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Statutory issues

Report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on its twenty- ninth session

Note by the secretariat

The secretariat of the Economic Commission for Africa has the honour to transmit to the members of the Commission the report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on its twenty-ninth session.

* E/ECA/COE/42/1.



Report of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa on its twenty-ninth session

I. Introduction

1. The twenty-ninth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa was held in Gaborone and online on 8 and 9 November 2023. The theme of the session was “Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area to ensure inclusive development in Southern Africa: building on the free trade agreements of the regional economic communities, and harnessing technology and innovation for private sector and value chain development”. The session was chaired by the Government of Botswana.

II. Opening of the session [agenda item 1]

A. Opening statements

2. The Minister of Industry and Trade of Botswana, Mmusi Kgafela, delivered the keynote address to officially open the twenty-ninth session of the Intergovernmental Committee. Welcoming remarks were delivered by the Resident Coordinator for Botswana, Zia Choudhury; the Director of the Subregional Office for Southern Africa, Eunice Kamwendo, speaking on behalf of the Deputy Executive Secretary (Programme) of the Economic Commission for Africa (ECA), Hanan Morsy; the Director of Policy, Planning and Resources Mobilization of the secretariat of the Southern African Development Community (SADC), Mubita Luwabelwa, speaking on behalf of the Executive Secretary of SADC, Elias Mpedi Magosi; the Director of Trade and Customs of the secretariat of the Common Market for Eastern and Southern Africa (COMESA), Christopher Onyango, speaking on behalf of the Secretary-General of COMESA, Chileshe Kapwepwe; the Permanent Representative of the African Union to COMESA and SADC, David Claude Pierre; and the Chair of the Bureau of the twenty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa and Permanent Secretary of the Ministry of Industry and Trade of Mozambique, Jorge Fernando Jairoce.

B. Attendance

3. Delegations and participants attended from Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.

4. Representatives of the following intergovernmental institutions were present: African Union; Economic Commission for Africa; German Agency for International Cooperation; secretariat of the African Continental Free Trade Area; secretariat of COMESA; secretariat of SADC; secretariat of the Southern African Customs Union; United Nations Development Coordination Office; United Nations Development Programme; and United Nations Industrial Development Organization.

5. Representatives of the following government entities were also present: Bank of Botswana; Bank of Zambia; Development Bank of Southern Africa; Lesotho National Development Corporation; Ministry of Agricultural Development and Food Security (Botswana); Ministry of Commerce and Consumer Protection (Mauritius); Ministry of Commerce and Industry (Angola); Ministry of Commerce, Trade and Industry (Zambia); Ministry of Economy and Finance (Mozambique); Ministry of Economy and Planning (Angola); Ministry of Finance (Botswana); Ministry of

Finance (Lesotho); Ministry of Finance and Economic Affairs (Malawi); Ministry of Finance and Economic Development (Zimbabwe); Ministry of Finance and National Planning (Zambia); Ministry of Finance and Public Enterprises (Namibia); Ministry of Finance, Economic Planning and Development (Mauritius); Ministry of Foreign Affairs, Regional Integration and International Trade (Mauritius); Ministry of Higher Education, Science and Innovation (South Africa); Ministry of Industrialization and Trade (Namibia); Ministry of Industry and Commerce (Mozambique); Ministry of Labour and Home Affairs (Botswana); Ministry of Small and Medium Enterprise Development (Zambia); Ministry of Trade and Industry (Botswana); Ministry of Trade and Industry (Malawi); Ministry of Trade, Industry and Small Business (Lesotho); National Planning Commission (Malawi); National Treasury (South Africa); Zambia Revenue Authority; Zambia Development Agency.

