



## **OUTCOME OF SADC COUNCIL OF MINISTERS VIRTUAL MEETING HELD ON 29<sup>TH</sup> MAY, 2020**

1. The Southern African Development Community (SADC) Council of Ministers Meeting was held virtually on 29<sup>th</sup> May, 2020 and was chaired by Hon. Prof. Palamagamba John Kabudi, Minister of Foreign Affairs and East African Cooperation of the United Republic of Tanzania and Chairperson of the SADC Council of Ministers.
2. In his opening remarks Hon. Prof. Kabudi, highlighted that the complexity and severity of the COVID-19 called for strengthened solidarity and unity to address the socio-economic impact of the pandemic in the SADC region. The Chairperson of the SADC Council of Ministers further called on the SADC region to turn the COVID-19 crisis into an opportunity by expanding the medical and pharmaceutical industry and in turn create jobs and boost the economy.
3. In her remarks, the SADC Executive Secretary H.E. Dr Tax highlighted that the COVID-19 Pandemic has brought multiple challenges and responsibilities that require extra-ordinary and innovative approaches to doing business. To this effect H.E. Dr Tax appealed to Member States to remain vigilant and learn how to live it, and as such, defeat the social and economic impact of COVID-19 as a united region.
4. To facilitate the regional COVID-19 response, Council urged SADC Member States to source Medical Equipment and Supplies from the region and to engage the private sector to re-direct some of the manufacturing towards production of Personal Protective Equipment (PPEs). To this effect, the SADC Secretariat will disseminate a list of essential medical equipment manufacturers and establish an on-line platform to facilitate easy access to information on manufacturers and suppliers of Medical Equipment needed to address the COVID-19.
5. Council noted that while the regional Guidelines on Harmonization and Facilitation of Movement of Essential Goods and Services across the SADC Region which were adopted on 6<sup>th</sup> April, 2020, have played a critical role in facilitating movement of goods, there are challenges which require urgent attention. In this regard, Council directed the expanded Technical Committee on Health to review the Guidelines by the 6<sup>th</sup> of June 2020 and report to Council.
6. Recognizing the urgent need to cooperate with other Regional Economic Communities and the African Union (AU), Council directed the Secretariat coordinate with Common Market for Eastern and Southern Africa (COMESA), and the East African Community (EAC) in the context of the Tripartite arrangement, and the AU at Continental level, to align and harmonize Measures and Regulations.

7. Council received the Preliminary Report on the socio-economic impact of COVID-19 and its implications on the SADC Region and noted that the pandemic will have short, medium and long-term negative impact on all social and economic sectors, given its cross-cutting nature. The report also indicated that the global economic activity is projected to contract against a background of declining commodity prices and rising debt, and that subsequently, SADC economies are projected to contract by 3 per cent in 2020, reversing the gains made in the past years on industrial development and trade. The report further highlighted that increased expenditures in response to the COVID-19 pandemic will affect the fiscal positions for SADC Member States and subsequently, most Member States will not be able to meet the SADC Macroeconomic Convergence programme targets of 3-7% inflation range; fiscal deficit of 3% of GDP; public debt of not exceeding 60% of GDP; and GDP growth of at least 7%.
8. In line with the Preliminary Report on the socio-economic impact of COVID-19's findings, Council urged Member States to implement the recommendations outlined in the report, including setting regional standards to facilitate harmonization of systems and capacities in the health sector; prioritizing digitization; joint resource mobilization and pooled procurement; developing a framework for logistics, connectivity and automation of border management for effective logistics and trade facilitation; provision of financial lifelines to Small and Medium Enterprises (SMEs); expanding social safety nets and social protection measures for the poor and vulnerable; synchronising fiscal and monetary measures to mitigate the effect of COVID-19 pandemic on the region's macroeconomic and financial stability; developing recovery plans; accelerating the implementation of the SADC Industrialization Strategy and Roadmap 2015-2063 focusing on value chains to among others, pharmaceutical value chains; and to deepen regional cooperation and integration.
9. In terms of preparedness and response to disasters and crises, Council urged Member States to accelerate operationalization and implementation of regional strategies and instruments that are aimed at responding to crises. These strategies and instruments include; the SADC Regional Development Fund; the Preparedness and Response and Disaster Fund; the Regional Resilient Strategic Framework 2020-2030; and urged Member States to continue working together and support each other in accelerating the implementation of resilience building initiatives, improve early warning and response, and contingency planning to minimize the impacts of future climatic disasters.
10. Council noted preliminary findings on status of SADC industrialisation and intra-regional trade in the SADC region, as directed by the 39<sup>th</sup> SADC Summit of Heads of State and Government. In this assessment report, Council noted that, despite the improvement in intra-SADC Exports and Imports between 2008 and 2018, the total intra-SADC trade is significantly less compared to other regions of the world such as Asia (30%) and European Union EU (60%). Council directed the Secretariat to finalize the report and submit concrete recommendation to Summit in August 2020, taking into account the impact of COVID-19.

11. Council reviewed the progress in the implementation of the SADC Industrialisation Strategy and Roadmap (2015-2063) and noted a number of achievements, including the profiling of 18 new projects, 17 of which are in Agro-processing and one is in mineral beneficiation. In a bid to accelerate SADC industrialisation and intra-regional trade, Council urged Member States to Intensify efforts in resolving binding constraints to industrialisation in the areas of macroeconomic stability, access to finance and enabling infrastructure for industrial development and regional integration; sign and ratify the SADC Protocol on Industry; fast track the operationalisation of the pending instruments, such as the SADC Regional Development Fund and the SADC Resource Mobilisation Framework so as to provide necessary support to industrialisation; and address Non-Tariff Barriers (NTBs) in a timely manner to support development of regional trade.
  
12. Council noted the progress made in the implementation of the Theme for the 39<sup>th</sup> SADC Summit of Heads of State and Government, *A Conducive Environment for Inclusive and Sustainable Industrial Development, increased intra-Regional Trade and Job Creation*, which was adopted in August 2019 in Dar es Salaam, United Republic of Tanzania. Council urged the Secretariat to submit a comprehensive report for consideration during the 40<sup>th</sup> SADC Summit in August, 2020.
  
13. Council expressed appreciation to the International Cooperating Partners for the support rendered towards the response to COVID-19 pandemic and to the implementation of SADC Regional programmes.