

**EUROPEAN COMMUNITY -- SOUTHERN AFRICAN  
REGION**

Regional Strategy Paper  
and  
Regional Indicative Programme  
2008-2013

The **European Commission** and the **Southern African Region**, represented by the Southern African Development Community, hereby agree as follows:

- (1) The European Commission (represented by Stefano Manservigi, Director-General for Development and Relations with ACP States, and Paul Malin, Head of the Delegation of the European Commission in Botswana) and the Southern African Development Community (SADC) (represented by Dr. Tomaz Augusto Salomão, Executive Secretary), hereinafter referred to as the Parties, held discussions in Gaborone, Botswana, from February 2006 to July 2008 with a view to determining the general orientations for co-operation for the period 2008 – 2013. The European Investment Bank was consulted.

During these discussions the Regional Strategy Paper, including an Indicative Programme of Community Aid in favour of the Southern African Region, was drawn up in accordance with the provisions of Articles 8 and 10 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. These discussions complete the programming process in the Southern African Region.

The SADC Region includes the following countries: Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa<sup>1</sup>, Swaziland, Tanzania, Zambia and Zimbabwe.

The Regional Strategy Paper and the Indicative Programme are attached to this document.

- (2) As regards the indicative programmable financial resources which the Community intends to make available to **SADC** for the period 2008–2013, an amount of **€116 million** is earmarked for the allocation referred to in Article 9 of Annex IV to the ACP-EC Partnership Agreement. This allocation is not an entitlement and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 11 of Annex IV to the ACP-EC Partnership Agreement.
- (3) The Indicative Programme under Chapter 6 concerns the measures funded under this allocation. It is intended to cover economic integration and trade support, sectoral policies, programmes and projects at the regional level in support of the focal or non-focal areas of Community assistance. It does not pre-empt financing decisions by the Commission. Financing decisions shall be taken and implemented according to the rules and procedures laid down in the EC Council regulations on the implementation of the 10th EDF and on the financial regulation applicable to the 10th EDF and in Annex IV to the ACP-EC Partnership Agreement.
- (4) The European Investment Bank may contribute to the present Regional Strategy Paper by way of operations financed from the Investment Facility and/or from its own resources, in accordance with paragraphs 2(c) and 3 of the Multi-Annual Financial

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<sup>1</sup> The Provisions of Protocol 3 on South Africa of the ACP-EC Partnership Agreement apply.

framework for the period 2008-2013 contained in Annex Ib to the ACP-EC Partnership Agreement.

- (5) In accordance with Article 11 of Annex IV to the ACP-EC Partnership Agreement, the signatories will undertake a mid-term and an end-of-term review of the Regional Strategy Paper and the Indicative Programme in the light of current needs and performance. The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of each of these reviews, the Community may revise the resource allocation in the light of current needs and performance. Without prejudice to Article 11 of Annex IV concerning reviews, the allocation may be increased according to Article 9(2) of Annex IV to the ACP-EC Partnership Agreement in order to take account of new needs or exceptional performance.
- (6) The agreement of the Parties on the attached Regional Strategy Paper and Regional Indicative Programme will be regarded as definitive within eight weeks of the date of signature, unless either Party communicates the contrary before the end of that period.

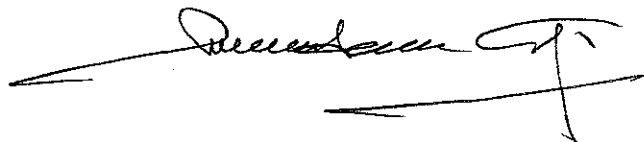
Done at Strasbourg on 15 November 2008.

For the European Commission



**Louis MICHEL**  
Member of the Commission in charge of  
Development and Humanitarian Aid

For the Southern African Region



**Tomaz Augusto SALOMÃO**  
Executive Secretary of SADC

## EXECUTIVE SUMMARY

The main objective of the Regional Strategy Paper is poverty reduction, supporting the acceleration of economic growth and development in the SADC region through deeper levels of regional economic integration and political cooperation. This objective is consistent with the goals set out in the SADC Common Agenda and the priorities described in the associated long-term Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plans for the Organ (SIPO). Therefore the specific objectives are:

- Regional economic integration by implementing the SADC FTA and moving to a Customs Union and a Common Market with integrated rules and standards, free movement of factors of production, labour, capital, goods and services, competition policy and macroeconomic convergence.
- Supporting democratic governance and the regional pillar of the Pan-African architecture of peace and security.

Both objectives are consistent with the AU-EU Strategy for Africa and working plan.

The analysis of the region generally gives grounds for cautious optimism on the political and economic fronts, with many countries emerging successfully from conflict and instability into democratic governance. Economic performance is largely positive - although below the sub-Saharan average on many indicators - and mineral assets, including oil, have substantially boosted a number of economies in the region. However, the prevalence of HIV and AIDS (35% of the world's total of people living with HIV and AIDS are located in the SADC region) continues to have catastrophic economic and human implications and has been responsible for the reversal of the previously positive trends in life expectancy and the Human Development Index.

The policy perspectives of the region are reflected in the SADC Regional Indicative Strategic Development Plan and the Strategic Indicative Plan for the Organ on Peace and Security, both launched in 2003. However, multiple national memberships of regional economic communities continue to pose a challenge for economic integration, and the SADC EPA group negotiating with the EU comprises only half of the current SADC membership.

The 9<sup>th</sup> EDF programme is highly relevant to the regional integration agenda, but performance has been slow, reflecting a lack of progress on that agenda, with most projects in both focal sectors being signed end 2007. Performance was particularly disappointing in the second focal sector of the 9<sup>th</sup> EDF programme - namely infrastructure - where only one project came to fruition. The protracted restructuring and 'centralisation' of the SADC Secretariat contributed to this state of affairs, and capacity building has – as a result – become a key theme of EC/SADC cooperation.

The 10<sup>th</sup> EDF programme consists of two focal sectors.

- The largest – in financial terms – is Regional Economic Integration. This focal sector will provide broad-based support to deepen SADC economic integration and trade policies, including investment promotion, regional infrastructure and food security. This also provides the EDF contribution to the EU package on Aid for Trade, in particular for the EU-SADC EPA, to be set up with EU Member States on the basis of the jointly agreed RSP.

- The second focal area, Regional Political Cooperation, will support capacity building in the context of regional governance and the implementation of some aspects of the Joint Africa-EU Strategy in the area of Peace and Security.

The € 116 million of the Regional Indicative Programme (exclusively in grant form) will be allocated as follows:

- Regional Economic Integration – approximately 80%
- Regional Political Cooperation – approximately 15%
- Non-Focal areas – approximately 5%

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**PART 1**

**COOPERATION STRATEGY**



## **CHAPTER 1: THE FRAMEWORK OF COOPERATION BETWEEN THE EC AND THE SADC REGION**

Article 1 of the ACP-EC Partnership Agreement places the main emphasis on the Millennium Development Goals emanating from the Millennium Declaration adopted by the United Nations General Assembly in 2000, in particular the eradication of extreme poverty and hunger, as well as the development targets and principles agreed in the United Nations Conferences. Cooperation between the Community and the Southern African Development Community shall pursue these objectives, taking into account the fundamental principles laid down in Article 2 of the Agreement and the essential and fundamental elements regarding human rights, democratic principles, the rule of law and good governance defined in Article 9.

Furthermore, in the joint Statement of 20 December 2005 on the EU Development Policy, the Council of the European Union, the European Parliament and the European Commission emphasized the multidimensional character of poverty eradication and determined the following areas of Community action on the basis of their contribution towards reducing poverty: the link between trade and development; support for regional integration and co-operation; importance of economic infrastructure; food security and rural development; governance and support for economic and institutional reform; conflict prevention.

Article 28 of the Agreement presents the general approach to regional cooperation and integration. "Cooperation shall provide effective assistance to achieve the objectives and priorities, which the ACP countries have set themselves in the context of regional and sub-regional cooperation and integration. In this context cooperation support shall aim to: a) foster the gradual integration of the ACP States into the world economy; b) accelerate economic cooperation and development both within and between the regions of the ACP States; c) promote the free movement of persons, goods, capital services, labour and technology among ACP countries; d) accelerate diversification of the economies of the ACP States; and coordination and harmonisation of regional and sub-regional cooperation policies; and e) promote and expand inter and intra-ACP trade and with third countries".

Cooperation in the area of regional economic integration and regional cooperation should support the main fields identified in Articles 29 and 30 of the Cotonou Agreement. Furthermore, Article 35 thereof provides that "economic and trade cooperation shall build on regional integration initiatives of ACP States, bearing in mind that regional integration is a key instrument for the integration of ACP countries into the world economy".

The Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO) are the main framework for regional cooperation and integration in the SADC region. The Windhoek Declaration on cooperation between the SADC Region and its International Cooperating Partners forms the basis for the implementation of the SADC Common Agenda as outlined in the RISDP and SIPO.

The above objectives and principles, together with the policy agenda for the region, constitute the starting point for the formulation of the RSP, in accordance with the principle of ownership of development strategies.

## **CHAPTER 2: ANALYSIS OF THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION OF THE REGION**

### **2.1. Political situation**

#### **2.1.1. Political situation in the region**

After several decades of political confrontation and instability, Southern Africa has now emerged as a relatively peaceful and stable region in which economic growth is becoming stronger.

A range of policies and institutional mechanisms for promoting and maintaining peace and stability are in place at the regional level, notably the Organ on Politics, Defence and Security Cooperation - established in 1996 - and the subsequent Protocol on Politics, Defence and Security Cooperation. This has provided the institutional framework for a Strategic Indicative Plan for the Organ (SIPO), which establishes the roadmap for the implementation of the Protocol<sup>2</sup> and its relevant legal instruments<sup>3</sup>. In addition, the Mutual Defence Pact of 2004 sets out the basis for collective military assistance of Member States. The SADC's role in advancing principles of democracy, notably the SADC Guidelines Governing Democratic Elections (adopted by SADC Heads of State and Government at the 2004 Summit in Mauritius) represent a key political milestone in terms of the region's commitment to take the democratic agenda forward.

However, the region is still faced with some challenges in the area of democracy, peace and security. Zimbabwe's political situation and the current economic crisis are having a major impact on regional integration and the engagement in the process of some international cooperating partners. In Angola and the Democratic Republic of Congo, post-conflict situations give rise to specific issues such as the need for repatriation of refugees and internally displaced persons<sup>4</sup>. Many of the situations provoking this mass movement of people have a regional dimension and impact<sup>5</sup>.

On the security front, transnational organised crime is a growing issue in the region, notably in the trafficking of people and body parts, and potential cross border threats - such as terrorism - remain a concern.

The role of civil society in the region still needs to be strengthened. The restructuring of SADC institutions has seen positive steps being taken with the establishment of SADC National Committees (SNC) at Member State level, where civil society is expected to play a significant role in the regional integration agenda. However, the process of implementation via the SNCs has yet to produce substantive results. The committees have been in place for only two years and still have a significant amount

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2 An Action Plan for the Implementation of the SIPO has been developed in which activities are prioritised within a five year timeframe (2006 – 2010) and are based on five clusters; politics, public security, public and territorial safety, defence and state security.

3 Protocol on Politics, Defence and Security Cooperation (2001), Protocol on Combating Illicit Drugs (1996), Protocol on the Control of Firearms, Ammunition and other related Materials (2001), Protocol against Corruption (2001) and Protocol on Extradition (2002).

4 The two most major global new displacements of people in 2005 took place in the region. See 'Internal Displacement: – Global Overview of Trends & Developments in 2005' Internal Displacement Monitoring Centre, March 2006.

5 As an example, DRC's civil war involved – at one time or other – nine other countries in the region.

of work to do in terms of the wider political understanding of their role and the provision of sufficient resources and capacities to enable them to fulfil their mandate. At the regional level the SADC Secretariat itself consults through a limited number of non-state apex organisations<sup>6</sup> representing, among others, employers, trade unions and non-governmental organisations; however, the dialogue suffers from the lack of capacity on both sides of the consultative process.

In terms of gender equality, women still make up the majority of the poor in the region and remain in an inferior legal and economic position in most countries, particularly in terms of lack of access to and control over land, training and economic resources. Gender-based violence also continues to be a matter of grave concern and a majority of the SADC countries still lag behind the SADC 2005 target<sup>7</sup> for women in positions of political power. There has, however, been significant progress in other areas, including on integrating gender perspectives in legislation and public policies through the establishment of institutional mechanisms to promote the advancement of women. In Swaziland, women have for the first time – in the new constitution of 2006 – been given land ownership rights. In nine Member States the representation of women in national parliaments more than doubled between 1990 and 2003. In 2006, nine Member States had more than 20% of Deputy Minister or Minister positions held by women, and eight had women in more than 25% of senior management posts. However, major challenges remain on issues related to women's economic empowerment, women's participation in decision-making, women's human and legal rights and the monitoring of progress in policies to reduce gender inequalities.

As regards HIV and AIDS, the pandemic has affected this region more than any other in the world and its effects are felt in every aspect of economic development, politics and policy making. Long-term structural change, sustainability and capacity building are a critical challenge in a region where life expectancy has plummeted over the last fifteen years<sup>8</sup>.

On the promotion of Human Rights, the specific engagement of parliamentarians from SADC Member States should in particular be highlighted. Recent expressions of such engagement are the debates at the 1st Regional Meeting of the ACP-EU Joint parliamentary Assembly in Windhoek, Namibia, 28 – 30 April 2008, and the joint seminar on the role of parliamentarians in promoting and protecting human rights in the Southern African Development Community (SADC), co-organised on 19 - 21 November 2007 in Pretoria, South Africa by the Regional Office of the UN High Commissioner for Human Rights (OHCHR) and the SADC Parliamentary Forum.

### 2.1.2. Regional integration and the Joint Africa-EU Strategy

Over the past few years, the African Union (AU) has become the EU's main interlocutor on pan-African issues. To foster this intercontinental dialogue, it is essential to strengthen the institutional architecture of the AU. Since the first Africa-EU Summit in Cairo in 2000, the institutional dialogue between Africa and the EU has been reinforced, and democratisation and reform processes have expanded and

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6 SADC Business Forum (SBF); SADC Employers Group (SEG); Association of SADC Chambers of Commerce and Industry (ASCCI); SADC Council of NGOs (CNGO); Southern African Trade Union Coordination Council (SATUCC).

7 Following the SADC Declaration on Gender and Development signed by Heads of State and Government in 1997. The target was increased to 50% in 2005.

8 The worst cases being Botswana (from 64 (in 1990) to 35 years (in 2004)), Zimbabwe (from 59 (in 1990) to 37 years (in 2004)) and Lesotho (from 57 (in 1990) to 36 years (in 2004)).

deepened in Africa. At the same time, the integration process in Africa has accelerated, with the transformation of the Organisation of African Unity into the African Union (AU) and the adoption of the New Partnership for Africa's Development (NEPAD).

In response to these changes, cooperation between Africa and the EU has rapidly developed and diversified. A new phase in Africa-EU relations was launched at the Africa-EU Summit held in Lisbon in December 2007. The new Africa-EU partnership is built on a shared political vision, a Joint Africa-EU Strategy, and a roadmap for future cooperation. This Joint Strategy, which provides a long-term framework for Africa-EU relations, will be implemented through successive short-term Action Plans and enhanced political dialogue at all levels, resulting in concrete and measurable outcomes in all areas of the partnership.

The guiding principles of the new partnership are the unity of Africa, the interdependence between Africa and Europe, ownership and joint responsibility, and respect for human rights, democratic principles and the rule of law, as well as the right to development. The First Action plan (2008-2010) is built around the following specific partnerships: peace and security; democratic governance and human rights; trade, regional integration and infrastructure; the Millennium Development Goals; energy; climate change; migration, mobility and employment; science, information society and space.

Dialogue with civil society, the private sector and local stakeholders on issues covered by the Joint Strategy is a key component to ensure its implementation. In this context, conditions will be created to enable the non-state actors to play an active role in development, democracy building, conflict prevention and post-conflict reconstruction processes.

## 2.2. Economic and social situation

### 2.2.1. Overall economic structure and performance<sup>9</sup>

Most countries have recorded positive growth for five consecutive years. With regard to **macroeconomic convergence** indicators, Member States have made progress and the general picture is that the region is showing signs of convergence. Economic performance in the region in 2007 remained robust, with **real GDP** growth averaging 6.4 per cent, which is 0.5 percentage points above the 2006 level, and prospects for 2008 are generally good. However, the actual level of economic growth is falling short of the regional target for real GDP growth, which is set at 7.0 per cent for 2008.

An important factor contributing to this lag in economic growth is the fact that the **economic structures** of many countries in the region remain narrow. The production sectors of the majority of Member States are not diversified and depend mostly on natural resources, i.e. agriculture, minerals, etc. This compromises the sustainability of economic growth, making it susceptible to shocks such as recurrent adverse weather conditions.

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<sup>9</sup> Most statistics exclude Zimbabwe due to its acute economic crisis

The structure of production in SADC countries is characteristic of a developing region where large shares of GDP originate in primary sectors of production, viz. agriculture and mining industry, whose total contribution is, on average, over 50% of total GDP.

Statistics on SADC show that only Mauritius and South Africa have sizeable manufacturing sectors, at 23% and 24% of GDP respectively. The formerly large manufacturing sectors in Zimbabwe have not been sustained due to lack of domestic competitiveness, higher input costs and shortages of foreign exchange for importing inputs, as well as political instability. The remaining Member States have relatively small manufacturing sectors that depend on services, agriculture or minerals.

Most of the Member States have contained inflation through prudent monetary policies and have also benefited from improvements in weather conditions, which have eased the cost-push pressures on food prices. Regional average **inflation** slowed to 8.3 per cent in 2007 (excluding Zimbabwe) from the 9.7 per cent recorded in 2006. However, monetary expansion, external shocks such as rising commodity prices - particularly of oil (for oil importing countries) - and recurring droughts/floods, remain a challenge to containing inflation and keeping it at low levels.

Most Member States have made progress towards the macro-economic convergence (MEC) target of a fiscal deficit of less than 5 per cent of GDP. This has been due to the gains from the Highly Indebted Poor Countries (HIPC) Initiative and prudent fiscal policies. Sustainability of the fiscal balances will depend on a continued sound fiscal policy stance. For instance, the majority of Member States' governments rely on a narrow range of revenue sources – hence their dependence on external loans/grants and domestic borrowing. Trade-related revenues continue to account for a large proportion of Government revenues in some of the Member States, especially those belonging to the Southern African Customs Union (SACU) and the Common Monetary Area (CMA). The region recorded a surplus of 0.6 per cent of GDP on its average **fiscal balance** in 2007, which is below the 2.6 per cent recorded in 2006.

Member States are striving to attain the MEC target of a **public debt/GDP** ratio of less than 60 per cent on a regional level. Debt relief from the HIPC Initiative and prudent fiscal regimes have helped to reduce excessive debt in the region. Nevertheless, in 2007 the region recorded a public debt/GDP ratio of 46.4 per cent – an increase of 11.5 percentage points over the 34.9 per cent recorded in 2006. This widening of the ratio is largely attributed to a deterioration in the public debt ratio for the Democratic Republic of Congo (DRC).

The region's **current account balance** deteriorated from an average deficit of 0.7 per cent of GDP in 2006 to an average deficit of 1.8 per cent of GDP in 2007, largely as a result of a surge in imports. However, these imports are largely intermediary imports for production, construction and infrastructure development. The current account deficits have largely been financed by capital inflows, grants and loans.

Total trade of SADC countries amounted to \$98.7bn in 2003, 60% of which is made up by South Africa. The EU is SADC's main trading partner, accounting for 37% of SADC exports and 30% of imports in 2003. The bilateral trade balance structurally favours the SADC countries. Three product groups (diamonds, petroleum and unwrought aluminium) make up more than 50% of SADC exports (excluding South

Africa) to the EU. Other important export products include sugar, gold, tobacco, textiles and fish. SADC countries need to broaden their export base and to diversify their economies.

### 2.2.2. Business and investment climate

A number of factors have contributed to keeping economic growth below the region's target. One is the lagged effect of **investment spending**. It is only in recent years that the region has seen an increase in investment expenditure. In 2007 the region recorded an investment/GDP ratio of 22.5 percent on average, compared to 20.7 per cent recorded in 2006. It is anticipated that the fruits of such investment should be forthcoming in the years to come. However, while the rate of investment has been increasing, the level of investment remains low. Only a few countries have managed to come close to the regional investment target of 30 per cent of GDP for 2008.

The work ahead for the region needs to concentrate on ensuring that the milestones that have so far been achieved, especially in the areas of fiscal and public debt, are safeguarded. Furthermore, the region should guard against letting inflation slip by pursuing prudent monetary policies. The quality of the current account should be maintained, i.e. by encouraging imports for investment rather than for final consumption. More importantly, the region should leverage the current performance to achieve higher economic growth in the medium term. However, in order to achieve all this, the region needs to address a number of challenges, namely:

- (a) Recurrent droughts/floods, which affect production and price levels;
- (b) Power shortages due to low generating capacities, compounded by a surge in demand as a result of increased economic activity;
- (c) Continuing conflicts in some Member States;
- (d) Rising oil prices on the international market;
- (e) Rising food prices in the context of global food reserves that are at their lowest level for 30 years;
- (f) The preparations for the FIFA 2010 World Cup, which have impacted on availability and pricing of a number of commodities in the region, such as cement, which is required for construction of the infrastructure for the World Cup; and
- (g) Shortage of critical skills due to the HIV/AIDS pandemic and the expansion of economic activities.

To that end, a majority of Member States have put in place strategies with the following aims: improving the business and investment climate; developing entrepreneurship; and supporting the private sector as a means of overcoming the challenges and meeting the target of 7 per cent growth in GDP.

Generally, SADC Member States are making progress in improving their competitiveness and in enhancing the business environment. Various reports indicate that Mauritius, South Africa, Namibia and Botswana are the most business friendly and competitive states in the region, and even rank among the top fifty countries in the world (Botswana is in 51<sup>st</sup> place). These four countries are in the lead in most of the ten areas of business regulation. Nonetheless, all countries except Mauritius are ranked poorly with respect to trading across borders.

The SADC region compares favourably with the COMESA and EAC regions. Over 40 per cent of SADC Member States are ranked among the top 100. This compares to only 21 per cent for COMESA and 20 per cent for EAC.

In terms of the basic factors that determine the quality of the business environment – i.e. institutions, infrastructure, the macro-economic framework, and health and primary education – Member States have a good ranking with respect to institutions. However, more work is needed on health and primary education, the macro-economic framework and infrastructure.

The private sector also has a role to play in improving investment and business environment through innovation, research and development, and strategy. Once again, South Africa, Mauritius, Botswana and Namibia occupy the top positions in the region. However, Tanzania is now also joining their ranks.

As a result of the developments explained above, investment in the region has been on an upward trend, although only marginally. For the period 2002 to 2006, private sector gross fixed capital formation as a share of GDP exhibited an upward trend in most Member States. Total investment as a share of GDP has also been showing an upward trend, although it tapered off in 2007.

A number of surveys have established that stability and predictability of macroeconomic policy and the investment climate are of primary importance for sustaining and attracting new business investment. However, understanding the nature and characteristics of private sector in the region has to be the first step, as this helps in the design of appropriate and effective business and investment promotion and support strategies for investment. It helps to define the characteristics, needs and impact of the different investor groups.

### 2.2.3. Poverty analysis

All in all, the principal challenge for the SADC region is to translate the economic gains that have been made so far into poverty reduction.

Although it has a total population of approximately 250 million people and a GDP of US \$374.2 billion (2006), the size of the SADC market is smaller than that of Belgium – a country with a population of 10.2 million inhabitants, but which generates a GDP of US \$467.3 billion (2006). By the same token, Belgium's GDP per capita at US \$45,000 in 2006 was approximately 30 times higher than that of SADC over the same period. (Central Statistics Office (CSO), SADC Member States, 2006 and Country Profiles Foreign and Commonwealth Office, 2008 Review).

In terms of per capita income at purchasing power parity (PPP), Botswana ranks first among the SADC Member States with 11,730 international dollars (I\$) and 77<sup>th</sup> in the global ranking. With an amount of 10,640 I\$, Mauritius (83<sup>rd</sup> in the global ranking) comes second, followed by South Africa (ranked 94<sup>th</sup>) and Namibia (ranked 130<sup>th</sup>). Mozambique and the DRC are the countries with the lowest per capita income (PPP) in the region, with 660 I\$ and 270 I\$ respectively (ranked 199<sup>th</sup> and 207<sup>th</sup>). For Zimbabwe, no data are available. Purchasing Power Parities (PPP) provide a more internationally comparable picture of income per capita, by adjusting for differences in the cost of living.

Despite being relatively well endowed with natural resources, SADC is one of the poorest regions in the world. Approximately 45% of the total population of SADC live on an average of USD 1 per day. The level of inequality in the region, as measured by the Gini coefficient, is high and some countries (Botswana, Namibia, South Africa) are among the most unequal countries in the world. Others, such as Tanzania, have a more balanced distribution of wealth.

More than one third (36.1%) of the population of the region are undernourished. This average figure masks some of the highest levels of undernourishment, as six countries have figures ranging from 44 to 72%. These high figures are an indication of the seriousness of the poverty problem in the region. Life expectancy has declined substantially in many countries in SADC, with the lowest now being 33 years and the highest 72 years. Only seven countries have a life expectancy of above 40 years. Infant mortality rates remain above 50 per 1000 in 13 countries. Mauritius stands out as the best performing country in the region, with an infant mortality rate of 14 per 1000. This apparent trend - together with the insufficient levels of economic growth - suggests that it is unlikely that the SADC region as such will achieve any of the Millennium Development Goals (MDG) by 2015.

Poverty in SADC is a complex issue and takes a variety of forms. It can be attributed to lack of income; lack of access to means of survival, such as health, water and food; lack of means of production; lack of human capital or the skills that are necessary in order to become involved in production; and general deprivation arising out of conflicts, political differences, gender, disability, age, inequality, power differences and tribal segregation. Overall, poverty is the inability to take up opportunities and the lack of opportunities for individuals to explore their human potential.

#### 2.2.4. Food security and sectoral issues

Food insecurity is a pervasive problem in Southern Africa, and one that has been getting worse for the last three decades at least. Food insecurity linked to poverty affects one in three people in more than half of the region's member states. Despite progress in reducing hunger at a global level, SADC's advancement towards achieving the MDG on hunger is substantially off track. Furthermore, the region's persistent food insecurity is compounded by the high incidence of HIV and AIDS, and poor governance. Although efforts have been undertaken to address food insecurity, new environmental, economic and social shocks have hit the region – placing a large number of people, whose coping strategies have eroded further, under threat. Economic integration, basic social services - primarily health - education and training, social safety nets and traditional coping mechanisms are the major areas that need strengthening in order to improve food security in the region. Rural and urban poverty and environmental degradation also need to be addressed.

The global increase in food prices has adversely affected food security in the SADC region, in particular for the most vulnerable groups of the population. Lack of access to improved inputs and markets - mainly by the smallholder farmers - adverse weather conditions, climate change, export restrictions in food-surplus countries and commodity speculation all affect the region. The lack of short-term measures (i.e. social protection/safety net) in most of the SADC countries hampers the region's capacity to respond quickly to crises.



Next to greatly needed short-term measures, policies with a long-term vision are also required to avoid new upcoming food crises in the future and adequately address food security in the region. Sustainable natural resource use, efficient water management tools and practices need to be promoted, as well as inclusion of adaptation measures into agriculture related policies.

Food insecurity is inherently linked to low agricultural productivity in the region. Agriculture is a major sector of the SADC economy, accounting for approximately 35% of the regional GDP. Some 70% of the population depend on agriculture. Although the region is well endowed with a diversified natural resource base, agricultural growth and productivity have been stagnant over the past 20 years. Agricultural incomes have declined and food insecurity has increased markedly. The lack of a suitable framework for appropriate and coordinated agriculture research (amongst other factors) hampers the adoption of innovative technologies and policies that might otherwise enhance productivity, improve food security and support economic growth. Although agricultural trade is a major source of export earnings for the SADC region, participation by the SADC Member States in international trade is severely limited by a number of structural factors as well as SPS (food safety related) issues<sup>10</sup>.

The transport sector accounts for between 15 and 55% of the cost of doing business in the SADC region. The cost of cross-border delays and related opportunity costs is estimated at about US\$ 60 million per year. The basic transport infrastructure is largely in place in the SADC region, although some gaps remain in Angola, DRC and Madagascar. In the civil aviation sector, further improvements are necessary in air traffic liberalisation, regulatory capacity and oversight. Air carriers from two SADC countries (DRC and Swaziland) are included in the European Commission's list of airlines banned from EU territory due to insufficient safety standards.

Increased economic growth and rising energy demand have led to recurring power shortages in the region, although some progress has been made with the integration of power networks. Current efforts are directed at boosting the regional electricity generation capacity with the aim of doubling it over the next 20 years. Indeed, one of the most immediate challenges is to clear the current energy shortfall in the region. SADC is actively promoting generation/distribution of power and power pooling. The Southern African Power Pool - an official SADC body - has day-to-day responsibility for the coordination of planning and implementation of power projects at the regional level. Application of information and communication technologies (ICT) in the region is low. Coherent policies and operational regulatory independence are needed in order to attract private sector participation and to tap the potential of ICTs for sustainable development.

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<sup>10</sup> Sanitary and Phytosanitary (SPS) measures remain a challenge. Efforts need to intensify to bring the SPS systems up to international standards, notably in respect of the legislative framework and standards, enforcement mechanisms (inspection, certification, monitoring and surveillance, control and communication systems), management structures, laboratories and infrastructure.

### 2.2.5. Social aspects<sup>11</sup>

Human development<sup>12</sup> is a process of widening people's choices and opportunities (including political, economic and social) and is achieved by expanding human capabilities to lead long and healthy lives, to be knowledgeable and to have a decent standard of living. The concept of human development is a holistic one – putting people at the centre of all aspects of the development process, enabling them to be creative and productive, and to enjoy self-respect, empowerment and a sense of belonging to a community. The Human Development Index<sup>13</sup> is a means of measuring human development by combining indicators of life expectancy, educational attainment and income into a composite human development index (the HDI). Of the SADC countries, Mauritius has the highest HDI ranking, while Mozambique occupies the lowest rank. In the case of Mauritius, there is a direct correlation between GDP per capita and HDI, with consistently high levels of education, health care and literacy. Zimbabwe, on the other hand, has a comparatively low GDP, but a literacy rate of 89.4 percent. However, it falls short on the figures for life expectancy at birth (40.9 percent) and reaches only 52.4 percent for school enrolment levels. Mozambique has the lowest HDI and adult literacy rates, but not the lowest for GDP per capita or life expectancy.

Across the SADC region only a limited share of the population lives beyond the age of 40; this is due partly to the HIV and AIDS pandemic and also to other significant factors, including a high incidence of non-communicable diseases. In all SADC countries, more than 30 percent of the population is likely to die before the age of 40, except in Madagascar and Mauritius. About half of SADC Member States have infant mortality rates of over 100 per 100 000 live births. Rates of child mortality - often caused by malaria or diarrhoea - are also extremely high.

There is also a wide variation in levels of illiteracy - ranging from 15.7 percent in Mauritius to 61.3 percent in Mozambique. In terms of levels of overall economic provisioning, the proportion of the population living on \$1 a day ranges from 10.7 percent of the population in South Africa to 63.8 percent in Zambia. In South Africa, 34.1 percent of the population lives on less than \$2 a day, compared to 85.1 percent in Madagascar. The levels of poverty in the SADC region are a cause for concern and should be addressed through multidimensional programmes that reach the chronically poor and those who are just above the poverty threshold.

There are many shared factors that exacerbate poverty within the region. These include disease (communicable and non-communicable), the status of women, access to resources such as land and credit facilities, and policy shortcomings. Gender and HIV and AIDS have been identified as cross-cutting sectors that affect every facet of life in the region. Gender should be an overarching framework within which poverty reduction strategies are evaluated. Without gender equality, SADC poverty strategies will not succeed in improving the lives of women, men, boys and girls. Gender should be mainstreamed in all government policies that address social, political and economic needs within the region and nationally.

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<sup>11</sup> Migration issues are dealt with in Annex 2 f.

<sup>12</sup> UNDP definition of 'human development': (<http://hdr.undp.org/en/humandev/hdi/>)

<sup>13</sup> UNDP definition of HDI: (<http://hdr.undp.org/en/humandev/hdi/>)

Sub-Saharan Africa has the highest incidence of HIV and AIDS in the world, and globally 70 percent (29.4 million) of the 42 million people living with AIDS (PLWA) live in sub-Saharan Africa. The scale and trends of the epidemics in the region vary considerably, with Southern Africa being the most seriously affected. In 2007, Southern Africa alone accounted for almost one third (32%) of all new HIV infections and AIDS deaths globally. Some 35% of all people living with HIV are in this sub-region (UNAIDS). Of the SADC countries, Botswana, Lesotho, Swaziland and Zimbabwe all have over 30 percent prevalence of HIV among adults. The final Communiqué of the 2006 Maseru Summit on HIV and AIDS noted that HIV and AIDS contributes to the high mortality rate for women and children. Government expenditure on health continues to improve, and programmes addressing HIV and AIDS are being supported. The 2006 Summit resolved that these interventions should be scaled up within the context of the Maseru declaration of 2004 on HIV and AIDS. HIV and AIDS exacerbates poverty because it makes productive members of society too weak to work, thereby reducing the labour force within a country, and it slows down development programmes. The social fabric of a family unit and society is also torn because the disease is stigmatised and driven underground by cultural beliefs that maintain the unequal gender relations within families and communities.

Poverty, amongst other factors, plays a significant role in increasing the incidence of HIV and AIDS in the region because it makes vulnerable communities more susceptible to external shocks such as increased food prices and migrant labour. Some poor women turn to sex work to earn money for their families' survival. Women are also vulnerable during times of economic instability as they occupy low-paid jobs in sectors that are affected by global economic shocks. In turn, HIV and AIDS contributes to poverty among individuals and in families, for instance if the household income is reduced due to illness or death of the breadwinner.

Other diseases, such as malaria and tuberculosis, also significantly impact on people's standard of living. Non-communicable diseases, such as cardiovascular diseases, strokes or cancer are on the rise. According to the World Health Organisation, non-communicable diseases were responsible for 40 % of deaths in South Africa in 2000. These diseases are often associated with lifestyle risk factors, such as smoking and are, therefore, largely preventable.

Existing policies have addressed the medical needs of diseases, but not the related social needs: for example, people need centres where they can have access to clean water for their medication and possibly purchase subsidised food. A more holistic approach to HIV and AIDS and other diseases is necessary to minimise the connection between disease and poverty.

### 2.3. Environmental situation

Water is a particularly scarce resource in southern Africa. Fresh water is an issue of strategic importance in the region, with environmental, social, economic and political needs competing for the resource. Demand for water is continuing to grow across all sectors of the economy, and is leading to further water scarcity, resulting in competition and disputes over available water. More than half of the total SADC population lack access to safe water and sanitation. Management of water basins therefore remains a key issue at regional level.

However, the region is rich in biological and natural resources, some of which have global environmental significance. These resources, many of which cross national borders, also form the main basis for the region's economy, and underpin activities such as agriculture, mining, manufacturing and tourism. Despite this natural resource base, it is estimated that almost 75% of all land in the SADC region is partially degraded, with 14% being classified as severely degraded. Soil erosion is identified as one of the most important factors causing the decline in agricultural productivity in SADC. Arguably, land degradation is one of southern Africa's most serious and widespread environmental problems. The region is also vulnerable to natural disasters, such as floods, droughts, earthquakes and cyclones, which cause considerable human suffering and economic damage.

### **CHAPTER 3: THE PROCESS OF REGIONAL INTEGRATION IN SOUTHERN AFRICA**

#### **3.1. Introduction**

Southern Africa is characterised by a multiplicity of regional integration organisations. Amongst the countries of the region there is a significant overlap in membership of regional organisations, with many countries belonging to two or more regional economic groupings<sup>14</sup>. As a consequence, the region is negotiating with the EU in four different EPA configurations. While the rationalisation of Customs Union/Regional Economic Community membership is a much-discussed issue, real signs of improvement are scarce and the potential for achieving regional integration continues to be disrupted.