6. Observers of the following non-governmental organizations were present: Botswana Digital and Innovation Hub; Botswana Institute for Development Policy Analysis; Centre for Agricultural Research and Development, Lilongwe University of Agriculture and Natural Resources; Centre for Trade Policy Development (Zambia); COMESA Business Council; Confederation of Zimbabwe Industries; FabLab Design and Technology Centre (Namibia); Global Wealth Centre (Zimbabwe); Graça Machel Trust; Institute for Public Policy Research (Namibia); Namibia Chamber of Commerce and Industry; National Agricultural Research and Development Institute (Botswana); National Association of Business Women (Malawi); Malawi Union of Small and Medium-sized Enterprises; Open Society Foundation for South Africa; Oxfam International; Policy Monitoring and Research Centre (Zambia); Private Sector Foundation (Lesotho); SADC Business Council; SADC Centre for Renewable Energy and Energy Efficiency; South African Chamber of Commerce and Industry; Southern African Institute for Policy and Research; Trade and Industrial Policy Strategies (South Africa); Trade Law Centre (South Africa); University of Zambia; University of Zimbabwe; Zambia Chamber of Commerce and Industry; Zambia Institute for Policy Analysis and Research; Zambia Monitor; Zimbabwe Broadcasting Corporation; and Zimbabwe Economic Policy Analysis and Research Institute.

7. Observers of the following private sector entities were also present: Lwati Loluhle Staffing Services and Carbon.

III. Election of the Bureau and adoption of the agenda and programme of work [agenda item 2]

8. The Intergovernmental Committee elected the following members to constitute the Bureau of its twenty-ninth session:

Chair: Botswana

Vice-Chair: Angola

Rapporteur: Zambia

9. The Committee adopted the following agenda for its twenty-ninth session:

1. Opening of the session.
2. Election of the Bureau and adoption of the agenda and programme of work.
3. Presentation of statutory reports:
 - (a) Recent economic and social conditions in Southern Africa;
 - (b) Work of ECA in Southern Africa (annual report);
 - (c) Implementation of subregional and international agendas and other special initiatives in Southern Africa.

4. Presentation of the thematic report on accelerating implementation of the Agreement Establishing the African Continental Free Trade Area for inclusive development in Southern Africa, building on the free trade agreements of the regional economic communities and harnessing technology and innovation for private sector and value chains development.
5. High-level panel discussion on addressing the challenge of non-inclusive development in Southern Africa with a focus on multidimensional poverty and inequality.
6. High-level panel discussion on promoting the complementary implementation of the Agreement Establishing the African Continental Free Trade Area and the free trade agreements of regional economic communities in Southern Africa.
7. High-level panel discussion on the role of technology and innovation in promoting private sector and value chain development in Southern Africa.
8. High-level panel discussion on enhancing sustainable agri-food systems and value addition through innovation and investment in renewable energy resources and technologies to accelerate inclusive development in Southern Africa.
9. Presentation of the recommendations of the ad hoc expert group meeting.
10. Seminar on the *2023 Africa Sustainable Development Report¹* and the drafting of the outcome statement.
11. Presentation and adoption of the outcome statement of the twenty-ninth session.
12. Announcement of the host and venue of the thirtieth session.
13. Closing of the session.

IV. Presentation of statutory reports [agenda item 3]

10. The Committee considered three statutory reports submitted by the secretariat: a report on recent economic and social conditions in Southern Africa; the annual report on the work of ECA in Southern Africa; and a report on the implementation of regional and international agendas and other special initiatives in the subregion and the financing of the Sustainable Development Goals in Southern Africa. The Committee also discussed the findings of the thematic study on accelerating implementation of the African Continental Free Trade Area for inclusive development in Southern Africa, building on the free trade agreements of the regional economic communities and harnessing technology and innovation for private sector and value chains development. The Committee also reviewed and endorsed the recommendations of the ad hoc expert group meetings, during which three study reports focusing on various strands of the theme of the twenty-ninth session of the Intergovernmental Committee were discussed.

11. The Committee endorsed the annual report on the work of ECA in Southern Africa for 2023 and the work programme for 2024.

