening Session
 - (b) Election of the Bureau and Adoption of the Agenda and Programme of Work
 - (c) Presentation of Statutory Reports by SRO-SA
 - (i) Economic and social conditions in Southern Africa
 - (ii) Programme performance of ECA in Southern Africa
 - (iii) The implementation of regional and international agendas and other special initiatives in Southern Africa
 - (d) Presentation of the Thematic Report: “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap”
 - (e) Roundtable on “Financing Infrastructure for Accelerated Regional Integration and Trade in Southern Africa”
 - (f) Presentation of the Recommendations of the AEGM on “Deepening Regional Integration in Southern Africa: The Role, Prospects and Progress on the Tripartite Free Trade Area”
 - (g) Presentation of Reports on the Work of other ECA Divisions
 - (h) Roundtable on “Accelerating Regional Integration for Sustainable Socioeconomic Development in Southern Africa: Challenges and Opportunities - The View of Non-State Actors”
 - (i) Any other Business
 - (j) Date and Venue of the next Meeting
 - (k) Consideration and Adoption of the Outcome Statement of the twenty-third ICE
 - (l) Closing Session

Account of proceedings

7. The Committee considered three statutory reports submitted by the Secretariat. The reports were on: (a) Economic and social conditions in Southern Africa in 2016 and prospects for 2017; (b) Programme performance of ECA Southern Africa Office; and (c) Progress on the implementation of regional and international agendas, including NEPAD and other special initiatives in the subregion focusing on Agenda 2063 and the 2030 Agenda. The report on the theme of the ICE, “Trade Facilitation in Southern Africa: Bridging the Infrastructure Gap” was presented and discussed by the Committee. The Committee also considered and adopted the recommendations of the Ad Hoc Expert Group Meeting (AEGM) on “Deepening Regional Integration in Southern Africa: The role, prospects and progress on the Tripartite Free Trade Area”.

8. Reports from the work of the ECA Special Initiatives Division and the African Trade Policy Centre were presented to the Committee for information and discussion.

9. The Committee endorsed the Report of the Programme Performance of ECA Southern Africa Office for 2016-2017 and the work programme for 2018-2019.

Observations

10. The Committee made the following observations:

(a) Southern African economies remain vulnerable to international developments including low commodity prices. However, the firm prices during the last year present opportunities for improved economic performance in the near future.

(b) Agriculture remains the mainstay of Southern African economies. The sector however remains traditional using low level technology and is predominantly rainfall dependent.

(c) The rising public debt levels in the region due to, inter alia, loss-making State-owned enterprises (SOEs) and the attendant servicing obligations, continue to divert financial resources away from much needed social and capital spending.

(d) The use of the sea and its resources (and other inland water bodies) can catalyse sustainable socioeconomic development and should be an integral part of national and regional development strategies.

(e) Political stability and policy consistency and certainty are key to attracting investments into the region.

(f) A developmental State approach coupled with political will at the highest level is important to anchor and drive the implementation of national and regional projects.

(g) A number of countries in Southern Africa have embarked on the domestication of the 2030 Agenda and Agenda 2063 and have created the requisite supportive institutional frameworks to accelerate the process and programmes.

(h) The inclusion and mainstreaming of the 2030 Agenda and Agenda 2063 into national policies, plans and strategies are critical for successful implementation.

(i) Multi-stakeholder participation is important for the successful and accelerated implementation of the global and continental agendas.

(j) There is a skills mismatch between the developmental requirements and the output from training institutions in the region leading to a skills gap. However, this gap varies across countries.

(k) The inadequacy of requisite human and financial resources continues to constrain efforts by governments in Southern Africa to implement regional, continental and global development agendas as well as national development plans.

(l) The informal sector is an important actor in development and trade in the region and therefore, data on activities in the sector should be collected and included in trade statistics to capture the full regional and national picture on trade.

(m) Informal traders face many unique hard and soft infrastructure and trade-related challenges along the trade routes in the region.

(n) Accurate, up-to-date and disaggregated statistics is critical for planning, monitoring and evaluating developmental programmes.

(o) To facilitate the development of infrastructure and subsequent maintenance there is the need for political will, capacity and leadership engagement and a systems approach in analysing and addressing challenges.

(p) The deficit in both hard and soft infrastructure continues to undermine efforts by COMESA and the Southern African Development Community (SADC) to expand trade within the region.

(q) Infrastructure is of strategic significance for production, trade and industrialization and the gap in the same continues to undermine productive activities.

(r) The movement of goods and people within the region is mainly by road, which is not only costly, but also results in significant road wear and tear.

(s) Limited financial resources for infrastructure development calls for innovative methods of raising financial resources at both national and regional levels. This includes: public-private partnerships, natural resources-infrastructure swaps, pension funds, diaspora remittances, infrastructure bonds, sovereign wealth funds, joint resource mobilization and regional infrastructure funds.

(t) The harmonization of policies, legal and regulatory frameworks across the region and cooperation among member States and different actors constitute an important prerequisite for the development of transboundary infrastructure.