##### **3.1.1. Economic and Social Integration within SADC**

The Southern African Development Community was formed in Lusaka, Zambia on 1 April 1980, following the adoption of the Lusaka Declaration "Southern Africa: Towards Economic Liberation". Originally formed as a loose alliance of nine majority-ruled southern African States<sup>15</sup>, known as the Southern African Development Coordination Conference (SADCC), the regional grouping's main aim was the coordination of development projects, in order to lessen economic dependence on the then apartheid South Africa. The transformation of the organisation from a Coordination Conference into a Development Community took place on 17 August 1998, when the Declaration and Treaty was signed in Windhoek, Namibia at the Summit of Heads of State and Government. Subsequently, SADC convened an Extraordinary Summit in March 2001 at which they approved a report on the Restructuring of SADC's Institutions, which set out enhanced objectives and a Common Agenda for SADC based on Article 5 of the 1992 SADC Treaty. The report articulated a more explicit Common Agenda that took account of a number of principles, including development orientation, subsidiarity, market integration and

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<sup>14</sup> Southern African Development Community (SADC); the Common Market of East and Southern Africa (COMESA); the East African Community (EAC); the Economic Community of Central African States (ECCAS); the Indian Ocean Commission (IOC); and the Southern Africa Customs Union (SACU).

<sup>15</sup> Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe

development, facilitation and promotion of trade and investment, and variable geometry. In contrast to the country-based, “bottom-up” coordination of sectoral activities and programmes, the restructuring of SADC adopted a more centralized approach with twenty-one Coordination Units being grouped into four Directorates<sup>16</sup>.

To provide strategic direction to the restructured organisation and to make the SADC Common Agenda operational, a Regional Indicative Strategic Development Plan (RISDP) has been developed. The RISDP is a 15-year plan which aims to deepen regional integration by providing Member States with a consistent and comprehensive programme of long-term economic and social policies. *Inter alia*, the plan reaffirms the commitment of SADC Member States to good political, economic and corporate governance embedded in a culture of democracy; full participation by civil society; and respect for the rule of law. In this context, the Africa Union’s NEPAD programme is embraced as a credible and relevant continental framework, and the RISDP as SADC’s regional embodiment and the vehicle for achieving the ideals contained in that programme.

### 3.1.2. SADC Political Integration

The Inter-State Defence and Security Committee (ISDSC) was established in 1975 as a substructure of the Frontline States (FLS) who were working together to advance the political struggle against apartheid. In common with the FLS, the ISDSC had no charter or constitution; neither did it have a headquarters or a secretariat. Initially it was a ministerial committee, with sub-committees on Defence, Public Security and State security that met to discuss both issues relating to individual and collective security requirements and those relating to the liberation struggle. When the FLS Summit was disbanded, the ISDSC was retained and its membership gradually expanded to include all SADC Member States.

In 1996, the SADC Ministers of Foreign Affairs, Defence and Security recommended the creation of a SADC Organ for Politics, Defence and Security<sup>17</sup>. Subsequently, the Protocol on Politics, Defence and Security Cooperation (2001) incorporated the ISDSC and its sub-committees under the SADC Organ. The purpose of the Organ is to “*allow for a more flexible and timely response, at the highest level, to sensitive and potentially explosive situations*”. Through the establishment of the Organ, SADC moved away from an *ad hoc* approach to foreign policy and security issues to a more common approach. The institutional framework for the Organ is the Strategic Indicative Plan for the Organ (SIPO), which establishes a roadmap for the implementation of the Protocol on Politics, Defence and Security Cooperation and its relevant legal instruments<sup>18</sup>. Apart from spelling out specific activities in accordance with the Protocol’s objectives, and the strategies for their realisation, SIPO also provides the institutional framework for the day-to-day implementation of the Organ’s objectives. SIPO is divided into four main sectors, namely Political, Defence, State Security and Public Security. It sets out the analysis and challenges of the four

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<sup>16</sup> Trade, Industry, Finance and Investment (TIFI); Food, Agriculture and Natural Resources (FANR); Infrastructure and Services (I&S); and Social and Human Development and Special Programmes (SHD&SP)

<sup>17</sup> The term “organ” was borrowed from the Central Organ of the Mechanism for Conflict Prevention, Management and Resolution at the Organisation for African Unity (now the AU)

<sup>18</sup> Protocol on Politics, Defence and Security Cooperation (2001), Protocol on Combating Illicit Drugs (1996), Protocol on the Control of Firearms, Ammunition and other related Materials (2001), Protocol against Corruption (2001) and Protocol on Extradition (2002).

sectors, as well as the strategies and specific activities to be implemented in order to achieve the objectives of the Organ.

### 3.1.3. SADC Institutions

*SADC Secretariat*: The SADC Treaty of 1992 established the SADC Secretariat as the principal executive institution for the region. Headed by an Executive Secretary and located in Gaborone, Botswana, the Secretariat was given responsibility for:

- strategic planning and management of the programmes of SADC;
- implementation of decisions of the Summit and of the Council;
- organisation and management of SADC meetings;
- financial and general administration;
- representation and promotion of SADC; and
- coordination and harmonisation of the policies and strategies of member States

In February 2005, the SADC Council approved an organisational structure for the Secretariat, and started recruiting to fill approximately 60 professional positions. By 2007, most of the approved positions in the structure had been filled, but the difficulties and constraints of making an effective transition from a relatively loose decentralised structure to the centralised form needed for an integrated (top-down) approach to accelerating regional integration persisted. In 2006, in response to the perceived slow progress in the implementation of the regional agenda, the SADC Member States established a Ministerial Task Force to review and propose measures for accelerating regional economic integration. One aspect of the review concerned the institutional requirements for leading the process, and in response to this a “Job Evaluation” study of the Secretariat was launched, with the aim of revisiting the organisational structure and identifying constraints to the institutional dynamics.

The “Job Evaluation” study was conducted at the same time as an EDF-financed initiative to perform an Institutional Assessment (IA) of the SADC Secretariat, with a view to assessing the Secretariat’s readiness for contribution agreements as the main basis for future EC-SADC cooperation. A common conclusion from both exercises was that the “2005 organisational structure” was inappropriate to the Secretariat’s mandate. Although the initial findings have not been formally endorsed by Council, they suggest that:

- There does not appear to be a clear and shared understanding amongst the Secretariat staff on issues of prioritisation for deepening integration, subsidiarity, and functions specific to the Secretariat. In this context, it was recommended that the Secretariat should develop a shared view of what can best be managed by a subsidiary or in a Member State, and what can be managed in the Secretariat.
- The respective roles, responsibilities and obligations of Member States and the Secretariat are not clearly defined or understood by staff at the Secretariat. The report recommended that the entire Secretariat should be clearly informed about its role, i.e. whether it is supposed to facilitate/coordinate or to implement.

- It is apparent that there are serious overlaps between the duties and responsibilities of Council and its institutions as policy making bodies and the Secretariat as the executive organ of SADC. Evidence of this is manifest in the recruitment of staff – an exercise performed by Member States' officials as opposed to SADC management. The recommendation was that policy authority and operational authority should be two distinct areas.
- Further strengthening of the organisational and management capacity of the Secretariat is necessary, in particular increasing human resources and coordination between Units and Directorates, as well as in respect of the financial management (core budget and accounting system) before an effective integrated finance and management system could be introduced.

A review of implementation of the 57 recommendations of the European Commission sponsored institutional assessment prepared in May-July 2008 as part of the elaboration of the strategy paper found that 13, or 23% had been implemented, 41, or 72%, were being implemented. 3, or 5%, were not yet implemented.

The net effect of the prolonged restructuring process, the loss of institutional memory and a general lack of appreciation of the meaning of regional integration has been that the momentum built up prior to 2000 has been lost and that the “new Secretariat” is experiencing difficulties in reintroducing the role played by the original commissions and sector coordinating units. This has meant that SADC has been unable to progress from the traditional “bottom-up” approach that characterised the early years to the “top-down” approach inherent in deeper regional political, social and economic integration.

Other SADC Institutions: The SADC Organisational Structure is described in Annex 14. Apart from the Secretariat, there are a number of SADC institutions, including specialised institutions such as the *Development Finance Resource Centre (DFRC)*, *SADC Tribunal*, *Regional Tourism Organisation of Southern Africa (RETOSA)*, *SADC Plant Genetic Resources Centre (SPGRC)*, *Regional Peacekeeping Training Centre (RPTC)*, which are described more in detail in Annex 1.

At the national level, *SADC National Committees (SNC)* composed of stakeholders from public and private sectors and civil society have been established. Their task is to provide input to policy development and coordinate the domestication of regional policies. However, SNCs are not fully operational in a number of Member States and most face a lack of inclusiveness, resources and basic capacities.

#### 3.1.4. Inter-regional Cooperation

At the Abuja Summit of 2006, the African Heads of State and Government reconfirmed SADC’s status as one of the eight recognised regional economic communities (RECs) for the African continent. SADC therefore has a role as a building block in the implementation of the African economic and social development agenda within the framework of the AU and NEPAD, and in this context SADC cannot expect to successfully achieve its regional integration agenda if it cannot play a complementary role at the continental level. Hence, the wider continental initiatives - such as the transformation of the Organisation of African Unity to the African Union

(AU) and the New Partnership for Africa's Development (NEPAD) - are reflected in the economic, social and political agenda of SADC. The objectives, principles and priorities of NEPAD and - consequently - the objectives, underlying principles and priority/focal areas of the RISDP and NEPAD are very much in line. Mechanisms are already being put in place for intensifying coordination and collaboration between the SADC and NEPAD Secretariats

Within the East, Central and Southern Africa region, the coordination of intra-regional cooperation is facilitated through various COMESA/EAC/SADC technical and Ministerial working groups. In August 2007, the SADC Summit agreed to convene a COMESA/EAC/SADC Tripartite Summit in 2008, following a proposal from COMESA. Items for consideration at the Summit will include the status of regional integration and geo-political issues.

To harmonise and coordinate approaches with regard to the respective 9<sup>th</sup> EDF Regional Indicative Programmes, the ESA Regional Economic Communities (covering COMESA, EAC, the Intergovernmental Authority on Cooperation (IGAD) and IOC) established the Inter-Regional Coordination Committee (IRCC). SADC attends the meetings of the IRCC as an observer.

### 3.2. State of play: achievements and challenges in the regional integration process

The purpose of the Regional Indicative Strategic Development Plan (RISDP)<sup>19</sup> is to deepen regional integration through providing SADC Member States with a consistent and comprehensive programme of long-term economic and social policies, linked to the implementation of the Protocols. In the broader continental context, the RISDP is considered by the Member States and the AU as the SADC vehicle for achieving the ideals contained in NEPAD. The RISDP is primarily focused on regional integration and the promotion of trade and economic liberalisation.

#### 3.2.1. Implementing the trade and economic integration agenda

##### 3.2.1.1 Establishing a Free Trade Area (FTA)

The establishment of a SADC Free Trade Area is governed by the SADC Trade Protocol (TP). The FTA was formally launched at the Summit of 17 August 2008. By 2008 over 85% of SADC trade should be duty free; at the time of drafting of this RSP an assessment of the state of implementation is in progress. The remaining tariffs on sensitive products have to be removed over the period 2008-2012. The SADC Protocol on Trade is being implemented by 11 SADC Member States – Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

Implementation of the TP began in September 2000; a mid-term review (MTR) was conducted in 2004 and an audit of the implementation of the SADC TP was conducted in 2007. Due to the heavy back-loading of offers to phase down tariffs the MTR revealed that, as of 2004, only 20% liberalisation had been achieved vis-à-vis South Africa and 34% vis-à-vis the remaining SADC Member States. SACU and

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<sup>19</sup> Adopted by the SADC Heads of State and Government in August 2003.



Mauritius have fast-tracked their implementation of the Trade Protocol in line with the asymmetry principle. SACU has reached full liberalisation with the rest of SADC as from 2006. Zambia has delayed tariff cuts mainly because of fiscal deficits. Mozambique introduced additional tariff cuts in 2007 and 2008 and is going beyond its original commitments as a post-conflict country. Malawi, Zimbabwe and Tanzania are behind schedule in the implementation of their tariff phase-down.

Most SADC countries – with the exception of Zimbabwe – have made changes to their tariff regimes over the past decade aimed at dismantling previously high tariff barriers, simplifying tariff structures and making their domestic producers more competitive. In the main, these changes have been the result of programmes agreed with the IMF and the World Bank.

The SADC Trade Protocol has been notified to the WTO as a regional trading agreement.

In the Doha Development Round, most SADC countries are not expected to undertake further commitments to the opening of the market in trade in goods or services. However, the situation as far as trade in goods is concerned is different for South Africa, and consequently for the BLNS countries too, as they are members of SACU.

#### 3.2.1.2 Barriers to Trade

In the area of trade facilitation there remain substantial barriers to internal trade, such as restrictive rules of origin; border and transport costs also remain high.

- Some of the problems arise from the nature of the FTA itself, and/or from the manner of its implementation. Given that each country operates its own customs area and that there is minimal coordination between them, and given substantial differences in external tariff structures and resulting concerns about leakages of goods from low tariff or poor quality enforcement regimes to countries with higher tariff or better customs services, plus the complex rules of origin made necessary by the big differences in tariff structure, border management is difficult and costly. This distracts from the basic goal of liberalization of intra-SADC trade and enhanced regional economic integration.
- Non-tariff barriers to trade (NTBs) were raised in the mid-term review as a major impediment to the effective implementation of the TP. A comprehensive inventory was carried out for all Member States except DRC and Madagascar. An institutional mechanism for monitoring, reporting and eliminating NTBs is expected to be in place in the course of 2008.<sup>20</sup>
- Another important finding of the Mid-Term Review of the TP was that the current Rules of Origin unnecessarily restrict trade in SADC. The MTR recommended two options for a simplification of the rules of origin: either a general rule for goods<sup>21</sup> or product-specific improvements for selected products. A process of consultation on these proposals in SADC Member States is ongoing, but the various diverging

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<sup>20</sup> RTFP expects to appoint an NTB Monitoring Officer in July 2008. SADC has agreed in principle that the NTB Monitoring Officer position will be subsumed by SADC when RTFP support ends in 2009.

<sup>21</sup> Goods not wholly originating would have to undergo a single change of tariff heading, or contain a minimum of 35 percent of regional value added, or include non-SADC imported materials of no more than 65 percent of the ex-factory cost of the goods.

interests among Member States have so far impeded progress on more liberal rules of origin.

- Some important trade facilitation instruments governing transit trade and bond guarantees remain at the pilot stage, and are yet to be rolled out to the whole region.

#### 3.2.1.3 Intraregional trade flows

The backloading of tariff liberalisation under the TP and the time lag in the availability of SADC trade data make it difficult to draw empirical conclusions about the impact of the TP on intraregional trade flows. However, the following points can be made:

- Intraregional trade accounted for 19% of total SADC trade in 2003. This share has not increased since 1998.
- It is dominated by South Africa; most intraregional trade is conducted within SACU.
- There has been a very modest increase in trade between non-SACU members and South Africa.
- Trade flows between SADC members outside of SACU are very low.
- Among non-SACU countries, sourcing of imports from the region is high for Zambia (61% of total imports), Malawi (57%), Mozambique (28%) and Zimbabwe (27%). These countries, in particular, risk tariff revenue losses resulting from the full implementation of the SADC Trade Protocol (TP).
- Intra-SADC exports by SADC members (excluding SACU) are highly concentrated in a few products and do not match current imports by the region.
- South Africa is an exception within the region, as it exports a wide range of products to SADC countries, many of which are currently imported from the rest of the world. Manufacturing accounts for a small proportion of overall production in most SADC economies and is highly concentrated in a few sectors.
- Barring changes in economic structure, the gains from trade will be largely of the inter-industry type, although there may be opportunities for specialisation in processes along the production chain (vertical integration).

Around 70% of intra-SADC trade is already covered by preferential trade agreements concluded between two or more SADC Member States before the TP. Outside SACU most of the intra-SADC trade takes place through either COMESA or bilateral preferences.

#### 3.2.1.4 Customs Unions in Southern Africa

The Southern African region is characterised by a number of overlapping customs unions, which - by their very nature - are mutually exclusive. Given the existence of SACU, the adoption of a Common External Tariff (CET) in 2005 by the East African Community (EAC) and the fact that the Common Market of East and Southern Africa (COMESA) is also preparing for the establishment of a customs union in 2008, the SADC Customs Union agenda faces considerable challenges with regard to its timing, scope and feasibility. There is an urgent need for Member States to assess the impact of multiple memberships and decide how best to proceed.

### ***SACU: a functioning Customs Union***

Although the *Southern African Customs Union (SACU)* is a separate entity from SADC, any assessment of integration within the SADC region must take account of it. Initially formed in 1910, SACU was extended in 1990 to encompass South Africa, Botswana, Lesotho, Namibia and Swaziland (BLNS). The aim of SACU is to maintain the free interchange of goods between countries and provide for a common external tariff and a common customs area. Despite the progress achieved under the Tariff Rationalisation Process, SACU's tariff regime remains very complex. In recent years SACU has adopted a policy of selectively opening its domestic market through the conclusion of Free Trade Agreements (FTA) with its major trading partners. SACU is currently negotiating an FTA with the USA and in July 2006 signed an FTA agreement with the European Free Trade Area countries<sup>22</sup>.

All customs and excise revenues collected in SACU are paid into South Africa's national revenue fund and are subsequently shared among members according to a revenue sharing formula as described in the Customs Union Agreement. Only the shares of BLNS Member States are calculated, with South Africa receiving the remainder. SACU revenue accounts for a substantial share of state revenue for several of the BLNS countries.

In 1994, the SACU Member States concurred that the existing Agreement should be renegotiated in order to democratise SACU and, in 2000, consensus was reached on the principles for institutional reform of SACU. The agreed administrative infrastructure consisted of a Council of Ministers, a Commission, a Tribunal and a Secretariat responsible for the day-to-day operation of the pool. SACU Ministers further agreed that the revenue sharing formula should be based on three components: a share of the customs pool, a share of the excise pool and a share of the development component, which was to be fixed at 15% of the excise pool and distributed to all SACU members in inverse proportion to each country's GDP/capita. The new SACU agreement was signed in 2002.

The SACU Secretariat was established at Windhoek, Namibia with some support from the 8<sup>th</sup> EDF SADC Regional Indicative Programme (Economic Integration Support Programme to SACU – 8 ACP RAU 015) and the EPRD-SA. The Secretariat has been constrained in its ability to fulfil its mandate, largely because recruitment of professional staff did not begin until 2005. In addition, the SADC EPA process has led to a process of reflection in several Member States on the role of SACU.

### ***SADC: Preparing for a Customs Union***

The SADC Customs Union roadmap is a work in progress, but initial plans appear to suggest an ambitious timeframe which included completion of the draft Customs Union Agreement negotiation by 2008, the adoption of the Customs Union Agreement by 2009 and implementation by 2010. However, preparations for the SADC Customs Union have so far been limited to strengthening cooperation between the customs administrations in the region. This process is driven by the Subcommittee on Customs Cooperation (SCCC).

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<sup>22</sup> Iceland, Norway, Switzerland and Liechtenstein.

A Model Customs Act has been developed which is currently awaiting approval by the Ministers of Finance. In 2005, Ministers of Trade agreed a blueprint for a common tariff nomenclature designed to facilitate the categorisation of products into tariff bands once consultations on a Common External Tariff are initiated. Furthermore, the SCCC has adopted SADC Transit Regulations and the Regional Customs Transit Bond Guarantee Chain Agreement for transit movement of goods in the SADC region. A pilot run to test the system is being conducted in one of the corridors. Progress has also been made with regard to harmonization of documents and procedures.

Overall, preparations for the Customs Union are lagging behind the schedule set out in the road map.

### 3.2.1.5 Creating a Single Market

In 2000, SADC launched a process of drawing up a trade in services Annex to the SADC Protocol on Trade. Progress on this programme so far has been slow, but has speeded up somewhat since September 2005, when a roadmap for the negotiations was established. The Committee of Ministers of Industry and Trade, at their July 2007 meeting, approved the move from an Annex to a stand-alone Protocol and further approved the text of the draft Protocol on Trade in Services, as well as the submission of the Protocol to Ministers of Justice and Attorneys General for clearance in preparation for presentation to Council and Summit for adoption and signature in 2008.

Although a Protocol on the Facilitation of Movement of Persons was concluded in August 2005, there has been little progress in implementing it, despite the fact that free movement of labour, right of residence and establishment are critical to achieving progress in regional integration, in particular in trade in services. This protocol – which is primarily a tourism initiative – has been signed by only four Member States and has not yet entered into force. As for competition, which is critical to the creation of a single market, some countries (Angola, Botswana, DR Congo, Lesotho, and Mozambique) have yet to adopt national competition laws; moreover, only Malawi, South Africa, Tanzania, Zambia and Zimbabwe have operational national competition authorities.

In order to operationalise regional economic integration and prepare for monetary union, a Finance and Investment Protocol (FIP) was approved at the SADC Summit in August 2006. The FIP is based on a series of Annexes<sup>23</sup> negotiated between SADC Member States and approved by the SADC Ministers of Finance and Investment between 1998 and 2004. The FIP aims to improve the attractiveness of the SADC region as an investment area and will complement the process of trade integration. The negotiation of the FIP has been a complex and protracted process, and much will

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23 These Annexes deal with: Investment including the creation of a regional common investment zone; Macro Economic Convergence; Cooperation in Taxation and related matters; Development Finance Institutions (DFIs); Regulation and Supervision of the Non-bank Financial Services Institutions; cooperation and coordination of Exchange Control Policies; cooperation in the area of Information and Communication Technology for Central Banks; harmonization of the Legal and Operational Frameworks for Central Banks; Payment, Clearing and Settlement Systems in SADC countries, harmonization of Insurances, Securities and Non Banking Authorities; and cooperation among SADC Stock Exchanges. In addition, Annexes on Anti-Money Laundering, Accounting and Auditing Standards, and Project Preparation and Development Facility (PPDF) are currently being developed.

depend on its effective implementation by Member States and the coordination of the various public and private actors involved.

With regard to macroeconomic convergence indicators, SADC Member States have made noticeable progress and the general picture is that the region is converging. However, investment has been growing slowly and continues to remain low – as few countries have managed to come close to the regional investment target of 30% of GDP for 2008.

### 3.2.1.6 Economic Partnership Agreements

The ACP-EU Partnership is centred on the objective of reducing and eventually eradicating poverty, consistent with the objectives of sustainable development and the gradual integration of the ACP countries in the world economy. In this context, "economic and trade cooperation shall build on regional integration initiatives, and regional and sub-regional integration processes which foster the integration of the ACP countries into the world economy shall be encouraged and supported."<sup>24</sup>

As recognised by Cotonou, the traditional, unilateral preferential trade arrangement is incompatible with the rules of the World Trade Organisation (WTO) and is not in the best long-term interests of the ACP countries. The EU and the ACP obtained a waiver for their preferential trade regime which ended on 31 December 2007. The SADC region therefore launched negotiations on an Economic Partnership Agreement (EPA) with the main objectives of strengthening the regional integration process, improving market access into the EU and assisting with the economic development of the region.

In market access terms, the aim of the EPA negotiations is to achieve a free trade area between the EU and SADC that is compatible with the WTO. This involves reciprocity of trade liberalisation, even though the EC acknowledges the need for a sufficient degree of asymmetry, given that the countries in the region need to enhance the competitiveness of their productive capacity. Asymmetry is established by allowing long transition periods of up to 15 years and a list of 'sensitive' products that should not be subject to trade liberalisation. In the case of sugar, the EC has tabled an action plan on accompanying measures for ACP countries covered by the Sugar Protocol<sup>25</sup>.

The objectives and outline of the EPA in the Cotonou Agreement<sup>26</sup> cover in particular the liberalisation of trade in goods and services, supply and regulatory capacity, competitiveness, investment, competition and other trade-related issues. This coverage coincides to a very large extent with that of the SADC Treaty, Protocols and RISDP<sup>27</sup>. Therefore, there is in principle a strong potential for synergy between EPA and the regional economic integration agenda and the opportunity for the RIP to support that synergy.

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<sup>24</sup> art 1, §2/4 and art 35, §2 of Cotonou

<sup>25</sup> Madagascar, Mauritius, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe

<sup>26</sup> Articles 34 – 54.

<sup>27</sup> It's worth noting that an equivalent parallelism exists also between EPA and the COMESA and EAC integration agendas. Therefore an even larger synergy can be achieved via the ongoing trilateral policy dialogue between these organisations.

However, multiple national memberships of regional economic communities continue to pose a challenge for defining a reliable agenda and eventually achieving closer economic integration. This problem was highlighted in the EPA negotiations, as less than half of the current SADC membership have chosen to be part of the SADC EPA group<sup>28</sup>. In 2008, Malawi, Zambia, Zimbabwe, Madagascar, Mauritius and Seychelles are negotiating the EPA within the Eastern and Southern Africa grouping (ESA), Tanzania with the Eastern African Community (EAC), and DRC with the Central Africa configuration.

Botswana, Lesotho, Namibia, Swaziland (BLNS) and Mozambique initialled an Interim SADC EPA with the EC at the end of 2007. Negotiations are ongoing with these countries - plus South Africa and Angola - with the aim of concluding a full EPA by the end of 2008.

In the SADC Interim EPA, the BNLS countries - who are all members of SACU - agreed to open their markets on the basis of the tariff regime included in the bilateral agreement between the EU and South Africa (the TDCA), subject to certain realignments, with a view to achieving a trade coverage of over 86% by 2015. Mozambique will substantially liberalise its traded goods within 10 years (2018).

As for trade in services, Botswana, Lesotho, Swaziland and Mozambique have agreed to continue negotiations on services in 2008 with a view to (i) finalising negotiations on one major service sector by the end of the year, and (ii) achieving gradual liberalisation, with substantial sectoral coverage, by the end of 2011. They will also negotiate an investment chapter by the end of 2008. Furthermore, these countries have agreed to cooperate with a view to strengthening regional capacity on competition and government procurement. Negotiations in these areas are envisaged once adequate regional capacity has been built up.

For the time being, Namibia and South Africa have opted out of the negotiations on services, investment, competition and government procurement. Furthermore, these two countries plus Angola consider that their concerns around certain aspects of the interim EPA should be addressed in the negotiations for the full EPA.

### 3.2.2. Developing common sectoral policies for sustainable development

#### 3.2.2.1. Priority sectors

The RISDP emphasises the development of a reliable, integrated, efficient and cost-effective infrastructure as an essential contributory factor to achieving the objective of economic growth.<sup>29</sup> The strategies for achieving these goals are based on the Protocol on Transport, Communications and Meteorology, which also sets out a comprehensive approach to trade facilitation. The region has already developed subsector plans for roads, rail, energy, ICT, air transport and ports.

Despite substantial reserves of gas and oil in parts of the region, the SADC region is experiencing problems of energy supply. The RISDP is therefore emphasising

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<sup>28</sup> Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Tanzania and from 2007 South Africa took part in the negotiations within the SADC EPA group of states.

<sup>29</sup> Transport costs constitute about 30 – 40% of the total costs of imports and exports in many parts of the region, compared with the levels of approximately 4% for Europe. These high costs have implications for the development and sustainability of regional economic trade development, investment, agriculture & militate against the levels of social service delivery needed to move towards attaining the MDGs.

regionally oriented investment; the transformation of the Southern African Power Pool (SAPP) from a co-operative to a competitive power pool; the joint exploration and development of petroleum and gas resources, and co-operation in the joint procurement of petroleum products. Similarly, without sustainable water resource management, it will be difficult - if not impossible - to achieve optimal regional economic and social development. The RISDP strategy for the sector builds on the Regional Strategic Plan for Water Resources Development and Management and the revised Protocol on Shared Watercourse Systems.

The 2004 Dar es Salaam Declaration on Food Security<sup>30</sup> outlines a number of short- and medium-term strategies for attaining the goal of sustainable food security. Amongst the major measures provided for in the declaration, priority is given to Member States that increase budgetary allocations for agriculture to at least 10% of the national total budgets within a period of five years from July 2003. To date, only Malawi has reported allocations of at least 10% of its budget to agriculture over the past two years. With regard to the adoption of improved technologies, it is estimated that an average of 10-20% of farmers in the region use improved seeds and that, currently, the average SADC consumption of inorganic fertiliser is between 8 and 10 kg/ha, compared to the world average of about 100kg/ha. To address this concern, a Draft Regional Fertilizer Strategy has been jointly developed with the Common Market for Eastern and Southern Africa (COMESA), mainly to promote bulk procurement and regional production of fertiliser.

It also needs to be taken into account that next to short and medium-term strategies there is also a need for a long-term sustainable view for the region in relation to food security. Water, climate change (adaptation) concerns and the need for effective natural resource management should be taken into account when developing regional strategies and policies in relation to agriculture and food security.

The fisheries sector is an important contributor to food security, employment and the wider economy of the SADC region, although there is evidence that - in keeping with the global trend - fish catches are decreasing. A number of initiatives have acknowledged the importance and potential of this sector, and the SADC Protocol on Fisheries provides a specific strategic context. A strategy for the implementation of the Protocol has been drafted, but requires wider consultation with regional stakeholders before it can be approved. Currently, the region has some substantial programmes underway on marine fisheries management and capacity building to implement the Protocol, and further measures are being developed in the area of adding value in inland fisheries and production from aquaculture.

#### 3.2.2.2. Cross-cutting issues

The RISDP highlights a number of key cross-cutting issues. The main strategies for combating HIV and AIDS at the regional level are defined in the Maseru Declaration of 2003 and the SADC HIV and AIDS Strategic Framework and Programme of Action 2004 – 2007. Prioritised areas for urgent interventions include: Prevention and Social Mobilization; Care, Treatment and Support; Accelerating Development and

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<sup>30</sup> The Dar Es Salaam Declaration on Agriculture and Food Security signed on 15 May 2004 commits the SADC Member States to promoting agriculture as a pillar in national and regional development strategies and programmes to attain short medium and long term objectives on agriculture and food security. The Declaration provides a sound framework for achieving strong and sustained growth in agriculture and the overall rural economy.

Mitigating the Impact of HIV and AIDS, Strengthening Monitoring and Evaluation, Resource Mobilization<sup>31</sup> and strengthening capacity to respond to the epidemic. However, effective complementarity of actions at national and regional levels is still a particular challenge. In addition, it is important to note the wider context of the regional response to public health risks, acknowledging that many SADC Region member states are actively engaged in activities relating to the implementation of key instruments of international law, including the International Health Regulations (IHR) and the Framework Convention on Tobacco Control (FCTC).

SADC has already made some progress in the environmental field by developing various guidelines, protocols and recommendations, and integrating these into wider policy areas, and through its commitment to multilateral environmental agreements. For example, a start has already been made on the development of SADC Transfrontier Conservation Areas (TFCAs) and regional measures to address the problem of a high rate of deforestation are based on the Protocol on Forestry. The RISDP also highlights the need to develop or improve early warning, prevention, mitigation and recovery from natural disasters. Nevertheless – and in spite of the political and technical will to bring environment into the mainstream of SADC development strategies – environmental debates and interventions are still outside mainstream development support, and the challenge to implementation is still the lack of capacity in the SADC Secretariat. There are, however, signs of a growing awareness of the need for more action at the regional level.

Gender equality is a key cross-cutting policy area, with strategies focused on developing explicit gender policies; mainstreaming gender into all SADC policies, programmes and activities; and adopting policies for women's empowerment. The RISDP includes a number of gender-related targets, in particular the current target of 50% representation of women in political and decision making positions. A draft Gender Protocol is in preparation and, following wider consultation, is due to be presented to the Council of Ministers..

Relevant, timely, accurate and comparable statistical information is essential for planning, policy formulation, implementation, monitoring and evaluation of SADC integration activities. The strategies for achieving this goal focus on developing a legal framework for regional co-operation in statistics; the harmonization of statistical information; collating, processing and disseminating official statistics; developing indicators for monitoring and evaluating regional integration; and building capacity for national and regional statistical systems.

In the area of human and social development, the goal is to improve the availability of educated, skilled, culturally responsive, productive and efficient human resources. The proposed strategies include the coordination, harmonization and gender mainstreaming of education, training, health, nutrition, employment and labour policies; the harmonization of policies for employment creation and income generation; and the establishment of exchange programmes and mechanisms for key stakeholders.

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31 A Ministerial Committee has been established to oversee the development of a Regional Fund for HIV and AIDS, to which Member States have started pledging their contributions. Approx. € 5 M has been allocated through a two year joint donor funding arrangement led by Sweden and approx. € 30 M has been mobilised from the African Development Bank to support HIV, Tuberculosis and Malaria.



In relation to food security, carefully designed sustainable agriculture has a high potential to support reducing poverty, although it may contribute to green-house gas emissions. In the longer term, sustainable agricultural practices, adequate land and water management and other adaptation measures can promote sustainable growth in the region while taking into account the needs of future generations. Policies and legal frameworks should give a high priority to natural resource management technologies that improve soil management and water productivity.

The risks of conflicts around the use of natural resources should be prevented. A high priority should be to promote poor peoples' – especially women's - security of access to land and water resources.

Outside of these priority considerations, the importance of science and technology for economic development and greater competitiveness is given due recognition. The strategies for achieving this goal focus on strengthening regional co-operation in science and technology; developing legal and policy frameworks and programmes to promote regional co-operation; and developing instruments to promote collaboration in science and technology between SADC and other organisations.

Clearly, the economic integration agenda of the region is behind schedule in relation to some of the key RISDP targets, particularly in the trade field. In terms of infrastructure, many of the plans in the RISDP have been on the table for some time - particularly in the area of transport - and a major effort is needed in order to generate momentum on this agenda.

### 3.2.3. Building the political integration agenda

SADC Member States are committed to "promote common political values, systems and other shared values which are transmitted through institutions that are democratic, legitimate, and effective" (SADC Treaty, Article 5).

#### 3.2.3.1 Political sector

In the political sector, a substantial amount of work has been done at the regional level to consolidate democratic principles, the rule of law, accountability, human rights and participatory governance:

- A major achievement is the development and application of the 'SADC Principles and Guidelines Governing Democratic Elections'. The Principles and Guidelines are a product of the SADC democratic process built upon its experience of consensus, and they provide a checklist that Member States undertake to adhere to in the conduct of democratic elections<sup>32</sup>. This is a significant step towards the consolidation of democratic practice based on regional and national best practices. Several SADC Election Observation Missions (SOEM) took place, in Tanzania and in Zimbabwe (in 2005 and during the 2008 elections). SADC has also endorsed the *Declaration of the Principles for International Election Observation*.

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<sup>32</sup> Including the mandate and form of the SADC Observer Missions, guidelines for the observation of election; a code of conduct for election observers; rights and responsibilities of SADC Election Observers; and responsibilities of the Member State holding elections

- Also in order to promote the development of democratic institutions and practices, SADC has undertaken mediation initiatives to help resolve political crises in the region. The political mediating capacity of SADC in crisis situations has been recognised by international bodies such as the EU.
- Despite provision for its establishment in SIPO, there is not yet a SADC Human Rights Commission. In cases brought before the SADC Tribunal, it has been argued that the SADC Treaty is not directed solely at economic goals but also relates to "human rights, democracy and the rule of law". Thus, the SADC Tribunal could potentially play an indirect role on human rights.
- At the 2004 Summit, the SADC Member States agreed that their primary aim should be to consolidate the Pan-African Parliament, which is hosted by the SADC region. This objective has taken precedence over the establishment of a SADC Parliament, although SADC is to continue with the SADC Parliamentary Forum.

#### 3.2.3.2 Security sector

The SADC as a body has made significant progress towards regional security integration. The Inter-State Defence and Security Sub-Committee (ISDSC), which deals with military and intelligence cooperation, is staffed by defence officials from Member States and has functioned effectively since the late 1990s. Studies indicate that African military alliance obligations, such as those of the SADC, reduce the propensity for aggression between member states and also the likelihood of an external attack.

A majority of Member States in the region have signed the AU Protocol Relating to the Establishment of the Peace and Security Council, including the Panel of the Wise, the Continental Early Warning System, the African Standby Force (ASF) and the Military Staff Committee. SADC states are also signatories to the Protocol to the AU Convention on the Prevention and Combating of Terrorism.

