



**Statement of Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA at
the Opening Ceremony of the 43rd Meeting of the Bureau of the COMESA
Committee of Governors of Central Banks**

**8th November 2023
VICTORIA FALLS, ZIMBABWE**

Dr. John Mangudya, the Chairman of the COMESA Committee of Governors of Central Bank and the Governor, Reserve Bank of Zimbabwe
Distinguished Governors
Distinguished Delegates
Ladies and Gentlemen

Good morning,

It is indeed an honor and a privilege for me to have been requested to read the statement of Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA, at the 43rd Meeting of the Bureau of the COMESA Committee of Governors of Central Banks. The Secretary General has, unfortunately, not been able to be present today due to unforeseen exigency of duty. She expresses her gratitude to Governor **Dr. John Mangudya**, for inviting COMESA to this meeting. I want to thank the Governor, and the people of Zimbabwe for the warm hospitality accorded to all of us since our arrival in Victoria Falls. May I also be allowed to express, on behalf of the Secretary General, our sincere gratitude to the Bureau Members for finding time to come to this meeting, despite your busy schedule of national importance. Your attendance at this meeting is a clear testimony of your unwavering support to COMESA and its integration agenda.

May you now allow me, to read the following statement of the Secretary General:

STATEMENT OF THE SECRETARY GENERAL

“Distinguished Governors, Deputy Governors
Distinguished Delegates

May I thank you Bureau members for the continued commitment to COMESA monetary integration. You have continued to steer the COMESA Committee of Governors of Central Banks during a difficult and uncertain time for the region and the world economy. Let me elaborate this a little further.

The regional economies as well as the global economy have gone through a phase of COVID-19 pandemic, war in Ukraine, adverse climate events, a cost-of-living crisis, and now, an evolving war in Gaza. These shocks are putting considerable strain to the regional economies and the world alike in the form of persistent disruption in global supply chains and increased inflation, increased volatility in global financial markets, now tightening global financing conditions. This has put considerable pressure on exchange rates in developing countries, which in turn has heightened debt vulnerability and increased domestic inflation.

Distinguished Governors, Deputy Governors Distinguished Delegates

Your role and that of the wider Committee of Governors is well cut out, that is, of steering your respective economies through these challenges and emerge stronger and resilient amidst these shocks. Among others, this requires more effort of ensuring greater macroeconomic and financial stability, which will facilitate the economic integration efforts and provide for sustained economic development. In the medium to long run, such efforts may include policy actions geared towards increased economic diversification, leveraging on the African Continental Free Trade Area (AfCFTA) to boost intra-Africa trade, especially in manufacturing to ensure value addition and reduced vulnerability to fluctuations in commodity prices. By boosting intra-Africa trade, the regional economies will enhance resilience to spillovers from external shocks and reduce persistent trade deficits, which in turn ensures less inflationary pressures and more stable currencies. Key reforms to boost intra-Africa trade include, accelerating investment in regional infrastructures, promoting free movement of goods and services by removing tariff and non-tariff barriers, and strengthening regional payment and settlement systems, among others. AfCFTA has the potential for the region to build economic resilience.

Ultimately, we look up to you to double your efforts and provide the desperately needed policy solution and remain on course of our integration efforts.

Distinguished Governors, Deputy Governors

Distinguished Delegates

Turning to the main agenda of this meeting, I am informed that your meeting will evaluate the activities of our two institutions, COMESA Monetary Institute (CMI) and the COMESA Clearing House (CCH). I understand that you will receive at this meeting, the progress report on the activities of the COMESA Clearing House on COMESA's Regional Payment and Settlement System (REPSS) and the COMESA Monetary Institute in 2023.

The following progress has been made in the implementation of REPSS:

- (i) 9-member Central Banks are live on the REPSS system, and the value of transactions processed on the system have been growing.
- (ii) The COMESA Clearing House is actively involved in the African Union initiative on Digital Payment Systems Platform and the Afreximbank's Pan-African Payment and Settlement System.
- (iii) CCH is also actively engaged with the Trade and Development Bank (TDB) to establish a trade finance facility that will see more transactions go through REPSS.
- (iv) CCH is working with the COMESA Business Council to create synergies between REPSS and the need to support small and medium scale enterprises (SMEs) in digital payments.

These are indeed great milestones in COMESA's quest to achieve regional economic integration. REPSS will indeed significantly contribute to the expansion of intra-COMESA trade. I urge all member Central Banks to expeditiously use REPSS for payment of their Intra-COMESA transactions.

Distinguished Governors, Deputy Governors

Distinguished Delegates

The COMESA Monetary Institute continues to enhance skills of staff in member Central Banks through the various capacity development activities. The Bureau will consider the

various trainings, research activities and workshops that the institute conducted in 2023. **Distinguished Governors**, capacity building programmes respond to member Central Banks need for improvement of macroeconomic management and financial system stability. The impact of CMI capacity building programmes have been clearly demonstrated by the high-quality research which Delegates at the training/workshops have produced and presented at CMI Annual Research Forums. The capacity developments activities have continued to be more demand driven and for the first time, Governors had a direct input on what CMI will offer in 2024 following the request to provide priority capacity development needs in August 2023, which got an overwhelming response from Governors. I have no doubt that those training and research activities have greatly assisted our member countries in charting the way forward towards fulfilling the COMESA Monetary Integration agenda.

Distinguished Governors, Deputy Governors

Distinguished Delegates

This meeting will consider and endorse the financials and work plans of our two institutions. I also understand that you will also review and adapt the Draft Rules of Procedure for The Committee of Governors of Central Banks of The Common Market for Eastern and Southern Africa, an important instrument that will make your engagements more efficient and effective going forward. I, therefore, request you to continue to support our institutions since it is only through strong institutions that we can achieve our common goal of a prosperous COMESA region.

Distinguished Governors, Deputy Governors

Distinguished Delegates

In concluding, I express my most sincere thanks to you Distinguished Governors and Deputy Governors for your usual guidance for the enhancement of the implementation of the COMESA Monetary Integration Agenda.

I thank you for your attention.