



COMMUNIQUÉ

BY THE SADC PEER REVIEW PANEL

KINSHASA – DEMOCRATIC REPUBLIC OF CONGO (DRC) 20 JULY 2023

1. In accordance with the provisions of Annex 2 of the SADC Protocol on Finance and Investment, the Peer Review Panel (the Panel), comprising of Ministers responsible for Finance and Investment, and Central Bank Governors, met in Kinshasa, the Democratic Republic of the Congo on 20 July 2023 to:
 - (i) review progress made by individual Member States towards implementing the SADC Macroeconomic Convergence Framework;
 - (ii) review progress on the implementation of recommendations of the Panel's previous meetings which include structural and policy reforms;
 - (iii) identify risks and opportunities to the Region's economic outlook and devise policy measures to mitigate the risks;
 - (iv) consider the Peer Review Mission Reports for the Kingdom of Lesotho, Republic of Madagascar and Republic of Malawi undertaken during 2022/2023; and
 - (v) approve the proposed Four-Year schedule of Member States Peer Reviews (2023-24 to 2026-27).
2. The Panel noted that, over the review period, 2017–2022, Member States continued to implement policies and measures aimed at staying on course to meeting the Macroeconomic Convergence Targets. Member States made progress towards implementing the recommendations of the Panel's previous meetings.
3. The Panel also noted that Member States' progress towards achieving the Macroeconomic Convergence targets continued to be hampered by a harsh global and regional economic environment under which they experienced escalation in energy, fertilizer, food and other commodity prices. The surge in food inflation and other commodity prices, which are transmitting to input costs and headline inflation,

are mainly attributed to the effects of climate change, Russia/Ukraine conflict in addition to the continued effects of COVID-19 Pandemic.

4. The Panel further noted that the external shocks cited above have contributed to macroeconomic instability in the Region, including widening fiscal and current account deficits, significant reduction in international reserves, exchange rate depreciation, soaring inflation and external debt. The Panel expressed concern at falling agricultural production which has led to food shortages, higher food inflation, and increasing food insecurity. Consequently, in spite of signs of recovery and improved performance in 2021, all Member States continued to be off-target with regard to most of the Macroeconomic Convergence targets in 2022.
5. The Panel considered and approved the Mission Review Reports and recommended structural and policy reforms for the Kingdom of Lesotho, Republic of Madagascar, and Republic of Malawi and welcomed the commitment by the authorities of the three Member States to implement the recommendations.
6. The Panel commended the Republic of Mauritius, Republic of South Africa and the United Republic of Tanzania for undertaking the peer reviews of the Kingdom of Lesotho, Republic of Madagascar and Republic of Malawi, respectively.
7. The Panel also commended Republic of Angola, Republic of Botswana, the Democratic Republic of the Congo, Kingdom of Eswatini, Republic of Mauritius, Republic of Namibia, Republic of Mozambique, Republic of South Africa, United Republic of Tanzania, Republic of Zambia and Republic of Zimbabwe for continued implementation of the Macroeconomic Convergence Framework and recommendations of the previous peer reviews.
8. The Panel approved the schedule of the next Member States to be peer reviewed during 2023/24, namely: the Republic of Botswana, the Democratic Republic of the Congo, United Republic of Tanzania and the Republic of Namibia by the Republic of Angola, Kingdom of Eswatini, Republic of Zimbabwe and Republic of Zambia, respectively.
9. The Panel expressed its gratitude to the Democratic Republic of the Congo for their warm reception and hospitality extended during the course of the Peer Review Panel meeting.

Kinshasa – Democratic Republic of Congo
20 July 2023