



**Statement by Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA in
the Opening Ceremony of the 25th Meeting of the COMESA Committee of
Governors of Central Banks**

**25 March 2022
VIRTUAL**

Mr. Tarek Amer, Governor of Central Bank of Egypt and the Chairman of the COMESA Committee of Governors of Central Bank

Distinguished Governors

Distinguished Delegates

Ladies and Gentlemen

It is indeed an honour and privilege to address 25th Meeting of the COMESA Committee of Governors of Central Banks, which is our first Virtual Governors meeting since the outbreak of Covid-19. Allow me, at the very outset, to express my profound gratitude to you Governors and your delegation and for having come to this meeting, despite your busy schedule of national responsibilities.

Your attendance of this meeting is eloquent testimony of your enduring support and commitment to the COMESA integration agenda in the quest for sustained transformation and economic growth of member countries especially during the current troubling times occasioned by the COVID-19 pandemic.

Distinguished Governors

Distinguished Delegates

The spread of Covid-19 since the onset of 2020 has impacted people's health and livelihoods and restricted human movements and interactions in a manner unprecedented, causing slowdown in economic activities world over. Economic disruptions brought about by COVID-19 resulted in tightening of global financing conditions, unprecedented capital outflow and sharp decline in remittances and tourism receipts, imposing severe fiscal and exchange rate pressure across many countries in the region.

I must applaud you Governors for remaining largely supportive during these unprecedented times—including shifting priority to crisis management objective instead of strict price stability, yet maintained the resolve towards improved macroeconomic frameworks. There was a great endeavor by our member countries towards adoption of good international practices and principles, progress on institutional reforms, and improvement in operational frameworks for fiscal and monetary policies and in transparency and reporting.

Distinguished Governors
Distinguished Delegates

As you are all aware, Monetary Integration is one of the key pillars of the COMESA Integration Agenda which embodies facilitation of economic integration efforts and provision for sustained economic development. Allow me to add that speedy implementation of the COMESA Monetary Integration agenda will enable materialization of the dream of making COMESA region a zone of macroeconomic and financial stability.

Distinguished Governors
Distinguished Delegates

Allow me to take this opportunity to make few remarks on the agenda items of this meeting.

You will receive in this meeting the progress report on the activities of the COMESA Regional Payment and Settlement System (REPSS) and COMESA Monetary Institute in 2020 and 2021. You will also receive for your consideration reports of the Monetary and Exchange Rates Policies and Financial System Development and Stability Sub-Committees on various COMESA Monetary Cooperation programmes.

I am happy to note that REPSS started Live Operations about 6 years ago and 9 member countries are live on the system and the value of transactions processed are increasing. Implementation of REPSS is indeed a great milestone 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 encourage the speedy implementations of REPSS for payments of their intra-COMESA transactions.

Distinguished Governors
Distinguished Delegates

I am also glad to note that despite the very challenging year 2020 and 2021 was, CMI was able to undertake a number of research and capacity building activities, to improve macroeconomic management and assessment of financial stability in member countries.

I want to particularly commend CMI for the effort invested in writing, in a timely manner, special reports related to the impact of the pandemic on the Macroeconomic management in the region.

I have no doubt that those research and capacity building activities assisted our member countries to strengthen capacity in macroeconomic management and assessing financial system, both of which are critical for fulfilling the COMESA Monetary Integration agenda, and to cope up with the ravaging impact of Covid-19 pandemic.

Distinguished Governors
Distinguished Delegates

I am also glad to note that a number of countries made great strides towards the achievement of macroeconomic convergence and implementation of the COMESA Assessment Framework for Financial System Stability in 2020.

Distinguished Governors
Distinguished Delegates

As demonstrated in your yesterday's policy discussion on the role of financial integration for the promotion of export competitiveness in the COMESA region; macroeconomic and financial stability are critical factors for achieving a well-integrated regional financial system.

I would like to underscore that pursuance of regional financial integration is a sure way to dismantle financial restrictions and nationalistic trade policies, which have been at the heart of dismal regional growth prospects in general and export competitiveness in particular. Regional financial integration, therefore, will not only help the region overcome the constraints incorporated in an exclusively national approach to development, but will also remove barriers that impede cross-border investment and ultimately promote regional export competitiveness.

I am confident that regional financial integration will go a long way in complementing COMESA's current efforts in promoting intra-regional trade, through Trade and Development Bank (TDB) and African Trade Insurance (ATI) Agency, which are actively promoting investments and providing trade financing facilities, and helping to provide political risk cover with a view to facilitating trade within the COMESA region.

Confident that moving towards Regional Financial Integration in the COMESA is within your mandate, and given the potential this has in promoting regional export competitiveness, I, implore your committee to consider, among others, to enhance regional financial integration and ensure export diversification and competitiveness by introducing sound institutional legislative framework at national level, which includes among others the following:

- The minimum regulatory requirement to be a member of RFI;
- Permissible banking activities which are consistent with current stage of member countries development;
- Regional arrangements for effective cross border banking supervision and regulation;
- Set standards and Rules and to enforce national compliance of regional rules; and
- Having regional approach to ensure financial stability
-

At a regional level COMESA will continue to promote the following among others:

- Facilitate commercial activities through reforming trade through improved customs procedures;
- Developing cross border entrepreneurship;
- Promoting Regional Financial Integration;
- Coordinating regional infrastructure development;
- Promoting trade facilitation; and
- Exploring innovative financing options that could complement the traditional financing instruments

I sincerely hope the forums like the one which you had yesterday will no doubt contribute to finding solutions to the challenges which we are facing in our economies.

Distinguished Governors
Distinguished Delegates

We therefore, look upon you Governors as usual to give guidance to enhance the implementation of the COMESA Monetary Integration Agenda, in general and Regional Financial Integration in particular.

Distinguished Governors
Distinguished Delegates

In conclusion, I would like to express my sincere hope and belief that, despite the Covid-19 disruptions, we look to the future with great optimism. It is within our power, as COMESA region, to achieve and reap benefits of Monetary Integration, of which regional financial integration is an integral part. I look forward to fruitful deliberations and candid decisions which will strengthen and deepen our monetary integration agenda.

I thank you for your kind attention
God bless you.