Several of these measures have their counterparts in the operationalisation of SIPO:

- the establishment of the SADC Stand-by Force with two major components, namely the SADC Brigade and a Civilian Police Force (CIVPOL, currently being operationalised), as part of the African Standby Force. The SADC Peacekeeping Brigade was launched at Lusaka in 2007. The force comprised 564 soldiers from 11 countries. It became the second Regional Standby Peacekeeping Force on the continent, after the ECOWAS standby force. It is designed in such a way that its troops remain stationed in their country of origin, and are on an "on-call" level of alert. The SADC Standby Force plays a crucial role in the regional interoperability of defence and security forces;
- the creation of the Regional Peacekeeping Training Centre (RPTC) in Harare in 2005 to provide support and advice to all SADC Member States in developing and running peacekeeping training courses. In recent years, the Centre has held a large number of workshops and training courses, but further development is in doubt due to budget constraints.

- Since 2006, the SADC has been developing a system for early warning. The SADC system is based on the establishment of the National Early Warning Centres (NEWC) in each of the Member States and a Regional Early Warning Centre (REWC), based in Botswana. The process of developing conflict indicators has been completed and is awaiting approval by the ISDSC. SADC is in the process of setting up a Situation Room and recruiting analysts.
- With the establishment of the SADC Brigade Planning Element (PLANELM), SADC is developing capacities to analyse political, social and economic situations that may degenerate into conflicts, and also to conduct risk analysis. It is the only permanent SADC structure relating to security and is located at the SADC Headquarters. It operates on a daily basis as a centralized tool of the SADC and receives guidance from the SADC Committee of Chiefs of Defence Staff and the Committee of SADC Police Chiefs.

SADC is now in a better position to adopt more advanced levels of cooperation in the areas of conflict resolution and peace support operations, policy planning and early warning. Overall, the SADC Organ has developed substantive regional coordination practices, primarily with respect to defence and security as well as with political activities. Ratification of treaties, evaluation and status reports and legal harmonisation are lagging behind.

### 3.3. Next steps for deepening regional integration

The overall objective of the SADC Trade Protocol is to attain a Free Trade Area as a step towards achieving a Customs Union, and subsequently a Common Market, where obstacles to the free movement of capital, labour and goods and services would be removed.

#### 3.3.1 Preparing for SADC Customs Union

A prerequisite to the launch of Customs Union is a shared vision of the "ultimate destination" that all SADC Member States hope to achieve, so that the trade policy regime can help them meet their development objectives. Membership of a SADC Customs Union need not be limited to countries that are ready to implement the features of the CU by 2010. However, there are core actions that have to have been fulfilled before a country can move beyond candidate membership of such a Customs Union. The independent decisions by SADC Member States on these core decisions will effectively determine membership of the Customs Union. The respective stages/steps are:

- a. Join a *single* customs territory;
- b. Implement the SADC Trade Protocol in full;
- c. Accept the agreed CET for most imports from the date of membership;
- d. Manage customs revenue collected on goods entering the CU via their national territory in accordance with the agreed revenue sharing arrangements.

In preparation for the creation of the SADC Customs Union, SADC will start negotiations on a SADC Common External Tariff (CET). It will have to decide,

among others, which option of the CET it wants to put in place- in particular how many tariff bands are needed -, whether there is a need to create a band for sensitive products, and whether to establish common trade institutions for setting tariffs. SADC will further study the level of revenue losses resulting from the adoption of a common external tariff and may consider the possibility of establishing a SADC customs revenue sharing and compensation mechanism.

For most countries in SADC, average levels of protection range from 12 to 15 per cent. Notable exceptions are Mauritius, with an average tariff of 3.1% and, to a lesser extent, Angola - with 7.1% and SACU -with 8.2%. This implies that, in order to convert to a CET, some SADC economies will be required to make considerable changes in their external tariff rate. MFN tariff structures also vary enormously in terms of their complexity, and this will constrain the CET negotiations.

Beyond the political commitment, the following technical areas have been programmed for 2008-2010 in the SADC Customs Union Road Map: approval of SADC Customs Tariff Nomenclature; development of a SADC Customs Union Agreement, to be adopted by 2009; development of Common Fiscal Policies; approval of SADC Community Customs Act; development of Common Trade Remedy Measures.

The Trade Facilitation Instruments need to be implemented so that Member States can maximize the benefits from establishing the SADC FTA These include:

- further progress on harmonisation of other customs regulations, procedures and documentation to make them more user-friendly, especially for small traders;
- the role of rules of origin in the Customs Union, taking into account the key regional objective of promoting increased economic growth and development<sup>33</sup>. Issuance of SADC Certificates of Origin could be decentralised so as to reduce transaction costs and avoid inconvenience to exporters;
- extending the programme to build one-stop border posts to facilitate the movement of cargo across borders and reduce transaction costs to the private sector;
- establishment of a regional customs transit bond guarantee system (the transit system is to be presented to the Ministerial Task Force for approval once the pilot has been completed);
- ensuring transparency in the valuation process by having a policy of automatically communicating the reasons for rejecting values declared by importers and also explaining how they should determine the value to be applied<sup>34</sup>;
- removal and monitoring of other Non-Tariff Barriers (NTBs);
- capacity building for key stakeholders – i.e. customs officials, trade facilitation agents etc.; information and communication technology.

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<sup>33</sup> In principle, trade within a customs union is carried out like trade within a single country and does not require the use of ROO between the members of the CU for tariff or trade policy purposes.

<sup>34</sup> Most customs valuation provisions are based on the World Customs Organisation Valuation Code.

Possibly the most demanding part of creating a CU will be the ongoing and substantial administrative changes that are necessary in a common SADC customs area. The development of a concerted programme of action to simplify and harmonise border rules and procedures across the region would need to be a key priority. Without such changes, many of the economic gains from the CU will not materialise. There is a need to publicise the SADC Protocol on Trade and to involve the private sector more in the areas of policy formulation and decision-making processes.

The key challenge for SADC is to establish a Common Market within a reasonable time-frame in order to increase the percentage share of SADC trade in the world market. This will only be possible when Member States comply with the decisions agreed under the SADC Trade Protocol and speed up its implementation.

### 3.3.2 Towards a Common Market

Beyond the promotion of trade and economic liberalisation, the RISDP envisages the eventual establishment of a SADC Common Market as a means of facilitating competitive and diversified economic development. The relevant strategies are at an early stage of design and implementation. They include: enhanced competitiveness; harmonisation of policies; legal and regulatory frameworks for the free movement of factors of production; and the implementation of policies to attain macroeconomic stability.

The SADC Secretariat is drafting a Competition Policy Model suitable for SADC. According to the road map, the harmonisation framework should be in place by 2009 for implementation by 2010. The objective is to create conditions that allow markets to function competitively for the benefit of consumers and businesses. Competition policy ensures that there is undistorted competition, in particular by removing and preventing State and private barriers to competition.

SADC is well aware of the need to increase the competitiveness of the region and to remove supply side constraints in fields like production, technology development and innovation, marketing, financing, distribution, transport and diversification of the economic base – as well as development of the private sector, improvement of the trade and business environment and support to small and medium-sized enterprises in the field of agriculture, fisheries, industry and services. The development of infrastructure in areas such as information and communications technology (ICT), transport, and energy is a critical factor in improving regional competitiveness.

The strategic goals related to regional transport are: integrating transport networks; eliminating obstacles to the movement of persons, goods and services; securing domestic finance for the maintenance of infrastructure and services; building strategic partnerships between governments and the private sector and restructuring commercially viable state entities and utilities. These goals are supported by specific aims for each of the transport modes, including aviation, and for institutional strengthening. SADC wants to draw up a Regional Infrastructure Development Master Plan as a basis for the development of infrastructure in the region.

The RISDP also emphasises the need for co-operation on sustainable food security, particularly as regards access and forecasting issues.

In manufacturing, in order to address supply-side constraints and in line with the RISDP - which calls for the diversification of industrial structures and exports with more emphasis on producing value added goods - SADC has designed detailed plans of action to be taken in the three top-priority sectors, namely: agri-food processing, (metallic and non-metallic) minerals processing and pharmaceuticals. The SADC Protocol on Industry is being prepared in order to provide a regional sector framework.

The SADC EPA will support regional integration initiatives to enhance the production and supply capacity of the SADC countries, foster the structural transformation of the SADC economies and their diversification by harmonising regional rules and consolidating the SADC regional market.

### **3.3.3 *Towards a Monetary Union***

The successful implementation of the SADC FTA, Customs Union and Common Market would have to precede the formation of the SADC Monetary Union. The road towards a SADC Monetary Union would then require commitment at national level (political commitment). A SADC Monetary Union Agreement would lay down the roadmap and timetable towards a Monetary Union, allowing for preparatory work to be conducted in a coordinated and well monitored fashion by all actors involved. This will involve an assessment of the feasibility of a SADC Monetary Institute with a mandate, inter alia, for macro-economic convergence leading to the formation of a Single Monetary Zone and a Single Currency which will involve drawing on lessons and experience from other regions.

### **3.3.4 *SADC Development Fund***

Article 26A of the SADC Treaty establishes a Regional Development Fund, and the RISDP made provision for such a Fund as long as it was a suitable and effective instrument to fund regional cooperation and integration projects and to allow intra-regional resource transfers in order to avoid polarisation (i.e. structural funds). It is important to cushion the impact of international tariff reductions on the development of the smaller, landlocked and less developed members of SADC, if regional integration is to secure popular support.

The Interim EPA states that a regional development financing mechanism would provide a useful instrument for efficiently channelling development financial resources and for implementing EPA accompanying measures. The EC has agreed to support the efforts of the region to set up such a mechanism and will contribute to the fund, subject to a satisfactory audit. The detailed provisions of the proposed SADC Development Fund, including its focus on development, infrastructure, revenue loss and the economic costs of adjustment, still need to be worked out.

### **3.3.5 *Regional political integration***

The challenge for SADC in the political and peace and security areas is how to deepen regional integration while at the same time sustaining the existing institutions and instruments which it has successfully created to date.

#### **3.3.5.1 *Deepening regional political integration in the political sector***

- Establishment of the SADC Electoral Advisory Council will improve the regional electoral management capacity and ensure professional and legitimate electoral processes;
- SADC will develop common approaches in the area of governance, by establishing guidelines and a common understanding for the institution of a SADC Human Rights Commission, and by seeking to harmonise legislation and other regulations to combat corruption.
- Institutional measures could be undertaken to strengthen of the capacity of the Political Sector of the Organ.

### ***3.3.5.2 Strengthening the regional peace and security architecture***

In this area there is a need to speed up and budget for the development and maintenance of the units of the SSF that have been pledged, and ensure harmonisation of training standards for these units in order to respond to peace and defence support missions. In this respect, securing resources for the Regional Peace-keeping Training Centre and developing cooperation with other centres of excellence would enable the RPTC to enhance its performance.

In parallel with the above, PLANELM is expected to work closely with the African Standby Force to ensure smooth interoperability, and SADC will work to ensure training of relevant stakeholders in civil society to develop procedures for collaboration between law enforcement agencies and civil society in peace support operations.

In the area of public security, SADC will seek to harmonise legal instruments for cooperative law enforcement and to establish appropriate mechanisms to combat cybercrime and illegal trafficking, and to control smuggling across common borders. To that end it will develop and integrate the law enforcement database in the REWC and will ensure joint training between Immigration and Customs departments. A major obstacle to progress in the interventions planned by the SADC Organ is the presence of budgetary constraints, mainly with regard to equipment, but also to other already established capacities that require maintenance and enhancement, such as the SADC Brigade, the RTPC, the data management capacity and also capacity building and recruiting.

According to the SIPO, the areas that are amenable to cooperation with international cooperating partners include: (i) Peace Support and Humanitarian Operations; (ii) Disaster management; (iii) Combating organised crime, including drug trafficking, money laundering and human trafficking; (iv) Post-Conflict reconstruction and social reintegration programmes; (v) Mine Action Programmes; (vi) Small arms and light weapons control; (vii) Drug trafficking control programmes; (ix) Joint training exercises.

### ***3.3.6 SADC financial sustainability***

The current financial underpinning of the Secretariat by donors is inherently unsustainable. The total budget for the SADC Secretariat plus the five regional

institutions for 2007/2008 was approximately US\$ 45.3 million (2006/7, US\$ 40.5million), of which approximately US\$ 25.9 million (57%) (2006/7, US\$ 16.7 million (41%)) came from Member States' contributions, with the balance (43%) (2006/7, 59%) being provided by the International Cooperating Partners (ICPs).<sup>35</sup> In the period to 2010/11, the total budget is expected to increase by 15% per year<sup>36</sup>, with the Member State contribution rising from 38% to 41%. SADC is aware of this issue and a proposal has been put forward to establish a regional development fund, designed to gradually reduce the dependence of SADC on donor funding. Member States are also becoming more aware of the substantial demands on the small Secretariat, and the issue of growth / capacity building has become central.

## **CHAPTER 4: OVERVIEW OF PAST AND ONGOING EC COOPERATION**

### **4.1. Past and ongoing EC co-operation: analysis of results, lessons learned and experience**

#### **4.1.1. Assessment of past and ongoing EDF cooperation: lessons learned**

Whereas the 8<sup>th</sup> EDF RSP/RIP had a strong focus on peace and structural stability, the 9<sup>th</sup> EDF primarily targeted poverty reduction, taking into account the greater stability of the region as a number of armed conflicts were ending. The RSP for the 9<sup>th</sup> EDF identified the priority areas for EC assistance as Regional Integration and Trade (Focal Area 1), Transport and Communications (Focal Area 2) and support to non-focal areas, including peace and security; gender; human rights and democratisation; and HIV and AIDS.

The 2007 evaluation of the EC's support to SADC concludes that:

- EC's regional interventions are generally relevant, coherent and poverty-oriented. The three main sectors of intervention – regional integration and trade, transport and communications, food security – are closely interlinked and consistent with SADC policies and protocols. However, the issue of the multiplicity of regional organisations has not been adequately dealt with and SADC Member States' ownership of the regional programme is limited.
- Owing to delays in implementation, the evaluation was unable to draw conclusions on the impact of the programmes. It nevertheless pointed out that EC procedures had not been conducive to a sustained engagement with civil society organisations, which are treated with suspicion throughout the region.
- In regional integration and trade, the evolution of the strategy and the areas of support reflect developments in the SADC region. The EC's assistance has contributed significantly to promoting the concept of regionalisation in SADC countries and in the SADC organisation.
- In the transport sector the SADC Member States need to underscore the need for implementation of transit facilitation reforms and effective regulation to make regionalisation work.

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<sup>35</sup> The 2000/2001 total budgets for the six SADC regional institutions amounted to about € 15.6 million, of which € 8.1 million represented the Secretariat's operating budget. In the 2006/07 budget the amount approved for the operations of the SADC institutions is approximately € 8.7 million

<sup>36</sup> The 2008/9 budget figures are total US\$ 50.7 million, MS contributions US\$ 26.2 million, (52%) ICPs (48%)



- In food security, although the long-term interventions by the EC - such as supporting capacity and institutional building - are highly relevant, their long-term character makes it very difficult to assess their impact.

With this in mind, there is a need for clear priorities and a limiting of activities, in order to set realistic goals for what can be implemented and achieved. There is also a need to explore alternative aid mechanisms, such as direct financing through a contribution agreement<sup>37</sup>, and donors' joint sector approaches. Cooperation or partnership with other institutional partners in the region, including Non-State Actors (NSA), should also be explored.

Priorities should be set bearing in mind also long-term goals, such as sustainable food and water security. Therefore, agriculture, water management, adaptation to climate change, natural resource management and access to land should be looked at from a horizontal, sustainable perspective.

Since the start of the regional programme in 1975, absorption of the programmed EDF regional financial allocations has generally been slow. This has been equally the case under the 9<sup>th</sup> EDF and has led to a reduced appropriation in the MTR and ETR. This is thought to be largely due to poor quality at the project design phase, in the sense that ex-ante evaluations of the situation and of the realistic feasibility of projects in the region have been weak. The Secretariat is still struggling to cope with a lack of human resources and inadequate capacities for the management and supervision of the EDF projects, which are often too large and contain too many activities. As stated in the evaluation, "the combination of an organisation lacking capacity (SADC) with an organisation run by procedures (EC) has contributed to delays at all stages of implementation".

Following initial delays, the preparation of programmes in the Regional Integration and Trade sector speeded up significantly in 2005 and 2006. In line with the forecasts, five new project proposals were approved in 2007 (€ 40.4 M) and have used up the entire (post ETR) regional appropriation.

Supporting SADC regional economic integration in a context of overlapping membership with other RECs, conflicting timetables for Free Trade Agreements and Customs Unions - as well as the ongoing EPA negotiations between different SADC groupings - have proved challenging. Progress in regional economic integration is slow and this is reflected in the slow implementation of support programmes. Interventions have been based on over-ambitious plans, and any delays in achieving those plans inevitably result in project delays and decommitment of funds. Long and complex EDF procedures and weak capacity in the SADC Secretariat have contributed to delays in the start-up of projects. These delays result in funds being decommitted when contracting cannot be completed within three years of the project's commitment. The quicker pace of implementation required of EDF projects as part of the reform of EU aid sits uneasily with the slow pace of regional co-operation.

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37 As a first step towards contribution agreements, an Institutional Assessment of SADC has been done in 2007.

The programme concentrates on customs modernisation, EPA support, standards and quality assurance, food safety and finance and investment. The 9<sup>th</sup> EDF projects are set out in Annex 6.

Performance in the second focal sector – transport and communications – has been disappointing. Only one project in this sector has been approved, following delegation of implementation to the national level (Rehabilitation of the Humbe-Chama road, Angola, € 25 million). Reasons for this include restructuring and capacity issues at the SADC Secretariat, confusion between the new roles and responsibilities at the national and regional levels, and an underestimation of the quality demands of preparing major transport projects. Lessons learned indicate that hard infrastructure projects may be best implemented at the national level, with the regional approach focusing more on regional strategies, regulatory frameworks and resources for project preparation. Infrastructure projects should not be submitted for financial support before they have been developed to the point where feasibility is confirmed and design studies have been completed.

The mainstreaming of HIV and AIDS in EDF measures, and striking the correct balance of national / regional HIV and AIDS activities have proved difficult, although the regional HIV and AIDS project has shown good results at the policy level. Actions to improve mainstreaming and coordination will be a priority in future capacity building actions.

Peace and security measures have not come to fruition as planned, mainly owing to capacity constraints and the lack of sufficient engagement between ICPs and the Organ on these areas. A regular political dialogue between the EU and SADC (double troika) is ongoing but has not been sustained, largely because of the situation in Zimbabwe: the last meeting took place in 2006.

**Capacity Building for Regional Integration** (€ 12.5 million) has been earmarked to support the capacity of the SADC Secretariat to drive and coordinate the regional integration agenda as outlined in the SADC Regional Indicative Strategic Development Plan. It will address capacity weaknesses and prepare SADC to manage EDF and other funds under its own, improved procedures.

Co-financing of projects with EDF and South Africa's European Programme for Reconstruction and Development (EPRD) funds has been problematic, mainly due to EPRD projects being managed and supervised under separate financial and managerial systems and timetables. There is also a need for coherence, priority setting and resource planning given the proliferation of new EC instruments, e.g. water/energy/infrastructure facilities and EC Budget line support, as well as when planning for and working with intra-ACP projects devised directly with the ACP Secretariat<sup>38</sup>. These elements – together with better national/regional coordination and complementarity – are crucial to improving the effectiveness of aid.

#### 4.1.2. Other EC initiatives with a regional dimension

Under South Africa's European Programme for Reconstruction and Development, financed by the EC Budget, a sum of € 25 M was committed to the SADC region

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<sup>38</sup> the Botswana Delegation manages projects on emergency planning, shared river basins, sustainable energy, university research networks, in addition to the Water Facility projects.

for regional projects in the 2000-2002 schedule. However, for the subsequent four-year programming period, 2003-2006, no SADC region projects were submitted. For that period, the scope for regional integration under the EPRD was expanded to incorporate pan-African initiatives; this included three projects for a total of € 20 M which were allocated funding on the basis of requests from the ACP Secretariat and the AU and NEPAD Secretariats. For example, assistance to African peace support organisations and capacity building has been made available through the African Peace Facility.

Regional projects that have been supported in recent years out of the budget commitments for South Africa include the SADC Regional Water Strategy, SADC response to HIV/AIDS, support to economic integration for the BLNS countries, and the EU/SADC Investment Promotion Programme (ESIPP) and the SADC Finance & Investment Protocol. Interventions for the SADC region using institutions based in South Africa could be a good way to ensure complementarity between interventions under the South Africa programme and EDF.

For the period 2007-2013, the programme for development cooperation with South Africa is covered by a new financial instrument – the development cooperation instrument (DCI). South Africa's DCI envelope for 2007-2013 includes an indicative allocation of between € 40M and € 90 M for pan-African and regional initiatives, which could be used to self-finance regional projects for the benefit of the whole SADC region. Contributions could also be made to cover South Africa's participation in EDF-financed regional initiatives. The regional strand of South Africa's DCI allocation should focus on the objective of supporting political, economic, social and environmental integration in the Southern Africa region. Special attention will be paid to the role South Africa will play in this process, as well as to EU/EC-financed regional support facilities. Potential activities explicitly mentioned in the Multiannual Indicative Programme (MIP) include work on the regulatory environment, institution building and capacity development, and also support for implementing the EPA.

The European Investment Bank (EIB) has made a significant contribution to the development of the productive sector and economic infrastructure in the SADC region. From 2000 to May 2008 the EIB committed a total of € 2 466 M into investment in the SADC region, half of which in South Africa. The Centre for the Development of Enterprise (CDE) – funded by EDF – promotes private sector development in the region<sup>39</sup>.

Between January 2000 and December 2007, the European Commission's Humanitarian Aid Office (ECHO) provided aid to the region (Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe) for approximately € 650.8 million.

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<sup>39</sup> The SADC region accounted for 19% of the all core CDE operations activities carried out in ACP countries 2003-2005.

## 4.2. Programmes of EU Member States and other donors

### 4.2.1. Donor coordination

The EC Delegation continues to serve as the lead agent for donor coordination efforts in the Joint SADC-ICP Task Force (JTF)<sup>40</sup>, acting in close liaison with the SADC Secretariat's Unit for Policy and Strategic Planning. The main objective of the JTF is to improve coordination between ICPs (International Cooperating Partners) and SADC in the implementation of the RISDP and SIPO agendas.

The main achievement of the JTF so far is the Windhoek Declaration on a New SADC-ICP Partnership, which was adopted at the SADC Consultative Conference in Namibia in April 2006. The Windhoek Declaration lays down the framework to guide SADC-ICP cooperation and is closely linked to the Paris Declaration on Aid Effectiveness, highlighting the need for Ownership, Alignment, Harmonisation, and Managing for Results, as well as Mutual Accountability. The Windhoek Declaration sets out clear commitments for SADC and for the ICPs in each of the above areas. An implementation action plan on the operationalisation of the Declaration, setting out objectives, actions, outcomes or expected results, indicators and timing for each of the principles, and customized for SADC's specific situation, was drawn up, presented and agreed upon at a SADC-ICP Core Group meeting. The day-to-day implementation of this action plan still needs improvement and follow-up. It is hoped that, with the newly employed SADC Development Cooperation Adviser, this result can be achieved.

A 'Constraints Study' carried out in connection with the development of the Windhoek Declaration reaffirmed the problems faced by the Secretariat in its post-restructuring configuration. These included a relatively small staff complement and a very full agenda, coupled with heavy demands by both Member States and SADC's International Cooperating Partners. The study also confirmed that centralisation of the Secretariat had significantly increased the administrative burden on the Secretariat and on the systems of management, which were more suited to a smaller institution.

### 4.2.2. Thematic coordination

A formal agreement between ICPs and SADC was concluded in 2006 on the formation and recognition of joint-Thematic Groups led by the SADC Secretariat and assisted by a Lead ICP, to facilitate donor coordination. To date, all the thematic groups (TIFI, HIV/AIDS, Water, Agriculture and Food Security, Natural Resources and Environment, Transport and Energy) are operational, except for the thematic group on peace and security. Institutional strengthening and capacity building will be dealt with in a smaller, separate working group. Although the thematic groups are still at a very early stage, most of them have already had several meetings and agreed on their Terms of Reference.

### 4.2.3. ICP support to SADC

International Cooperating Partners (ICP) support to SADC is as diverse as the ICP group itself, following different procedures and programming cycles. Further

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<sup>40</sup> The JTF's Core Group meetings have taken place 3 – 4 times/ year in 2006 and 2007 and more formal meetings of the so-called Wider Group of the JTF twice a year.

information about ICP's ongoing and intended activities for supporting SADC and the region can be found in the corresponding matrices in Annex 8.

#### 4.3. Policy coherence

In line with the EU commitments on policy coherence for development<sup>41</sup>, some of the non-direct aid EU policies are of particular relevance to the SADC regional development agenda. Synergies between the RSP and CSPs in SADC Member States<sup>42</sup>, and EU trade policies and agreements - in particular EPAs - need to be maximised. The Doha Development Agenda remains a central priority for an EU trade policy promoting open markets, progressive trade liberalisation, and stronger multilateral rules, as a trigger for growth and development. The EU and SADC have both expressed their regret at the suspension of the Doha negotiations round, to which both sides remain fully committed.

**Agriculture and food security** – being intrinsically linked to the trade issue - remain at the core of SADC's development agenda and the EU is still the main destination for SADC agricultural exports. The reform of the Common Agricultural Policy (CAP) is making it more market-oriented and less dependent on market support measures, in particular with its offer in the DDA to phase out export subsidies by 2013. In this context, it should also be noted that the Everything But Arms (EBA) initiative grants duty- and quota-free access to the Least Developed Countries on the EU market. Continued support will be provided in helping SADC Member States to meet EU sanitary and phytosanitary standards.

The reform of the EU sugar sector strikes a balance between diverging objectives and complex constraints. Inevitably, by reducing prices paid for ACP imports, it poses a challenge in particular to Mauritius and Swaziland, and the macroeconomic effects have been felt to varying degrees by Madagascar, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. In order to facilitate a smooth transition to the new system, during a transitional period (2009-2012) a minimum price that is not lower than 90% of the EU reference price will be maintained for the import of ACP sugar into the EU. Furthermore, financial assistance is being made available to assist in adapting to the new environment, including by enhancing competitiveness, promoting economic diversification and addressing specific social issues. Between 2006 and 2013, the Accompanying Measures for Sugar Protocol Countries are being funded from the General Budget of the EU (i.e. in addition to the EDF resources), with an indicative allocation of over € 1.2 billion.

The new European Community Regulation on chemicals and their safe use REACH deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances. One of the main objectives of REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH. REACH will also trigger costs for the chemical industry related to registration and testing requirements of certain substances.

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41 In December 2005 the Commission, the Council and the European Parliament, adopted the 'European Consensus on Development' 2006/C 46/01. See also 'Policy Coherence for Development, COM (2005) 134 final

42 A Regional Programming Seminar on 10th EDF was held in Gaborone 26<sup>th</sup>22-26 February 2006 for this purpose, followed up by a stakeholder workshop on the 13<sup>th</sup> July 2006.

The impact study "Implications of REACH for the developing countries" has estimated that South Africa would bear more than half of the cost borne by ACP countries, some € 30 M over the eleven- year phase in period. The other SADC countries principally affected are exporters of mining products, such as Zambia, Zimbabwe, Tanzania, DRC and Namibia, and also Mozambique (aluminium) and Madagascar (essential oils).

The **information society** presents new and rapidly evolving opportunities for and challenges to developing countries (e.g. the recent expansion of mobile telephones, the still limited broadband internet connections, etc). These aspects will need to be taken into account from the point of view of institutional, regulatory and physical capacity.

## **CHAPTER 5: THE RESPONSE STRATEGY**

The response strategy is directly linked to contributing to the goals set out in the SADC Common Agenda and the priorities described in both the associated long-term Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plans for the Organ (SIPO). The strategy is based on the analysis of the region, SADC and EU policy agendas, lessons learned from past cooperation experience, the need for complementarity with activities of other donors and – above all – the ‘value added’ that comes from addressing issues at regional, rather than at national, level. The key advantage of the European Commission relative to other international cooperating partners in supporting the process of regional economic integration lies in the EU's importance as the region's major trading partner and its own experience of economic integration.

The response strategy is consistent with other ongoing processes, in particular the Joint Africa-EU Strategy and work plan, and the EPA negotiations with their development agenda; the strategy also forms the basis for the joint EU regional package on Aid for Trade.

In view of this analysis, support for ‘Regional Economic Integration’ will be the first focal sector of EC / SADC cooperation for the 10<sup>th</sup> EDF. SADC economies can only achieve the sustained annual growth rates of 6-7% that are necessary in order to reduce poverty if they create larger markets through deeper regional economic integration. Most individual countries are too small to attract the necessary investment. Appropriate regional policies need to be put in place in core areas, and supply-side constraints need to be tackled. The analysis has shown that the inadequacy of regional infrastructure – in particular, transport – and of the regulatory environment add significantly to the cost of doing business and impede the creation of new markets. In addition, with 70% of the population depending on agriculture, strategies to improve food security also deserve continued support. With the emphasis on regional economic integration, the response strategy should try to help SADC countries meet the challenges of the implementation of the SADC Free Trade Area, Customs Union and EPA in pursuit of speeding the advent of equitable prosperity across the whole region. Experience has shown that this strategy needs to be underpinned by a continued commitment to sustainable capacity building so as to entrench and facilitate SADC's integration agenda at both regional and national levels.

Further investment in the embedding of governance, peace and security is also vital to support the recent achievements in the region and the ambitions of the African Peace and Security Architecture. Regional Political Cooperation will therefore constitute the second focal sector of the EC/SADC regional strategy.

## **5.1. The programme**

### **5.1.1. Regional Economic Integration**

The general objective of this Focal Area is to increase economic growth and reduce poverty through higher levels of regional economic integration, trade liberalisation and regional co-operation, and by addressing supply side constraints in the area of infrastructure, as well as in the area of food security.

The programme objectives are:

- to support the implementation and consolidation of the existing CU and FTAs;
- to support the move towards a SADC CU;
- to support the region's efforts to move towards a Common Market and a Monetary Union with integrated rules and standards, free movement of factors of production (goods, services, labour, capital), competition policy, and macroeconomic convergence
- to strengthen the development and implementation of regional trade arrangements in goods and services, EPAs, and multilateral trade arrangements, specifically WTO;
- to provide support to those countries liberalising their trade regimes to enable them to make the necessary economic adjustments and address possible short-term revenue losses;
- to reduce the cost of doing business by removing supply-side constraints, including improvement of regional economic infrastructures;
- to ensure food security and to ensure that it provides a basis for the livelihood of the people.

The response strategy is aligned with RISDP, in particular in support of policies aimed at the implementation of the Trade Protocol. Moreover, it is fully in line with the conclusions of the SADC EPA Regional Preparatory Task Force:

**- Making the FTA work and preparing for the SADC Customs Union.** The response strategy will support further development of customs and other border procedures to facilitate free movement of goods and monitoring and removal of NTBs. It will also support the development and implementation of instruments and legislation related to trade liberalisation and tariff reform (including simplification of SADC Rules of Origin, simplification of border rules, compliance with SPS/TBT regulations and appropriate physical investments, such as laboratories).

It is also proposed to support regional mechanisms designed to help Member States to contribute effectively to the defining and subsequent implementation of regional integration policies, including by facilitating any necessary economic adjustment. These adjustments are related to the implementation of FTA and CU and to the preparation for the Common Market. They fall mainly under the following headings:

- trade facilitation and export diversification;

- production and employment adjustment;
- skills development and productivity enhancement.

- **A Move towards a Common Market** (and eventually a monetary union) to allow free movement of people, capital, labour, services and right of establishment. This also covers investment policies, trade in services and initiation of a common competition policy. The response strategy will support the undertaking of fiscal, judicial, legal and financial sector reforms to facilitate private sector investment - particularly cross-border investment - in the region, and facilitation of trade promotion activities. It will support the putting in place of domestic regulations, and addressing market access issues in the services sector, so that SADC countries can benefit further from trade in services.

- **Implementing regional plans in priority areas** such as infrastructure and food security: Reduction in the cost of transport can be achieved by expanding the use of Trade and Transit Transport Facilitation Instruments and by reducing delays at border posts through the development of "One-Stop Border Posts", as well as by improving physical infrastructure along the main trading routes. The response strategy will also support the development of a comprehensive regional transport policy, establishing prioritisation criteria for the distribution of available infrastructure funds and developing infrastructure proposals on the basis of SADC Regional Infrastructure Development Master Plan.

Food Security Policy and the Agriculture Information Management System: Support could potentially be provided in order to strengthen regional food security policy and planning, including through capacity building and the development and implementation of the Agriculture Information Management System (AIMS) and adaptation measures.

Particular attention shall be paid to the linkages between transport policies and climate change. On the one hand, transport policies have the potential to significantly contribute to mitigation activities by reducing emissions. On the other hand, transport infrastructure may be vulnerable to the effects of climate change. The climate risks of investment and the availability of risk management strategies should be taken into account.

- **Capacity development support** should continue to implement the recommendations of the 2006/7 Institutional Assessment so as to improve the SADC Secretariat's administration, financial management and technical capacity, including the National Committees.

Among the ongoing activities are the strengthening of the planning, monitoring and evaluation functions of the Secretariat; the development of a comprehensive Information Technology policy and strategy for the Secretariat; reinforcing the Finance and Accounting, Audit and Procurement processes within the Secretariat. The recently approved new organisational structure of the Secretariat introduces an additional Deputy Executive Secretary, dividing the responsibilities between the two Deputies in regional integration and in administration and finance. Also part of the restructuring exercise is the introduction of a fifth directorate for policy planning and resource mobilisation. Several major ICP interventions - ongoing and planned -



support SADC in the early and successful implementation of these plans. One of them is the 9th EDF Capacity Building for Regional Integration (€12.5m) project which runs until December 2012.

Capacity development will be centred on improving internal capacities, and on building systems to allow sound management rather than on providing long-term technical assistance. There is also a need for a monitoring mechanism that will ensure implementation of decisions and recommendations implement agreed programmes and instruments and resolve problems on daily basis.

The mainstreaming of gender and HIV/AIDS issues could also form part of the capacity development programme under the 10th EDF, building on the 8th and 9th EDF capacity building programmes. The integration of environmental sustainability issues in SADC's policies and projects will be encouraged, in particular in respect of climate change mitigation, adaptation, risk assessment and management. It is likely that the interventions will continue to support key staff and activities in mainstreaming roles.

For large infrastructure projects, EDF regional funds will be used for the pre-investment phase, such as the drafting of preparatory documents (sector plans, feasibility studies, project proposals, and bankable documents) in order for the region to leverage funds from other sources, including EIB, ADB, and EU Member States, in accordance with AU/NEPAD priorities and the SADC Regional Infrastructure Development Master Plan.

The added value of using Community resources lies in the fact that the EC has a long experience in designing and implementing programmes which assist the deepening and strengthening of regional integration. This comparative advantage could be made more efficient through the use of a more flexible financing arrangement – for example, the Contribution Agreement when SADC becomes eligible.

### **5.1.2. Regional Political Cooperation**

The general objective of this focal area is to ensure democracy, peace and security, in a framework for balanced development, by means of higher levels of regional political cooperation. The EU-Africa Joint Strategy and the SIPO both articulate the crucial importance of peace, security and good governance as prerequisites for development. The purpose of the programme is to support the regional pillar of the Pan-African architecture for conflict prevention, peace and security and associated flanking policies. In particular, it will strengthen the substantial Peace and Security component - namely the Partnership on Peace and Security - of the Joint Africa-EU Strategy for Africa.

In the area of governance, the existence of a coherent regional position on the issue, including in the economic field, will reinforce political stability and will, in turn, attract foreign and local investment. To strengthen democratic institutions in the region, the strategy will support activities that deepen the political integration process through:

- Further progress of the SADC Principles and Guidelines Governing Democratic Elections, e.g. through a strengthening of civil society interaction, capacity building for the SADC Electoral Council and election monitoring;
- Reinforcing capacities to mediate and facilitate in the event of political crises in the region;
- Conducting joint training exercises on law enforcement and respect for human rights and combating corruption.

