



REMARKS BY

**HER EXCELLENCY DR. STERGOMENA LAWRENCE TAX
SADC EXECUTIVE SECRETARY**

**DURING THE OFFICIAL OPENING OF THE
MEETING OF THE SADC COUNCIL OF MINISTERS**

12 MARCH 2021

Honourable Verónica Nataniel Macamo Dihovo, Minister of Foreign Affairs and Cooperation of the Republic of Mozambique, and Chairperson of the SADC Council of Ministers;

Honourable Ministers;

Senior Officials from SADC Member States;

SADC Deputy Executive Secretaries and SADC Secretariat staff;

Media Representatives;

Invited Guests;

Ladies and Gentlemen.

Allow me to begin by extending our gratitude to the Government of the Republic of Mozambique for convening this meeting and thank all delegates for making time for the meeting.

We had hoped that your meeting today, would be held face to face and back to back with Summit of Heads of State and Government as was decided by Summit in August 2020.

Notwithstanding the commendable measures put in place by Member States to contain COVID -19, the pandemic remains a global challenge. A number of our Member States have experienced loss of lives across all spectrum of our population, among others, the Council of Ministers lost one of its member, Honourable Sibusiso Moyo, who was the Minister of Foreign Affairs and International Trade of the Republic of Zimbabwe. May his soul and the souls of the departed rest in eternal peace.

Honourable Ministers,

The main objective of this meeting is to assess progress made during the 2020/2021 financial year, and deliberate on the outlook for 2021/2022. The meeting will receive a report on the implementation of the 2020/2021 SADC Annual Corporate Plan, as well as on the implementation of SADC Council and Summit Decisions. The meeting will also consider the plan and budget for financial year 2021/22.

In terms of implementation of the 2020/2021 Annual Corporate Plan, an implementation rate of 79 per cent was recorded for April to December 2020 period. This implementation rate is lower by 5 percentage points compared to 84 per cent recorded during the same period in financial year 2019/20, and is attributed to challenges posed by COVID-19. Recognizing the challenges, the Secretariat developed a Business Continuity Plan, which enabled the Secretariat and the region to implement most of the planned activities virtually, nonetheless, some of the activities could not be undertaken virtually, due to their nature.

Honourable Ministers,

Implementation of Summit and Council Decisions is another key factor in achieving the regional integration agenda. I am pleased to report that the March 2020 Council Decisions were successfully implemented, at an implementation rate of 95 percent. Since March 2020, the Council of Ministers met five times, and the implementation rates of its decisions are 100 percent for April 2020 Council, 94 percent for the May 2020 Council, 75 percent for the June 2020 Council, and 85 percent for the August 2020 Council.

In terms of August 2020 Summit Decisions, a total of 13 Decisions were fully implemented, out of the 26 Decisions, representing 50 per cent completion rate. The remaining decisions are long term in nature, and implementation is ongoing.

Key milestones during the year, include finalization of Angola's SADC Free Trade Area (FTA) provisional tariff offer. This is an important milestone, as the region aligns the SADC FTA to the Tripartite and continental Free Trade Area initiatives. The provisional offer has been circulated to all SADC Member States. May I encourage Angola, and all Member States to finalize negotiations for this important milestone to our Regional integration.

With regard to the Tripartite FTA, to date twenty-two (22) Member/Partner States have signed the Tripartite Free Trade Area (TFTA) Agreement, while ten (10) Member/Partner States have ratified the Agreement. Of the ten Member States that have ratified the Agreement, five (5) are SADC Member States, namely: Botswana, Eswatini, Namibia, South Africa and Zambia. This number falls short of the required number of fourteen (14) Member States, to make the Tripartite FTA come into Force. May I call

upon SADC Member States to expeditiously ratify this important integration instrument. At the continental level, thirty-six (36) Member States have deposited their instruments of ratification of the AfCFTA Agreement. Out of these countries nine (9) are SADC Member States, namely: Angola, Eswatini, Lesotho, Malawi, Mauritius, Namibia, South Africa, Zambia and Zimbabwe. While we proceed with the Continental Free Trade Area, we should not lose sight of the Tripartite Free Trade Area, which is a crucial pillar to the realisation of the Continental Free Trade Area.

Notable progress continued to be recorded in the implementation of the Cross-border payment system, the SADC Real Time Gross Settlement System. Total number of transactions settled in the System as of December 2020 was 1,995,355 representing the value of ZAR 7.81 Trillion. Work is progressing to on-board other currencies on the system including provision to settle low value payments.

Progress was also recorded in the implementation of the SADC Regional Infrastructure Development Master Plan. A total of 63 Infrastructure projects including 17 regional Energy projects were developed under second Priority Action Plan for Programme for Infrastructure Development in Africa (PIDA PAP 2). Out of which have three (3) energy projects, have been shortlisted, these are: Luapula Hydro-power between DRC and Zambia; Baynes Hydro-power between Namibia and Angola; and ZIZABONA transmission interconnector between Botswana, Namibia, Zambia and Zimbabwe.