¹ African Union and others, *2023 Africa Sustainable Development Report: Accelerating recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development and African Union Agenda 2063 at all levels* (Addis Ababa, Economic Commission for Africa, 2023).

V. Observations

12. The Committee made several observations on the basis of the presentations by the secretariat and the ensuing panel and plenary discussions on the reports.

13. On the subregion's economic and social conditions in the face of increasing geopolitical tensions and the intensifying adverse effects of climate change, the Committee:

(a) Noted that the subregion's overall economic performance had been flaccid amid mounting geopolitical tensions, more frequent and more damaging climate disasters, deteriorating financial conditions and declining demand and prices for commodities;

(b) Highlighted the increasing frequency and severity of cyclones in the eastern part of Southern Africa, with Malawi and Mozambique having been hit the hardest, and noted with concern the adverse impact of the cyclones on human lives, infrastructure and agricultural production;

(c) Appreciated that the monetary authorities' resolve to tame inflation was bearing fruit, but was concerned that the rising cost of food, which was the main expense for the poorest members of society, remained high, which exacerbated poverty and inequality;

(d) Noted the adverse effects of climate change on agricultural production, and thus on food security and nutrition, and expressed its concern that inequality in the region could increase further unless far-reaching mitigation measures were adopted;

(e) Observed that exchange-rate volatility and the depreciation of Southern African currencies were largely due to external factors to which the subregion was exposed, which had led to the importation of inflation and had thus undermined the business climate;

(f) Appreciated ECA members' efforts to reduce public debt to sustainable levels, but noted that, in the short run, these efforts may negatively affect social and economic spending, such as spending on education, health and infrastructure;

(g) Expressed concern that Southern Africa was lagging behind other subregions in Africa in attracting official development assistance and remittances and was not making the best use of inflows to promote sustainable development;

(h) Regretted that inclusive and sustainable industrialization remained the missing link for structural transformation and sustained economic growth in Southern Africa, despite the immense opportunities to industrialize through value addition to commodities, mineral beneficiation, regional integration and other means;

(i) Also regretted the declining share of manufacturing value added to gross domestic product in most Southern African countries, with the manufacturing sector seeing a similar decrease, and said that this raised questions concerning the achievability of the subregion's industrialization agenda;

(j) Appreciated the emergence of cross-border special economic zones, which were anchored in complementarity in resource endowments and which were intended to promote industrialization through regional value chains;

(k) Welcomed efforts to implement the Agreement Establishing the African Continental Free Trade Area and said that the continental agreement had the potential to foster the development of regional value chains, which would enable investment and job creation;

(l) Concurred that the implementation of the Agreement had huge potential to transform Southern African countries, from largely natural resource-

based economies that were overdependent on the export of primary and semi-finished commodities, to manufacturing-based economies anchored in value addition and value chain development;

(m) Expressed concern that the subregion and the continent had not been able to deepen intraregional trade during the post-pandemic era, despite the opportunities proffered by the numerous free trade agreements of the regional economic communities and, more recently, the Agreement Establishing the African Continental Free Trade Area;

(n) Regretted that trade among African countries remained stagnant owing to the prevalence of non-tariff barriers and infrastructure deficits and the absence of complementary (differentiated) goods owing to the poor development of regional value chains and value addition;

(o) Noted that the subregion still had high levels of poverty and inequality and that, owing to ongoing regional and global conflicts and the effects of climate change, it had lost some of the gains it had made towards attainment of the Sustainable Development Goals.

