



COMMUNIQUÉ

SADC PEER REVIEW PANEL

VICTORIA FALLS, REPUBLIC OF ZIMBABWE

13 JUNE 2025

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1. In accordance with the provisions of Annex 2 of the SADC Protocol on Finance and Investment (FIP), the Peer Review Panel (the Panel), comprising of Ministers responsible for Finance and Investment, and Central Bank Governors, held a meeting hosted by the Republic of Zimbabwe 12 June 2025 to:
- (i) review progress made by SADC Member States towards implementing the SADC Macroeconomic Convergence Framework;
 - (ii) review Member States' progress on the implementation of recommendations made by the Panel's previous meetings which include structural and policy reforms, as well as its decisions and directives to SADC Secretariat;
 - (iii) identify risks and opportunities to the Region's economic outlook and devise policy measures to mitigate the risks and take advantage of the opportunities, respectively;
 - (iv) assess the impact of the global geopolitical developments on the different sectors of the Region, particularly the impact on the macroeconomic convergence programme;
 - (v) consider the Peer Review Mission Reports for the Republic of Angola, Democratic Republic of Congo, and Republic of Zambia undertaken during 2024/2025; and
 - (vi) approve the schedule of Member States to be Peer Reviewed in the 2025/2026 cycle.

2. The Panel noted that:

- (i) there were some positive developments in the regional economy, marked by an increase in average real GDP and a decline in headline inflation. Slight improvements were also recorded in the regional average fiscal and current account balances, foreign exchange reserves in months of imports, public debt, as well as a marginal increase in GDP Per capita. Although these economic indicators remained below the SADC MEC targets, their improvement reflects the region's economic resilience, with the outlook expected to strengthen over the short to medium term.
- (ii) despite many challenges faced by the region, Member States continued to implement policies and measures aimed at recovering from and building resilience against the negative externalities and adverse effects of climate change to stay on course to meet the Macroeconomic Convergence Targets. In addition, Member States made progress towards implementing the recommendations of the Panel's previous meetings.

3. The Panel:

- (i) observed that over the review period, 2019 to 2024, the Region experienced several shocks that include effects of climate change, pandemics, global economic slowdown, tighter monetary and fiscal conditions, and elevated debt sustainability risks emanating from continuing impact of the COVID-19 Pandemic, heightened regional and international geo-political tensions, trade and tariff wars, and steady decline in official development assistance (ODA).
- (ii) noted that the SADC Region has experienced extreme weather events and conflicts in some parts of the region which negatively impacted agricultural output, electricity generation and the tourism sector. These shocks have contributed to macroeconomic instability in the Region, including low economic growth, widening fiscal and current account deficits, high unsustainable debt levels, significant reduction in international reserves, exchange rate depreciation and elevated inflation.
- (iii) also noted that ongoing aid-cuts and tariff hikes have significant negative impacts on the SADC region, threatening economic stability, social services, and development progress. Reduced donor funding undermines health, education, and infrastructure, while higher tariffs on exports and imports weaken trade competitiveness and industrial growth. The Panel urged for identification and implementation of inward-looking mitigating measures to build resilience, including deepening financial

integration, enhancing domestic resource mobilisation and diversifying trade through AfCFTA.

- (iv) expressed concern at falling agricultural production and energy insufficiencies. The low agricultural output has led to food shortages, higher food inflation, and increasing food insecurity, while the low energy generation has left the region energy insecure. Consequently, despite signs of resilience and marginal recovery in 2024, all Member States continued to diverge from most of the Macroeconomic Convergence targets.
- 4. The Panel considered and approved the Peer Review Mission Reports and recommended structural and policy reforms for the Republic of Angola, Democratic Republic of Congo and Republic of Zambia and welcomed the commitment by the authorities of the three Member States to implement the recommendations of the peer review mission Reports.
- 5. The Panel commended the Republic of Malawi, Kingdom of Eswatini, and Republic of Madagascar for undertaking the peer reviews of the Republic of Angola, Democratic Republic of Congo and Republic of Zambia.
- 6. The Panel also commended Republic of Botswana, Kingdom of Eswatini, Kingdom of Lesotho, Republic of Madagascar, Republic of Malawi, Republic of Mauritius, Republic of Mozambique, Republic of Namibia, Republic of South Africa, United Republic of Tanzania, and Republic of Zimbabwe for continued implementation of the Macroeconomic Convergence Framework and recommendations of the previous peer reviews.
- 7. The Panel approved the revised schedule of the next Member States to be peer reviewed during 2025/26, namely: the Kingdom of Eswatini, the Republic of Zimbabwe and the Republic of Mozambique that will be peer reviewed by the United Republic of Tanzania, the Democratic Republic of Congo and the Kingdom of Lesotho, respectively.
- 8. The Panel endorsed the SADC Macroeconomic Convergence Index that has been developed by the Committee of Central Bank Governors (CCBG) for evaluating macroeconomic convergence progress in the Region.
- 9. The Panel expressed its gratitude to the Republic of Zimbabwe for hosting the Peer Review Panel meeting.

Victoria Falls, Zimbabwe
13 June 2025