In the area of peace and security, SADC successfully implemented the first layers of regional defence capacity through military set-ups and coordination of national security activities. The challenge now is to sustain and enhance these bodies, such as the SSF and the RTPC and also PLANELM and the REWC, not only in terms of equipment but also through capacity building and recruiting. Support could be provided in areas which - according to SIPO - are "amenable for cooperation with international cooperating partners". These are outlined in section 3.3.5.2.

### 5.1.3. Non-focal sector

A Technical Cooperation Facility should be established to facilitate actions in the identification, preparation, monitoring, evaluation and audit of interventions under the RIP and other EDF funds. The use of such a facility has proved advantageous in the past.

The involvement of Non State Actors (NSA) - particularly the private sector and those organisations involved with the informal economic sector - is essential to the successful implementation of this RSP. Their involvement is necessary on three levels: to contribute knowledge and experience to the definition of policies and programmes; to implement projects in their respective fields of competence; and particularly - as a beneficiary of projects - to contribute in the area of capacity development.

## 5.2. Delivery mechanisms and partners

### 5.2.1 Overcoming the configuration challenge

The prime policy measures to be taken by the region to help implement the response strategy consist in SADC working closely with the other regional organisations that are involved in economic integration activities, so as to achieve the overarching goals and objectives of the region. This includes, in particular, the Common Market of East and Southern Africa (COMESA) and the East African Community (EAC), with a view to coordinating the implementation of their respective regional integration strategies through the Tripartite Mechanism. Coordination of the Regional Indicative Programmes of the SADC and East and Southern Africa (ESA) regions should be ensured through the Interregional Coordination Committee (IRCC). Coordination will also continue to be pursued as part of the National Indicative Programmes of SADC Member States.

### 5.2.2 Financing mechanisms

The Commission's aim is to move towards direct financing arrangements with SADC as the preferred method of implementing this Regional Indicative Programme (RIP).

Direct financing arrangements would be in the form of Contribution Agreements, which SADC could possibly become eligible to receive as early as 2010, provided that the necessary institutional assessments have been carried out and have shown positive results as regards SADC's capacity to implement such Agreements.

The SADC Secretariat is pursuing a number of activities of institutional strengthening that will result in an organisation competent to take ownership of its policies and programme management. These activities result from the Institutional Assessment of the Secretariat from 2007, and the complementary assessment of the Capacity needs and Skills Audit of the Human Resource needs leading to the adoption of the SADC Secretariat Capacity Development Framework in March 2008. SADC's roadmap for institutional strengthening is set out in the Framework and summarized in its budget and **business** plan 2008/2009 (see Annex 19).

In particular, this will depend on appropriate progress being made within SADC to establish acceptable structural, technical and financial management arrangements, as well as the establishment of the planned SADC Development Fund and the Project Preparation and Development Facility (PPDF). Once SADC's institutional capacity is deemed sufficient, Contribution Agreements could be envisaged under the RIP, such as:

- A Contribution Agreement with SADC that would cover most activities in the focal sector on "Regional Economic Integration" (i.e. capacity building, food security, trade facilitation activities, rules and standards);
- A further Contribution Agreement that would support structural reforms related to trade liberalisation and the EPA, channelled through the SADC Development Fund. Such support would be limited to countries that are not eligible for regional funds for other regions;
- A Contribution Agreement to support the preparation of infrastructure projects that would be channelled through the planned Project Preparation and Development Facility (PPDF);
- A Contribution Agreement with SADC that would cover most activities in the second focal sector: "Regional Political Cooperation" (i.e. governance, peace and security activities, disaster management).

The exact number and coverage of Contribution Agreements will be decided during the identification and preparation phases. Each Contribution Agreement will include provisions for jointly monitoring and assessing the progress in its implementation and if necessary taking the appropriate corrective measures.

Other implementing procedures include programme or project funding, notably under the Technical Cooperation Facility (TCF), offering additional flexibility within the programme.

### 5.2.3 EU regional support package

The 10<sup>th</sup> EDF RSP should provide the basis for a common SADC - EU strategy, involving the EU Member States active in the region, in the spirit of the 2006 Windhoek Declaration on a new SADC-ICP Partnership and the Paris Declaration on aid effectiveness. The RIP should act as a catalyst for, and contribute to, a jointly designed EU Regional Aid for Trade package.

**PART 2**

**REGIONAL INDICATIVE PROGRAMME**

## **PART 2: REGIONAL INDICATIVE PROGRAMME**

### **CHAPTER 6: PRESENTATION OF THE INDICATIVE PROGRAMME**

#### **6.1. Introduction**

Within the general framework of this Regional Strategy Paper, and in accordance with provisions of Article 10 of Annex IV to the Cotonou Agreement, the Parties have agreed on the main priorities for their cooperation and on the areas on which Community support will be concentrated. In the light of the Cooperation Strategy analysis, support for 'Regional Economic Integration' and 'Regional Political Integration' will be the two focal sectors of EC / SADC cooperation for the 10<sup>th</sup> EDF.

This chapter presents a detailed Indicative Programme , followed by annexes containing a series of tables showing the intervention frameworks for each focal area, an activity timeline and the indicative commitment and expenditure schedules.

Amounts mentioned in this chapter relate to the overall distribution of funds between focal areas and other programmes. This distribution can be amended in the context of the mid- and end-of-term reviews.

#### **6.2. Financial instruments**

This Indicative Programme is based on the indicative allocation for the Southern African Development Community (SADC) which is € 116 million. The indicative allocation will be distributed as follows:

- Focal Area 1: Regional Economic Integration: approximately 80% of the total allocation.
- Focal Area 2: Regional Political Cooperation: approximately 15% of the total allocation.
- Other programmes: approximately 5% of the total allocation.

In addition, activities initiated under the first focal sector, in particular the preparation of energy, water, ICT and transport projects, will be eligible for consideration under the arrangements envisaged for the EU-Africa Partnership on Infrastructure.

#### **Other financial instruments**

Specific activities may be supported by external actions funded by the general budget of the European Community and carried out under the financial framework for 2007-2013, subject to a special procedure and availability of funds, and out of the own resources of the EIB. Actions funded by the general budget include programmes funded under the Development Cooperation Instrument, such as the thematic programmes "investing in people", "non-state actors in development", "migration and asylum", "environment and sustainable management of natural resources" and "food security", their inter-linkages and also actions funded from other instruments, such as the stability instrument, the instrument for the promotion of human rights and democracy or the instrument for humanitarian and emergency assistance.

For those Sugar Protocol countries benefitting from accompanying measures, the actions envisaged in that context will complement the above financial instruments.

## **Monitoring and evaluation**

Monitoring of results and evaluations of impact of individual activities (programmes, projects, sectors) under this RSP will be undertaken in line with the Technical and Administrative Provisions that are attached to each individual Financial Agreement drawn up to implement this RSP.

The results and impact of the Community's cooperation with SADC, implemented through the RIP and through other external actions funded by the general budget of the European Community, will be assessed by means of an independent external evaluation. This regional level evaluation may be undertaken jointly with EU Member States and possibly also with other donor agencies.

### 6.3. Focal areas

#### 6.3.1. Regional economic integration

The first focal sector for the RIP will be Regional Economic Integration, for which the specific objective is:

*“To increase economic growth and reduce poverty through deeper levels of regional economic integration by implementing the SADC FTA and moving to a Customs Union and a Common Market with integrated rules and standards, free movement of production factors, labour, capital, goods and services, competition policy and macroeconomic convergence.”*

This is expected to result in increased intra- and extra-regional trade, through harmonised regional trade policies, the removal of supply-side constraints and the easing of budgetary constraints on further trade liberalisation. Activities supported would involve trade integration, through the full implementation of the SADC Trade Protocol (including continuation of the support provided in a number of trade related areas under the 9<sup>th</sup> EDF), and of the Finance and Investment Protocol, as well as some wider key economic integration issues.

Although the EPA negotiation process is not yet completed, the 10<sup>th</sup> EDF RIP is one of the main instruments designed to meet the implementation challenges which have been identified so far and which will need to be addressed.

### **The major interventions planned are as follows:**

- ***Trade Integration***

Liberalisation of trade and the development of both intra- and extra-regional trade are central to the RISDP. Support under the 10<sup>th</sup> EDF RIP could be undertaken through a programme of integration activities to provide assistance in a number of areas which would contribute to the wider objectives of economic integration.

In the main, the activities would focus on the full implementation of the Trade Protocol and build on the actions taken under the 9<sup>th</sup> EDF RIP in the areas of: intra-regional integration of trade in goods and services, technical barriers to trade - SQAM (Standardisation, Quality Assurance, Accreditation and Metrology), SPS, MRL (Maximum Residue Limits), the establishment of the SADC Free Trade

Area and the setting up of the SADC Customs Union and support for the implementation of the SADC Finance and Investment Protocol and its Annexes.

The activities to be carried out would focus on regional policies and regulatory practices:

- The intention is to simplify **Rules of Origin** in the context of the SADC Protocol on Trade, while at the same time ensuring that the rules allow the widest possible cumulation for members. This will require the application of new systems and skills for the registering of exporters and importers.

- Support for the adoption and implementation of reforms in the area of **customs** which are necessary to achieve the objective of **trade facilitation**, in conformity with internationally agreed standards (as provided for in the Revised Kyoto Convention and in the WCO SAFE Framework of Standards) and commitments under the EPA.

- Support is needed for capacity development towards establishing a fully integrated **quality assurance system** in SADC countries. Potential areas for support include sanitary and phyto-sanitary control (including training and information to address inspection, certification, and supervision and control measures) and safeguarding health, hygiene, quality and food safety standards.

Standards Bodies in some countries need upgrading, and laboratories and facilities for testing and certification need to be identified and supported in order to obtain accreditation. Support for strengthening TBT (and SPS) Enquiry and Notification Points within the SADC Region will also be required. TBT (and SPS) legislation in Member States needs to be developed or updated and, in certain circumstances, harmonization with international regulations may be necessary.

- Support for the **removal of technical barriers to trade**: In the context of the SADC Protocol on Trade, National Focal points on NTBs have been established in all SADC Member States. This should be complemented by a regional database, and on-line reporting will be developed to facilitate monitoring, reporting and elimination of non-tariff barriers. It would also include assistance for SADC countries to adapt to the requirements of the new EU Directive on the Registration, Evaluation, Authorisation and Restrictions of Chemicals (REACH). This is of particular importance for the mining sector in the SADC countries.

In the area of services, an assessment of all laws and regulations affecting trade in services in all Member States will lead to a framework to identify sectors that could be liberalised. Regarding **services activities** there is no clear understanding of the situation, policies and regulations in SADC member states. The problem is also exacerbated by the lack of data on trade in services. Capacity building across the whole spectrum of trade in services and information on trade in services is therefore crucial in laying the foundation for a future liberalization of services.

Support will also be provided in **trade related issues**, including competition policy, intellectual property rights, public procurement, labour issues and the environment, which are at the core of a Common Market. Such support will



address policy and regulatory frameworks and development of institutional capacity.

- ***Support to structural reforms in SADC***

The overall objective of this area of support is to improve the competitiveness of local producers. SADC industry will face more competition with the gradual opening up of SADC market opportunities to other countries. In this regard, support would help SADC Member States implement strategies aimed at enhancing the production, supply and trading capacities of SADC industries, including SMEs, which can benefit most from liberalised access to export markets.

Technical and export business support, including for technology development and innovation, product quality improvement and design, and marketing strategies, will be required. However, the inherent weakness of the majority of SADC's private sector investment-related intermediary organisations is a constraint that will have to be addressed if the emerging private sector is to fulfil its potential. The aim of the programme will be to complement the policy level assistance provided as part of the Support to the Finance and Investment Protocol with institutional support to create a viable structure of investment promotion intermediaries.

Regional markets will become more demanding as they are liberalized, and specific investments will be needed in sectors where the region has a comparative advantage:

- **Agriculture and Livestock:** improvements and innovations are needed throughout the product chain from the farm to the customer, in particular as regards quality aspects and also value added aspects. This approach combines the market aspect with strict observance of SPS and TBT measures, and could benefit from RIP-initiated upgrading of SPS and TBT activities and facilities.
- **Fisheries:** This support should extend to fishing, including processing, hygienic fish handling, marketing and preserving the marine environment. Improving fisheries management through research, monitoring, control and surveillance is another area for potential support, including combating Illegal, Undeclared and Underreported (IUU) activities.
- **Sectors with potential for smallholders:** Smallholders can be successfully integrated into the export business chain, thus creating income and reducing poverty in rural and urban areas. Assistance is proposed for the identification and development of such sectors. Candidate sectors would include small-scale farming and cattle rearing, fishing/aquaculture, horticulture, small-scale mining and handicrafts.

The tariff liberalisation process which will open up the SADC market under the FTA or eventually the Customs Union may result in the reduction of government tariff revenue that is normally used to finance core programmes, such as health, education etc. The net loss in tariff revenue will mean that SADC Member States will have to explore alternative sources of revenue to finance their development programmes. In this regard, support may be necessary in order to **assess the**

**impact of revenue losses** from tariff liberalization and to put in place alternative revenue raising mechanisms, to improve their revenue collection methods and possibly seek additional financial support to counterbalance net revenue losses.

Beyond the short-term budgetary constraints, there is a need to **facilitate the economic adjustments** required for implementing regional integration policies. These adjustments are related to policies linked to the implementation of the Customs Union and to preparation for the Common Market. Support could address the social and economic costs of adjustment, including production restructuring, training the labour force to meet new skills requirements and the upgrading of equipment. This situation may require additional direct financial support, which would be provided through a support mechanism operating within the SADC Development Fund.

- ***Infrastructure Development***

The focus of the 10<sup>th</sup> EDF in this essential area will be on developing the infrastructure policy environment at regional level for the right projects to go forward, including the facility to push ahead with quality infrastructure design proposals to bring them to the stage of bankable projects. To this end, the RIP will support the region in developing infrastructure projects derived from the SADC Regional Infrastructure Development Master Plan, which will form the basis for the development of strategic infrastructure in the region and which is currently being designed using 9<sup>th</sup> EDF funds. The Master Plan uses the Spatial Development Initiative approach developed by NEPAD in consultation with the RECs. This plan is based on a number of existing draft plans covering the various transport and energy subsectors. Activities related to the ICT domain should notably ensure coherence with the priorities identified in the Africa-EU Partnership on Science, Information Society and Space.

Support for SADC infrastructure policy development would also cover issues relating to implementation of the Protocol on Transport, Communications and Meteorology, which seeks to address the harmonisation of policies, and to inculcate robust regulatory and legislative frameworks that would create an enabling environment for investment in infrastructure projects. Support under the RIP could include:

- the harmonisation of instruments and procedures in road transport aimed at more efficient movement and utilisation of road infrastructure.
- Concerning air transport, support for the implementation of the Yamoussoukro Decision: reinforcement of institutional capacity, regulatory environment including licensing, certification and registration, competition rules; enhancement of aviation safety (support to the regional safety oversight organisation), modernisation of air traffic control, satellite positioning navigation systems and aviation security.

- Development of harmonised practices in the Information, Communications and Technology (ICT) Sector and creation of an enabling environment for private sector investment in the industry.

A lack of adequate project preparation and development capacity has been identified as the key bottleneck to infrastructure development in SADC and Africa. Consequently, EDF 10 support will be given to the development and preparation of comprehensive proposals for infrastructure projects including full feasibility studies and environmental impact assessments. The identification of funding options for the various proposals would be integral to each action. In addition to Member State co-financing, possible potential finance options could include the EU Africa Infrastructure Partnership, the European Investment Bank, private sector involvement through Public Private Partnerships (PPPs) and multi-donor funding with other ICPs.

- ***Food Security Policy and Information Management***

In support of SADC's priority in the area of food security and to assist SADC in fulfilling its facilitating and coordinating functions, a comprehensive, integrated, computer-based Agricultural Information Management System (AIMS) will be developed within the secretariat. AIMS will be built on the existing information systems in order to ensure that the core data and information collected to date are not lost, even when the various projects come to an end; the data and information gathered through the system will also provide support and input for the monitoring and evaluation of the implementation of the RISDP and the Dar-es-Salaam Declaration. AIMS will provide an effective, user-friendly information source for regional planning and policy decisions, disaster preparedness and emergency interventions, water management practices, adaptation measures as well as informing national policies that require a regional perspective.

An integrated regional information system cannot stand alone. The data and information gathered at national level form the building blocks of the regional approach. Regional intervention will thus seek to address the issue of enhancing the capacity for policy formulation and data management, as well as dissemination at national level. It is therefore envisaged that the AIMS programme will complement the development of appropriate resources, capacities and information systems at the level of the Member States. Over time, and with possible assistance from the RIP, it is envisaged that AIMS will develop into a fully integrated system based on collection of data from the Member States, remote sensing and the development of satellite-based technologies such as AMESD<sup>43</sup>.

- ***Capacity development***

With the new philosophy and approach inherent in the restructuring of SADC's institutions, capacity development is required at two levels which the RIP will support.

At the level of the Secretariat, capacity development will build on initiatives supported under previous EDFs and will support measures identified by an Institutional Assessment, to be monitored through a joint roadmap, as being

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43 African Monitoring of the Environment for Sustainable Development

necessary to raise the Secretariat's administration, financial management and technical levels of capacity to standards commensurate with its role as the executive arm of a major African economic community. In addition to focusing on reform in key administrative processes, particularly in financial management and administration, planning and budgeting, and in implementing the 'Windhoek Declaration', other areas identified for potential support include staff development programmes and strengthening and enhancing the Secretariat's capacity for the effective monitoring of SADC Protocols, Declarations and Memoranda of Understanding.

Another aspect which may be included in the capacity development programme would be the continuing support to the Secretariat for the implementation of trade agreements. SADC Member States need to update the policy and regulatory framework in a number of areas. The starting point on trade-related issues will be the development of common policies in the areas of investment, competition, trade facilitation, government procurement and intellectual property rights, SPS antidumping and countervailing measures. These policy areas and outcomes are logically linked to the overall SADC regional integration process as it moves towards a Common Market. Strengthening of institutional capacity will be key to deepening regional economic integration. Particular attention both at Member State and at regional level should be paid to capacity issues around trade policy analysis and implementation. This will be supported with resources of the 10<sup>th</sup> EDF RIP, in addition to existing programmes funded under the 9<sup>th</sup> EDF.

Support will be provided to build and strengthen the necessary institutional capacity and regulatory frameworks for trade remedies (antidumping, countervailing duties and safeguard) in SADC Member States.

As economic and political integration deepens and Member States embark on the implementation of the provisions of the Protocols, capacity building at national level will be essential for regional integration. The establishment of SADC National Committees and their ability to operate effectively are critical to the implementation of the RISDP. If there is to be a coordinating capacity that is consistent across all Member States, the SNCs will require supplementary assistance from the Secretariat. The assistance to be provided through the 10<sup>th</sup> EDF will build on institutional assessments of the situation in each of the Member States.

As part of the capacity development measures for the SADC Secretariat programme, assistance could be provided for the formulation and implementation of a **Regional Statistical Development Strategy (RSDS)**<sup>44</sup> as the first stage in the articulation of an SADC Statistics Protocol. In addition, assistance could be given to gradually strengthening SADC's harmonised trade, price and national accounts data, and trade in services statistics (including tourism), in line with the RISDP

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44 The World Bank Trust Fund for Statistical Capacity Building is supporting a \$400 000 project to develop and implement Poverty Reduction Strategy Papers (PRSPs) among SADC Member States. As part of its poverty monitoring activities, the project is supporting the development of National Statistics Development Strategies (NSDS). The NSDS process is supported by the Paris21 consortium (<http://www.paris21.org>), of which the European Commission, represented by Eurostat, is a member. The RSDS should be constructed with full political support, result in a costed plan and provide a clear prioritisation for regional statistics activities, including those supported by the EDF. Ideally it should include an analysis of the state of statistics in SADC Member States from a user perspective.

business plans. A further intervention could involve establishing a mechanism for MDG monitoring at regional level that would complement the work already being done at a national level by the UNSP<sup>45</sup>.

The mainstreaming of gender and HIV issues will form part of the capacity building programme under the 10th EDF, building on the 8th and 9th EDF capacity building programmes<sup>46</sup>. The integration of environmental sustainability issues in SADC policies and projects could also be encouraged. It is likely that the interventions will continue to support key staff and activities in mainstreaming roles. In addition, some wider project interventions will fully integrate these crosscutting issues; for example, the statistics component will be promoting international standards that allow gender identification, and the dissemination strategy should make data on HIV and AIDS more readily available. For instance, the MDG indicators study will include analysis of the comparability of AIDS / HIV data across SADC countries. Also in these areas, specific statistics objectives should be pursued in line with the abovementioned RSDS.

Another area where institutional capacity could be enhanced, so to enable the region to increase economic benefits from marine resources in a sustainable manner, concerns the instrument designed to curb illegal fishing, including certification procedures aimed at attesting the legal status of catches made or processed in the region, consistent with the SADC Ministerial Declaration on illegal, unreported And unregulated Fishing (IUU) made in Windhoek, Namibia on 4 July 2008.

The actions that are funded will contribute to the development and strengthening of SADC's capacity to achieve its mandate and manage its operational programmes.

### *Aid Modalities*

In supporting the Regional Economic Integration focal sector, close attention will be paid to subsidiarity and to the most appropriate level for effective implementation of interventions funded by the 10<sup>th</sup> EDF RIP, as the national level is essential for effective implementation of the Protocols. Therefore, some interventions outlined in this focal sector may best be implemented at the national level, even though they have a regional integration objective and thus warrant funding from the RIP. The RIP would make full use of the regional funding mechanisms currently being designed by SADC.

It is anticipated that SADC would become eligible by 2010 to receive assistance through Contribution Agreements, subject to the Secretariat being formally assessed by means of a further institutional assessment (which would take place in the second half of 2009) as having the capacity to implement a Contribution

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45 UNSD Development Account Project on Strengthening Statistical Capacity in Support of Progress towards the Internationally Agreed Development Goals in Southern Africa.

46 The 8th EDF capacity building project had a specific gender mainstreaming focus including the development of gender mainstreaming toolkits and training opportunities. The 9th EDF programme continues the gender mainstreaming focus and extends the mainstreaming support to HIV and AIDS (to continue support coming to a close under the 8th EDF HIV project in 2008) and into environmental sustainability. Coordinated by Sweden, many ICPS provide strong support to SADC action against HIV/AIDS, this has led to the above change of approach under the 10<sup>th</sup> EDF.

Agreement and/or having put in place measures that would provide such capacity. For the focal sector of Regional Economic Integration, the RIP could then finance:

- A Contribution Agreement with SADC to cover most activities planned in this focal sector, including trade facilitation activities, technical regulations and standards, capacity development and food security;
- A further Contribution Agreement would support structural reforms in SADC Member States through the SADC Development Fund. Such EC support would be limited to those countries not eligible for other regional funds. The use of the SADC Development Fund would allow regional policies to be implemented at national level, provided that the beneficiary countries have made a contribution to the SADC Development Fund. The role of the SADC Secretariat would then focus on assessing the programmes presented in terms of their eligibility for the Fund and on assisting in the management of the Fund.
- Another contribution agreement would support the preparation of infrastructure projects and would be channelled through the Project Preparation and Development Facility (PPDF), currently under discussion.

The proposed shift towards the use of Contribution Agreements as the preferred financing mechanism is consistent with a programme approach which aims to reduce the transaction costs and delays incurred through the use of other aid modalities, such as projects. This approach is consistent with the alignment principles described in the Windhoek Declaration of 2006.

The major policy measures to be taken by the Region as a contribution to the implementation of the response strategy in this area will be carried out through the implementation of the SADC Protocols and the RISDP as set out in Chapter 3 of the Cooperation Strategy.

When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

### 6.3.2. Regional Political Cooperation

The second focal sector for the RIP will be Regional Political Cooperation, for which the specific objective is:

***"To accelerate the regional integration process by supporting democratic governance and the regional pillar of the pan African architecture of peace and security."***

- ***Democratic Governance***

The Strategic Indicative Plan for the Organ (SIPO) places significant emphasis on good governance by - inter alia - strengthening the democratic process in the region. It is the region's objective that there should be a common democratic culture implemented through national institutions that operate in accordance with the SADC Principles and Guidelines Governing Democratic Elections.

The EC response strategy under the RSP/RIP could provide support to SADC through capacity development assistance for the further implementation of the SADC Principles and Guidelines Governing Democratic Elections by, for example, developing the interaction between the Secretariat and civil society in the area of democracy and human rights, voter education and the monitoring of elections, support for the Electoral Council, the SADC Parliamentary Forum and for the electoral management bodies in Member States. Through this support, it should be possible to evaluate the principles and guidelines, recommend and implement measures for strengthening them and establish means of exchanging best practices in electoral management.

- ***Regional pillar of pan African architecture of peace and security***

The Joint Africa-EU Strategy places regional organisations at the heart of the promotion of peace, security and stability by operationalising the APSA and by developing Regional Mechanisms for Conflict Prevention, Management and Resolution, with respect to both civilian crisis management and post-conflict reconstruction and development. This is consistent with the objectives of the SIPO, which has chosen areas that are amenable to cooperation with international partners.

Capacity development is an essential element of all priority areas of the peace and security agenda. The following activities have been identified for potential support by the RIP in the framework of SIPO and the Joint Strategy:

- Operationalising the SADC Stand-by Force should be accompanied by **training of police forces**, as the ability of the (civilian) police to function in post-crisis situations is key to the legitimacy of the state and to stability. Up to now the RPTC has had a military identity, but SADC sees a need to strengthen police and civilian activities. This could take the form of:

- (i) Support for the organisational/management capacity and professional expertise of the Southern African Regional Police Chiefs Cooperation Organisation (SARPCCO). The capacity "to formulate systematic regional training policies and strategies taking into account the need and performance requirements of the regional police services/forces" necessary to support peacekeepers and stabilisation forces; and
- (ii) Support for training or exchanges of best practice/experience.

- Strengthening the capacity of the **Regional Early Warning Centre** in terms of logistics, technical tools and professional skills. The EC has some experience in helping both the AU and also RECs (e.g. IGAD, ECCAS and ECOWAS) to establish or supplement the technical capability of RECs. In that regard there is a need to ascertain the kind of approach that is the most appropriate in terms of both coverage and access. This kind of support should be followed up by discussions? on the substance of the information and analysis.

- **Mediation**: early deployment of mediators is related to the early warning capacity of the region. Specialised training is required in this area and mediators need to be accompanied/supported by experts in a number of key

areas. Specific programmes to this end are being set up by specialised bodies that are able to train mediators and experts. The SADC Secretariat will also draw on the expertise of the relevant civil society organisations of the region. It is envisaged that Joint (SADC + EU or SADC + AU+EU) assessment missions to conflict and post-conflict areas, and joint mediation initiatives, may take place as necessary.

- ***Disaster Management***

Although disaster management is not just a political or security activity, it falls under the remit of the Organ. The RIP will support the development of a regional strategy and capacity to coordinate the management of natural or man-made disasters including prevention, preparedness, response strategies as well as post-emergency activities, involving civil protection and humanitarian assistance authorities.

As SADC could become eligible to receive assistance through Contribution Agreements by 2010, such a Contribution Agreement would cover most activities provided for in the Regional Political Cooperation focal sector (i.e. governance, peace and security activities, and disaster management).

The major policy measures to be taken by the region as a contribution to implementing the response strategy in this area will be implemented through the SADC Protocols and the RISDP.

Where necessary, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

#### 6.4. Other Programmes: Non-Focal Sector

##### *Technical Cooperation Facility*

Under the 9<sup>th</sup> EDF, SADC concluded a financing agreement for a Technical Cooperation Facility, the purpose of which was to facilitate actions necessary for the expeditious identification, preparation, monitoring, evaluation and audit of interventions under the RIP and other EDF funds. The use of such a facility has proved advantageous both for the provision of short-term consultancies to assist in the various stages of the project cycle and in facilitating stakeholder consultation and other actions aimed at improving awareness among key actors, general EU-SADC development and trade issues. A similar facility is likely to be required for the implementation of the 10<sup>th</sup> EDF RSP.

It is envisaged the TCF would take the form of a project intervention early in the 10th EDF cycle.

##### *Support to Non State Actors*

The RSP/RIP recognises that the role of NSA is crucial to making regional integration work, in both its economic and its political dimensions. In the economic area, RIP supporting actions will build on the achievements of the 9<sup>th</sup> EDF CBRI project (Capacity Building for Regional Integration) which has a component to increase the involvement of SADC NSAs via capacity



development activities related to regional integration within constituencies/regional NSA networks. For political and security activities, the RIP will help increase the participation of CSOs in governance and human rights, as well as in early warning analysis and post-conflict situations.

#### 6.5. Duly mandated organisations

For the purposes of implementing this Indicative Programme, the duly mandated regional organisation is the SADC Secretariat, represented by its Executive Secretary, who will act as Regional Authorising Officer (RAO). The function of RAO is defined by analogy with the description of the function of National Authorising Officer in the ACP-EC Cotonou Agreement (Annex IV, Articles 14.3 and 35). The RAO may delegate functions relating to the implementation of specific actions to other organisations or authorities.

The list of duly mandated organisations and Governments of ACP States, as well as their respective responsibilities in the implementation of the Indicative Programme can be amended by an exchange of letters between the Regional Authorising Officer and the Chief Authorising Officer.

Without prejudice to the programming arrangements concluded between the EC and South Africa, contributions which South Africa has earmarked or is due to earmark for regional activities under its Multi-annual Indicative Programmes, financed from the European Community budget, may supplement the resources from the EDF for regional activities under this Regional Indicative Programme (see 4.1.2 above). These resources should make it possible for South Africa to participate in regional cooperation and should be in line with the sectoral priorities set out in this Regional Indicative Programme.

In addition, one of the principal policy measures to be taken by SADC to implement its regional strategy is to engage in close cooperation with the other regional organisations that are involved in economic integration activities - in particular the Common Market of East and Southern Africa (COMESA) - with a view to coordinating the implementation of the respective Regional Indicative Programmes of the SADC and the East and Southern Africa (ESA) regions<sup>47</sup>. The Interregional Coordination Committee, of which SADC is a member, and the dedicated SADC-COMESA-EAC Tripartite Task Force will play a coordinating role. Coordination will also continue to be pursued with the National Indicative Programmes of SADC Member States. The RSP acknowledges the increasing harmonisation in Eastern and Southern Africa as a result of the joint COMESA-EAC-SADC Task Force. The EC will adopt a trans-regional approach in order to capitalise on synergies where these exist and provide additional support that does not duplicate existing support.

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47 The Regional Indicative Programme for 'Eastern and Southern Africa and the Indian Ocean Group of Regional Economic Communities' covers the full membership of the Common Market of East and Southern Africa (COMESA), the East African Community (EAC), the Indian Ocean Commission (IOC), and the Intergovernmental Authority on Cooperation (IGAD)

Southern African Development Community  
European Community

Regional Strategy Paper  
For the period  
2008 - 2013

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**Annex 1: Presentation of regional integration commitments,  
including assessment of policy implementation in the  
focal sector(s)**

## **Regional integration commitments, including assessment of policy implementation in the focal sector(s)**

### **Introduction**

The vision of the Southern African Development Community (SADC) is “to promote economic success, improve the standards of living and quality of life and promote freedom, social justice, peace and security for the member states of the Southern African regional community”. This shared vision is anchored on common values and principles and the historical and cultural affinities that exist between the peoples of Southern Africa.

### **Regional Indicative Strategic Development Programme.**

In March 2001, the Heads of State and Government met at an Extra-ordinary Summit in Windhoek and approved the restructuring of SADC institutions. Key features of this restructuring included the grouping of the 21 sectors into clusters under four Directorates at the Secretariat, and the establishment of SADC national committees to coordinate their respective individual Member State interests relating to SADC. The restructuring exercise was to aim at facilitating the implementation of a more coherent and better co-ordinated strategy, with a view to improving the efficiency and effectiveness of SADC policies and programmes. The Extra-ordinary Summit also approved the preparation of this Regional Indicative Strategic Development Plan (RISDP) by the Secretariat to complement restructuring and to provide a clear direction for SADC policies and programmes over the long term.

The RISDP re-affirms the commitment of SADC Member States to good political, economic and corporate governance entrenched in a culture of democracy, full participation by civil society, transparency and respect for the rule of law. In this context, the African Union's NEPAD Programme is embraced as a credible and relevant continental framework, and the RISDP as SADC's regional expression and vehicle for achieving the ideals contained therein. The RISDP emphasises that good political, economic and corporate governance are prerequisites for sustainable socio-economic development, and that SADC's quest for poverty eradication and deeper levels of integration will not be realised if these are not in place.

### **Scope and Purpose of the RISDP**

The focus of the RISDP is thus to provide strategic direction with respect to SADC programmes and activities, and to align the strategic objectives and priorities of SADC with the policies and strategies for achieving its long-term goals. The RISDP is indicative in nature, merely outlining the necessary conditions that should be realised for achieving those goals. In order to facilitate monitoring and measurement of progress, the RISDP sets targets and timeframes for goals in the various fields of co-operation.

The purpose of the RISDP is to deepen regional integration in SADC. It provides SADC Member States with a consistent and comprehensive programme of long-term

economic and social policies. It also provides the Secretariat and other SADC institutions with a clear view of SADC's approved economic and social policies and priorities.

As a first step in the formulation of the RISDP, the Secretariat prepared a background study based on a review of literature, policy and strategy documents such as protocols and plans. The study took into consideration regional and international parameters, such as NEPAD, AU, WTO, Cotonou Agreement and the Millennium Summit Declaration. The RISDP as completed takes into account the views of various stakeholders.

Although the economic situation in SADC improved in the 1990s, the studies that preceded the RISDP showed the situation to be unsatisfactory. Several countries demonstrated low and decreasing levels of per capita gross national product, low growth rates of gross domestic product, relatively high budget deficits and interest rates, relatively low savings and investment rates and high external debts burdens, all of which contributed to high levels of poverty. The challenge for the region was thus to create an environment that is conducive to improved and sustainable rates of equitable economic growth. With respect to human and social trends, the level of human development improved in some SADC Member States between the middle and the late 1990s. However, due to high and in some cases rising levels of HIV and AIDS infection rates accompanied by a widespread and marked decline in life expectancy at birth, decreases in real per capita incomes and setbacks in school enrolment rates, the level of human development has declined in the majority of Member States over the same time period.

Similarly, an analysis of SADC's policies and strategies in the various areas of regional co-operation and integration at the time of RISDP preparation showed that although mutually consistent these policies and strategies had not been very effective in addressing the region's strategic priorities, and their impact on regional integration and development had been limited.