14. On leveraging the Agreement Establishing the African Continental Free Trade Area to reduce poverty and inequality, the Committee:

(a) Observed that the implementation of the Agreement would reduce poverty and inequality by creating greater inclusiveness and increasing the number of initiatives to support women, young Africans and micro-, small and medium-sized enterprises and that its implementation would support the formalization of informal cross-border traders, including through simplified trade regimes;

(b) Concurred that the free trade agreements of the regional economic communities, if fully implemented, could accelerate progress towards continental integration and smoother implementation of the Agreement Establishing the African Continental Free Trade Area;

(c) Welcomed the support that the Agreement Establishing the African Continental Free Trade Area is enjoying from ECA members, noting that such strong political will would facilitate the speedy design and implementation of policies and programmes to ensure its roll-out;

(d) Underscored the importance of micro-, small and medium-sized enterprises and the activities of the informal sector in improving the well-being of the poorest members of society;

(e) Stressed that outstanding issues concerning the adopted protocols needed to be resolved quickly and that the remaining negotiations of the protocols under the Agreement needed to be concluded, noting that agreements on digital trade and on women and young people in trade would strengthen the contribution of enhanced continental trade to reducing poverty, inequality and vulnerability.

15. On complementary implementation of the Agreement Establishing the African Continental Free Trade Area and the free trade agreements of the regional economic communities, the Committee:

(a) Reiterated the need to build on the *acquis* of the existing free trade agreements of the regional economic communities to implement the Agreement Establishing the African Continental Free Trade Area, noting that doing so would require a comprehensive understanding of the coherence, or the lack thereof, among the existing free trade agreements in terms of the trade liberalization approaches encoded therein;

(b) Noted with regret that the implementation of free trade agreements in the regional economic communities had been slow and expressed concern that the slow pace would affect how quickly the Agreement Establishing the African Continental Free Trade Area would be implemented;

(c) Broached the issue of a minimum package of functionality within the regional economic communities for implementation of the Agreement Establishing the African Continental Free Trade Area, including the setting of targets – such as 90 per cent tariff liberalization by, for example, January 2025 – for the regional economic communities to meet as they work towards implementing the Agreement;

(d) Argued that, as the Southern African subregion began to accelerate its implementation of the Agreement, non-inclusive development and obstacles to industrialization and private sector development would be addressed effectively.

16. On the harnessing of technology and innovation for private sector and value chain development in the context of the African Continental Free Trade Area, the Committee:

(a) Agreed that, since trade and industrialization were two sides of the same coin, with technology and innovation being enablers of both processes, tradable market opportunities and new sources of competitive advantage needed to be created on a sustainable basis to build industries that could sustain economies by creating formal jobs, generate income over the long term and reduce poverty and inequality;

(b) Argued that for Southern African businesses to make the most of the Area, they needed to be ready to join regional and global value chains and become trusted suppliers to regional and international firms;

(c) Observed that equipping Southern African business to comply with the protocols of the Agreement Establishing the African Continental Free Trade Area, such as through digitalization, was important and required greater attention;

(d) Welcomed the increasing number of national single windows in SADC and COMESA countries, which gave businesses better access to the regulations, standards and rules of origins with which they needed to comply in order to operate in and export to foreign countries;

(e) Noted that achieving close collaboration between multinational enterprises and micro-, small and medium-sized enterprises would enhance the benefits of linkages for both.

VI. Recommendations

17. The Committee proffered recommendations to strengthen the real economy for sustainable and resilient economic growth and employment creation; leverage the African Continental Free Trade Area to reduce poverty and inequality; accelerate trade promotion and development through full implementation of the free trade agreements of the regional economic communities as a basis for implementing the Agreement Establishing the African Continental Free Trade Area; and effectively harness technology and innovation for private sector and value chain development in the context of the Agreement.