Progress was also recorded in preparation and implementation of priority transmission projects aimed at interconnecting Angola, Malawi and Tanzania to the Southern African Power Pool (SAPP) network, and in power generation projects aimed at enhancing security of energy supply in the Region. In this regard, 2,480 MW in 2020, which is about 77 percent of the targeted capacity of 3,215 MW were commissioned.

Construction of large power generation projects also progressed during the year, whereby, the Kafue Gorge lower hydropower project with capacity of 750 MW in Zambia is expected to be commissioned by July 2021, and the Julius Nyerere hydropower project in Tanzania with capacity of 2,115 MW is expected to be commissioned in June 2022.

The SADC Regional Gas Master Plan Phase 1, defining the conceptual and policy framework was completed in October 2020. Moving forward, under Phase 2, key developmental projects for midstream infrastructure

for gas transportation, and anchor projects will be identified and prioritised for uptake and investments.

Honourable Ministers,

Industrialisation remains a key priority for our region, and while we have recorded some milestones, progress remains slow. The share of the manufacturing sector to overall GDP is still low, around 12 per cent. In order to realize the targeted long-term industrialization objectives, there is need to, among other things:

- (i) Speed-up the implementation of the profiled value chains in priority areas. Private Sector is encouraged to take advantage of these value chains which will benefit both, the investors, SADC citizens and the region as a whole.
- (ii) Operationalise the SADC Regional Development Fund as Regional projects require adequate and sustainable funding.
- (iii) Accelerate initiatives to enhance capacities and capabilities of Small and Medium Enterprises (SMEs), so as to benefit SADC citizens in terms of employment and wealth creation. This goes together with the need to facilitate self-sustaining SMEs and national and regional industrial clusters.
- (iv) Expeditiously finalize the SADC Digital Economy Strategy. With the advent of the 4th industrial revolution, and lessons learnt from the COVID-19 pandemic, digitisation of our economies is not a matter of choice, but a necessity.

Honourable Ministers,

Financial Year 2020/21, was unique and challenging for everyone, at corporate and individual levels. United we managed to pull through, and we will definitely conquer the COVID-19 pandemic. Lessons learnt from the pandemic should enable us shape the future, including in terms of addressing similar unforeseen situations.

Honourable Ministers,

As was emphasized in your meetings during 2020/21, special attention was also placed in the enhancement of our national and regional Disaster Risk Management Mechanism, capacities in research and manufacturing of pharmaceuticals, essential medicines and medical supplies. To kick start this initiative, seventeen (17) companies from SADC Member States have been earmarked for support to manufacture COVID-19 Medical and other Pharmaceutical Products within the region. We extend our appreciation to the European Union and GIZ for their support in this endeavour. This initiative will be extended as we move forward to other beneficiaries and other products.

Honourable Ministers,

The outlook for financial year 2021/2022 is anchored on Vision 2050 and the Regional Indicative Strategic Development Plan (RISDP) 2020-30, which were approved by Summit in August 2020. This meeting will consider a Draft RISDP 2020-30 Implementation Plan and the costing plan for coordination of regional activities. Costing of the other components of the Plan including, projects and programmes, and other interventions to be implemented at national level is underway and will be reported at your meeting in August 2021. Considering hardships brought about by COVID-19, and in line with your decision of August, 2020, the Secretariat undertook an analysis on activities that are amenable to savings to devise cost saving measures. May I report that the analysis is ready, and proposed cost saving measures will be tabled during this meeting for your consideration.

Honourable Ministers,

As I conclude, allow me to express our gratitude to Honourable Verónica Nataniel Macamo Dihovo, Minister of Foreign Affairs and Cooperation of the Republic of Mozambique, and Chairperson of SADC Council of Ministers, for her leadership, notwithstanding the challenging circumstances during the year; and to SADC Member States for their continued commitment to the SADC Regional Integration agenda.

I would also like to thank the SADC Standing Committee of Senior Officials, under the leadership of its Chairperson, Ambassador Alfredo

Fabião Nuvunga, Director for Regional and Continental Integration, Ministry of Foreign Affairs and Cooperation, Republic of Mozambique, for the excellent work in preparing for this meeting.

I also wish to thank my two Deputy Executive Secretaries, Dr. Thembinkosi Mhlongo, and Ambassador Joseph Nourrice, for their support in overseeing the work of the Secretariat, and all SADC Secretariat staff for their usual dedication and hard work, which has seen the Secretariat making progress in the delivery of its mandate.

The Secretariat remains ready and committed to continue to serve the Region in its pursuit for development through cooperation and regional integration, for the prosperity of our citizens.

With these remarks, I look forward to a successful and fruitful meeting.

Thank you very much!

Muito obrigada!

Merci Beaucoup!

Asante sana!

Kealeboga!