In light of the identified gaps and challenges, the RISDP focussed on a number of priority intervention areas, of both cross-sectoral and sectoral natures, that are critical for the achievement of deeper regional integration; integrating SADC into the world economy; promoting balanced and equitable development; eradicating poverty; and promoting gender equality. For the RISDP the selected priority intervention areas, their goals, specific areas of focus and strategies are:

- The promotion of trade, economic liberalisation and development as a means of facilitating trade and financial liberalization, competitive and diversified industrial development and increased investment through the establishment of a SADC Common Market. In order to attain this goal, SADC will need to enhance competitiveness through industrial development and increased productivity in all sectors; harmonize policies, legal and regulatory frameworks for the free movement of factors of production; and implement policies to attain macroeconomic stability and build policy credibility. In terms of targets these would be manifest in the formation of a free trade area; the establishment of a customs union, which would be followed by a common market. In order to accelerate the process the RISDP reaffirms the importance of integrating the

private sector into policy and strategy formulation and programme implementation. in SADC and achieve sustainable regional economic integration and poverty eradication. The relevant approach for the RISDP is to focus on institutionalising public-private sector dialogue and ensuring ; adequate representation of the private sector at all relevant decision-making levels in SADC structures and the; establishment of a Private Sector Liaison Unit at the Secretariat

- The RISDP emphasises regional co-operation in order to ensure the availability of a sufficient, integrated, efficient and cost-effective economic infrastructure. The strategies for achieving this goal include: a) for the Electricity Sub-sector, promoting power pooling through the extension of grid interconnections; and consolidating the transformation of the Southern African Power Pool (SAPP) from a co-operative to a competitive power pool; b) for the Petroleum and Gas Sub-sector, promoting joint exploration and development of resources; and co-operation in joint procurement of petroleum products; c) for Tourism, co-operation in marketing and promotion; and attracting investment; d) for Transport and Communications, reducing capital, maintenance and operating costs; policy harmonisation and liberalisation of markets in all forms of transport; and, d), for Water, establishing and strengthening shared watercourse systems; and promoting the development of water infrastructure.
- Co-operation in sustainable food security is necessary if the region is to achieve lasting access to safe and adequate food at all times. The focus of the RISDP is on improving food availability, access to food, and nutritional value of food, while minimizing food losses; improving forecasting, prevention, mitigation and recovery from adverse effects of natural disasters; and improving the institutional framework. The strategies formulated for attaining these objectives, include: increasing crop and livestock production, promoting irrigation and appropriate agricultural production technologies; promoting trade in food and non-food agricultural products; promoting rural non-farm income generating activities, entrepreneurship development, and effective food storage and preservation technologies; improving the quality of processing, packaging, labelling and preparation of food; broadening and strengthening the early warning system; and developing Protocols for Food Security and Agriculture, and the Environment.
- For the HIV and AIDS intervention area, the goal is to decrease the number of HIV and AIDS infected and affected individuals and families in the SADC region so that HIV and AIDS is no longer a threat to public health and to the socio-economic development of Member States. The planned RISDP intervention focuses on the incidence of HIV and AIDS infection, the socio-economic impact of HIV and AIDS, the policy and legislative frameworks and resources for the HIV and AIDS multi-sectoral response in SADC.
- The goal for gender equality and development is to facilitate the achievement of substantive equality between women and men in the SADC region through mainstreaming gender into all national and regional policies, programmes and activities, and the adoption of positive measures to accelerate progress in this regard. Specific interventions proposed by the RISDP focus on gender policy and institutional frameworks, women's human and legal rights, gender

mainstreaming, access to and control of resources, and access to key political and decision-making positions. Strategies include accelerating the development of explicit gender policies; mainstreaming gender into all SADC policies, programmes and activities; and adopting women's empowerment policies and strategies.

- As a key cross-cutting issue the RISDP recognises the importance of science and technology in economic development and increasing competitiveness. The goal in this area is to develop and strengthen national systems of innovation in order to provide scientific and technological solutions to/for sustainable socio-economic development, regional integration and poverty eradication. The strategies for achieving this goal focus on strengthening regional co-operation in science and technology and the development of instruments to promote collaboration between SADC and other organisations.
- The modern information and communications technology revolution, characterised by the high level of development and use computers in all aspects life, is recognised by the RISDP as a key factor for accelerating regional integration and development, globalisation and modernisation.
- The importance of providing relevant, timely, accurate and comparable statistical information for planning, policy formulation, implementation, and the monitoring and evaluation of SADC integration activities, is becoming increasingly recognised as is the weaknesses both at national and regional levels in generating such data. The RISDP therefore focuses on developing a legal framework for regional co-operation in statistics; the harmonization of statistical information; and developing indicators for monitoring and evaluating regional integration. To realise the goals for this strategy will considerable capacity development for both national and regional statistical systems.
- In terms of human and social development the goal of the RISDP is to contribute to the reduction of human poverty and to improve the availability of an educated, skilled, productive and efficient regional human resource base.. In pursuit of this goal, the RISDP focuses on the coordination, harmonization and engendering of education, training, employment and labour policies and the harmonization of policies for employment creation and income generation;

The successful implementation of the RISDP requires a major commitment of sustainable financial resources. In terms of financing its coordination function, SADC relies on contributions from Member States and grants from International Co-operating Partners. Increases in both sources of funding are essential. In order to improve the financial capacity of SADC further, Member States are exploring the potential for developing self-financing mechanisms for the organisation. If there is to be an increase in the resources available for financing developments, Member State governments will need to improve the management of their revenue and expenditure to generate savings, improve the functional use and effective application of foreign aid, and pursue effective debt relief strategies with creditors to release more resources..

The implementation of the RISDP requires an appropriate institutional framework. At the political level the RISDP envisages that the Council of Ministers through the Integrated Committee of Ministers (ICM) will provide policy direction and oversight to implementation. At the operational level, management and coordination of the RISDP will primarily be the responsibility of the Secretariat. Recent experience has exposed critical weaknesses, both in the organisational architecture and in the staffing of the institution and of the SADC national Committees. Although not directly identified as an issue in the RISDP there is a real need to ensure that these structures have the requisite human and financial capacity. International Co-operating Partners and other will need to be involved, and where appropriate the proposals made in the RISDP for strengthening the role of all key stakeholders and enhancing their participation in implementation will need attention and support..

### **Overview of progress towards regional integration**

Membership of a regional integration arrangement is the political choice of the individual State and may be based on social, political, geographic and/or economic considerations. In this context, a frequently noted feature of Southern Africa is the existence of a number of overlapping regional arrangements, namely: SADC; Southern African Customs Union (SACU); Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC) the Indian Ocean Commission (IOC); and the Common Monetary Area (CMA). These arrangements are supplemented by other regional integration arrangements such as the Regional Integration Facilitation (RIFF). This issue and the problems that emanate has been raised at the SADC Council and Summit of 2006 and to address both this issue and the scaling up of regional integration an Extra-Ordinary summit is to be held in October 2006.

The Southern African region constitutes a small market in developed economy terms, but within the African context SADC's aggregate GNI is more than double that of the Economic Community for West African States (ECOWAS), is three times that of the ESA region and is equivalent to more than half Sub-Saharan Africa's GDP. SADC's total volume of exports is three times that of the CFA Zone and more than double that of ECOWAS. However, intra-regionally socio-economic development is highly uneven with the continuing internecine unrest in DRC contributing to irregular patterns of regional integration. This can be illustrated through the following:

- The diversity in political circumstance. In recent years the majority of the countries in the SADC region have witnessed a consolidation of a culture for democratic structures, good governance, the rule of law and respect for human rights. Angola and the DRC are emerging from decades long internal conflict and Zimbabwe, the second most economically diversified Member State is faced with economic difficulties.
- The combined sub-regional population of almost 270 million is unevenly distributed. South Africa, Tanzania and DRC have two-thirds of the region's population, with the remainder unevenly distributed among the other ten countries. The five smallest countries in the region in terms of population (Lesotho, Botswana, Mauritius, Namibia and Swaziland) account for less than 4% of the regional total;



- One State, South Africa accounts for more than two-thirds of the SADC region's total GNI. The four smallest (Lesotho, Swaziland, Malawi and Namibia) account for approximately 4 – 4.5%. South Africa's economy is approximately 170 times larger than that of Lesotho, the region's smallest economy.
- The average GNI per capita for the region in 2002 was US\$ 614, with a difference of nearly 42 times between the highest (Mauritius) and lowest (DRC). In 2004 the UNDP Human Development Index (HDI) ranked Mauritius the highest among the SADC countries (65th out of 177 countries) and Mozambique the lowest (168th).
- About 40% of the SADC region's population is estimated to be living in extreme poverty and poverty is increasing, largely due to increasing unemployment. Unemployment is estimated to have increased from 30.5% in 1986 to nearly 60% in 2002. Even in Botswana and Mauritius, which are amongst the region's best economic performers, unemployment appears to be rising;
- Whereas the SADC Member States appear to be performing well in providing basic education they are underperforming in providing secondary and tertiary education. This could be considered a serious structural weakness, given the importance of skills in developing the necessary levels of competitiveness in the globalisation of the world economy.
- Southern Africa remains the epicentre of the global AIDS epidemic. SADC has the highest levels of adult HIV prevalence in the world ranging from over 30 % in Swaziland, over 23% in Botswana and Lesotho, 20% in Zimbabwe and approximately 19% in South Africa and Zambia. Estimates indicate that the adverse social and economic impact of HIV and AIDS could be substantial, affecting GNI growth, the labour supply, income inequality, domestic savings, productivity, and human physical and social capital. The spread of HIV and AIDS will probably compound the problem of poverty throughout the region and could impact most seriously on those economies that are emerging from conflict.
- Outside of the SACU area the road transport infrastructure is insufficient and often poorly maintained. This impacts adversely on intra-regional linkages and acts as an impediment to intra-regional trade and investment;
- In terms of economic structure the SADC region appears to be struggling to diversify its productive base with progressive industrialisation remaining elusive in most SADC States. Overall SADC Member State economies are largely undiversified, which results in a lack of complementarities, which limits the scope for intra-regional trade with the exception of trade between South Africa and the rest of the region. SADC economies are generally open and given that most Member States are heavily dependent on exports of primary and semi-processed agricultural and mineral commodities there is a marked vulnerability to seasonal rainfall and commodity price fluctuations. The impacts of financial volatility on the on the South African economy are felt throughout the region due to the trade and financial links between the SADC Member States.

The policies of stabilisation and the adjustment programmes introduced in most SADC Member States have seen significant convergence in the broad macroeconomic policies that have been pursued. Further, despite the varying outcomes of these policies and measures across countries, reasonable progress has been made in regional macroeconomic stabilisation. Most SADC States have undertaken reforms, including measures aimed at improving monetary and fiscal policies and macroeconomic management. Interest rates across the region are relatively flexible, tax regimes have been strengthened and revenue bases broadened through the introduction of VAT and independent tax authorities, and exchange control regimes have been liberalised. Mauritius and Zambia have achieved the highest degree of current account liberalisation on the African continent. Throughout a majority of States, fiscal deficits have fallen and in many countries inflation is under control. The non-SACU countries that achieved single digit inflation were Mauritius and Tanzania.. For the remaining countries (Angola, DRC, Madagascar, Malawi, Mozambique, Zambia and Zimbabwe) the levels of aid-dependence and high debt burdens may require that the maintenance of sound macroeconomic policies will depend heavily on significant debt write-downs, continued high levels of aid inflow and greater foreign direct investment, the latter of which is unlikely to materialise quickly. The absence of any one of these three essential conditions could jeopardise the sustainability of sound macroeconomic policies, which in turn could adversely affect efforts at attaining macroeconomic convergence.

In recent years a majority of SADC States have been opening up their financial systems to competition, have introduced supervision standards that are more compliant with international norms. To-date however, only Botswana, Lesotho, Namibia and Tanzania have taken steps towards full autonomy for their central banks, while the independence of the South African Reserve Bank is enshrined in the country's constitution, giving it full responsibility to conduct monetary policy. This being said, with the exception of South Africa, financial markets within the SADC region remain small, narrow and shallow. In much the same way as for the financial systems, several SADC countries have instituted reforms in the legal, judiciary and regulatory frameworks governing business activities. State-owned enterprises have been or are in the process of being restructured and privatised, while private sector involvement in the management, financing and provision of infrastructure is being encouraged through a range of modalities, even though this may be at varying speeds and scope. Although on aggregate the SADC region has maintained its proportional level of foreign investment flows to Africa (approximately 36%), it has failed to attract a proportionate share of growing FDI flows to developing countries. Furthermore, the region has failed to attract the kind of investment that supports and sustains economic development, such as investment in industry, specifically for the manufacturing sector, which is necessary for production and trade diversification. The FDI flows have largely been resource seeking and project finance associated with privatisation and public-private partnerships in infrastructure. Within the region there have also been substantial increases in cross-border, intra-regional investment flows, particularly from South Africa and Mauritius.

Trade flows across SADC in recent years have been influenced by changes in: tariffs, non-tariff barriers, exchange rates, various types of trade taxes and subsidies including export incentives. Although data on intra-regional trade is incomplete there

are indications that there is a growing annual trade surplus for South Africa vis-à-vis the rest of SADC.

In terms of debt burden and aid-dependence seven of the nine LDCs in the region (DRC, Madagascar, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe) can be considered as being severely to moderately indebted. Due to this debt-overhang, high sovereign risk and generally underdeveloped financial systems, access to official sources of funds, international and domestic capital remains limited. Most of these States thus remain highly dependent on official development assistance to fill the savings-investment gap. Similarly, aid dependence in SADC remains high with the average per capita in aid being approximately US\$ 20 in 2002, which is roughly the same as c1980 and is greater than the average of US\$ 18 for Sub-Saharan Africa.

Overall, the economies of the SADC region share a number of important failures which have led to a failure to achieve sufficiently high and sustainable rates of growth and there has been insufficient progress in expanding employment opportunities and alleviating extreme poverty. These failures in turn reflect an inability to improve the quality of investment, to sufficiently enhance social and human capital and to increase labour mobility within and across the Member States.

Socio-economic performance and the extent to which regional integration is becoming a reality throughout the SADC region are attributable to both policy reforms and other influences. Exogenous influences such as adverse changes in climatic conditions, political instability and deteriorating risk perceptions as well as the global economic situation and fluctuations in commodity prices have been driving a wedge between domestic economic policies and outcomes. In addition, other non-policy factors that are inherent in a number of States, such as weak institutional, financial and administrative capacities and poor physical infrastructure has led to discrepancies between policy intent and outcomes. This in part has been responsible for the failures in terms of low economic growth, unemployment and poverty and the implications for regional integration are that there needs to be greater cooperation on addressing the issues of structural weakness. In this context South Africa, the largest economy in the region, should be regarded as less of a threat and more of an opportunity, either as resource for technical expertise or as a catalyst for deeper economic integration. South Africa, by virtue of its sheer size, level of economic development and purchasing power holds important benefits for those SADC Member States whose economic development is constrained by small internal markets and weak domestic economies.

In response to common challenges that can be addressed through region-wide solutions the SADC Member States have developed a number of Protocols that provide a legal framework for cooperation in various areas such as transport and communications, industry and trade, finance and investment, natural resource management, shared water resources. Mining, energy, education, health, human resource development and defence, security and politics. For SADC the development, negotiation and adoption of Protocols per se can be considered progress towards regional integration, though currently there is no mechanism in place for monitoring and evaluating the pace of Protocol adherence and implementation.

The agenda for the Tripartite Summit scheduled in 2008 provides a good example:

- a) The status of Regional Integration with the focus being on
  - i) Trade, Customs and Economic Liberalisation - taking cognisance of the objectives of the Abuja Treaty and the challenges of overlapping membership amongst the RECs;
  - ii) Infrastructure Support for Regional Integration and Development focussing on joint implementation and harmonization of infrastructure programmes; and
  - iii) The launch of a Joint Competition Authority (JCA) for the implementation of the Yamoussoukro Decision Framework for COMESA-EAC-SADC on an “Open Skies Policy”.
  
- b) Geo-political issues including:
  - i) Cooperation with the EU in the context of the SADC-EU EPA negotiations, the framework for financial assistance under the EDF and other wider issues of cooperation arising from the Africa-EU Lisbon Summit.
  - ii) A review of the challenges relating to overlapping membership of the three RECs.

### **Institutional organisation (background)**

Prior to the restructuring of SADC’s institutions deeper regional integration was largely precluded by the decentralised, sectorally- and project-based institutional arrangements. Some of the institutional constraints that have militated against regional integration have related to the SADC Secretariat’s lack of power, authority and the resources needed for facilitating regional integration; the uneven capacity for pursuing and implementing regional policies that was evident in the system of decentralised sector coordinating units; the limited ability to mobilise the region’s own resources and the resulting over-dependence on external financial resources. It is expected that efforts to assist in addressing these deficiencies will be pursued through EC – SADC cooperation both through the EPA arrangement and through functional cooperation under the 10th EDF RSP/RIP.

In 1996 the Secretariat had only ten professional staff and about twenty administrative staff at its headquarters, supplemented by the staff of twenty-one sector coordinating units located throughout the member States. In the absence of an integrated regional development programme, activities supported by the regional programme tended to be discrete “bottom-up” projects driven by individual countries and not by the region. A concerted move towards a more integrated policy framework was introduced in the latter half of the 1990s with the establishment of a number of legal instruments (Protocols). In 2001, the Member States took a decision to amend the Treaty and embark on a reform of the major institutional structures. The amended Treaty restructured the Secretariat around the four core integration areas <sup>1</sup> identified in

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<sup>1</sup> Trade, Industry, Finance and Investment; Food, Agriculture and Natural Resources, Infrastructure and Services; and Social and Human Development and Special Programmes

Article 12 of the amended Treaty, and the Secretariat's main executive functions were extended to include:

- gender mainstreaming in all SADC programmes and activities;
- monitoring and evaluating the implementation of regional policies and programmes;
- collation and dissemination of information on the Community and maintenance of a reliable database;
- mobilization of resources, co-ordination and harmonization of programmes and projects with cooperating partners;
- devising appropriate strategies for self financing and income generating activities and investment; and
- undertaking research on Community building and the integration process;

At the Extra-ordinary Summit held in March 2001 in Windhoek, Namibia the restructuring process was reinforced by the decision to group the twenty-one sector clusters under four Directorates at SADC Secretariat, based on the core integration areas. The objective of the restructuring was to increase the efficiency and effectiveness of SADC policies and programmes and to implement a more coherent and better-coordinated strategy to eliminate poverty in the region. To underpin the restructuring and provide a clear orientation for regional integration policies over the medium to long-term, the extra-ordinary Summit also approved that the Secretariat prepare a regional strategic development plan.

The physical restructuring of the SADC Secretariat commenced in 2002 with the relocation of the first sector units to Gaborone, a process that concluded in 2004 when SATTC moved from Maputo to Gaborone. Although the overall relocation involved the transfer of the functions of the various units, it did not include the relocation of their staffing complements nor the financial resources previously allocated. By the end of 2005 a majority of the staff that had relocated as seconded officials, left to return to their parent governments. As a result, by the beginning of 2006 the Secretariat's ability to meet the requirements of its expanded mandate had been seriously impaired, due to the loss of institutional memory and of the persons responsible for formulating and monitoring many of the Protocols established as the basic framework for regional integration.

Outside of the Secretariat, there are a number of SADC specialised institutions:

In 2003 SADC set up a *Development Finance Resource Centre (DFRC)* to strengthen the SADC network of Development Finance Institutions and act as a catalyst for increased funding to regional infrastructure as well as to SMEs.

The *SADC Tribunal* located in Windhoek, Namibia is intended to ensure adherence to, and proper interpretation of the provisions of the SADC Treaty and subsidiary instruments, and adjudicate upon disputes referred to it. The need for the Tribunal will increase as implementation of protocols intensifies. In August 2005, the SADC Summit appointed ten members of the Tribunal of whom five are permanent.

The *Regional Tourism Organisation of Southern Africa (RETOSA)* was established by charter in 1997. Located in Johannesburg, South Africa the primary objective of RETOSA is to facilitate, encourage and assist in the development of tourism throughout the Southern African Region. The specific objectives of RETOSA concern the development of tourism through: facilitating the movement and flow of tourists into and throughout the region; focusing on the Region's quality as a desirable and safe tourist destination and investment target; and promoting consistency in the quality and maintenance of tourism standards within the Region;

The *SADC Plant Genetic Resources Centre (SPGRC)* was initiated in 1989 and is located in Lusaka, Zambia. The function of SPGRC is to conserve and promote the sustainable use of plant genetic resources with a special focus on indigenous and endangered species in the region. The SPGRC maintains a base collection on behalf of the member countries while national plant genetic resources centres maintain an active collection of this germplasm<sup>2</sup> for use in the various national programme activities.

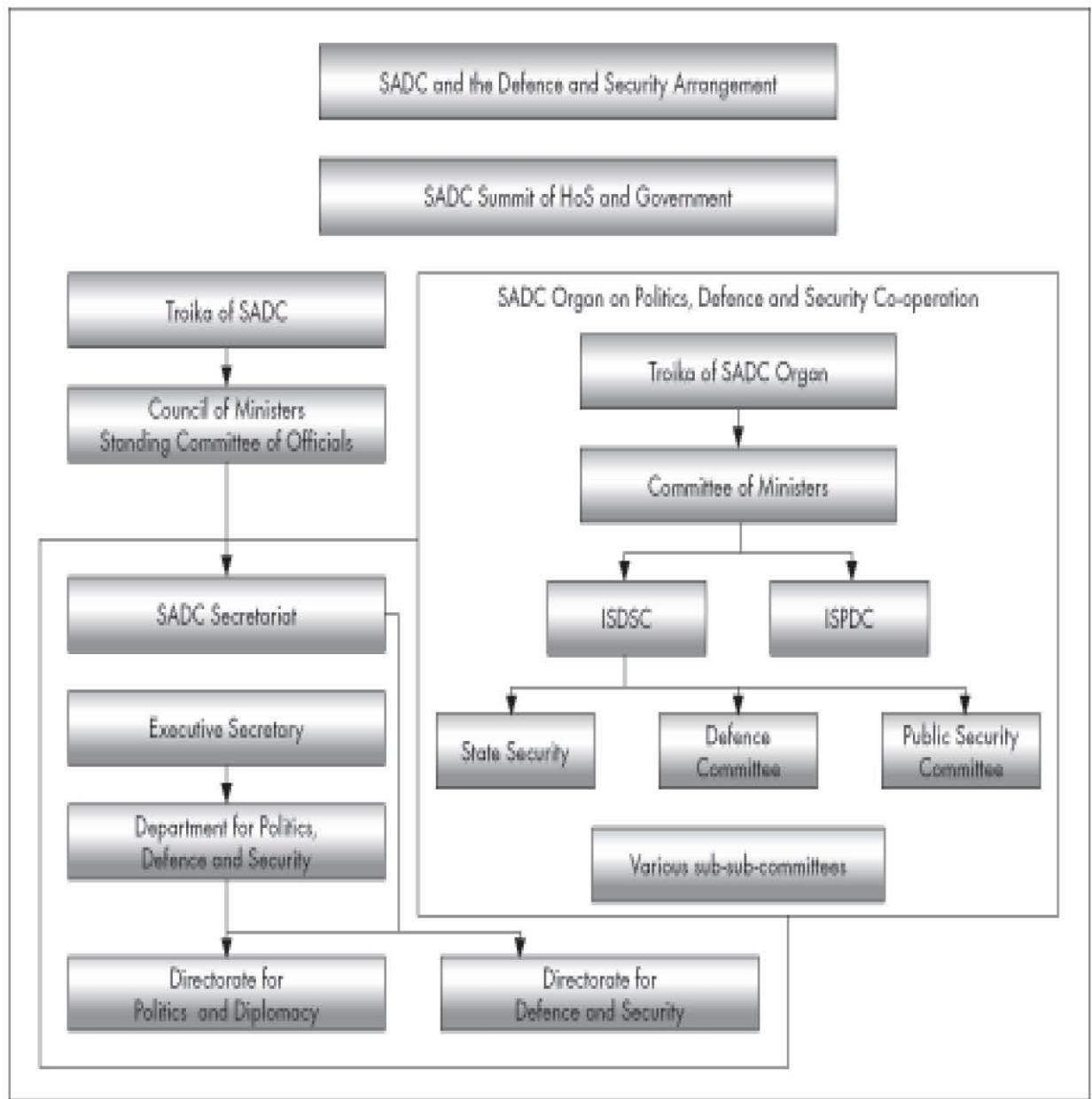
With funding from Denmark, the ISDSC in 1995 established a *Regional Peacekeeping Training Centre (RPTC)*, which has been the main resource for peacekeeping training since its inception. Initially responsible for UN Command and Staff Training in SADC the roles and responsibilities of the Centre have changed over the years, with more than five hundred military observers being trained and with both workshops and seminars being run in various aspects of peace support operations. In August 2004, the SADC Summit gave recognition to the role of peacekeeping in peace and security as the basis for regional integration by endorsing the recommendation that the RPTC be mainstreamed under the SADC Secretariat. In 2005 the Government of Zimbabwe officially transferred ownership of the RPTC to SADC and the centre fall under the Directorate for Politics, Defence and Security Cooperation. (OPDS)

## **Annex 2: Political, economic, social and environmental (REP) context of the region**

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<sup>2</sup> (Wikipedia) A germplasm is a collection of genetic resources for an organism. For plants, the germplasm may be stored as a seed collection or, for trees, in a nursery.

**SADC Defence and Security Architecture**



Source: N. Ngoma, 2005

## Economic data for the SADC Region

Table 1: Key macroeconomic indicators for the SADC region – by country

Country	Real per capita GDP <sup>3</sup> (US \$)	Real per capita GDP <sup>3</sup> (local)	Imports as % of GNI (2001)	Exports of trade (2006 p) (100 = 100)	Real GDP growth (%)					2007 p
					2002	2003	2004	2005	2006 p	
Angola	931	2,344	3.4	148.1	14.5	3.3	11.2	20.6	14.3	31.4
Botswana	4,258	8,714	0.6	61.4	5.6	6.3	5.0	6.2	4.2	4.3
DRC	87	580	5.3	157.3	3.5	5.8	6.6	6.5	6.5	7.2
Lesotho	392	2,561	5.5	96.0	3.6	3.2	2.7	1.3	1.6	1.4
Madagascar	241	809	9.9	66.5	-12.7	9.8	5.3	4.6	4.7	5.6
Malawi	147	605	23.4	74.9	2.1	3.9	5.1	2.1	8.4	5.6
Mauritius	4,363	11,287	-0.3	95.2	2.0	3.6	4.5	3.4	3.4	3.4
Mozambique	303	1,117	28.2	118.5	8.2	7.9	7.5	7.7	7.9	7.0
Namibia	1,986	6,180	3.4	99.8	6.7	3.5	5.9	3.5	4.5	4.5
South Africa	3,409	10,346	0.4	103.6	3.7	3.0	4.5	4.9	4.2	4.0
Swaziland	1,425	4,726	2.0	116.8	2.9	2.4	2.1	1.9	1.2	1.0
Tanzania	337	621	13.3	65.1	7.2	5.7	6.7	6.8	5.9	7.3
Zambia	352	877	10.7	111.1	3.3	5.1	5.4	5.1	6.0	6.0
Zimbabwe	520	2,443	1.8	82.2	-4.4	-10.4	-3.8	-6.5	-5.1	-4.7
SADC	1,024	2,209	2.2	107.4	4.0	2.9	4.8	5.4	4.8	6.2
COMESA	293		8.9	108.0	2.7	1.4	6.2	6.6	5.8	9.0

<sup>3</sup> PPP GDP is GDP converted to international dollars using purchasing power parity (PPP) conversion factors. At the PPP rate one international dollar has the same purchasing power over domestic GDP that the U.S. dollar has over U.S. GDP. PPP rates allow a standard comparison of real price levels between countries.



A<sup>4</sup>                      576                      1,620                      6.3                      112.9                      3.5                      4.0                      5.7                      5.6                      4.8                      5.9

Source: SADC Secretariat estimates; Human Development Report 2005 - UNDP;  
IMF Sub-Saharan Africa Regional Economic Outlook September 2006

p = provisional

Table 2- SADC Region key macroeconomic indicators

	2002	2003	2004	2005	2006 p	2007 p
<b>Real GDP Growth (%)</b>	4.0	2.9	4.8	5.4	4.8	6.2
<b>Real per capita GDP (US \$)<sup>5</sup></b>	961	970	997	1,031	1,060	
<b>Growth in real per capita GDP (%)</b>	2.6	1.6	3.5	4.2	3.5	
<b>Consumer prices (annual average percent change)</b>	17.9	17.3	10.7	10.7	15.3	19.1
<b>Total Investment (percent of GDP)</b>	17.8	13.3	17.0	18.0	17.7	18.4
<b>Overall fiscal balance including grants (% of GDP)</b>	-2.4	-2.5	-1.9	-0.1	-0.8	
<b>Overall fiscal balance excluding grants (% of GDP)</b>	-3.9	-3.1	-3.3	-2.6	-0.9	-1.7
<b>Terms of Trade (2000 = 100)</b>	101.8	98.5	100.3	102.6	106.0	114.3

Source: International Monetary Fund: Regional Economic Outlook September 2006

p = provisional

Table 3a: SADC Exports by Region as a percentage of total country exports for the period 2002 to 2004

Year	2002				2003				2004			
	Total	RoW	SADC	EU	Total	RoW	SADC	EU	Total	RoW	SADC	EU
Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Botswana	100.0%	4.3%	12.2%	83.4%	100.0%	9.1%	10.3%	80.7%	n.a.	n.a.	n.a.	n.a.

<sup>4</sup> Sub-Saharan Africa.

<sup>5</sup> In US Dollars, at 1990 prices, using 1990 exchange rates

DRC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	100.0%	54.8%	42.4%	2.8%	100.0%	79.4%	19.4%	1.2%	n.a.	n.a.	n.a.	n.a.
Madagascar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malawi	100.0%	45.7%	19.6%	34.7%	100.0%	44.6%	20.1%	35.2%	100.0%	40.3%	24.5%	35.2%
Mauritius	100.0%	34.5%	2.0%	63.5%	100.0%	34.2%	2.1%	63.7%	100.0%	32.2%	2.3%	65.5%
Mozambique	100.0%	14.5%	26.0%	59.5%	100.0%	12.3%	24.6%	63.1%	100.0%	12.6%	19.4%	68.0%
Namibia	100.0%	10.9%	40.7%	48.4%	100.0%	12.2%	57.8%	29.9%	100.0%	100.0%	0.0%	0.0%
South Africa	100.0%	51.0%	13.5%	35.5%	100.0%	54.1%	12.4%	33.5%	100.0%	55.7%	10.5%	33.9%
Swaziland	100.0%	17.8%	80.0%	2.2%	100.0%	20.8%	77.4%	1.8%	100.0%	19.0%	79.4%	1.6%
Tanzania	100.0%	32.7%	7.3%	60.0%	100.0%	27.1%	9.4%	63.5%	100.0%	31.1%	14.7%	54.2%
Zambia	100.0%	15.0%	35.4%	49.7%	100.0%	20.1%	44.5%	35.3%	100.0%	25.1%	49.8%	25.1%
Zimbabwe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SADC	100.0%	42.1%	17.7%	40.2%	100.0%	44.7%	18.1%	37.2%	100.0%	51.9%	14.1%	34.0%
SADC EPA	100.0%	15.9%	35.0%	49.1%	100.0%	18.8%	37.3%	43.8%	100.0%	42.2%	31.2%	26.5%

RoW: Rest of World;  
n.a.: data not available

Table 3b: SADC Imports by Region as a percentage of total country exports for the period 2002 to 2004

Year	2002				2003				2004			
Partner	Total	RoW	SADC	EU	Total	RoW	SADC	EU	Total	RoW	SADC	EU
Angola	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Botswana	100.0%	5.9%	83.9%	10.1%	100.0%	4.9%	86.0%	9.1%	n.a.	n.a.	n.a.	n.a.
DRC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lesotho	100.0%	21.7%	77.1%	1.2%	100.0%	17.3%	82.2%	0.5%	n.a.	n.a.	n.a.	n.a.
Madagascar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malawi	100.0%	29.1%	57.3%	13.6%	100.0%	30.5%	57.5%	12.1%	100.0%	29.6%	57.2%	13.2%
Mauritius	100.0%	58.7%	13.8%	27.5%	100.0%	59.1%	13.2%	27.7%	100.0%	61.5%	12.4%	26.1%
Mozambique	100.0%	59.1%	28.2%	12.7%	100.0%	32.7%	50.7%	16.6%	100.0%	34.6%	51.5%	13.9%
Namibia	100.0%	11.7%	78.2%	10.2%	100.0%	9.9%	82.4%	7.6%	100.0%	100.0%	0.0%	0.0%
South Africa	100.0%	59.3%	2.2%	38.4%	100.0%	59.5%	2.4%	38.1%	100.0%	57.3%	3.1%	39.6%
Swaziland	100.0%	12.2%	86.0%	1.8%	100.0%	11.0%	87.6%	1.4%	100.0%	3.6%	95.9%	0.5%
Tanzania	100.0%	65.2%	12.6%	22.2%	100.0%	64.8%	13.5%	21.7%	100.0%	65.1%	14.8%	20.1%
Zambia	100.0%	18.9%	66.4%	14.7%	100.0%	19.8%	65.8%	14.3%	100.0%	22.0%	55.8%	22.3%
Zimbabwe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SADC	100.0%	50.8%	18.7%	30.4%	100.0%	49.8%	19.9%	30.3%	100.0%	55.5%	11.5%	32.9%

SADC EPA	100.0%	29.7%	59.1%	11.1%	100.0%	23.8%	65.8%	10.4%	100.0%	56.7%	34.0%	9.3%
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*Source: Trade and Industrial Policy Strategies (TIPS), South Africa*

Key Human Development Indicators for the SADC region<sup>6</sup>

Country	HDI Rank <sup>7</sup>			Probability at birth of surviving to age 65 (percentage of cohort)	Life expectancy at birth (years)			Adult literacy rate (percentage ages 15 and above)		
	1998	2002	2003		1998	2002	2003	1998	2002	2003
Angola	160	166	160	30.4	46.5	40.1	40.8	..	42.0	66.8
Botswana	122	128	131	14.8	47.4	41.1	36.3	75.6	78.9	78.9
DRC	152	168	167	32.6	50.8	41.4	43.1	58.9	62.7	65.3
Lesotho	127	145	149	15.1	56.0	36.3	36.3	82.4	81.4	81.4
Madagascar	141	150	146	51.4	57.5	53.4	55.4	64.9		70.6
Malawi	163	165	165	19.2	39.3	37.8	39.7	58.2	61.8	64.1
Mauritius	71	64	65	73.9	71.4	71.9	72.2	83.8	84.3	84.3
Mozambique	168	171	168	28.6	45.2	38.5	41.9	42.3	46.5	46.5
Namibia	115	126	125	34.2	52.4	45.3	48.3	80.8	83.3	85.0
South Africa	103	119	120	33.5	54.7	48.8	48.4	84.6	86.0	82.4
Swaziland	112	137	147	9.6	60.2	35.7	32.5	78.3	80.9	79.2
Tanzania	156	162	164	34.6	47.9	43.5	46.0	73.6	77.1	69.4
Zambia	153	164	166	70.1	40.1	32.7	37.5	76.3	79.9	67.9
Zimbabwe	130	147	145	15.6	44.1	33.9	36.9	87.2	90.0	90.0
Africa <sup>8</sup>					48.9	46.3	46.3	59.6	63.2	63.2

<sup>6</sup> For a more extensive list of human development indicators for the SADC region see Annex 10.

<sup>7</sup> Rank = Ranking out of 177 countries. HDI is a measure of longevity (life expectancy at birth), knowledge (adult literacy rate, combined gross enrolment ratio for primary, secondary and tertiary schools) and access to a decent standard of living (GDP per capita). Norway = 1 highest ranked country in terms of HDI. Niger = 177 lowest ranked country in terms of HDI

*Source: UNDP Human Development Reports for 2000, 2002 and 2005*

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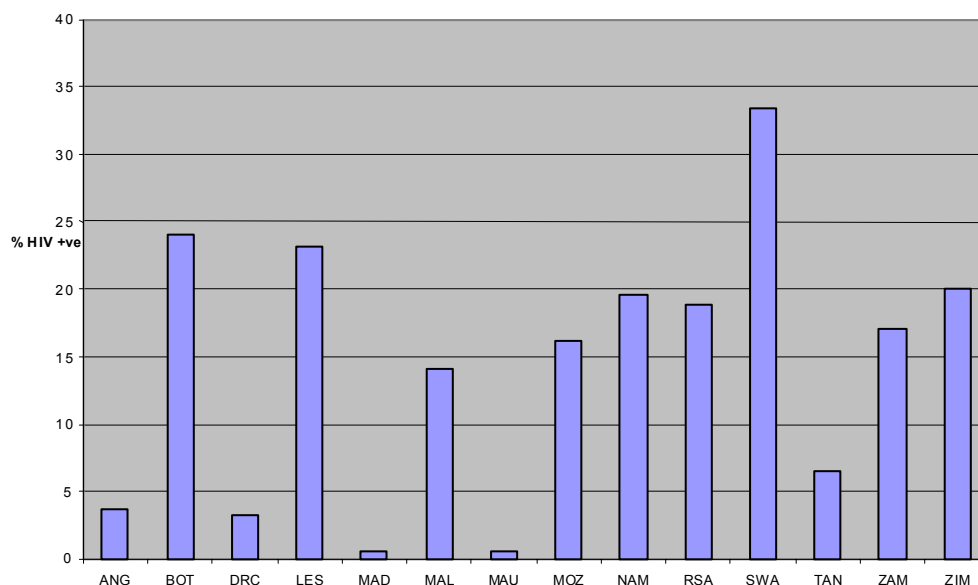
<sup>8</sup> SSA = Sub-Saharan Africa.