18. On strengthening the real sector for a stable macroeconomic environment, sustainable, resilient and inclusive economic growth and employment creation, the Committee recommended that ECA members in the Southern African subregion should:

(a) Focus their attention on promoting the resilience and inclusivity of their mainstay subsectors – agriculture, mining, manufacturing and tourism – through value addition, regional value chains and intraregional trade development. Resilient agricultural methods include irrigation mechanization and operationalization of a food reserve pool for Southern Africa. The low-hanging fruit in building mining resilience includes supporting artisanal miners and supporting value addition to minerals before they are exported. Tourism would greatly benefit from better

supporting infrastructure and the adoption of tourism visas to facilitate tourism in Southern Africa;

(b) Nurture micro-, small and medium-sized enterprises, including by building their capacities and competitiveness; leveraging science, technology and innovation for green industrialization and economic growth; and taking advantage of subregional, continental and global trade agreements for industrialization;

(c) Urgently address the frequent and widespread electricity outages that occur and their infrastructure deficits, both of which undermine their competitiveness;

(d) Ensure that austerity measures to reduce public debt do not compromise essential spending on social and economic development;

(e) Ensure that, as they continue to tackle inflation, they safeguard the growth of economic sectors such as micro, small and medium-sized enterprises that would otherwise suffer from high interest rates;

(f) Address challenges that lead to high living costs for the poor, including food and transport inflation;

(g) Enhance efforts targeted at facilitating external financial inflows, such as official development assistance, foreign direct investment and remittances, including by promoting a conducive environment for such inflows and by ensuring that they are used for sustainable development;

(h) Ensure that special economic zones promote industrialization and regional value chains.

19. On modalities to leverage the Area to reduce poverty and inequality, the Committee recommended that ECA members in the Southern African subregion should:

(a) Speedily incorporate the Agreement Establishing the African Continental Free Trade Area into their domestic legal framework through inclusive processes that reflect each country's most important areas and sectors, with the priorities of all national stakeholders being recognized in that framework;

(b) Prioritize the transition to higher levels of manufacturing value added in their products and services, including by improving the domestic export environment; support exporters' capacities; and create opportunities for women, young people and persons with disabilities;

(c) Remove barriers that hinder implementation of the Agreement by reducing tariffs, eliminating non-tariff barriers and improving transport infrastructure through corridor development;

(d) Empower micro-, small and medium-sized enterprises, including through financial and technical assistance to help them access markets, technology, innovation and training so that they can contribute to poverty reduction and promote inclusive economic development;

(e) Address energy deficits, including by developing new and renewable technologies and by building digital infrastructure;

(f) Build human capital by leveraging the youth dividend and empowering women;

(g) Create a conducive environment for economic growth by empowering women, young people, persons with disabilities and other vulnerable groups through education and the development of skills and competencies.

20. To accelerate trade promotion and development, the free trade agreements of the regional economic communities should be implemented in full, including the elimination of non-tariff barriers, as the basis for implementation of the Agreement

Establishing the African Continental Free Trade Area. The Committee recommended that ECA members in the Southern African subregion should therefore:

(a) Eliminate non-tariff barriers, including by streamlining customs procedures and harmonizing regulations;

(b) Accelerate policy implementation within the regional economic communities and the related free trade agreements to support the full implementation of the regional integration aspirations. Countries should commit themselves to swiftly implementing the subregional policies and trade agreement protocols, including by establishing effective mechanisms to hold defaulting countries accountable and by ensuring the timely execution of agreed programmes;

(c) Harmonize and simplify rules of origin among the various regional economic communities and in the framework of the Agreement, thus encouraging the growth of intra-African trade by making it easier for businesses to navigate complex regulations;

(d) Facilitate the free movement of people across the continent to smoothen trade, cross-border investment and the movement of goods.

21. To effectively harness technology and innovation for private sector and value chain development in the context of the Area, the Committee recommended that ECA members in the Southern African subregion should:

(a) Enhance the capabilities of local producers to develop linkages and raise the value added of the activities sourced locally by multinational enterprises, including through greater access to finance and through a channel focused on enhancing the capacity of micro-, small and medium-sized enterprises to innovate;

(b) Support the emergence of innovation systems for firms at the country and subregional levels.

22. The Committee urged ECA to support the design and formulation of a strategy and plan for the implementation of the Agreement Establishing the African Continental Free Trade Area in the SADC countries and also to support the implementation of the strategy being developed by SADC for micro-, small and medium-sized enterprises.

