

**Distinguished Delegates,
Dear Colleagues,
Ladies and Gentlemen,**

On behalf of the Director of the ECA-SA, I wish to welcome all of you to this Workshop on trade and environment in SADC and EAC countries and to thank all of you for finding time to participate in this important meeting. I know that many of you have sacrificed full schedules of work to be here – we, at ECA, fully appreciate your presence here today.

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Africa's share of world trade in goods and services dropped from more than 5 % in 1980 to around 2% in 2003. The decline in Africa's share in world trade has happened simultaneously with an increase in the overall share of developing countries in Asia and Latin America. At the same time, the formal intra-African trade has remained at a very low level (less than 10% of total annual trade on the average) motivating African leader to promote regional trade and integration through several initiatives.

On this line, the SADC strategic development plan envisages the creation of a Free Trade Zone as from 2008, followed by a Customs Union and Common Market by 2015, a Monetary Union by 2016, and a Single Currency by 2018. In a similar process, COMESA formed its FTA in October 2000 and planned to establish a CU also in 2008 to boost trade and economic development in the subregions.

**Distinguished colleagues,
Dear colleagues.**

While the FTA and CU bring the opportunity to enlarge domestic market and foster economic growth through the economies of scale, an increased competition and opportunities for improving efficiencies, these milestones must also promote sustainable development in the countries.

Southern and Eastern African countries are experiencing severe environmental problems brought on or exacerbated by unsustainable

production and consumption practices, including: over-exploitation of land and water resources; degradation of forest lands; depletion of forest and other natural resources; desertification; air, water, soil and solid waste pollution and limited fresh water resources.

In this particular context, our trade policies are expected to create an atmosphere where increased trade does not threaten environmental protection measures making sure that economic growth doesn't increase at the expense of the environment but do match with sustainable use of the natural resources.

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The Common Market for East and Southern Africa (Comesa) has committed itself to invest in more carbon emission reduction under the "*Comesa Climate Change Initiative*".

Through the Kyoto protocol, EAC and SADC countries have engaged themselves to improve the quality of local emissions and promote, facilitate and finance environmentally sound technologies, practices and processes.

The Clean Development Mechanism (CDM), as defined in Article 12 of the Protocol, allows industrialized countries with greenhouse gas reduction commitments to implement or facilitate emission-reduction projects in developing countries.

The World Bank's Carbon Finance Unit has reported that some US\$5.5 billion carbon offsets were purchased in the compliance market during 2006, representing about 1.6 billion metric tonnes of carbon dioxide reductions. Trends indicate that these figures are set to increase further. Despite the benefits of the CDM system, African countries are yet to participate fully in these projects. Out of the 1167 projects approved by the CDM Board, 14 of these are registered in South Africa while only eleven 11 are registered elsewhere in Africa

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There is international pressure from consumers worldwide who want to know what the carbon footprint of produce brought in supermarkets is. Last year Tesco, the UK's largest supermarket chain, announced it would put carbon footprint labels on its food items.

In this context, organic grown products have the potential to boost exports for countries in Eastern and Southern Africa and their competitiveness in the western markets. In a move to expand their traditional product range, these countries will benefit from the high demand for organic fruits and vegetables which has increased across Europe in recent years and the increasing demand for biofuels from the developed world.

This workshop is timely and your discussions will definitely allow our countries to unlock the benefits brought by these new niches in the global market and propose viable and coherent trade policies to fasten and strengthen the Africa's participation in the on-going "*Global Green New Deal*" and the "*green economy*".

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In closing, the next three days will be full of opportunities to review the trade policies in our countries towards environment sustainability, assess the needs in terms of capacity building and share good practices and experiences towards mainstreaming natural resources protection into trade plans, programmes, policies and projects.

Your recommendations are expected to focus on; instruments and enforcement mechanisms for trade and environment policy implementation; institutional, financial and human capacity requirements; and on specific roles for key stakeholders in the implementation process.

Your task is an onerous one and I should therefore not subject you to listening to a long speech. I wish you every blessing in your deliberations and declare your meeting open. Once again I thank you most sincerely for honoring our invitation