



## **OPENING REMARKS**

**BY**

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

**ON THE OCCASION OF THE  
THE OFFICIAL OPENING OF THE SADC COUNCIL OF MINISTERS  
OR TAMBO BUILDING, PRETORIA, REPUBLIC OF SOUTH AFRICA**

**26 MARCH 2018**

Honourable Ms Lindiwe Sisulu, Minister of International Relations and Cooperation of the Republic of South Africa and Chairperson of the SADC Council of Ministers,

Honourable Ministers,

Chairperson of the SADC Standing Committee of Senior Officials,

SADC Deputy Executive Secretaries,

Senior Officials from SADC Member States,

Your Excellencies, Ambassadors and High Commissioners,

SADC Secretariat Staff,

Representatives of the Media,

Invited Guests,

Ladies and Gentlemen

Allow me to begin by congratulating Honourable Lindiwe Sisulu for her appointment as Minister of International Relations and Cooperation of the Republic of South Africa and thus, Chairperson of the SADC Council of Ministers. We look forward to working with you and I have no doubt that in you, we shall find an able steward who will continue guiding the SADC Region in its transformative agenda to industrialise. May I also take this opportunity to express our gratitude to the Government of the Republic of South Africa for hosting the meeting of the Council of Ministers, and to the people of South Africa for your hospitality and the traditional warm welcome.

Allow me to also congratulate Honourable Domingos Augusto, Minister of External Relations of Angola; Honourable Jose Condungua Pacheco, Minister of Foreign Affairs of Mozambique; Honourable Joseph Malanji, Minister of Foreign Affairs of the Republic of Zambia and Honourable Dr. Lieutenant General (Rtd.) Sibusiso B. Moyo, Minister of Foreign Affairs and International Trade of the Republic of Zimbabwe for their appointments, and welcome them as members of the Council of Ministers. We also welcome and congratulate the Comoros for being accepted to join SADC as the 16<sup>th</sup> Member of SADC.

On a sad note, the SADC Secretariat has received with sorrow the news on the passing of the father to Mr. Sandile Schalk, the Chief Director in the Department of International Relations and Cooperation of South Africa and the SADC National Contact Point. Our deepest condolences, and may the Almighty continue to comfort them, and rest in peace the soul of our late father.

### **Chairperson, Honourable Ministers**

The main objective of this Council of Ministers meeting is to receive progress on the implementation of the 2017/18 Plan, and to consider the proposed Plan and Budget for 2018/19. In this regard allow me Honourable Ministers to present a few milestones achieved during the year under review. Tremendous progress has been made in a number of areas in our quest to regional integration. In line with the 37<sup>th</sup> SADC Summit theme of “Partnering with the private sector in developing industry and regional value-chains”, value chains in areas that were profiled in 2016/17, namely mining, pharmaceuticals and agro-processing sectors, were identified. The priority value chains identified in the following sub-sectors are: Leather, Soya, Aquaculture, Iron and Steel, Copper, Cement and ARV manufacturing. In the coming financial year, detailed mapping and feasibility studies on each of these identified value chains will be undertaken, based on which bankable projects will be developed.

May I thank the SADC Chairperson, the Republic of South Africa for spear heading this progress. I am also glad to report that during the year, drafts of the SADC Regional Mining Vision, and Protocol on Industry were prepared and consultations were held with relevant stakeholders. The Regional Mining Vision will optimise the benefits from mineral extraction through extended mineral beneficiation, and the development of strong economic linkages between the mining sector and other economic sectors, especially manufacturing. The Protocol on Industry will provide for a supportive policy environment for the implementation of the SADC Industrialisation Strategy across sectors.

Recognising the pivotal role of the private sector to the achievement of the region’s development objectives, during the year, the Secretariat continued to work with private sector organisations in Member States to finalise the development of an effective public-private engagement mechanism. This will ensure that our programmes and activities are informed by the needs and experiences of the private sector. The draft

mechanism was presented and deliberated by the Industrial Development Forum in February 2018, and is due to be finalised during 2018/19.

In our continued efforts to consolidate the SADC Free Trade Area and strengthen the financial sector, the region continued with implementation of the cross-border payment system through the SADC Integrated Regional Settlement System (SIRESS), which currently settles transactions using the South African Rand. To date, over a million transactions, representing ZAR 4.09 trillion have been settled using the system. In order to ensure that the system is inclusive and caters for all the currencies in the region, a multicurrency and low value framework was developed during the period under review. The multicurrency platform will also have the US dollar as an additional currency of settlement and is expected to be operational by October 2018.

### **Chairperson, Honourable Ministers**

A healthy and vibrant human capital is a key enabler of industrialisation, as such, strengthening of the manufacturing base for essential medical supplies and commodities in the region is critical for human capital development and health. I am glad to report that, a feasibility study on **Regional Manufacturing of Medicines and Health Commodities** was completed during the year. This study will facilitate the setting up of mechanisms to facilitate manufacturing of the much needed generic medicines and health commodities for communicable and non-communicable diseases within the region. Having completed this important study, in fiscal year 2018/19, the Secretariat will coordinate the development of a 5-year SADC Pharmaceutical Manufacturing Action Plan.