23. The Committee endorsed the recommendations of the three ad hoc experts group meetings on the status of poverty and inequality in Southern Africa, leveraging the African Continental Free Trade Area for poverty and inequality reduction in Southern Africa, and accelerating the implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa by building on the *acquis* of the free trade agreements of the regional economic communities (see annex). The Committee also underscored the importance of facilitating the speedy implementation of the recommendations by relevant stakeholders.

VII. Way forward

24. The Committee underscored the need for the secretariat to:

(a) Ensure that the recommendations are transmitted to the appropriate stakeholders for action and monitor the implementation process;

(b) Enhance its resource mobilization efforts to meet the growing technical support needs of ECA members in Southern Africa as industrialization programmes are being rolled out and as the implementation of the Agreement Establishing the African Continental Free Trade Area gains traction;

(c) Strengthen and leverage collaboration and partnerships with various stakeholders and partners in supporting the implementation of the recommendations.

VIII. Host and venue of the thirtieth session of the Intergovernmental Committee of Senior Officials and Experts for Southern Africa

25. The Committee urged Angola to respond to the Bureau by 30 November 2023 on the hosting of the thirtieth session.

Annex

Key observations and recommendations of the ad hoc expert group meetings

I. Introduction

1. Three ad hoc expert group meetings, held on 6 and 7 November 2023, in Gaborone and online, were convened by the Subregional Office for Southern Africa, in collaboration with the Government of Botswana. The experts reviewed three study reports, which focused on:

- (a) Status of poverty and inequality in Southern Africa;
- (b) Leveraging the African Continental Free Trade Area to reduce poverty and inequality in Southern Africa;
- (c) Accelerating the implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa by building on the *acquis* of the free trade agreements of the regional economic communities.

II. Key observations

2. On the draft reports, the experts:

- (a) Noted that high levels of poverty and inequality in Southern Africa were recognized and the causes explored;
- (b) Underlined that the draft reports needed to be updated with recent data and that more analysis was needed on the root causes and drivers of poverty so that appropriate measures could be designed to address the two vices and associated vulnerability, including the need to disaggregate data by gender and location;
- (c) Emphasized that the narrative on the African Continental Free Trade Area needed to be updated to capture recent developments;
- (d) Underlined that key concepts related to poverty needed to be clearly defined at the beginning of the report and that it was necessary to establish who the people were that were poor and whether they lived in urban or rural areas;
- (e) Underscored that illustrative examples of countries that had successfully lifted their citizens out of poverty needed to be used, with particular emphasis on the actions taken, the constraints encountered and the lessons learned;
- (f) Noted that the potential consequences of inaction on poverty and inequality and the ways in which poverty might be exacerbated, whether intentionally or unintentionally, should be outlined;
- (g) Emphasized that the experience of the regional economic communities relating to regional integration should be used as learning points;
- (h) Underscored the need to capture the role that regional integration, including trade, could play in addressing poverty and inequality through the creation of markets for goods and services and opportunities for job creation;
- (i) Emphasized how important it was that the strategies adopted by countries for the implementation of the Agreement Establishing the African Continental Free Trade Area should be aligned with their policies and strategies to reduce poverty and inequality and that lessons needed to be learned;
- (j) Emphasized the need for more specific recommendations on how to accelerate implementation of the Agreement and how to reduce poverty and inequality, with the recommendations being addressed to a specific sector or champion, such as the international

community, multilateral institutions, Governments and the private sector, including micro-, small and medium-sized enterprises;

(k) Underscored the importance of clean energy as a driver of industrialization, indicated the ways in which the subregion could benefit from its abundance of critical minerals and urged countries to explore collaboration.