## HIV and AIDS in the SADC Region and the regional response

Globally the SADC region is the worst affected by the HIV and AIDS epidemic. It is estimated that 14.8 million (range between 11.827 million and 18.063 million) adults and children are currently living with HIV in the region and an estimated 6.3 million children aged 0 – 14 years of age in the SADC region have been orphaned due to AIDS. In 2005, an estimated 1.2 million people died in the SADC region due to AIDS – approaching half of the world’s total. In the Southern African region the HIV and AIDS epidemic emerged at a time of great social and political transformation. Namibia gained its independence from South Africa in the late 1980’s. In 1994, apartheid was finally dismantled, and around the same time hostilities in Mozambique ceased. For the region these events had profound implications. There was the return of exiles and former liberation armies to their countries of origin, refugees and asylum seekers returned home, borders were opened up allowing for greater trade between countries in the region.

However, as these historic transformations were taking place so too was the HIV and AIDS epidemic taking root. In many countries in Southern Africa, HIV prevalence rates increased from below 2% in the early 1990’s to the current levels which in some countries is in excess of 20% of the population 15 – 49 years

SADC ADULTS AGED 15 TO 49 HIV PREVALENCE RATE IN 2005



.Source: UNAIDS 2006

Population mobility, stigma, discrimination and poverty have all contributed and continue to increase the vulnerability of the people of the SADC to HIV infection. Migrants and mobile populations are more vulnerable to HIV and AIDS than populations that do not move. They are subject to discrimination, xenophobia, exploitation and harassment, and enjoy little legal or social protection in the countries or communities to which they move. They often have little or no access to HIV information, health services and the means for HIV prevention such as condoms or treatment of sexually transmitted infections (STI’s).

Throughout SADC, HIV and AIDS is a priority and it is a standing item on the SADC Summit for Heads of State. In recognition of the impact that HIV and AIDS has on the development of the region and on the relationship between poverty, unemployment and gender inequality, the region has articulated a Strategic Framework on HIV and AIDS 2000 – 2004, which has been endorsed by the SADC political leadership. This Framework seeks to mainstream HIV and AIDS into all activities of the SADC Directorates and reinforces the political commitment to HIV and AIDS as demonstrated through the endorsement by SADC leaders of continental and global initiatives:

- The Millennium Development Goals (MDGs) adopted at the United Nations Millennium Summit in September 2000;
- The Abuja Declaration of HIV and AIDS and Plan of Action adopted in Abuja, Nigeria in April 2001;
- The Declaration of Commitment on HIV and AIDS adopted at the United Nations General Assembly Special Session on HIV and AIDS (UNGASS) in June 2001;
- The New Partnership for Africa's Development (NEPAD) adopted in July 2001;
- The Maseru Declaration on HIV and AIDS adopted by the SADC Summit in 2003.
- Southern African Development Community (SADC) HIV and AIDS Business Plan 2005-2009<sup>9</sup>

SADC is responding to the devastating effects of the HIV and AIDS pandemic by intensifying measures and actions aimed at promoting harmonisation of policies, the multi-sectoral response, resource mobilisation, monitoring and evaluation and capacity building. At a meeting of the SADC Council in Dar-es-Salaam in August 2003, it was agreed that there was a need to develop a SADC HIV and AIDS Business Plan. The Business Plan has been developed in the context of three key SADC policy documents: The Regional Indicative Strategic Development Plan, The SADC Strategic Framework and Programme of Action and The Maseru Declaration. The Business Plan focuses on five key intervention areas, namely:

- Policy development and harmonisation.
- Capacity building and mainstreaming HIV and AIDS into all SADC policies and plans.
- Facilitation of a technical response, resource networks, collaboration and coordination.
- Resource mobilisation for the regional multi-sectoral response.

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<sup>9</sup> The full text of the various SADC documents relating to HIV and AIDS can be accessed through the SADC Portal at <http://www.sadc.int>

- Monitoring and evaluation of the regional multi-sectoral response.

Under each of these intervention areas, key tasks and performance indicators have been highlighted, as well as the responsibilities of various stakeholders and the anticipated timeframes.

The Business Plan is driven by the HIV and AIDS Unit using a team of core staff members and complemented by project staff. Given the multi-dimensional, multi-level and multisectoral nature of the pandemic, the HIV and AIDS Unit is working closely with the SADC Secretariat Directorates and the other SADC units. In addition, the HIV and AIDS Unit works with Member States, regional and international stakeholders, international cooperating partners and civil society.

The Project Concept Notes have been developed as instruments to facilitate resource mobilisation for the implementation of the Business Plan. In addition, Member States' contributions support the implementation of the Business Plan.

The Business Plan is monitored through annual implementation plans overseen by the SADC Technical Advisory Committee on HIV and AIDS. Political oversight of the Business Plan takes place through the Council of Ministers.



## Regional Environmental Profile <sup>10</sup>

### Background

The recent millennium associated dialogue has brought to the fore the general consensus that degraded ecosystems are placing a growing burden on human well-being. It also focused global attention on the opportunities that better managed ecosystems and economic development could provide for meeting the goals of poverty eradication and sustainable development. The link between development and environmental objectives is therefore accepted and the understanding that to meet development objectives for human well-being we MUST meet objectives for ecosystem well-being.

Evidence shows that humans have changed ecosystems more rapidly and extensively in the last 50 years than in any other period, and that this trend is continuing. We are effectively demanding more ‘services’ from the ecosystem, such as food, clean water and clean air due, principally, to an increasing population and at the same time we are reducing its ability to provide these services. The environmental challenges to the region where considered across seven theme areas and it became evident that southern African reflects the global picture:

1. Land use and land management issues
  - Increasing use of marginal lands for agricultural purposes
  - Increasing erosion and desertification
  - Increasing deforestation
2. Atmosphere and climate
  - Warming of climate
  - Increased variability in rainfall
  - Increasing emission of greenhouse gasses and other atmospheric pollutants
3. Freshwater resources
  - Continuing competition for fresh water
  - Increasing consumption levels
  - Depletion of ground water aquifers
  - Over-harvesting, particularly through fishing
  - Decline in water quality
  - Increase in pollution of freshwater resources
4. Marine and coastal resources
  - Declining fish catches
  - Increasing coastal erosion
  - Increased sea temperature
5. Biodiversity
  - Continued decline in biodiversity (ecosystems, species, genes)

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<sup>10</sup> For further information see “Environmental Analysis for the SADC Regional Strategy Paper”. *NFDS Africa July 2006*.

## Increasing rates of Invasive Alien Species spread

### 6. Human settlements

- Population increase especially in urban areas
- Continued rural-urban migration
- Increase in informal settlements
- Number of people not having clean water and sanitation

### 7. Biotechnology and biosafety

- Increasing use of Genetically Modified Organisms (GMOs) in the region
- Increasing biotechnology use

However, the picture is not all doom and gloom – it is believed that it is possible to both reverse some of the damage already made and stop more damage happening through sound policy and management interventions, based on a solid information and knowledge base. Some of the reports reviewed for this synthesis such as the African Environmental Outlook (UNEP 2002a), and the Southern African Environmental Outlook (SADC et al 2005) are examples of the effort that is being made locally, nationally and globally to improve information gathering and analysis – and ultimately our understanding of the environment.

As a supra-national organisation, SADC has a place in the mosaic of interconnecting and often overlapping competences and functions within the environmental sector. It is important therefore to clarify the specific roles where SADC would expect to be the primary locus for development, where it would have a secondary or support role, and where its specific advantages are not likely to be effective. Through this approach the EC will be able to define more clearly where it can add advantage to the SADC system. The essential features that were identified for SADC are that it has:

- Regional scope, knowledge and perspectives;
- Specific mandate for representation and interaction;
- Potentially stronger advocacy and negotiation impacts in international fora;

Functions in sharing experience, knowledge, acting as a forum; and  
Potential as an interlocutor with comparative external bodies, or equivalent groupings at SADC regional level.

The SADC region has already made clear progress in the environmental field by developing various guidelines, protocols and recommendations and integrating these into wider policy areas and their commitment to multilateral environmental agreements. These indicate that a political and technical will to bring environment to the mainstream of SADC development strategies exists but on closer examination it appears that in practise environmental debates and interventions are still outside mainstream development interventions.

This situation indicates a need for environmental mitigation measures to be firmly integrated in all national and regional development activities. However, SADC as an institution is grappling with finding a practically plausible interpretation of its new role in guiding and leading the process of implementing the SADC Regional Indicative Strategic Development Plan (RISDP) in the area of environment. Issues such as limited resources

and down prioritising of the environment within the regional priorities are making it difficult for the region to move forward with the strong policy foundations that have been laid. If SADC is going to overcome these limitations it must focus its efforts where it is uniquely qualified or competent. The SADC-EC cooperation through the upcoming RSP and programming of the 10th EDF provide an opportunity to bring environmental issues firmly on to the table: in light of this the following options are recommended to guide the process:

Mainstream environment into all EC regionally and nationally supported actions

The mainstreaming of environmental considerations should be based on an approach that aims to actively strengthen the ability of Member States to participate and appreciate to appreciate the potential trade-offs that can be expected for their choices. Mainstreaming is recommended to be the minimal response by the EC to the regional environmental challenge, it should include:

1. **Essential Environmental Impact Assessment** - before potential programmes can start that may have an impact on the environment an EIA should take place which includes environmental costs in the cost benefit analysis to highlight the potential trade-offs at stake for decision-makers.
2. **Awareness, education and communication** – include activities that will build cooperation and awareness about the environmental impacts (positive and negative) of the project and how these link to potential changes in the ecosystem and its services.
3. **Monitoring of environmentally relevant indicators** – where possible to include activities in programmes that will contribute towards the collection of information on environmental indicators as part of the institutionalising of the state of the environment reporting.
4. **Implement and monitor an agreed set of environmental safeguards** – develop and incorporate a set of appropriate environmental safeguards for each programme.
5. **Risk assessment** – incorporate risk assessment into project planning, including the identification of thresholds for irreversible change and means to evaluate the impact of policies.
6. **Adaptive management** – provide for adaptive management in project planning.

To improve the decision making process for the SADC-EC projects the following questions about the process can be asked - did the process:

- Bring the best available information to bear?
- Function transparently, use locally grounded knowledge, and involve all those with an interest in a decision?
- Pay special attention to equity and to the most vulnerable populations?
- Use decision analytical frameworks that take account of the strengths and limits of individual, group and organisational information processing and action?
- Consider whether an intervention or its outcomes is irreversible and incorporate procedures to evaluate the outcomes of actions and learn from them?

- Ensure that those making the decisions are accountable?
- Strive for efficiency in choosing among interventions?
- Take account of thresholds, irreversibility and cumulative cross-scale and marginal effects and of local regional and global cost risk and benefits?

### **Support to regional policy and strategy on environment**

There are a great many policies, laws and regulations in place in the region and the Member States which, at first sight, should provide a sufficient basis for sound environmental management. However, the fact that the environment continues to deteriorate in spite of such a substantial body of policies, laws and regulations may be an indicator of a low level of implementation and, particularly, of enforcement. The combination of the entrenchment of sectoral approaches to environmental management and inadequate finances and human resources capacity, were the main hindrances identified to their effective implementation.

A positive step that the SADC-EC cooperation could make would be to support the development or finalisation of regional strategies to support the implementation process of the policy framework in one or more key areas such as; fisheries (SADC Protocol on Fisheries, draft strategy in place, regional consultations and consolidation required); forestry (SADC Protocol on Forestry, no strategy in place); biotechnology, regional guidelines exist but more work is required to strengthen and develop a regional position on this issue; or a more consolidated approach to the RISDP environmental strategy. The main policy area where support may be deemed appropriate is in consideration of developing a SADC Protocol on Environment to provide a regional integration of the guiding international agreements.

### **Support to monitoring and reporting on the state of the environment**

Attempts to start the state of the environment reporting (SOER) have been underway, but more effort is required to develop this fully and to link it into a coherent reporting regime that links to the other reporting, such as the food security balance sheets of SADC. This information will be vital to monitor the impact of implementation of the strategies and programmes against the original development policy objectives, and will lead into a monitoring of coherence and compliance by Member States to the legislative framework of the SADC Natural Resources Protocol implementation, implementation of objectives in the RISDP and the MDGs. The information will facilitate determination of the impact that the programmes and actions are having on the environment via identified and agreed indicators.

A concrete intervention would be to support a regional consolidation and synchronization of the various Member States reporting obligations, established regionally and supported by national level programmes to compile the information that will be analysed at a regional level. It would require a defined regional matrix of environmental indicators that combines Member States obligations to other pertinent global or pan-African MEA's as well as the regional Protocols and legislation. Capacity nationally to monitor these indicators could be achieved through national level support (through the NIPs).

### **Support to priority actions in the area of environment and food security or trade**

Focal interventions beyond the points mentioned above should be considered only if the regional approach is uniquely suited. These strategy responses will be through the implementation of priority programmes or actions and consideration should be given to

support specific priorities emerging from the strategies discussed in this study. Focal sectors should be chosen based on their contribution to reverse negative environmental trends and to maintaining ecosystems services, such as:

- i) improving the economic climate and creating alternative employment opportunities for those currently depending on small scale farming, in order to reduce pressure on land and urbanisation trends. At the same time, the environmental effects of intensive farming systems need to be considered and mitigation procedures put in place;
- ii) increase food production and security in the region without compromising land and water resources;
- iii) encourage the use of alternative energy sources and the use of new, cleaner technologies; and
- iv) Support for inventories and monitoring of the region's natural resources.

For the EC, it would be appropriate to select areas where a tangible link or synergy to SADC RISDP food security and trade objectives occur. One area that is worth mentioning is the consideration of the regional implications on the proposed trade liberalisation to the commitments of Member States in the MEAs. Support to developing a greater understanding of these implications and how they will interface with the regionally binding legal instruments may be an area of interest to the SADC-EC cooperation

### **Migration analysis for Southern African Development Community.<sup>11</sup>**

Migration has long been a core component of the Southern African economy. Most forms of popular movement are the result of the region's history of geographically uneven economic development, which can be traced to two epochal events at the end of the nineteenth century: the creation of the modern African state system and the discovery of mineral wealth in Southern Africa. The region's colonial past resulted in the interdependence of its countries, the construction of borders between them and, particularly in cases like South Africa, the creation of 'internal' population divides. SADC workers have always had to move to improve their livelihoods, and to confront a variety of political barriers limiting this process. Over the past fifteen years, new dimensions have been added to long-standing patterns of displacement in southern Africa as well as the African continent as a whole. Several regional and national conflicts have produced high numbers of refugees, asylum seekers and internally displaced persons. Alongside this are newer forms of irregular migration relating to trafficking and smuggling of persons in the region.

At a regional level, the states of Southern Africa can be divided into migrant-sending (Mozambique, Malawi, Lesotho) and migrant-receiving states (South Africa, Namibia). A few, such as Botswana and Swaziland, fall into both categories. Others, such as Tanzania and Zambia, have experienced major refugee influxes in the last decade but do not tend to send or receive large numbers of labour migrants.

A deeper analysis of migration patterns and issues from a regional perspective in the SADC Region, indicates that there are a number of key considerations in addressing the issue of migration.

- There are four key forms of economically motivated migration in Southern Africa: resource migration, labour migration, undocumented migration and elite migration. Although labour migration redistributes the region's unemployment problems, there is no evidence to suggest that undocumented migration contributes to regional unemployment. However, there are significant numbers (although low compared to other migrants) of refugees, asylum seekers (intra and extra regional) and internally displaced persons in the region.
- The situation in Angola and DRC is now showing signs of change, enabling programmes for voluntary repatriations. Conversely, the economic situation in Zimbabwe, has the potential to become a source of increased displacement.
- The extent of organized networks involved in human trafficking and smuggling in the region is only starting to be uncovered. These phenomena are difficult to quantify. Victim exploitation is a key feature, with women and children being the most vulnerable.

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<sup>11</sup> For further information see "Migration analysis for Regional Strategy Paper), Prepared for the Southern African Development Community Secretariat by International Organization for Migration, Regional Office for Southern Africa.

- Intra-regional transfers make up the largest portion of the remittance market. Removing social and institutional barriers may lead to an increase in remittance flows. Remittances make a substantial contribution to regional poverty alleviation but do not clearly promote growth in investment or production.
- South Africa and Botswana, with the most vibrant economies within the SADC, stand to gain the most from the “redistribution” of skills within SADC, but also tend to lose skills to North America, Europe and Australia. The extent of the brain drain is exaggerated in media reports and little is known about return migration. It cannot be said with certainty whether the net outcome of skills emigration from the region is negative.
- Although health and education sectors are facing skills shortages in the region, it is unclear whether skills emigration is to blame for such shortages.
- Migration of people within the region is viewed as a “problem” rather than an opportunity and there is a general tendency to scapegoat non-citizens for societal ills. Social conditions of migrants in the host society are far from satisfactory, especially with respect to health, vulnerabilities to HIV/AIDS, xenophobia, education and security.
- SADC member states have no clear common approach towards emigration. As a result it could be mooted that immigration policies in Member States limit regional economic growth by distorting the labour market, inhibiting cross-border movements, criminalizing informal economies and marginalizing migrants in the city. The 2005 SADC Protocol on the Facilitation of Movement of Persons may help address some migration problems. In this context the MIDSA dialogue on migration is currently helping to inform and propel the regional migration agenda

The analysis of migration in the SADC region has shown there are three issues that should be addressed at the regional level, possibly led by the SADC Secretariat in the context of the RISDP and SIPO. First, there is the need for greater understanding of the role of migration as a potential contributor to poverty alleviation and regional growth. Second, the neglect of the human dimensions of migration could be detrimental to sound policy making and the region’s integrated development. Third, there is a need to move away from an anti-immigration policy towards an approach that can harness intra as well as extra regional migration to the advantage of the region as a whole.

Unfortunately, data on various migration trends in the region remains fragmentary and incomplete. Few countries include migration questions in their censuses. Information on migration flows derived from border control posts and surveys are inadequate. Furthermore, data gathered from people that cross borders is rarely useful as it is not disaggregated, and combines all kinds of migrants. A major constraint to migration research is the lack of unanimity in the collection of, publication and dissemination of international migration statistics. To a large extent, analysis has to rely on country-specific perspectives. Moreover, many of the generalizations made with respect to migration dynamics based on methodologically flawed studies that are limited in scope. An over reliance on numerical perspectives has the added disadvantage of

creating a picture with a lack of qualitative understanding of the trends, leading to flawed causal conclusions. Most importantly, the lack of good migration information is part of the bigger problem of migration management. These are issues that would need to be addressed for effective planning and monitoring of regional integration policies and strategies.



## SADC Countries Migration Profiles

Country	Total population mid year 2005 <sup>1</sup>	Own nationals mid year 2005 <sup>1</sup>	International migrants mid year 2005 <sup>1</sup>	Migrants as % of population <sup>1</sup>	Refugees (inflows) mid year 2005 <sup>1,2</sup>	Arriving immigrants: 1995/2000 <sup>1</sup>	Growth rate of migration stock (%): 1999/2000 <sup>1</sup>	Arriving immigrants: 2000/2005 <sup>1</sup>	Growth rate of migration stock (%): 2000/2005 <sup>1</sup>	Migrants main country of origin (refugees) <sup>2</sup>	Internally displaced persons (December 2005) <sup>3</sup>	Refugees (outflows) <sup>2</sup>	Emigrants main country of destination (refugees) <sup>2</sup>	Incoming remittances 2004 (in million US <sup>4</sup> and 5)	Remittances as % of GDP <sup>4</sup> and 5
Angola	15 941 000	15 884 649	56 351	0.4	13 504 <sup>2</sup>	8 606	4.1	10 243	4.0	DRC	61 700	228 838	DRC	0.38 <sup>4</sup>	0.0 <sup>4</sup>
Botswana	1 765 000	1 684 936	80 064	4.5	2 839 <sup>1</sup>	16 876	7.2	24 174	7.2	-	-	6	-	38.9 <sup>4</sup>	0.4 <sup>4</sup>
DRC	57 549 000	57 010 166	538 838	0.9	183 949 <sup>1</sup>	-1 331 482	-21.0	-178 244	-5.7	Angola	1 664 000	462 202	Tanzania	4.23 <sup>5</sup>	0.07 <sup>5</sup>
Lesotho	1 795 000	1 789 114	5 886	0.3	60 <sup>1</sup>	366	1.4	424	1.5	-	-	7	-	355.0 <sup>4</sup>	27.3 <sup>4</sup>
Madagascar	18 606 000	18 543 213	62 787	0.3	-	1 511	0.5	1 550	0.5	-	-	135	-	16.0 <sup>4</sup>	0.4 <sup>4</sup>

Malawi	12 884 000	12 605 207	278 793	2.2	3 948 <sup>1</sup>	-45 303	-3.5	11 303	-0.1	-	-	94	-	10.0 <sup>4</sup>	0.5 <sup>4</sup>
Mauritius	1 245 000	1 224 275	20 725	1.7	-	3 888	5.8	5 186	5.8	-	-	19	-	215.0 <sup>4</sup>	3.6 <sup>4</sup>
Mozambique	19 792 000	19 386 096	404 904	2.1	1 274 <sup>2</sup>	120 953	8.0	39 210	2.0	DRC	-	104	-	58.0 <sup>4</sup>	0.9 <sup>4</sup>
Namibia	2 031 000	1 887 725	143 275	7.1	11 361 <sup>2</sup>	18 989	2.9	637	0.1	-	-	1 314	-	15.2 <sup>4</sup>	0.3 <sup>4</sup>
South Africa	47 432 000	46 525 786	1 106 214	2.3	140 094 <sup>2</sup>	-75 416	-1.4	83 840	1.6	DRC	-	272	-	521.0 <sup>4</sup>	0.2 <sup>4</sup>
Swaziland	1 032 000	896 541	45 459	4.4	713 <sup>1</sup>	3 531	1.8	3 955	1.8	-	-	14	-	88.8 <sup>4</sup>	3.7 <sup>4</sup>
Tanzania	38 329 000	37 536 672	792 328	2.1	600 619 <sup>2</sup>	-236 952	-4.7	-100 225	-2.4	Burundi	-	985	-	10.9 <sup>4</sup>	0.1 <sup>4</sup>
Zambia	11 668 000	11 393 158	274 842	2.4	176 62 <sup>1</sup>	86 512	5.5	-82 627	-5.3	Angola	-	124	-	-	-
Zimbabwe	13 010 000	12 499 363	510 637	3.9	5 064 <sup>1</sup>	17 714	0.6	-145 034	-5.0	-	569 685	9 568	-	3.5 <sup>5</sup>	0.1 <sup>5</sup>

1: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, Trends in Total Migrant Stock: The 2005 Revision <http://esa.un.org/migration>, 25 May 2006; 2:44:38 AM.

2: UNHCR statistics, *Refugee population and change by origin, 2004* <http://www.unhcr.org/cgi-bin/texis/vtx/statistics/openssl.pdf?tbl=STATISTICS&id=42b283744>

3: Internally displaced Monitoring center (IDMC) December 2005

[http://www.internal-displacement.org/idmc/website/countries.nsf/\(httpEnvelopes\)/EF2C80769C7D06B1802570B8005A7514?OpenDocument](http://www.internal-displacement.org/idmc/website/countries.nsf/(httpEnvelopes)/EF2C80769C7D06B1802570B8005A7514?OpenDocument)

4: World Bank data 2004. <http://devdata.worldbank.org/external/CPProfile.asp?CCODE=MUS&PTYPE=CP>

5: M. Salisu, 2005, "The Role of Capital Flight and Remittances in Current Account Sustainability in Sub-Saharan Africa," African Development Review 17, no. 3 (2005).

### **Annex 3: Indicative chronogramme of activities**

## Indicative Chronogramme of activities; 2008 to 2013

SADC RIP – Indicative Programme – EDF 10 Grant aid – Total € 116 million	2008	2009	2010	2011	2012	2013
<b>Focal Sector 1- Regional Economic Integration (Allocation 80 % - € 92.8 million)</b>						
a) Support to Structural Reforms in the SADC EPA Member States <i>(CA)</i>		PIF	AAP/FD	IM	IM	IM
b) SADC Economic Integration and Trade <i>(CA)</i>		PIF	AAP/FD	IM	IM	IM
c) Regional Infrastructure Development Programme (€ 20 million) <i>(CA)</i>		PIF	AAP/FD	IM	IM	IM
<b>Focal Sector 2 – Regional Political Cooperation (Allocation 15% - € 17.4 million)</b>						
Regional Political Cooperation Programme (€ 17.4 million) <i>(CA)</i>		PIF	AAP/FD	IM	IM	IM
<b>Non-focal sectors - (Allocation 5% - € 5.8 million)</b>						
Technical Cooperation Facility (€4million) <i>(Prj.)</i>		PIF/AAP/ FD	IM	IM	IM	EV
Support to NSA (€ 1.8 million) <i>(Prj)</i>			PIFFIP	AAP/FD	IM	IM

## Abbreviations:

PIF = Project Identification Fiche      AAP = Annual Action Plan  
 FD = Financing Decision      IM = Project Implementation

EV = Evaluation

*(CA)* = implementation mechanism Contribution Agreement

*(Prj.)* = implementation through project approach

## **Annex 4: Indicative timetable for Commitments**

Indicative timetable for commitments 2008 to 2013

A. Global Commitments

SADC RIP – Indicative Programme – EDF 10 Grant aid – Total € 116 million	2008	2009	2010	2011	2012	2013
<b>Focal Sector 1- Regional Economic Integration (Allocation 80 % - € 92.8 million)</b>						
a) Support to Structural Reforms in the SADC EPA Member States (CA)			GC			
b) SADC Economic Integration and Trade (CA)			GC			
c) Regional Infrastructure Development Programme (€ 20 million) (CA.)			GC			
<b>Focal Sector 2 – Regional Political Cooperation (Allocation 15% - € 17.4 million)</b>						
Regional Political Cooperation Programme (€ 17.4 million) (CA)			GC			
<b>Non-focal sectors - (Allocation 5% - € 5.8 million)</b>						
Technical Cooperation Facility (€4million) (Prj.)		GC				
Support to NSA (€ 1.8 million) (Prj)				GC		

## **Annex 5: Intervention framework**

Intervention Framework, including and overview of policy measures and indicator data and targets detailed for the different focal/non-focal sectors

(Interventions, indicators and targets drawn from the SADC Secretariat business plans for the operationalisation of the Regional Indicative Strategic Development Plan and the Strategic Indicative Plan for the Organ)

Main Interventions	Key Performance indicators	Target Year
<b>Focal Area 1 - Regional Economic Integration</b>	<i>Aim:</i> To increase economic growth and reduce poverty through support for higher levels of regional economic integration  <i>Specific objective:</i> Increased intra- and extra-regional trade	
	–	
SADC Economic integration		
1. Trade Integration	<ul style="list-style-type: none"> <li>– All Member States comply with Tariff phase down schedule</li> <li>– ≥ 85% of Intra-regional trade in goods free of duties and tariffs</li> <li>– Trade Protocol Annex on services adopted and implemented</li> <li>– 100% of Intra-regional trade in goods free of duties and tariffs</li> </ul>	2008 2008 2009 2012
2. Non-tariff Barriers (NTB) identified, monitored and eliminated	<ul style="list-style-type: none"> <li>– Effective mechanisms to monitor, notify, re-negotiate and eliminate NTBs operational</li> <li>– Trade Protocol Annexes on SPS and TBT adopted and implemented</li> <li>– Common indirect tax regimes established</li> </ul>	2008 2010 2009 2010



Main Interventions	Key Performance indicators	Target Year
3. Establishment of the SADC Customs Union	<ul style="list-style-type: none"> <li>- Customs Chain Bond guarantee System established and adopted</li> <li>- Impact studies on Common External Tariff completed</li> <li>- Common External Tariff developed and adopted</li> <li>- SADC Customs Union Agreement/Protocol developed</li> <li>- SADC Customs Union launched</li> <li>- Common customs legislation and practice</li> </ul>	2008 2008  2008 2009 2010
4. Development of Common Trade Policies	<ul style="list-style-type: none"> <li>- Common SADC Rules of origin applied by all Member States</li> <li>- Harmonisation of National Trade Policies with the Trade Protocol</li> </ul>	2008 2010
5. Development and enforcement of Competition Policy	<ul style="list-style-type: none"> <li>- Model Competition Policy and model competition law in place</li> <li>- Effective enforcement mechanisms in place in all Member States</li> </ul>	2009 2012
6. Development and enforcement of investment policy	<ul style="list-style-type: none"> <li>- Model Investment Policy and Investment promotion instruments in place</li> </ul>	2009
7. Macroeconomic convergence (variable geometry, variable speed)	<ul style="list-style-type: none"> <li>- Operationalisation of Monitoring and Surveillance system</li> <li>- Macroeconomic convergence indicators agreed and monitored</li> <li>- Single digit inflation in all States</li> <li>- Budget deficit to GDP ratio &lt; 5%</li> </ul>	2008 2010 2012 2008
8. Financial and Capital Market Development	<ul style="list-style-type: none"> <li>- Finance and Investment Protocol ratified and implementation started</li> <li>- Capital account liberalisation</li> </ul>	2008 2010
9. Attainment of deeper monetary integration	<ul style="list-style-type: none"> <li>- Currency convertibility in the SADC region achieved</li> <li>- Autonomy of Central Banks in all Member States</li> <li>- Regional Association of Bank Supervisory Authorities established and functioning</li> </ul>	2009 2010 2010
10. Provision of adequate, integrated and efficient infrastructure and services	<ul style="list-style-type: none"> <li>- Adoption of Regional Infrastructure Master Plan</li> <li>- Development of sub-regional and subsectors (transport, energy, communications) investment programmes for submission to prospective funding agents</li> </ul>	2008 2008 on
11. Food security – Access to food by all	<ul style="list-style-type: none"> <li>- Land Reform Facility established and operational</li> </ul>	2008

Main Interventions	Key Performance indicators	Target Year
	<ul style="list-style-type: none"> <li>- Minimum food quality standards in place</li> <li>- Development and implementation of food security tracking system</li> </ul>	2010
12. SADC statistical databases for all production, trade, social and macroeconomic information	<ul style="list-style-type: none"> <li>- SADC Statistics Protocol developed and adopted.</li> </ul>	2009
13. Support to structural reforms in SADC	<ul style="list-style-type: none"> <li>- Export capacity in agricultural, livestock and fisheries products increased.</li> <li>- Sectors for smallholders increased contribution to export trade identified</li> <li>- Impact of revenues losses from tariff liberalisation assessed.</li> <li>- Alternative revenue collection methods identified.</li> <li>- Economic adjustments required by the implementation of regional integration policies identified.</li> </ul>	2012 2012 2011 2013 2012
14. Capacity development	<ul style="list-style-type: none"> <li>- Measures identified by the 2007 Institutional Assessment study are implemented</li> <li>- Institutional assessments of SADC National Committees are carried out.</li> <li>- Gender and HIV issues mainstreamed into the capacity building support initiatives.</li> </ul>	2008-2013 2010-11 From 2008
<b>Focal Area 2 – Regional political cooperation</b>		
1. Development of democratic institutions and practices by Member States and observance of universal human rights	<ul style="list-style-type: none"> <li>- SADC Guidelines and Principles on the holding of Democratic Elections applied by all SADC States</li> <li>- Establishment of SADC Electoral Advisory Council</li> <li>- Accession and ratification of Protocol on Facilitation of Movement of Persons</li> </ul>	2009 2009 on 2009

Main Interventions	Key Performance indicators	Target Year
2. Peace and Security – Implementing the regional pillar of APSA	- Police forces trained to improve their capacity to function in crisis and post crisis situations	2012
	- Regional Early Warning Center strengthened	2010
	- Regional mediation capacity developed	2011
3. Disaster Management	- Development of a regional strategy for disaster management	2010
<b>Other Integration indicators</b>		
1 <i>Gender</i> - Gender mainstreaming training given to all SADC Secretariat staff	<ul style="list-style-type: none"> <li>- all plans and programmes for the four SADC Directorates reflect gender perspectives</li> <li>- SADC Gender Protocol developed and adopted</li> </ul>	2009 2008
2. <i>HIV and AIDS</i> -	<ul style="list-style-type: none"> <li>- Implementation of SADC HIV and AIDS Business Plan</li> <li>- 70% of Member States implementing harmonised surveillance guideline</li> <li>- At least 50% of Member States have access to bulk purchasing of essential drugs</li> </ul>	2008 2009

## **Annex 6: Table of main ongoing projects and programmes financed by the Community**

The main 9<sup>th</sup> EDF projects in the regional integration focal sector are:

- **SADC customs modernisation programme** (€ 16 million)<sup>12</sup>, transformation and modernisation of their customs systems and to set the legal and institutional framework for the establishment of a SADC Customs Union.
- **SADC EPA Facility** (€ 6.5 million), to assist SADC countries in the preparation and conduct of the negotiations of an Economic Partnership Agreement (EPA) with the EU.
- **Support to SADC Member States in Standardization, Quality Assurance, Accreditation and Metrology** (€ 14.2 million) to support trade and investment, enhance the protection of consumers and improve the competitiveness of suppliers of products and services in SADC Member States.
- **Support to the Implementation of the SADC Protocol on Finance and Investment** (€ 13 million), to achieve closer regional economic integration and harmonisation of the finance and investment sectors, through the implementation of the SADC Protocol on Finance and Investment.

In the second focal sector of transport and communications only one project has been approved, following delegation of implementation to the national level (Rehabilitation of the Humbe-Cahama road, Angola, € 25 million).

In the non-focal sectors under the 9<sup>th</sup> EDF RIP agriculture and food security, a priority area in previous RIPs:

- **Food safety - capacity building on residue control** (€ 7.5 million) is designed to assist SADC Member States to comply with Sanitary and Phytosanitary (SPS) requirements, and especially with Maximum Residue Limits (MRL)<sup>13</sup>.
- **Foot and Mouth Disease Campaign** (€ 12.6 million) is designed to reduce the spread of FMD and its negative impact on both livestock producers and intra/extra regional trade of livestock and livestock products.
- **Implementation and Coordination of Agriculture Research and Training in SADC** (€ 10.2 million-ICART 1 +3.7 million ICART 2), 9 ACP SAD 1 and 9 ACP SAD 16 signed to assist SADC Member State in the development of the agricultural research sector .
- **Promotion of regional integration in the Livestock Sector** (€ 7.9 million) 9 EDF SAD 2 with the purpose of laying down a sustainable basis for a coherent regional approach towards the development of the livestock sector in the SADC region.

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<sup>12</sup> Amounts in brackets are contributions from the European Development Fund (EDF)

<sup>13</sup> MRL is the maximum concentration of a pesticide or veterinary residue or specified contaminants recommended to be legally permitted in or on food commodities and animal feeds.

- **Capacity Building for Regional Integration** (overall amount € 12.5 million following a € 15.6 million under the 8<sup>th</sup> EDF) has been designed to support the overall capacity of the SADC Secretariat to drive and coordinate the regional integration agenda as outlined in the SADC Regional Indicative Strategic Development Plan.