In relation to HIV and AIDS, it may be recalled that the funding from Global Fund towards the Cross Border Wellness initiative came to an end in December 2017. Consequently, Member States are expected to take over all the 32 Wellness sites that have been established. The sustainability of these sites is imperative to ensure that the investment gained over the past 4 years to mitigate the impact of HIV and AIDS on Long Distance Truck Drivers, Sex Workers and affected communities around the border areas is maintained. Allow me to use this opportunity to call upon Member States to take up, and priorities this critical initiative.

**Chairperson,**

It is also worth reporting that, working through various project preparation facilities, the Secretariat continued to engage the private sector through public private dialogues, including through Southern African Business Forum thematic working groups, and the World Economic Forum. Through such engagements, we have been able to identify projects that have the potential for private sector investment or Public Private Partnerships, including in the energy, transport and water sectors, out of which seven have been submitted to the World Economic Forum Africa Sustainable Development Investment Programme. The Sustainable Development Investment Programme Members are committed to mobilising blended finance worth USD\$100 billion for projects supporting sustainable and climate resilient infrastructure programmes and projects.

I am also happy to report that in February 2018, the Secretariat signed an Aide Memoire with the African Development Bank, where the Bank has committed to support SADC in a number of areas, including the identification and categorization of priority bankable projects from SADC's Regional Infrastructure Development Master Plan (RIDMP), development of financial instruments and frameworks that are relevant to SADC regional projects such as Infrastructure Bonds, Partial Risk Guarantees, Insurance Guarantees and Partial Credit Guarantees for use in Member States, development of bankable value chains, development of SADC economic corridors aimed at supporting infrastructure projects to facilitate Regional Value Chains, and development of insurance to mitigate and address the impacts of climate change related risks. May I at this juncture recognise the presence of Ms. Moono Muputola, the Bank's Director for Regional Integration and her Team. May I also express our sincere appreciation to the Bank for its continued support to SADC.

### **Chairperson, Honourable Ministers**

Implementation of the SADC priorities requires sustainable sources of funding. To this effect, the Secretariat in collaboration with Member States has developed a Resource Mobilisation Framework, and a progress report will be presented and discussed during this meeting. One of the critical aspects of the Resource Mobilisation Framework is the identification of innovative and sustainable financial instruments. In this regard, the Secretariat is working with the African Development Bank to help develop these instruments. So far, the AfDB has pledged to support the Secretariat to operationalise phase 1 of the SADC Regional Development Fund.

During the year, the Secretariat has also continued to collaborate with International Cooperating Partners, notable progress in this area include

programming under the 11<sup>th</sup> Cycle of the European Development Fund (EDF 11), where project identification in the identified areas that include trade and industrialisation, agriculture, trade facilitation, migration and peace and security have been completed and the related Action Plans approved. Under the EDF 11 the European Union has agreed to extend USD 90 million for a period of four (4) years.

### **Chairperson, Honourable Ministers**

Political stability, peace and security remain a key enabler for deepening regional economic integration. During the period under review, focus was placed on the facilitation and consolidation of mediation, conflict prevention and preventive diplomacy initiatives. Following the attainment of Full Operational Capability in 2015 with the conduct of the Amani Africa II Exercise, the SADC Standby Force deployed in November 2017, a Multidimensional Contingent mission in the Kingdom of Lesotho with the objective of supporting Lesotho in restoring political and security stability. This is clear evidence that the region has put in place the necessary structures and mechanisms, that enhances our cooperation, and ensure peace, security and political stability in the Region.

### **Honourable Ministers**

These are a few highlights of the year under review, a comprehensive report of achievements recorded in the year will be presented during your meeting.

### **Chairperson,**

The region continues to be affected by poor weather and adverse climatic conditions that continue to stifle growth of the agriculture sector with a negative impact on food security. The Region has just experienced a poor rainfall season in 2017/18. Notwithstanding, some notable improvements in January and February, the 2018 agricultural production will be negatively affected, and result in food insecurity for many households. Furthermore, the region has also experienced the outbreak of the fall armyworm that has had devastating impacts on cereal production particularly in Namibia, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe, and is likely to result in food shortages particularly in the staple maize crop in these countries. These developments emphasize the need to have a robust and resilient agricultural sector. It is for this reason that our industrialisation agenda has prioritised development of value chains, in among others, agro-processing supported by other mechanisms to

compliment household food security. Our cooperation in this area remains critical.

### **Chairperson, Honourable Minister**

Our focus for financial year 2018/19 as will be presented during your meeting remains on our priorities namely: Industrialisation and Market Integration, Infrastructure development to leverage industrialisation, and peace and security.

As I conclude, I wish to thank the Council of Ministers for the continued guidance, the Member States for supporting the Secretariat by availing the needed resources in a timely manner. May I also express our gratitude to our Strategic Partners and International Cooperation Partners for their technical and financial support in our development efforts.

My deepest gratitude also goes to my Deputy Executive Secretaries, SADC management, and all staff at the Secretariat for the support, dedication and hard work, which has contributed to the achievements that the Secretariat has been able to record during the year under review. **Steve Jobs once said, “The only way to do great work is to love what you do”**. As we begin 2018/19, let us keep the momentum and maintain the Team Spirit.

### **Chairperson, Honourable Ministers**

With these few remarks, it is my honour and privilege to invite the Chairperson of Council to deliver her opening remarks, Madam Chairperson, the floor is yours.

I thank you very much!

Muito obrigado!

Merci beacoup!

Ke a leboga!

Asanteni sana!