III. Recommendations

3. The experts proffered a number of recommendations to ECA members in the Southern African subregion.

4. On addressing poverty and inequality in Southern Africa, ECA members in the Southern African subregion should:

(a) Promote inclusive economic growth anchored in economic diversification, value addition investing in sectors with high growth potential (including agriculture), supporting entrepreneurship and small businesses and attracting local and foreign investment in growth sectors thus creating sustainable employment opportunities to address poverty;

(b) Implement policies and provide affordable and appropriate financing options and technical support to empower micro-, small and medium-sized enterprises and provide entrepreneurs with training, mentorship and technical assistance in areas such as business planning, marketing, financial management and innovation;

(c) Invest in infrastructure development, including transport, energy, water and sanitation, to facilitate production and trade and improve access to basic services, in particular in rural areas; enhance digitalization; and facilitate access to energy to enable industrialization and value chain development, which are energy-intensive;

(d) Strengthen country and regional-level governance by addressing the underlying factors affecting efforts to reduce poverty and inequality, including the slow progress by most countries in the subregion in adhering to the Declaration on Agriculture and Food Security in Africa, by which States members of the African Union committed themselves to allocating 10 per cent of their national budgetary resources to the implementation of sound policies for agricultural and rural development, which, if implemented in Southern Africa, would help to alleviate poverty;

(e) Harmonize their approaches to addressing poverty and inequality by identifying appropriate measures to address the challenge of poverty and inequality, drawing on the experiences of other countries, including China, that have already succeeded in doing so;

(f) Leverage collaboration among stakeholders, including the regional economic communities, civil-society organizations, research institutions and academia, in identifying high-poverty areas and their attendant characteristics, and in monitoring the implementation of policies and strategies to reduce poverty;

(g) Enhance access to education, in particular for disadvantaged groups, by investing in high-quality education, vocational training and skills development programmes to equip the workforce with the skills they need for emerging sectors;

(h) Strengthen and expand their social protection programmes by establishing comprehensive social safety nets that provide targeted assistance to the most vulnerable populations, including cash transfers, food security programmes and access to health care, and sharing experiences with other countries in the subregion to improve the effectiveness of such programmes in the subregion;

(i) Promote gender equality and the empowerment of historically disadvantaged populations, including women and young people, through targeted policies and programmes to ensure equal access to education, health care, capacity-development opportunities, finance and other economic opportunities;

(j) Strengthen good governance and accountability with a view to reigning in corruption, ensuring equitable resource allocation to promote inclusive development, strengthening institutions, promoting the rule of law, and fostering an enabling environment for civic participation.

5. On leveraging the African Continental Free Trade Area to reduce poverty and inequality in Southern Africa, ECA members in the Southern African subregion should:

(a) Develop and implement national strategies and action plans for the Area that include strategic objectives to address poverty and inequality. The strategies and action plans should have clearly defined milestones and should be supported by a well-resourced framework to monitor and evaluate their implementation. Developing the strategy should be a fully consultative process and should involve the private sector, young people, women, academia and other stakeholders;

(b) Introduce deliberate policies to support the development and growth of micro-, small and medium-sized enterprises, including to give them access to appropriate technology and the skills they need, and preferential access to business opportunities through local content policies;

(c) Support growth in the sectors with the greatest potential to generate sustainable jobs and absorb a larger proportion of the burgeoning young population. Support for agriculture would create jobs and address poverty, so it is vital to protect the sector against the adverse effects of climate change;

(d) Prioritize industrialization by developing and implementing the necessary policies, which should be aligned with subregional industrial policy frameworks to facilitate and support the development of regional value chains anchored in the abundant natural resources of Southern Africa;

(e) Support and equip private sector business associations to enable them to participate competitively in the African Continental Free Trade Area and take advantage of the opportunities it has to offer;

(f) Invest in skills development to support industrialization and industrial development, given that value addition and beneficiation are skills-intensive activities that can generate high-paying jobs, raise incomes and address poverty. The skills developed should be aligned with industry requirements and should be based on science, technology, engineering and mathematics, which are drivers of industrial development;