## Annex 6a

EDF 8 RIP	On-going projects (30 June 2008)					
Project No.	Project title	Committed	Contracted	Disbursed	% Contracted	% Disbursed
8 RAU 005	SADC Regional Statistical Training Project	3,850,000.00	3,401,397.00	2,649,548.00	88.35	68.82
8 RAU 010	EU – SADC Investment Promotion Programme (ESIPP)	14,000,000.00	12,566,049.71	10,165,784.79	89.76	72.61
8 RAU 013	Regional Integration and Capacity Building Project	15,615,000.00	15,153,801.41	12,943,433.83	97.05	82.89
8 RAU 014	Regional Support for an expanded HIV/AIDS Programme	3,114,000.00	2,855,260.00	2,746,282.00	91.69	88.19
8 RAU 018	SADC Land and Water Management Applied Research Programme	4,100,000.00	3,721,773.40	3,175,492.00	90.77	77.45
	Totals	40,679,000.00	37,698,281.52	31,680,540.62	92,60%	77,87%
	RIP amount	56,587,000.00				
	(% globally committed)	100.0%				

EDF 9 RIP			2008 (@ 30 June 2008)			
Project No.	Project title	Committed	Contracted	Disbursed	% Contracted	% Disbursed
9 SAD 001	SADC Agriculture and Research Training Programme	10,200,000.00	9,302,485.00	4,122,501.00	91.20	40.42
9 SAD 002	Promotion of Regional Livestock Development	7,900,000.00	7,776,936.00	3,207,712.00	98.44	40.60
9 SAD 004	Support to SADC Regional Integration and Multilateral Trading System	1,090,000.00	1,090,000.00	959,800.00	100	88.06
9 SAD 005	Technical Cooperation Facility	1,131,150.00	1,130,612.00	1,101,971.00	99.95	97.42
9 SAD 006	Economic Partnership Agreement (EPA) Support Facility	6,500,000.00	4,722,341.00	2,957,890.00	72.65	45.51
9 SAD 007	Support to SADC Member States in SQAM	14,200,000.00	3,293,446.00	382,017.00	23.19	2.69
9 SAD 008	ECOFAC IV ***	5,000,000.00	4,983,688.00	2,430,000.00	99.67	48.60
9 SAD 009	Support to SADC MS on Customs Modernisation and Transformation	18,000,000.00	9,585,970.00	3,682,709.00	53.26	20.46
9 SAD 010	SADC Foot and Mouth Disease Programme	12,600,000.00	4,315,876.00	1,018,768.00	34.25	8.09
9 SAD 011	Technical Cooperation Facility II	818,850.00	555,580.00	412,299.69	67.85	50.35
9 SAD 012	African Monitoring of the Environment for Sustainable Development (AMESD) ***	3,000,000.00	392,000.00	0	13.07	0
9 SAD 013	Maximum Residue Levels	7,500,000.00	2,266,363.00	474,407.00	30.22	6.33
9 SAD 014	Finance and Investment Protocol	13,000,000.00	0	0	0	0
9 SAD 015	Capacity Building and Regional Integration	12,500,000.00	0	0	0	0
9 SAD 016	ICART 2	3,700,000.00	705,400.00	0	19.06	0
9 SAD 017	Technical Cooperation Facility III	3,700,000.00	0	0	0	0
9 SAD 018	Humbe-Cahama Road ***	16,946,051.05	0	0	0	0
9 SAD 019	Humbe-Cahama Road ***	8,053,948.95	0	0	0	0
			0	0	0	
	Totals	145,840,000.00	50,120,697.00	16,627,573.29	34.37	11.40
	RIP amount **	146,700,000				
	(% globally committed)	53.9%				

European Programme for Reconstruction and development – South Africa – Regional Component <sup>14</sup>			
Project No.	Project title	Committed	Contracted
AFS/2000/004-551 (EC)	Economic Integration Support to BLNS	3,000,000	-
AFS/2000/004-553 (EC)	Response to HIV/AIDS in SADC region	4,500,000	4,500,000.00
AFS/2002/002-497 (EC)	Regional HIV/AIDS Educational Programme (Soul City)	10,000,000	9.968.139,80
AFS/2002/004/556 (EC)	Support Programme to the Water sector in SADC	5.669.000	3.442.539,47
AFS/2004/016-935 (EC)	AU - NEPAD Capacity Building in Governance and Administration	2,000,000	-
AFS/1999/004-550 (EC)	EU-SADC Investment Promotion Programme (ESIPP) - co financing	2,000,000	1.406.645,94
AFS/2005/017-679 (EC)	SA Contribution to the Peace Facility for Africa	7,725,000	7.500.000-
	Totals	34.894.000	26.817.305,21

9 <sup>th</sup> EDF - All ACP		( June 2008)				
Project No.	Project title	Committed	Contracted	Disbursed	% Contracted	% Disbursed
9 ACP RPR 094	Health and Development Innovative Consortium	5,000,000.00	4,900,000.00	740,160.00	98.00	14.80
9 ACP RPR 053	African Transboundary River Basin Support Programme (Orange-Senqu)	2,500,000.00	1,436,327.00	0	57.45	0.00
9 ACP RPR 179	Sustainable Management of energy resources	2,500,000.00		0	0.00	0.00
9 ACP RPR 39-89	Hydrogeological Mapping of SADC (Grant-Water Facility)	900,000.00		439.420.20	0.00	48.82
9 ACP RPR 39-90	Economic Accounting of Water Use in SADC Region (Grant-Water Facility)	1,039,500.00		429,000.00	0.00	41.27
9 ACP RPR 138	Capacity Building and Disaster Mitigation (SADC Component)	1,868,000			0.00	0.00
	Totals	13,807,500	6,336,327	1,608,580.20	45.89	11.65

<sup>14</sup> Within AFS/2005/017-578 (EC), Risk Capital Facility II (total € 50 M), € 10 M are earmarked for regional projects.



## **Annex 7: Lessons from past and ongoing EC cooperation**

### Lessons from past and ongoing EC cooperation (data)

The EU has since 1975 supported regional development in Southern Africa through the European Development Fund (EDF) with a total amount of € 587 million. In addition to the amounts from the EDF (and the South African EPRD<sup>15</sup>) there are a number of thematic budget lines, e.g. for NGO projects, food security, human rights and environmental projects from which i.e. SADC countries can draw additional funds.

	EDF	Year	EDF in € million
Lomé I Convention	3	1975-1980	30.0
Lomé II Convention	4	1981-1985	65.2
Lomé III Convention	6	1986-1990	141.0
Lomé IV Convention	7	1990-1995	129.0
Lomé IV bis Convention	8	1995–2000	121.0
Cotonou Agreement		2000-2020	
	9	2002-2007	101.0
Total			587.2

As of the beginning of 2006, all activities under the 6th and 7th projects were complete. Under the 8th EDF six projects are being implemented through the SADC Secretariat, whilst two others are being implemented through the Namibia and Zimbabwe NAO/EC Delegations respectively.

SADC's 9th EDF envelope following the 2007 ETR has been fixed at a total of €146.7 million. With the present strategy and above envelope, per sector support is allocated as follows: 1) €78.85 million for regional integration and trade; 2) €26 million for transport and communication; and 3) €41.73 million for the non focal sector. Of this € 146.7 million, projects and programmes have been approved for an amount of € 145.84 million or approximately 99 % of total resources available.

In assessing the lessons to be learnt from past EC and EDF support to SADC it is important to consider how past RIPs contributed to the economic development and regional integration in the broader SADC regional context. Due to the disaggregated nature of many past interventions, which were implemented either through decentralised SADC institutions or through individual Member States, it is difficult to arrive at a definitive conclusion. The available information shows that EC support has been successful in supporting various aspects of regional integration and cooperation over time. With the adoption of the RISDP and SIPO the challenge of attaining greater macroeconomic convergence and deepening regional integration can

<sup>15</sup> Although South Africa is a member of SADC and is a signatory to the Cotonou Agreement it is not eligible for EDF funding. However, to maximise synergy and efficiency, SADC's regional projects may be supported by funds from the European Programme for Reconstruction and Development for South Africa (EPRD).

be expected to place greater importance, which in turn should ensure that EC-SADC could be more effective in achieving the objectives for regional integration.

In terms of more specific lessons, various EU Monitoring and project mid-term review missions have noted persistent problems in project/programme implementation. In part this may be explained by the difficulties experienced as a result of the restructuring of SADC's institutions, which has been a drawn out process and which is likely to take another few years before it is complete and the institutional reaches a stable and sufficiently proficient status. The transition to centralised coordination of the regional integration programme in general and EC-SADC cooperation in particular has been a most significant one, particularly for the less developed Member States. The implication is that there will be a period during which understanding and support will be required both from within SADC, from the EC and from SADC's other international cooperating partners (ICP). This may require targeted support for more intensive capacity building at the central level, in parallel to assistance given for wider based regional activities. To an extent, this could be achieved through various forms of budgetary support that might be used to relieve manpower constraints, subject to the Secretariat being able to satisfy the concurrent administrative and financial requirements.

The SADC Secretariat staff responsible for implementing EDF-financed activities frequently experience problems with meeting the requirements of EDF financial and procurement regulations. In part, this is due to the wider problem of institutional capacity and a lack of experience in efficient organisational management methods and procedures, which in turn is exacerbated by the relatively weak systems of financial and administrative management in the Secretariat. Outside of the capacity issue a frequently expressed concern with EDF procedure, as opposed to the procedures of other ICP, is the apparent inflexibility of certain aspects which are felt to unnecessarily constrain implementation. Examples of such constraints are:

- Under the 9th EDF other than through tenders awarded to companies, there is no practical possibility for the recruitment of long-term individual experts. In circumstances such as those encountered in the SADC Secretariat where Advisers may be required to support institutional capacity building, policy making and other sensitive issues this is an important constraint, particularly in cases where the intention is that such functions be internalised at the completion of the intervention. In addition, conflicts of interest may occur (loyalty, lines of reporting, accountability) where experts are provided through intermediary companies and other organisations.
- The requirement for adherence to rigid procedures (i.e. extensive tender and contract documentation) for procuring goods and services of modest amounts has proved to be a serious impediment in the implementation of Programme Estimates, which are a major vehicle for implementation in the RIP. The extremely low limit (< € 5.000) for direct agreements (service and supplies) seriously impedes speedy implementation of relatively modest assignments (short term studies, training courses etc.) and reduces competitiveness, as local tenderers are increasingly reluctant to tender. Some form of intermediate thresholds with appropriate procurement requirements or the use of derogations where this is foreseen would be of significant benefit.

- The Framework Contract facility does not in all cases respond to the need of the recipient because of insufficient access to relevant and necessary regional expertise e.g. training courses and studies requiring detailed knowledge of regional specificities.

There is a concern on the part of SADC that if solutions cannot be found to the problems encountered, be it from the SADC or EC side, then the delays being experienced as a result of these factors could adversely affect project implementation and lead to an erosion of Member State confidence in the Secretariat, which in turn could have negative implication for regional integration.

**Annex 8: SADC Donor Matrix**

## **ICP support to SADC**

International Cooperating Partners (ICP) support to SADC is as diverse as the ICP group, following varied procedures and programming periods. Below is a short overview of ICPs ongoing and intended activities for supporting SADC and the region.<sup>16</sup>

**Austria** is currently preparing their Regional Programme Southern Africa targeting SADC. Priorities include governance (focussing democratisation, peace and security and land issues) and infrastructure (focussing railway's transport and renewable energy) for approx. € 8,20 Mio. over 3 years. Austria has volunteered as lead ICP for the peace and security thematic group.

**Denmark** is currently involved in the SADC water sector and also provides support to civil society in the Southern African region. Denmark has expressed interest to support the implementation of the SIPO agenda.

**UK** launched its Regional Plan for Southern Africa in 2006 for approx € 150 M over five years. In 2006 projects related to trade, water, health, transport/infrastructure, and climate change are planned. In 2007 projects related to science & technology and migration are in the pipeline. DfID has volunteered to be lead ICP in an infrastructure thematic group.

**Finland's** cooperation focus is Information and Communication Technology and the development of innovative environments. Finland also supports Non State Actors and promotes business-to-business projects and cooperation among North-South Universities.

**France** is currently providing technical assistance to the SADC Secretariat in the field of water, macro economy and agriculture. France has expressed interest to support the implementation of the SIPO agenda.

**Germany** has a sub-Saharan strategy paper, targeting the African Union and the Regional Economic Communities and focussed on peace and security, water and institutional capacity building (in particular in the SADC Secretariat) including institutionalisation of Private-Public Sector Dialogue. It is lead ICP in the water sector.

**The Netherlands** support focuses on water and HIV and AIDS. Their regional programmes include also support to regional actors other than SADC.

**Sweden's** priorities are economic cooperation, integration and trade, human rights, democracy and good governance, gender equality, HIV and AIDS, natural resources, and conflict prevention and resolution. It is lead ICP in the HIV and AIDS thematic group.

**Norway's** priorities include good governance, peace and security, infrastructure (focusing on energy), sustainable development of natural resources, HIV and AIDS. It supports civil society in the region, and has volunteered as lead ICP for the energy thematic group.

**Switzerland** supports Non State Actors. Cooperation with SADC focuses on natural resources, water, trans-frontier parks, conservation of livelihoods and capacity building.

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<sup>16</sup> For more detailed information consult the Donor Matrix.

**Canada's** cooperation with SADC has been frozen in the last few years, but will be revitalized. It is actively working with the European Commission on capacity building.

**USAID** has re-engaged with SADC through a USAID Grant Agreement to improve the management of selected shared river basins and protect biodiversity in Southern Africa.

**UNDP** has a Regional Cooperation Frameworks for Africa and is currently preparing the signing of a MoU with SADC. It has until recently led on the water sector for the ICPs.

**World Bank** has done studies on the Trade Protocol, financial integration, cooperation in the Zambezi River Basin, SADC's water strategy and regional cooperation in higher education. Support has also been given to capacity building. Currently, the Bank's main project financing area is the Southern Africa Power Pool Development Project.

**African Development Bank's** areas of cooperation include food security, land and agriculture; infrastructure and services; investment and finance; trade and industry; human resource development; and natural resources and environment. It has recently approved \$ 30 M to establish a regional communicable diseases surveillance system.

Donor Matrix - Ongoing ICP support to SADC

mai-08

Donor	G	Trade,	Tota	Infrastructure and	T	FANR	T	Social	T	Other	Total
	r	Industry,	l in	Services	ot		ot	and	ot		in M €
	a	Finance and	M €		al		al	Human	al		
	n	Investment			in		in	Develop	in		
	d				M		M	ment and	M		
	t				€		€	Special	€		
	o							Program			
	t							mes			
	a										
	l										
	p										
	e										
	r										
	c										
	o										
	u										
	n										
	t										
	r										
	y										
	i										



n											
M											
€											
<b>Europe an Commis sion (EDF/E PRD &amp; all ACP)</b>	<b>1</b>	EU/SADC	1,40	Rehabilitation of the	2	Promotion of Regional	7,	Multisect	3,	Regional Integration and Capacity	15,60
	<b>8</b>	Investment		Humbe-Cahama	5,	Integration in the SADC	9	oral	1	Building Programme	
	<b>6</b>	Promotion		Road	0	Livestock Sector	0	Response	1		
	<b>,</b>	Programme			0			to HIV			
	<b>4</b>							and AIDS			
	<b>3</b>										
		Customs	18,0	Support Programme	5,	SADC Agricultural	1	SADC	3,	Technical Cooperation	5,7
		Modernisati	0	to the SADC Water	6	Research and Training	0,	Statistical	8	Facility	
		on		Sector, includes	6	Programme (ICART)	2	Training	5		
				support to capacity			0	Programm			
				development in the				e. Ends 31			
				SADC Water				Dec 2007.			
				Division, Water				Post			
				Resource assessment				project			
				for the Maputo Basin				activities			
				and support to SADC				to be			
				HYCOS Phase 2.				continued			
		SADC EPA	6,50	Hydro geological	1,	SADC Agricultural	3,			Capacity Building for Regional	12,50
		Negotiations		Mapping of SADC	0	Research and Training	7			Integration	
		Support									

Facility		region		Programme (ICART II)	0		
SQAM – Standards, Quality Assurance, Accreditation and Metrology	14,20	Economic Accounting of Water use in the SADC Region	1,0	Regional remote sensing unit through EC/FAO Food security programme - phase 2	1,0	NEPAD Capacity Building and Governance Programme	2,00
Food safety - Capacity Building on Maximum Control	7,50	Support to Orange-Senqu River Basin	2,50	Central African Forestry Management Programme (ECOFAC)	5,00	Peace Facility	7,70
Support to Finance and Investment Protocol	13,00	Renewable Energy Programme (PROBEC)	2,40	Land and Water Management Applied Research Programme	4,10	Southern Africa Sdisaster Risks management sub-regional programme under the ACP	1,86
				Regional Foot and Mouth Control Programme	1,26		
				African Monitoring and environment for Sustainable	3,00		

Development- AMSED

<b>Total</b>	<b>1</b>	<b>60,6</b>	<b>3</b>	<b>4</b>	<b>3,</b>	<b>39,66</b>					
<b>per</b>	<b>8</b>	<b>0</b>	<b>5,</b>	<b>7,</b>	<b>1</b>						
<b>sector</b>	<b>6</b>		<b>5</b>	<b>5</b>	<b>1</b>						
	<b>,</b>		<b>6</b>	<b>0</b>							
	<b>4</b>										
	<b>3</b>										
<b>Austria</b>	<b>6</b>	<b>/</b>	<b>0,00</b>	<b>Regional Programme</b>	<b>1,</b>	<b>/</b>	<b>0,</b>	<b>Establish</b>	<b>0,</b>	<b>Contribution to the AWEPA</b>	<b>1,20</b>
	<b>,</b>			<b>for Biomass Energy</b>	<b>0</b>		<b>0</b>	<b>ment of a</b>	<b>2</b>	<b>Southern African Regional</b>	
	<b>3</b>			<b>Conservation</b>	<b>0</b>		<b>0</b>	<b>SADC</b>	<b>5</b>	<b>Programme, SADC</b>	
	<b>9</b>							<b>Local</b>		<b>Parliamentarian Forum</b>	
								<b>Governme</b>			
								<b>nt Desk,</b>			
								<b>SADC</b>			
								<b>Secretariat</b>			
								<b>.</b>			
								<b>Member</b>	<b>1,</b>	<b>Regional Land Learning Project,</b>	<b>0,29</b>
								<b>State</b>	<b>1</b>	<b>PLAAS.</b>	
								<b>South</b>	<b>2</b>		
								<b>Africa:</b>			
								<b>Local</b>			
								<b>Governme</b>			
								<b>nt Projects</b>			
								<b>in</b>			
								<b>Limpopo</b>			

Province  
and  
Eastern  
Cape.

Member State South Africa: Provision of Support for the Area Based Roll Out by the South African DLA.	0,32
Development of Effective Law Enforcement Responses to Violence against Women in the Southern African Region, SADC Gender Unit.	0,60
Member State South Africa: Establishment of a One-Stop Centre to Counteract Violence against Women and Children (Mitchell's Plain, Western Cape).	0,48
Conference 'Security and Development', SADC Organ.	0,48
Contribution to the UNAIDS Southern African Regional Programme.	0,05
Contribution to the UNAIDS Southern African Regional	0,60

Programme.											
<b>Total</b>	<b>6</b>		<b>0,00</b>		<b>1,</b>		<b>0,</b>		<b>1,</b>		<b>4,02</b>
<b>per</b>	<b>,</b>				<b>0</b>		<b>0</b>		<b>3</b>		
<b>sector</b>	<b>3</b>				<b>0</b>		<b>0</b>		<b>7</b>		
	<b>9</b>										
<b>Belgium</b>	<b>1</b>		0,00							Study and consultancy fund	1,40
	<b>,</b>										
	<b>4</b>										
	<b>0</b>										
<b>Total</b>	<b>1</b>		<b>0,00</b>		<b>0,</b>		<b>0,</b>		<b>0,</b>		<b>1,40</b>
<b>per</b>	<b>,</b>				<b>0</b>		<b>0</b>		<b>0</b>		
<b>sector</b>	<b>4</b>				<b>0</b>		<b>0</b>		<b>0</b>		
	<b>0</b>										
<b>UK</b>	<b>5</b>	Regional	2,70	Transboundary Water	1,	Regional Hunger and	0,	Southern	0,	Strengthening the voice of poor	0,25
	<b>,</b>	Trade		management	0	Vulnerability	6	Africa	0	people for pro-poor change in	
	<b>0</b>	Facilitation		<b>£800,000</b> to establish	0	Programme (RHVP):	3	Regional	1	Southern Africa [Southern Africa	
	<b>9</b>	Programme		and maintain		Phase 1 = <b>£500,000</b> in		Programm		Trust] <b>£200,000</b>	
		<b>£2,200,000</b>		technical facility in		TA. Phase 2		e on			
		in technical		SADC Water		underdesign: £1.6m in		Access to			
		assistance		Division. Programme		direct support to SADC		Medicines			
				started 1 June 2008		PMU		(SARPA			
								M)			
								£10.5m of			
								which			
								<b>£6.500,00</b>			

0 will be  
 for  
 capacity  
 building  
 and  
 delivery  
 of SADC  
 Pharmace  
 utical  
 Business  
 Plan =  
 programm  
 e still  
 under  
 design

Regional 0,13  
 Strandards  
 Programme  
**£100,000** to  
 coordinate  
 SADC  
 regional SPS  
 Clean  
 Energy -  
**£10,000,000**  
 programme

Regional Land Facility 0,  
 = **£300,000.** Prog 3  
 finished 8

Climate Change = £5m under  
 design

still under  
design.

TRADEMA

RK:

£10,000,000

- programme

still under  
design.

<b>Total</b>	<b>5</b>		<b>2,83</b>		<b>1,</b>		<b>1,</b>		<b>0,</b>		<b>0,25</b>
<b>per</b>	<b>,</b>				<b>0</b>		<b>0</b>		<b>0</b>		
<b>sector</b>	<b>0</b>				<b>0</b>		<b>1</b>		<b>1</b>		
	<b>9</b>										
<b>Finland</b>	<b>6</b>	EPA support	0,00	Kunene-Cuvelai,	2,	SADC Plant Genetic	0,			ICT project focusing on capacity	0,00
	<b>,</b>	considered,		Integrated river basin	7	Resource Centre –	3			building and improvement of	
	<b>0</b>	no specific		management	0	Phase 4, 2006-2007	5			SADC internet/web site	
	<b>5</b>	plans		(IRBM), together							
		available		with Angola,							
				Namibia, Finland and							
				SADC, planned for							
				2006-2008							
			0,00			SANBio – Bioscience	3,			Local Authority Cooperation	0,00
						Network, planned for	0			Programme	
						2008-2010, € 3m	0				
						(NEPAD initiative)					
			0,00							Development for African	0,00

						Education		
		0,00					African Coastal Zone Management	0,00
		0,00					Disabled Women in Business in Southern Africa	0,00
<b>Total</b>	<b>6</b>	<b>0,00</b>	<b>2,</b>	<b>3,</b>	<b>3,</b>	<b>0,00</b>		<b>0,00</b>
<b>per</b>	<b>,</b>		<b>7</b>	<b>3</b>				
<b>sector</b>	<b>0</b>		<b>0</b>	<b>5</b>				
	<b>5</b>							
<b>France</b>	<b>6</b>	0,00	Regional programs	0,	“Fund for Innovative	1,	0,	0,00
	<b>,</b>		(SADC) : Challenge	3	and Regional	6	0	
	<b>6</b>		programme IWMI :	5	Collaboration Project”	0	0	
	<b>8</b>		“water and food”		(FIRCOP); over 4 years:			
			(MAE/IRD) /		Sept. 2002 to Sept.			
			Limpopo		2006, prorogated until			
					December 5 <sup>th</sup> , 2008.			
		0,00	FSP ECHEL-Water	0,	TCP “technical	0,	0,	0,00
			(Limpopo, Mekong,	1	cooperation program”	6	0	
			Niger): (MAE/IRD)	2	MAEE/FAO –Harare.	0	0	
			(Limpopo)water		End : Oct 2008			
			resources integrated					
			management research					
			program end of the					
			project: June 13th					
			2009					



0,00	ORASECOM (Botswana, Lesotho, Namibie, Afrique du Sud) AFD/FFEM. Institutional strengthening of the commission and national activities, development of capacities and integrated management tools for river basins, implementation of projects / water policy, environment..., end of the project : December 31st, 2008	1, 5 0	Botswana : WKCC /CI & FFEM (Western Kgalagadi Conservation Corridor) (4 year project)	0, 9 4	0, 0 0	0,00
0,00	PAQT- Eau/CICOS Camerou n, Congo, RDC, Centrafrique, Angola/ 2 SADC countries; MAE/AFD/	0, 4 0	Support to SADC Directorate FANR through the provision of a TA 2002-2008	0, 7 0	0, 0 0	0,00

FFEM (400 000€ for SADC /total 1 million €), Water quality/Congo river Basin, should start on september 2008 (18 months)

0,00	1 technical assistant	0,	0,	0,00
	seconded to CICOS :	4	0	
	125 000 €/year	8	0	

<b>Total</b>	<b>6</b>	<b>0,00</b>	<b>2,</b>	<b>3,</b>	<b>0,</b>	<b>0,00</b>
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<b>per</b>	<b>,</b>		<b>8</b>	<b>8</b>	<b>0</b>	
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<b>sector</b>	<b>6</b>		<b>5</b>	<b>4</b>	<b>0</b>	
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**8**

<b>OIF</b>	<b>0</b>	<b>0,00</b>		<b>0,</b>		<b>0,13</b>
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<b>(Organi</b>	<b>,</b>			<b>0</b>		Support to the development of the
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<b>sation</b>	<b>1</b>			<b>0</b>		French language within the SADC
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<b>Internat</b>	<b>3</b>					Secretariat. 126000 € for 2008.
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**ionale**

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**Franco**

**phonie)**

German y	7	Advisory	3,10	Transboundary Water	5,	Support to the Regional	1,	regional	0,	Pogramme towards Governance,	6,80
	5	Service for		Management in	0	Training Centre	0	'Drama	8	Reform, Effectiveness of the	
	.	Private		SADC including	0	“Benguela Environment	0	for Life'	0	SADC Secretariat (=ProGRESS)	
	1	Business		three components;		and Fisheries Interaction		Project		in particular supporting: Secretariat	
	5	(ASPB)		Support to and		and Training”				institutional capacity development;	
		(until		strengthening of river						RISDP planning and monitoring at	
		03/2007)		basin organisations						strategic and operational level;	
				(currently Orange-						trade policy and related macro-	
				Senqu and Limpopo),						economic convergence issues	
				Harmonisation of						(estimated 3,10);	
				national water						SADC Private Sector Dialogue;	
				policies in SADC						Leadership & Management	
				member states, and						Development, Programme	
				Institutional and						Management Development,	
				managerial capacity						Performance Management System,	
				building for						Secretariat HIV & AIDS Work	
				transboundary water						Place Policy implementation,	
				infrastructure						SADC HIV&AIDS School Theatre	
				measures. (until						Outreach Project. (until 12/2009)	
				9/2008)							
		Integral		Transboundary Water	4.	Kavango-Zambesi	8.			Support to the Directorate on	5,45
		Programme		Management in	0	Transfrontier	0			Politics, Defence and Security	
		Component		SADC (new phase in	0	Conservation	0			Cooperation on conflict resolution	
		of GTZ-		preparation 10/2008-						and peace building, promotion of	
		ProGRESS:		3/2011) including						democracy and good governance	
		TIFI-		delegated cooperaton							

Support to trade policy and related macro-economic issues, Economic governance, SADC Private-Public Sector Dialogue & Partnership, Regional Buisness Climate Survey (estimated 3,10)

with DFID, (gesamt 11,40 MIO €)

Support to SADC and SADC Member States to develop &	5.00	Kunene	1	Transnational	1,	0,
		Transboundary Water	2.	Conservation	4	0
		Supply Project (FC)	0	Areas/Great Limpopo	0	0
			0	Park		

implement the Protocoll of trade-in- services (in preparation)									
Project Preparation and Developmen t Fund (under prepatation)	4.80	River Dialogue 2011) including componentes: multi-stakeholder participation decision-making coordination mechanism for balancing economic, social and environmental aspects in water infrastructure development Integrated water resources management (IWRM) “Regional Dialogue and Twinning to	Basin (2008- 4 (i) (ii) (iii) water (iv)	2. 8 5	Transnational Conservation Areas/Great Park II	1 0. 0 0		Support to the Directorate on Politics, Defence and Security Cooperation on conflict resolution and peace building, promotion of democracy and good governance. (until 12/2010)	6.55

Improve  
Transboundary Water  
Resources  
Governance in  
Africa“

International Leadership Training "Global Trade" (01/2005-06/2012)				Sustainable Forest Management and Conservation (until 12/2008)	1.40	0,00	Supporting policy coordination between the regional and national level in the SADC region (under preparation 11/2008 – 12/2010)	0.80
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Supporting SADC in implementing the SQAM program (01/2007	0.50	Regional Programme for Biomass Energy Conservation (until 12/2009) including delegated cooperation with Norway (gesamt 4,00 Mio €)	1.00	Sustainable Forest Management and Conservation (new phase in preparation 01/2009-12/2011)	2.50			
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Regional Programme for Biomass Energy Conservation (extention of the phase until 12/2010)	0.50		0.50	Support to the Training Centre GOBABEB (completed 05/2008)	1.55			
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<b>Total</b>	<b>7</b>	<b>13.4</b>	<b>2</b>	<b>2</b>	<b>0,</b>	<b>14.15</b>
<b>per</b>	<b>8</b>	<b>0</b>	<b>5.</b>	<b>4.</b>	<b>8</b>	
<b>sector</b>	<b>.</b>		<b>3</b>	<b>4</b>	<b>0</b>	
	<b>1</b>		<b>5</b>	<b>5</b>		
	<b>5</b>					

<b>Norway</b>	<b>5</b>	Program to	1,60	Lead ICP for SADC	1,	Zambezi River Action	1,	Cooperati	2,	Restructuring SADC NOK 2.25 m	0,27
(exchan	<b>1</b>	reduce		in Energy,	4	Plan Project, NOK 8.5	0	on and	4		
ge rate:	<b>,</b>	technical		Development	4	M	2	partnershi	0		
1 Eur =	<b>5</b>	barriers to		Community				p between			
7.9	<b>2</b>	Trade –		Accreditation: NOK				institution			
NOK)		SADCA		12 m				s of			
		(Southern						higher			
		Africa						education			
		Developmen						in South			
		t						Africa and			
		Community						other			
		Accreditatio						SADC			
		n: NOK 13						countries,			
		m						NOK 20m			
				Regional Electricity	1,	SADC Gene Bank,	1	San Youth	0,	Botswana Institute of Developmnet	1,80
				Regulator RERA	0	NOK 8,4m	0,	Capacity	4	Planning Analyses BIDPA:	
				NOK 9 m	8		0	building,	9	FOPRISA project NOK 14.9	
							8	Namibia			
								and			
								Botswana,			

				NOK		
				4.1M		
Southern African	4,	B.SC. Fisheries at the	2,	Macro Economic and Financial	2,64	
Power Pool –SAPP,	2	University of Namibia	6	Mangaement Institute(MEFMI),		
Harare, NOK 35 m	0	for students from the	4	NOK 22 m		
		SADC region, NOK 22				
		m				
		Combating	0,	Media Institute of Southern Africa,	1,32	
		desertification in	2	NOK 11 m		
		SADC, Desert research	8			
		Foundation in Namibia,				
		NOK 2.3 m				
		INFOPECHE unit of	0,	Women and law. Southern Africa,	2,16	
		Southern Africa,	8	Univ. of Zimbabwe, NOK 18 m		
		Namibia, NOK 6.8 m	1			
				Institute of Agrarian Studies,	0,36	
				Harare, Land reform in Southern		
				Africa, NOK 3 m		
				Centre for peace Initiatives in	0,36	
				Africa, Zimbabwe, NOK 3 m		
				Centre for security studies, South	2,76	
				Africa Regional issues, NOK 23 m		
				Strengthening governance of	1,32	
				Africa's Natural Resources, South		



						Africa Institute of International Affairs- SAIIA, NOK 11 m	
						Capacity building, learning network, power sector reform in Africa, University of Cape Town, NOK 4m	0,48
						Community Based Natural Resources Capacity Building Programme – WWF, NOK 31.1m	3,79
						Mandela/Rhodes Scholarship Programme Sub-Saharan Africa, Competence Building on HIV/Aids, NOK 17.5 m	2,10
						Partnership with Norwegian Church Aids: Governance/ Combating HIV/Aids in Southern Africa, NOK 15 m	1,80
						Southern Africa Counter Trafficking Programme, IOM, South Africa, NOK 27 m	3,24
						Pan African Musical Arts Education - Southern Africa Programme, NOK 9 m	1,08
<b>Total</b>	<b>5</b>	<b>1,60</b>	<b>6,</b>	<b>1</b>	<b>2,</b>		<b>25,48</b>

per sector	1				7			4,		8		
								8		9		
	5							3				
	2											
Sweden	2	NORSAD	0,17	ASO SAPP Power	1,	SADC Regional	2,	HEPNET,	2,	Engendering SADC Parliaments	0,64	
	0	Board Repr.		Trade (2004-2008)	0	Environmental	7	2006-	7	(Parliamentary Forum), 2006-2010		
	,	(1996-2008)		[Not SADC as such	6	Education Programme	0	2011, Unv	0			
	2	[Not SADC		as Agreement		Further support (current		Cape				
	8	as such as		Partner]		phase 2008-2010)		Town				
		Agreement										
		Partner]										
				WaterNet, 2005-	2,	Smallholder system	1,	Work and	2,	Human rights Trust of Southern	0,75	
				2010[Not SADC as	6	innov (2003-2008) [Not	2	Healt in	1	Africa (SAHRIT), h/rights		
				such as Agreement	6	SADC as such as	8	Southern	3	training, 2005-2008 Not SADC as		
				Partner]		Agreement Partner]		Africa		Agreement Partner]		
								WAHSA				
								(2004-				
								2009)				
						ERP HIV/Aids/Gender	0,	Equinet	1,	Music Crossroads, 2006-2010 [Not	1,28	
						(2004-2009)	4	(2006-	0	SADC as Agreement Partner]		
							3	2010)	6			

ZacPro 6.2 cont (2006-2008)[Not SADC as such as Agreement Partner]	1, 0 6	SADC Plant Genetic Resource Centre (Final phase in a 20 year cooperation) (Sweden representing Finland - contribution presented separately -and Iceland in the final phase, previous phases had wider Nordic	1, 1 5	Africa2009 Final Phase, 2006-2009 [Not SADC as Agreement Partner]	2,38
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support)

GWP Southern Africa:	0,	Support to	1,	Electoral Institute of Southern	0,32
SAWP (2004-2007)[Not	3	SADC	3	Africa (EISA) Consolidating	
SADC as such as	2	HIV/AIDS	3	Democratic Governance in the	
Agreement Partner]		S		SADC region, 2006-2010 [Not	
		Business		SADC as Agreement Partner]	
		Plan			
		Pooled			
		funding			
		through a			
		Joint			
		Financing			
		and			
		Technical			
		Cooperati			
		on			
		Arrangem			
		ent			
		(Sweden			
		NL,			
		Ireland,			
		UK and			

						UNAIDS)			
				ZAMCOM facilitation (2007-2008)Not SDC as such as Agreement Partner]	0, 2 1	Support to SADC Gender Unit	0, 3 3	MISA pressfreedom, 2005-2010	2,89
				OKACOM Secretariat (2007-2011)Not SDC as such as Agreement Partner]	1, 8 1			SADC lawyers association (SADC LA), independent Judiciary, 2006-2010 [Not SDC as Agreement Partner]	0,32
<b>Total</b>	<b>2</b>	<b>0,17</b>	<b>3,</b>		<b>7,</b>		<b>8,</b>		<b>8,58</b>
<b>per</b>	<b>0</b>		<b>7</b>		<b>8</b>		<b>7</b>		
<b>sector</b>	<b>,</b>		<b>2</b>		<b>1</b>		<b>0</b>		
	<b>2</b>								
	<b>8</b>								
<b>Denmar</b>	<b>1</b>			SADC Water Project.				Media Institute of Southern Africa,	2,02
<b>k</b>	<b>4</b>							2005-2010; DKK 15M	
	<b>,</b>								
	<b>8</b>								
	<b>2</b>								
								Support to regional human rights laws Clinics	0,50
				Africa programme				Africa Programme for Peace, 2004-	11,00

for Peace; executed  
through SADC  
CCR

2009; DKK 80M

EISA (Not as such a  
SADC partner)

Democracy in the SADC Countries 0,50

SADC Development Finance 0,80  
Resource Center, 2007-2009; DKK  
5.5M

**Total** 1 0,00 0, 0, 0, 0, 14,82

**per** 4 0 0 0 0

**sector** , 0 0 0 0

8

2

**Switzerl** 2 SADC Water 0, SADC Seed Security 1, Specialist Centre for Conflict Resolution  
**and** , Resources 4 Network SSSN, 1.2003 7 on (CCR)

5 Management in the 6 to 13.2008 € 1.709 1 Orphans

7 Ruvuma and the (second phase starting and

Umbeluzi Basin April 2008) vulnerable

5.2003 to children

4.2007;(additional (OVC)

closing activities – seconded

but not a new phase - by

would be considered REPSSI

if necessary)

to SADC

SADC TFCA: 0,  
consultant / technical 4  
adviser (TA) on 0

Transfrontier  
Conservation Areas;  
(further co-operation  
opportunities presently  
investigated by SADC  
Secretariat and SDC).