(u) Some governments in Southern Africa lack the capacity to prepare bankable project documents for desired infrastructure projects.

(v) The efficiency of the conduct of business at the ports hinges critically on the effectiveness of the related activities in the hinterland.

Recommendations

11. In light of the above observations and discussions, the Committee recommended the following as clustered into three broad and interrelated thematic areas of: (a) policy; (b) infrastructure; and (c) capacity.

On policy, member States should:

- (i) Build fiscal buffers to help deal with occasional low commodity prices and weak global trade and investments;
- (ii) Address political instability and policy uncertainties to attract investments in key job-creating sectors;
- (iii) Restrain the rising public debt levels and restrict loans and guarantees to SOEs, as well as reduce unnecessary borrowing;

- (iv) Include and mainstream the 2030 Agenda and Agenda 2063 into national policies, plans and strategies and develop supportive institutional frameworks to drive implementation so as to accelerate progress towards the attainment of development goals;
- (v) Establish mechanisms for multi-stakeholder participation in the domestication of development agendas;
- (vi) Enhance engagement, experience sharing with all stakeholders in the implementation of the 2030 Agenda and Agenda 2063 through subregional and regional processes, including the ICE, Africa Regional Forum for Sustainable Development, the Conference of Ministers and other intergovernmental processes;
- (vii) Develop mechanisms to document activities and collect data on the informal sector to accurately reflect/recognize their role;
- (viii) Accelerate the harmonization of policies and legal and regulatory frameworks across national boundaries to facilitate the development of transboundary infrastructure to improve trade.

On policy, RECs and other stakeholders should:

- (i) Accelerate the implementation of SADC and COMESA priority programmes including programmes related to trade facilitation and infrastructure;
- (ii) Develop frameworks to accelerate the harmonization of policies and legal and regulatory frameworks across national boundaries to facilitate the development of transboundary infrastructure to improve trade;
- (iii) Develop policy frameworks to harmonize the informal trade environment across the region and ensure that member States adhere to the frameworks.

On infrastructure, member States should:

- (i) Invest in the mechanization and upgrade of the agricultural sector, including the development of irrigation systems for improved productivity and food security;
- (ii) Invest in the development and upgrade of multimodal transport systems to lessen pressure on road infrastructure so as to facilitate trade and the movement of persons; and
- (iii) Include infrastructure projects, including transboundary projects, in national development plans to ensure alignment and also that resources for the development of the projects are mobilized and allocated as part of the national budgeting process.

On infrastructure, RECs and other stakeholders should:

- (i) Promote the accelerated implementation of prioritized regional infrastructure projects including those which have a direct impact on trade facilitation;
- (ii) Develop region-wide mechanisms to address the specific infrastructure and trade-related challenges faced by informal traders, both along the trade routes and at border crossings.

On capacity, member States should:

- (i) Mobilize financial resources and build the requisite human capacity to anchor the implementation of regional, continental and global development agendas while ensuring that these agendas are imbedded in national development plans;
- (ii) Collaborate with the private sector and other stakeholders to ensure that the training curriculum is aligned to the needs and priorities of industry to avert skills shortages;
- (iii) Strengthen the capacity of national statistical systems to collect accurate, up-to-date and disaggregated statistics for monitoring and evaluating developmental programmes;
- (iv) Explore, where feasible, the utilization of non-traditional sources of funding for infrastructure development, including: public-private partnerships, natural resources-infrastructure swaps, pension funds, infrastructure bonds, sovereign wealth funds and diaspora remittances.

On capacity, RECs and other stakeholders should:

- (i) Enhance national and regional capacities to prepare robust bankable project documents to enhance the attractiveness of infrastructure projects to potential investors;
- (ii) Strengthen and grow regional infrastructure development funds and direct the funds towards prioritized regional programmes, including infrastructure; and
- (iii) Strengthen the capacity at regional level to collect accurate, up-to-date and disaggregated statistics for monitoring and evaluating developmental programmes and developing appropriate interventions.

Way forward

12. The Committee underscored:

- (a) The need to expedite the implementation of the AEGM recommendations towards accelerating regional integration in the tripartite free trade area;
- (b) That SRO-SA should work closely with member States, RECs and other stakeholders to facilitate continued dialogue aimed at addressing socioeconomic, trade facilitation and infrastructure challenges in the region;

- (c) That the Secretariat should include the blue economy as one of its future focus areas in order to provide a platform for stakeholders to develop national and regional strategies to optimally utilize inland and oceanic resources;
- (d) That the recommendations of the study on addressing the infrastructure gap be submitted to the appropriate stakeholders, including the East African Community (EAC), SADC and COMESA secretariats for further action;
- (e) The urgent need for the Secretariat to follow up on the offer by Mauritius to host the twenty-fourth ICE of Southern Africa so as to firm up and enable the requisite preparations to commence early;
- (f) That the Secretariat should consult further with member States regarding the Hosting Calendar and more urgently on the twenty-fifth and twenty-sixth Sessions so as to accord adequate preparation time to the respective member States.

Bulawayo, Zimbabwe
27 October 2017