(g) Facilitate the development of climate-proof infrastructure and align the development of agricultural corridors with road corridors to lower the cost of moving agricultural produce and products;

(h) Facilitate the deepening of financial markets as an anchor for the provision of funds to support the development of specific sectors, including those that have greater multiplier effects and those that have a greater impact on employment. Regional development finance institutions and national development finance institutions can be encouraged to offer various assistance packages. The design of packages needs to embrace inclusivity and access by micro-, small and medium-sized enterprises. In addition, innovative financing mechanisms such as diaspora remittances, pensions, prescribed assets and insurance funds could be redirected, with Governments proactively providing incentives for such mechanisms to support industrialization and efficient taxation systems, thereby de-risking those mechanisms;

(i) Develop sustainable finance frameworks, such as a green bonds framework to support the financing needs of stakeholders, including for infrastructure development;

(j) Support entrepreneurship and private sector development to propel business formation, growth and employment creation, especially through micro-, small and medium-sized enterprises, which dominate the industrial sector in Southern Africa in terms of numbers and opportunities;

(k) Collaboratively leverage the green energy transition to support industrialization and address the energy deficit in the region. The abundance of green energy minerals in Africa, including cobalt, copper, graphite and manganese, provides opportunities for collaborative development and are of strategic importance for the continent's automotive industry priorities under the Area.

6. Furthermore, the experts recommended that development partners, including ECA, should continue to assist ECA members with drafting and implementing national strategies for the Area and with implementing other necessary initiatives to build the capacity of national stakeholders to take advantage of the opportunities afforded by the Area.

7. On the theme of the twenty-ninth session, the experts recommended that ECA members in the Southern African subregion should:

(a) Incorporate their regional integration commitments into national laws to facilitate the smooth implementation of regional commitments, and enhance the understanding of such commitments by national stakeholders;

(b) Strengthen productive capacity and support industrialization and economic diversification, including by investing in education, technology and innovation to enhance manufacturing and the development of regional value chains and the promotion of intraregional trade and cooperation;

(c) Ratify the Protocol on Industry of SADC to provide a platform for collaboration in the development of regional value chains;

(d) Reduce non-tariff barriers, including by streamlining customs procedures, harmonizing regulations and simplifying trade standardization processes, thus reducing the costs and time associated with cross-border trade;

(e) Promote regional value chains by exploring the cumulation prospects under the regional economic communities and the rules-of-origin arrangements in the Agreement Establishing the African Continental Free Trade Area so that each country's strengths and complementarities can be leveraged to diversify the goods and services produced by ECA members in Southern Africa;

(f) Streamline and consolidate membership across various regional economic integration agreements to reduce administrative burdens and facilitate a smoother approach to regional integration;

(g) Accelerate the implementation of regional policies and protocols and consider the development of mechanisms to enforce compliance to ensure timely execution of agreed regional programmes and milestones;

(h) Invest in developing and upgrading infrastructure, including transport, energy and information technology, as improved connectivity and access will reduce trade costs and thus enhance regional integration;

(i) Simplify and harmonize the rules of origin of the regional economic communities and align them with the framework of the Agreement to encourage the growth of intra-African trade by making it easier for businesses to navigate complex regulations. This will also require ensuring coherence and greater alignment across the protocols of the regional economic communities and those of the Agreement;

(j) Re-evaluate third-party free trade agreements and work towards harmonizing them with regional integration objectives, thus ensuring consistency and coherence in trade policies to foster regional unity and integration.

8. The experts also recommended that the secretariats of SADC and COMESA should:

(a) Consider developing subregional strategies to be implemented in the context of the Area to provide subregional guidance as ECA members draft strategies and implementation plans;

(b) Seek alternative sources of funding to foster financial independence by reducing their dependence on donors so that they can pursue and consolidate their own priorities and implement programmes that align with the region's interests and objectives.
