



OPENING REMARKS
BY
HIS EXCELLENCY MR. ELIAS MAGOSI
SADC EXECUTIVE SECRETARY
ON THE OCCASION OF
THE EXTRAORDINARY MEETING OF THE COMMITTEE OF
MINISTERS OF
FINANCE AND INVESTMENT

12 - DECEMBER 2024

VIRTUAL

Honourable Prof. Mthuli Ncube, Minister of Finance, Economic Development and Investment Promotion, and Chairperson of the SADC Committee of Ministers of Finance and Investment;

Honourable Ministers from SADC Member States;

The Deputy Executive Secretary for Regional Integration, Ms. Angele Makombo N'tumba

Mr. Andrew Bvumbe, Chairperson of the Senior Treasury Officials;

Ms. Leila Mokaddem, AfDB - Director General Southern Africa;

Senior Officials from SADC Member States;

SADC Secretariat Staff;

Representatives of the Media;

Ladies and Gentlemen.

Good morning!

I am greatly honoured to welcome you all to this Extraordinary Meeting of the Committee of Ministers of Finance and Investment. At the outset, I wish to express our gratitude to Honourable Prof. Mthuli Ncube, Chairperson of the Committee of Ministers of Finance and Investment for the continued drive and leadership in delivering the mandate of your Committee. I also wish to thank you Honourable Ministers, for attending this meeting, despite your other demanding work schedules.

Honourable Ministers, the SADC Treaty provides that a special SADC Regional Development Fund (RDF) be established with the purpose to create a Regional Financing Mechanism for Economic Development and Sustainable Growth. Seven years have since elapsed from the time the Agreement on the Operationalisation of the SADC RDF was signed in 2016, and the status on the signature and ratification of the Agreement remains unchanged, and worryingly so. To-date, only nine Member States have signed the Agreement, namely Angola, Democratic Republic of Congo, Eswatini, Lesotho, Malawi, Mozambique, United Republic of Tanzania, Zambia, and Zimbabwe. Even more concerning, only Angola has deposited ratification instruments with the SADC Secretariat. As a region, we cannot effectively engage with, and attract funding from our partners, the ICP community and other funders, if our very own enabling

instrument, the RDF Agreement, has not come into force. I humbly urge Member States to expedite their internal processes to deliver on this crucial step.

We do recognise the fiscal pressures as the main impediment on Member States to meet their capitalisation contributions towards the RDF. Your meeting today will therefore receive for consideration, a Discussion Paper on the Operationalization of the Fund with varied mechanisms for Member States to expedite both membership and capitalisation of the Fund. One mechanism is for Member States to access concessional funding from the African Development Fund (ADF), a concessional window of the AfDB, allowing ADF countries or low-income countries to access resources on concessional terms, which may be used to invest in the RDF. Success Stories on ADF utilisation to close financial gaps are well documented in Africa, as some countries had utilised the ADF window to fund membership contributions to the African Trade and Investment Development Insurance Agency (ATIDI). For example, in 2015, the ADF provided Unit of Account (UA) 19.87 million to support Benin, Ethiopia, and Côte d'Ivoire in their equity contribution for ATIDI, thereby enhancing insurance coverage for private sector development across Africa. In 2018, Nigeria also received ADF support of UA 10.21 million to invest in ATIDI.

Allow me, Honourable Ministers, on behalf of the SADC Secretariat to convey our heartfelt gratitude to the African Development Bank (AfDB) for sharing our vision, taking a bold and progressive step and partnering with us in our endeavours to fast-track the operationalisation of the SADC Regional Development Fund. I would particularly want to thank Dr. Akinwumi Adesina, President of the AfDB Group for providing resources, including technical support through the Bank's Southern Africa Regional Development and Business Delivery Office in Pretoria, South Africa, to facilitate the production of the Discussion Paper and recommendations to operationalise the RDF. With this level of commitment, Honourable Ministers, we cannot afford to fail in delivering on this important assignment, and indeed make the RDF operational and start using it without delay. While the Bank has committed resources and support, we as Member States must do our part to ensure the exercise is successfully concluded.

As I conclude, I want to state that I am truly encouraged by the commitment shown by Member States to work on the modalities and see this Fund come to life. I feel that we should have done this a long time ago, but as they say, it is never too late to start. That time is now, and I believe that the elapsed time since 2016 has not been wasted, but has

provided good lessons and experiences for us to use at this juncture. For this, I want to commend the Ministers of Finance for kickstarting this process.

Let me once again thank **Honourable Prof. Mthuli Ncube**, for his leadership and tireless efforts in guiding the work of the finance and investment sector. Let me also thank the Senior Officials for the excellent preparations for this meeting.

I, therefore, wish you a successful and fruitful meeting.

I Thank You! Merci Beaucoup! Muito Obrigada!
Asante Sana! Tatenda! Ke a leboga!