Centre for Social Accountability  
(SCA)

Electoral Institute of Southern  
Africa (EISA)

Highway Africa News Agency  
(HANA)

Institute of Democracy in Southern  
Africa (IDASA)

NEPAD e-Africa Commission

NSIMA New Seed Initiative in  
Southern Africa (CIMMYT)

Regional Psycho-Social Support to  
orphaned and vulnerable children  
(REPSSI)

Schools as Centres for Care and Support (MiET)

Trans-frontier Conservation Areas (proposed KAZA, proposed Ai-Ais/Richtersveld)

UNDP-APRM Trust Fund

Swiss/ILO Programme (Social Dialogue and Enterprise Development Programme)

Trade Law Centre for Southern Africa (Tralac)

**Total** 2 0,00 0, 2,  
**per** , 4 1  
**sector** 5 6 1  
 7

**Japan** 2 SMME 0,08 Capacity Building in 0, Southern Africa Multi 0, District 0, Capacity Building and Institutional 0,74  
 , Training Infrastructure Project 3 Country Productivity 7 Health 8 Development; US\$ 975,000 on-  
 7 programme Management (US\$ 0 Programme; US\$ 1 m 5 Systems 8 going  
 5 40,000) planned on-going Mid-  
 Level  
 Manager  
 Training  
 for  
 SADC;



<b>Total</b>	2	0,08	0,	0,	0,	0,74
<b>per</b>	,		3	7	8	
<b>sector</b>	7		0	5	8	
	5					

<b>ADB</b>	1	Institutional	Shared	Water	1	Support to SADC Agric.	1,	Capacity	1	Improved Democratic Governance	11,69
	4	Support for	Courses	Support	0,	Research UA 1.033	0	Building	8,	(10/2004-9/2010: \$ 15.2)	
	5	Establishing	project	UA 9.39	3	million (about US\$	7	in Open	4		
	,	the	million	(about US\$	0	(1.40 million)		and	6		
	1	Macroecono	13.40	m)				Distance			
	4	mic	(approved)					Learning;			
		Surveillance						UA 15			
		Unit -						million			
		project						about US\$			
		under						24 m)			
		preparation									
						Water Management and	6	Control of	2		
						Food Security-Mid-	6,	communic	3,		
						Zambezi; UA 60 million	9	able	0		
						(about US\$87.0 m)	0	diseases	7		
						planned.		(HIV/AIDS,			
								MALARI			
								A and			
								TB); UA			
								20 million			
								(about			

						US\$ 30			
						m); grant			
						Control of	1		
						Transbou	3,		
						ndary	6		
						Animal	5		
						Diseases;			
						UA	12		
						million			
						(about			
						US\$			
						17.75 m)			
<b>Total</b>	<b>1</b>	<b>0,00</b>	<b>1</b>	<b>6</b>	<b>5</b>				<b>11,69</b>
<b>per</b>	<b>4</b>		<b>0,</b>	<b>7,</b>	<b>5,</b>				
<b>sector</b>	<b>5</b>		<b>3</b>	<b>9</b>	<b>1</b>				
	<b>,</b>		<b>0</b>	<b>7</b>	<b>8</b>				
	<b>1</b>								
	<b>4</b>								
<b>UNDP</b>	<b>4</b>		Support to the SADC	0,	Support to the SADC	3,	SADC	Bridging Support to SADC Peace	0,14
	<b>,</b>		Water Programme –	6	Biodiversity Support	7	pharmace	Building (in the pipeline – US\$	
	<b>6</b>		being phased out in	0	Programme (ongoing –	5	utical task	150.000 – 200.000)	
	<b>5</b>		its current form		GEF funded – US\$ 4.5		force.		
			(roughly US\$		million over 5 years)		Technical		
			740.000 since 2003).				support		
							for the		

elaboration of the plan and for ensuring the incorporation of WTO-TRIPS

								Support to the SADC Gender Unit (roughly US\$ 20.000)	0,16
<b>Total</b>	<b>4</b>	<b>0,00</b>		<b>0,</b>	<b>3,</b>	<b>0,</b>			<b>0,30</b>
<b>per</b>	<b>,</b>			<b>6</b>	<b>7</b>	<b>0</b>			
<b>sector</b>	<b>6</b>			<b>0</b>	<b>5</b>	<b>0</b>			
	<b>5</b>								
<b>USAID</b>	<b>7</b>	Trade	26,0	Trade Expansion for	5,	Diversification of Rural	2	Improved Democratic Governance	11,70
	<b>7</b>	Expansion	0	Southern Africa	2	Livelihoods (10/2004 –	5,	(10/2004 – 9/2010: \$15.2 million)	
	<b>,</b>	for Southern		(10/2004 – 9/2010: \$	0	9/2008: \$33.5 million)	7	Ongoing	
	<b>4</b>	Africa		6.7 million) Ongoing		Ongoing	6		
	<b>6</b>	(10/2004 –		– Energy and					
		9/2008: \$		Transport					
		34.0 million)							
						Integrated River Basin	8,		
						Management (10/2004 –	8		

9/2008: \$ 11.5 million) 0

Ongoing

<b>Total</b>	7	<b>26,0</b>	<b>5,</b>	<b>3</b>	<b>0,</b>	<b>11,70</b>
<b>per</b>	7	<b>0</b>	<b>2</b>	<b>4,</b>	<b>0</b>	
<b>sector</b>	,		<b>0</b>	<b>5</b>	<b>0</b>	
	4			<b>6</b>		
	6					

**UNODC** 0 0,00 0, 0 2 5

Assistance in the formulation and implementation of the SADC Declaration and Plan of Action against Trafficking in Persons, ongoing 2005-2007

<b>World</b>	1		Corridors and SDI	Facilitate the	SADC	Capacity Building & Institutional	0,62
<b>Bank</b>	4		Programme	Development of a	Health	Development: US\$ 800,000	
	4			SADC Multi-Country	Protocol		
	,			Agricultural	Implemen		
	4			Productivity Programme	tation		
	2			(MAPP)	Plan		
			Southern Africa	1	Global Environment	Statistical Capacity Building for	
			Power Pool	4	Facility:	Poverty Reduction Strategies	
			Development Project:	3,			
			Phase I: US\$ 187 m,	8			
			Phase 2	0			
			Southern Africa				
			Regional Gas Project				
			(Sasol)				
<b>Total</b>	1	<b>0,00</b>		1	<b>0,</b>	<b>0,</b>	<b>0,62</b>
<b>per</b>	4			4	<b>0</b>	<b>0</b>	
<b>sector</b>	4			3,	<b>0</b>	<b>0</b>	
	,			8			
	4			0			
	2						
<b>DBSA</b>	0	<b>0,12</b>	Southern	0,		Development Finance Resource	<b>0,12</b>
	,		African	0		Centre (DFRC) - R 1.2 million /	
	5		Power Pool	4		annum	
	9		Tariff study,				
			US\$ 150,000				
			Action on				
			Infrastructure Report				
			for SADC Heads of				
			State meeting in				
			August 2007, US\$				

52,000

Planned **0,03**  
 SADC  
 Energy  
 Investment  
 Conference  
 to be hosted  
 by the  
 DBSA in  
 June/July  
 2008, US\$  
 50,000

Regional Association  
 of Regulatory  
 Authorities (RERA)–  
 a contribution/partial  
 sponsorship of the  
 November 2007  
 conference and  
 meeting , R 50,000

Cross border  
 infrastructure  
 financing study

SADC Project  
 Preparation and  
 Development Fund  
 (PPDF) – currently  
 being set-up and will  
 be hosted and co-  
 resourced by the  
 DBSA.

AWEPA Southern African  
 Regional Programme & and the  
 SADC Parliamentary Forum **0,05**

**Total** **0** **0,15** **0,** **0,** **0,17**  
**per** **,** **2** **0**

sector	5		8		0	
	9					
Grand	7	100,	2		1	7
Total	2	82	3		9	2,
	4		1,		5,	9
	,		4		8	4
	4		8		2	
	4					

Source:

Priority/Focal Areas of Intended EU MS Support to SADC

SADC Sector/ Directorate	Priority /Focal Area	Austria	Belgium	Denmark	EC	EIB	Finland	France	Germany	Sweden	UK		Total 10
Trade, Industry, Finance & Investment (TIFI)	1. Macro-economic policy convergence and harmonisation and trade integration				✓				✓	✓	✓		4
	2. Improving the competitiveness of productive sectors				✓	✓							2
	3. Financial integration												0
	4. Capital markets development					✓				✓			2
	5. SADC – EPA negotiations and regional coordination				✓							✓	2
	6. Capacity building				✓				✓	✓			3
Infrastructure & Services (IS)	1. Water resource management*				✓?	✓	✓		✓	✓	✓		5
	2. Regional cooperation in infrastructure and services				✓	✓					✓		3
	3. Transport & Communications	✓			✓	✓							3
	4. Energy resources development	✓	✓			✓			✓				4
Food, Agriculture & Natural Resources (FANR)	1. Regional cooperation in sustainable food security		✓		✓	✓?				✓	✓		4
	2. Natural resources & wildlife management				✓?	✓?				✓			1
	3. Agricultural research & training						✓	✓					2



SADC Sector/ Directorate	Priority /Focal Area	Austria	Belgium	Denmark	EC	EIB	Finland	France	Germany	Sweden	UK		Total
	4. Forestry & Land issues					✓?	✓			✓	✓		3
Strategic Indicative Plan for the Organ (SIPO)	1. Human rights, democracy and good governance	✓			✓				✓	✓			4
	2. Peace & Security				✓				✓	✓	✓		4
Multi sector & Cross-cutting Areas	1. HIV/AIDS & Regional drug control	✓			✓?				✓	✓	✓		4
	2. Gender	✓								✓			2
	3. Information & Communication		✓			✓?	✓						2
	4. Capacity building – SADC Secretariat	✓	✓		✓			✓	✓	✓			6
	5. Capacity building – SADC National Committees (SNCs)												0
Other													
<b>Total (5)</b>	<b>21</b>	<b>6</b>	<b>4</b>		<b>10</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>8</b>	<b>12</b>	<b>8</b>		<b>60</b>

*\*Includes management of selected river basins*

## **Annex 9: Support from other European Community Instruments**

### **Support of the European Investment Bank in the implementation of development finance co-operation**

The European Investment Bank (EIB) makes a significant contribution to the development of the productive sector and economic infrastructure in the SADC region, partly in using the Bank's own resources, partly in using budgetary funds under mandate.

Provisions of the ACP-EU Cotonou Partnership Agreement set out the fields for the Bank's operations and *modus operandi*. This is with the exception of South Africa, where a specific Framework Agreement has been signed between the EIB and the Government as part of the overall EU co-operation agreement with RSA.

As at 30.06.2006, the EIB had channelled a total EUR 2.8 bn into investment in the SADC region, of which nearly EUR 2.0 bn since 2000 (1.2 bn from the EIB's own resources, EUR 780 m from EDF resources).

While most of the investment has been related to projects developed solely or primarily within a national context, the Bank has also financed (for nearly EUR 600 m) many infrastructure projects benefiting two or more countries, and directly contributing to regional economic integration. These mainly concern :

power generation and transmission (e.g. the RSA-Swaziland-Mozambique Motraco system, Namibia – RSA interconnector).

water catchment and supply (Lesotho - RSA);

gas and oil products pipeline construction (Mozambique-RSA, Tanzania –Zambia).

marine and air transport (Mauritius airport and container terminal, port and container terminal development in Namibia).

The determination of the amounts and conditions for the financing of projects depend on the results of a detailed appraisal of every project, carried out in compliance with the Bank's own procedures. Project proposals need to demonstrate financial, economic and technical viability with an acceptable environmental and social impact. The funding may be provided in the form of long-term loans and various forms of risk capital which can be profiled according to the characteristics of a given project (in South Africa, long term loans only).

In the prevailing conditions of broad-based stability, the EIB foresees a continuing high level of activity within the SADC region. However, its operations depend to a large extent on investment climate, sector policies and restructuring in individual countries, progress in feasibility studies and other pre-finance development, the propensity of private sector to invest, wholly or in partnership with public agencies, and also the ability of investors to raise complementary financing on appropriate

conditions. It is therefore not possible to programme in advance the amount of the Bank's future activities in the same manner as for other EU interventions.

Prospects for funding investment country-by-country will be commented upon in the individual country strategy papers.

Concerning investment of cross-frontier or regional nature, the Bank certainly sees much value in potential synergies with Commission action in the SADC RIP (e.g. support for project preparation and development in the framework of the SADC Regional Infrastructure Development Master Plan, strategic and regulatory issues for the transport sector). Given the central role of SADC in co-ordinating regional member countries to identify and prioritise infrastructure investment, in association with NEPAD, the RIP's support is important for strengthening SADC's capacity and resources to deliver.

In terms of the fields of regional investment, the Bank is well engaged in the Southern Africa Power Pool dialogue on knitting together the region's generation and transmission resources (particularly important, the Western Corridor and the Inga potential, RDC). It is involved in the proposals for the South-East African digital telecoms carrier. Water catchment and transport are other areas where demand is likely to continue at a substantial level.

On the issue of complementary funding for investments (the EIB normally finances half or less of a project's capital expenditure), the Bank has extensive co-operation with the Member States' finance agencies (EDFI) and it seeks, where feasible, to combine its reimbursable financing with grant assistance from the Commission.

Important in this context are the Water and Energy Facilities and – particularly as regards regional investments – the new EU-Africa Infrastructure Partnership. This initiative will leverage EIB finance through the provision of grants for projects that help to close gaps in regional infrastructure networks. The focus will be on projects in the energy, water, transport and communications fields. Projects for funding will be selected with a particular reference to the priorities listed by NEPAD.

The grant funds from the Partnership are expected to play the role of catalyst for projects with demonstrable economic returns, but where the prospects for financial returns may not be as high and/or where risk perception is an issue. The grant assistance, through interest subsidies, may also assist financing proposals that respect HIPC (Highly Indebted Poor Countries) criteria for debt sustainability. The EIB will manage the funds under a Trust Fund Agreement with the Commission. It will apply its usual appraisal procedures and eligibility standards when examining proposals.



ECHO Southern Africa Region (except Zimbabwe\*) 2004-2006

Funding Per Country 2004-2006

**2004 Funding**

Total funding for the region – EURO 13,604,000

**Angola**-EURO 8,800,000 for Global Plan and food security programmes

**Lesotho and Swaziland** – EURO 1,804,000 for food security

**Namibia** - EURO 1,000,000 for repatriation of Angolan Refugees

**Zambia** - EURO 2,000,000 for repatriation of Angolan refugees

**2005 Funding**

Total funding for the region - EURO 12,250,000

**Angola**-EURO 2,000,000 for response to Marburg fever outbreak

**Lesotho and Swaziland** -EURO 1,750,000 for food security for communities affected by drought and HIV/AIDS

**Malawi**-EURO 5,000,000 for food security and nutrition programmes for communities affected by drought and HIV/AIDS

**Zambia**- EURO 3,500,000 for repatriation of Angolan refugees

**2006 Funding**

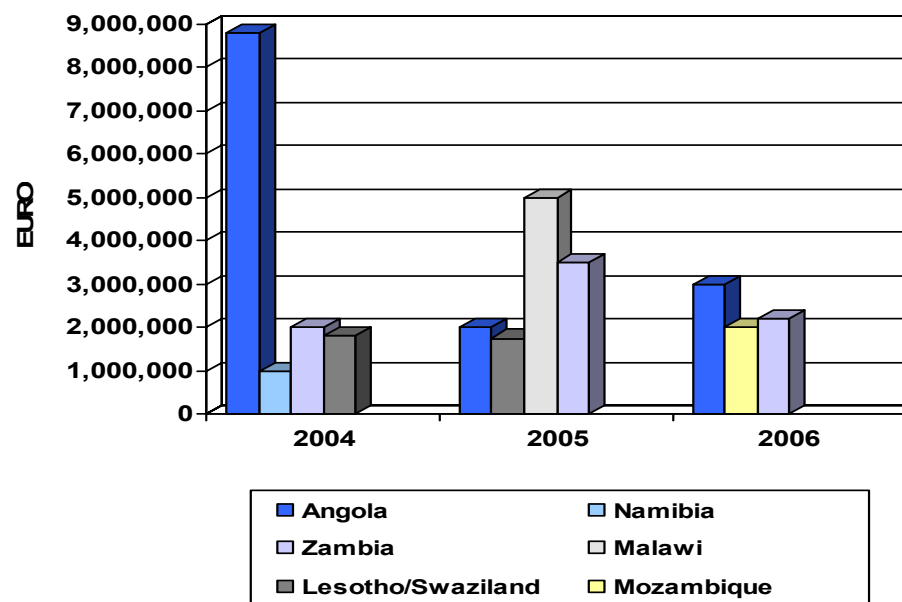
Total funding for the region- EURO 7,200,000

**Angola**- EURO 3,000,000 for response to cholera outbreak

**Mozambique**- EURO 2,000,000 for water and sanitation

**Zambia** -EURO 2,200,000 for food security for communities affected by drought and HIV/AIDS

Funding Per Country 2004-2006



\* The Directorate General for Humanitarian Aid, DG ECHO, committed €15 million to Zimbabwe for the year 2005. the duration of the financial decision is 18 months from 1 March 2005

**Annex 10: Key figures for the region**

## Key Figures for the SADC Region

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
<b>Macroeconomic Indicators +</b>														
<b>Population (millions – 2005)</b> ++ <sup>17</sup>	16.1	1.8	58.7	1.8	18.6	13.2	1.2	20.5	2.0	47.9	1.1	38.5	11.5	13.1
<b>% of SADC Population</b>	6.5	0.7	23.9	0.7	7.6	5.4	0.5	8.3	0.8	19.5	0.4	15.7	4.7	5.3
<b>GDP (US \$ bn – 2005)<sup>1</sup></b>	32.8	10.3	7.1	1.5	5.0	2.1	6.3	6.6	6.1	239.5	2.7	12.1	7.3	3.4
<b>% of SADC Region Total GDP</b>	9.6	3.0	2.1	0.4	1.5	0.6	1.8	1.9	1.8	69.9	0.8	3.5	2.1	1.0
<b>GDP per capita (US\$ - 2005)</b>	2037	5722	121	833	269	159	5250	322	3050	5000	2455	314	635	260
<b>Aid as % GDP (2005)<sup>1</sup></b>	1.3	0.7	25.7	4.7	18.4	27.8	0.5	19.4	2.0	0.3	1.7	12.4	13.0	10.9
<b>Annual percent change in real GDP (2007)<sup>18</sup></b>	24.4	6.2	6.3	5.1	6.3	7.4	5.6	7.3	4.0	5.1	2.8	7.8	5.7	-6.2

<sup>17</sup> UNDP, Human Development Report 2007/2008

<sup>18</sup> UNECA, Southern Africa, Economic and Social Conditions in Southern Africa 2007.

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
Annual percent change in Consumer Prices (2004) <sup>2</sup>	11.8	7.1	16.7	7.9	10.3	7.5	8.8	10.3	7.0	7.1	8.1	5.6	8.9	12562.7
Current Account balance/GDP (2007)	4.0	14.5	-3.7	11.9	-19.3	-17.2	-5.4	-3.7	17.8	-6.7	3.0	-17.1	-2.1	-0.8
External current account, excluding grants (% GDP) 2004	4.0	3.6	-12.3	-20.7	-14.4	-19.3	1.2	-13.8	-7.4	-2.5	-10.0	-10.4	-11.9	-7.3
Overall Fiscal Balance, including grants (%GDP) (2007) <sup>19</sup>	-0.1	0.6	2.8	5.3	-4.7	-1.9	3.8	1.9	4.8	0.5	2.6	3.8	-1.2	-10.0
Overall Fiscal Balance, excluding grants (%GDP) (2007) <sup>2</sup>	-19.7	11.3	-0.6	5.9	-9.6	-2.8	-4.3	-1.9	-2.6	0.6	-0.5	-3.8	-1.7	-23.7
Government Revenue, excluding Grants as % GDP (2004)	37.0	38.9	9.6	45.7	12.0	23.6	19.9	12.3	32.3	24.4	29.0	11.8	18.4	33.9
Government Expenditure as % GDP (2004)	36.8	40.7	16.1	45.0	25.2	41.1	25.7	23.7	35.9	26.1	32.8	20.5	26.9	40

<sup>19</sup> SADC, Review of macroeconomic convergence 2007.



	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
Total Investment - % of GDP (2005) <sup>20</sup>	8.1	30.1	13.9	28.0	23.5	13.0	22.9	20.4	28.3	18.3	18.0	22.2	23.5	4.4
Domestic Savings - % of GDP (2005) <sup>21</sup>	34.1	47.4	2.2	-17.6	8.9	-23.9	18.5	9.4	24.2	17.8	13.9	11.7	20.3	-6.7
Exports of Goods and services (% of GDP) 2005 <sup>1</sup>	74.0	51	32	48	26	27	57	33	46	27	88	17	16	43
Imports of Goods and services (% of GDP) 2005 <sup>1</sup>	48	35	39	88	40	53	61	42	45	29	95	26	25	53
Trade Balance as % of GDP (2004)	37.2	7.0	-3.7	-40.1	-10.3	-21.1	-5.5	-8.7	-11.3	-	-0.5	-8.7	-2.0	-5.4
Terms of Trade (2004-2005) Index 2000 = 100 <sup>1</sup>	121	92	94	91	82	82	85	94	97	109	94	100	119	104
Reserves (in months of imports of goods and services) 2004	1.5	18.4	5.7	4.1	2.9	1.7	5.9	5.8	1.9	2.8	1.8	9.1	1.8	0.1
Exports to EU as % of Total <sup>22</sup>	13.7	59.6	66.8	-	-	31.3	71.3	6.37	-	38.9	-	32.0	16.6	18.0

<sup>20</sup> Africa Development report 2005

<sup>21</sup> Africa Economic Outlook 2005/2006.

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
Imports from EU as % of Total	52.2	45.2	41.6	-	-	9.8	41.5	14.6	-	44.9	-	23.6	10.0	10.1

Sources: Sub-Saharan Africa – Regional Economic Outlook, Supplement, IMF September 2006;

Human Development Report 2005 UNDP

#### Human Development Indicators

HDI Ranking 1998	160	122	152	127	141	163	71	168	115	103	112	156	153	130
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<sup>22</sup> IMF Staff calculations “COMESA and SADC: Prospects and Challenges for Regional Trade Integration, *P. Khandelwal* – IMF Working Paper, December 2004

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
HDI Ranking 2002	166	128	168	145	150	165	64	171	126	119	137	162	164	147
HDI Ranking 2003	160	131	167	149	146	165	65	168	125	120	147	164	166	145
HDI Ranking 2005 <sup>1</sup>	162	124	168	138	143	164	65	172	125	121	141	159	165	151
Life expectancy at birth -in years (1998)	46.5	47.4	50.8	56.0	57.5	39.3	71.4	45.2	52.4	54.7	60.2	47.9	40.1	44.1
Life expectancy at birth -in years (2002)	40.1	41.1	41.4	36.3	53.4	37.8	71.9	38.5	45.3	48.8	35.7	43.5	32.7	33.9
Life expectancy at birth -in years (2003)	40.8	36.3	43.1	36.3	55.4	39.7	72.2	41.9	48.3	48.4	32.5	46.0	37.5	36.9
Life expectancy at birth -in years (2005) <sup>1</sup>	41.7	48.1	45.8	42.6	58.4	46.3	72.4	42.8	51.6	50.8	40.9	51.0	40.5	40.9
% Population without sustainable access to improved water source (2000)	62	5	55	22	53	43	0	43	23	14	-	32	36	17
% Population with access to improved water source (2004)	53	93	46	79	50	73	100	43	87	88	62	62	58	81

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
% Population on <\$1 per day (2005)	-	28	-	36.4	61	20.8	-	36.3	34.9	10.7	47.7	57.8	63.8	56.1
% One year olds fully immunized against measles (2002)	74	90	45	70	61	69	84	58	68	78	72	89	85	58
% One year olds fully immunized against measles (2003)	62	90	54	70	55	77	94	77	70	83	94	97	84	80
% One year olds fully immunized against measles (2005)	45	90	70	85	59	82	98	77	73	82	60	91	84	85
% Births attended by skilled health personnel (2003)	45	94	61	60	46	56	99	44	78	84	70	36	43	73
% Population with sustainable access to improved sanitation (2000)	44	66	21	49	42	76	99	43	41	87	-	90	78	62
% Population with sustainable access to improved sanitation (2002)	30	41	29	37	33	46	99	27	30	67	52	46	45	57
% Population with sustainable access to improved sanitation (2004)	31	42	30	37	34	61	94	32	25	65	48	47	55	53

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
% Children < 5 years under weight for age (2003)	31	13	31	18	33	25	15	26	24	12	10	29	28	13
% Children < 5 years under weight for age (2005)	31	13	31	20	42	22	15	24	24	12	10	22	20	17
HIV prevalence - %ages 15 – 49 years (2003)	3.9	37.3	4.2	28.9	1.7	14.2	-	12.2	21.3	21.0	38.8	8.8	16.5	24.6
HIV prevalence - %ages 15 – 49 years (2005)	3.7	24.1	3.2	23.2	0.5	14.1	0.6	16.1	19.6	18.8	33.4	6.5	17	20.1
Tuberculosis per 100,000 people (2002)	398	338	594	449	325	462	137	547	478	366	769	472	588	452
Tuberculosis per 100,000 people (2005)	333	556	541	588	396	518	132	597	577	511	1,211	496	618	631
Under-five mortality rate per 1,000 live births (1970)	300	142	245	190	180	330	86	278	155	-	196	218	181	138
Under-five mortality rate per 1,000 live births (2003)	260	117	205	84	126	178	18	158	65	66	153	165	182	126
Under-five mortality rate per 1,000 live births (2005)			205	132	119	125	15	145	62	68	160	122	182	132

	Angola	Botswana	DR of the Congo	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
Adult literacy rate (% ages 15 and above) (1998)	-	75.6	58.9	82.4	64.9	58.2	83.8	42.3	80.8	84.6	78.3	73.6	76.3	87.2
Adult literacy rate (% ages 15 and above) (2003)	66.8	78.9	65.3	81.4	70.6	64.1	84.3	46.5	85.0	82.4	79.2	69.4	67.9	90.0
Adult literacy rate (% ages 15 and above) (2005)	67.4	68.6	67.2	82.2	70.7	64.1	84.3	38.7	85	82.4	79.6	69.4	68	89.4
Youth literacy Rate (%ages 15 – 24) (1990)	-	83.3	68.9	87.2	78.6	63.2	91.1	48.8	87.4	88.5	85.1	83.1	81.2	93.9
Youth literacy Rate (%ages 15 – 24) (2003)	71.4	89.1	68.7	-	70.1	76.3	94.5	62.8	92.3	93.9	88.1	78.4	69.4	97.6
Youth literacy Rate (%ages 15 – 24) (2005)	72.2	94	70.4		70.2	76	94.5	47	92.3	93.9	88.4	78.4	69.5	97.7
% Net primary enrolment ratio (1990)	58	85	54	73	65	50	95	45	83	88	77	50	79	86
% Net primary enrolment ratio (2003)	61	81	-	86	79	-	97	55	78	89	75	82	68	79
% Net primary enrolment ratio (2005)	78	85	-	87	92	95	95	77	72	87	80	91	89	82

Source: UNDP Human Development Report 2007/2008

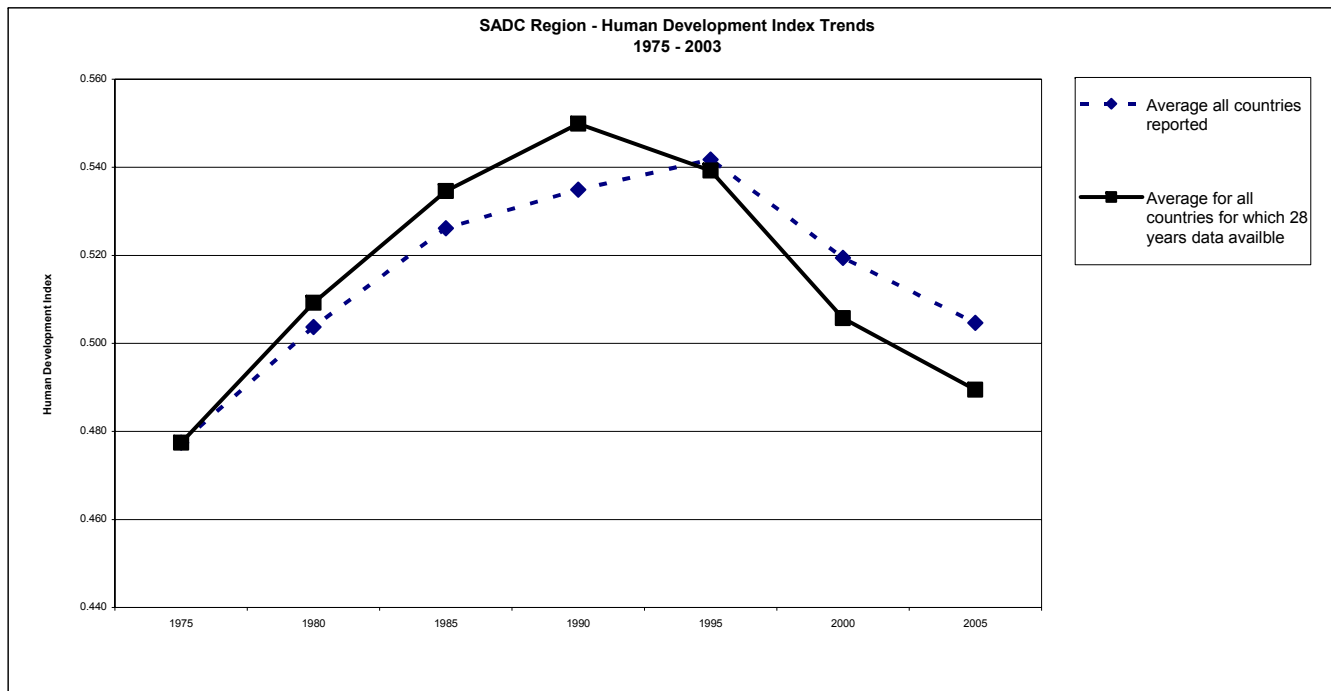


### SADC Region Human Development Index trends

	1975	1980	1985	1990	1995	2000	2003	2005	HDI Ranking 2005
Angola	-	-	-	-	-	-	0.445	0.446	160
Botswana	0.503	0.577	0.638	0.681	0.659	0.596	0.565	0.631	131
DRC	0.414	0.423	0.431	0.422	0.393	0.389	0.385	0.411	167
Lesotho	0.461	0.510	0.534	0.571	0.573	0.520	0.497	0.549	149
Madagascar	0.400	0.437	0.436	0.446	0.458	0.479	0.499	0.533	146
Malawi	0.320	0.351	0.362	0.371	0.412	0.402	0.404	0.437	165
Mauritius	-	0.659	0.690	0.724	0.747	0.776	0.791	0.804	65
Mozambique	-	0.299	0.287	0.311	0.328	0.360	0.379	0.384	168
Namibia	-	-	-	-	0.693	0.649	0.627	0.650	125
South Africa	0.655	0.674	0.702	0.735	0.742	0.696	0.658	0.707	120
Swaziland	0.530	0.562	0.584	0.624	0.603	0.534	0.498	0.547	147
Tanzania	-	-	-	0.435	0.422	0.416	0.418	0.467	164
Zambia	0.468	0.475	0.484	0.462	0.424	0.409	0.394	0.434	166
Zimbabwe	0.546	0.574	0.640	0.637	0.589	0.527	0.505	0.513	145
Average of all countries report in period	0.477	0.504	0.526	0.535	0.542	0.519	0.505		
Average of those countries with 28 year time series	0.477	0.509	0.535	0.550	0.539	0.506	0.489		

Source: UNDP – Human Development Report 2005





**Note:** The human development index values in the above tables are drawn from the UNDP “Human Development Report 2005” where they are calculated using a consistent methodology and data series. The index is calculated on the basis of data on life expectancy from UN 2005, data on adult literacy from UNESCO Institute for Statistics 2003, 2005, data on combined gross enrolment ratios from UNESCO Institute for Statistics 1999, 2005 and data on GDP per capita from World Bank 2005.

Norway with HDI ranking of 1 has a human development index of 0.963. Niger with an HDI ranking of 177 out of 177 countries has a human development index of 0.

## **Annex 11: SADC and the MDGs**

## **Status and prospects for achieving the Millennium Development Goals in SADC** <sup>23</sup>

### **1. Introduction**

The Millennium Development Goals (MDGs) were adopted through the UN Millennium Declaration, in September 2000, in New York, United States, by Heads of State and Government of the World. Through the Millennium Declaration (MD), Heads of State and Government agreed to commit themselves to a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. Subsequent to the MD, principles and specific numerical and time-bound targets towards achieving development and poverty reduction were developed and adopted. The MD envisages a world governed by fundamental and universal core values, namely equality, solidarity, tolerance, respect for nature, shared responsibility. The specific numerical and time-bound targets known as MDGs focus on eradication of poverty and hunger, universal primary education, Gender Equality, Child Mortality, Mental Health, HIV/AIDS, Malaria and other Diseases, environmental Sustainability and Global Partnership.

### **2. Overview of the Status of MDGs in SADC**

The RISDP identifies poverty in the SADC region as being largely reflected in the low levels of income and high levels of deprivation. In this context, as measured by the Gini coefficient, the region is said to have one of the world's most unequal distributions of wealth. With a Total Population of approximately 250 million people and GDP of US \$374.2 billion (2006) SADC market size is smaller than that of Belgium, a country with a population of 10.2 million inhabitants but generating a GDP of US \$467.3 billion (2006). In the same token Belgium GDP per capita at US \$45,000 in 2006 was approximately 30 times higher than that of SADC in the same period. (Central Statistics Office (CSO), SADC Member States, 2006 and Country Profiles Foreign and Common Wealth Office, 2008 Review). Despite being relatively well endowed in natural resources, SADC is one of the poorest regions in the World. The population living on USD 1 per day, on average in SADC, amounts to approximately 45% of the total population.

Although the net enrolment ratio of countries in the majority of SADC countries has improved between 1990 and 2000 there are a number such as Angola, DRC, Madagascar, Mozambique, Swaziland, Tanzania and Zambia that fall below the range of 80-100 percent. This statistic is reflected in the primary school completion rate, where SADC countries are amongst those with the lowest rates in the world. Available data suggests that only Mauritius and Namibia have over 90% of pupils

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<sup>23</sup> This annex is based on a report prepared by BIDPA, which in turn is informed by SADC Member States' reports on MDGs, the ECA report on MDGs in Southern Africa, by observations and comments made in a regional workshop on the MDGs held in Blantyre, Malawi, in May 2005 and by the data contained in the World development Report 2005. Statistical data used in this annex and in the attached table should be treated with caution since they originate from different sources and do not always gather the desired consensus between Member States and the source.

starting grade 1 reach grade 5 in 2003. If the development of the region's workforce is to be raised to levels that can support competitive industries, the SADC States face a major challenge in ensuring that children who start school at grade 1 complete primary school education.

One of the targets of the MDGs and of the RISDP is to eliminate gender disparity in primary and secondary education not later than 2015.

SADC countries are making progress towards narrowing gender disparities at primary education, and where data is available, 4 have already achieved gender parity at primary education Zimbabwe, Zambia, Swaziland and South Africa are 'on tract' to achieving gender parity at primary education. However, Mozambique is behind the progress that is necessary to achieve gender parity in primary education by 2015. (SADC Poverty Profile, Consultative Conference, Mauritius 2008)

The SADC Declaration on Gender and Development makes a number of commitments to achieving gender equality in the region, including in decision-making. The SADC protocol target requires that women hold 30% of seats in national parliaments by 2015. Mozambique and South Africa are the only countries whose women's representation in parliament is above 30%. Mauritius, Lesotho Malawi, Zambia and Zimbabwe are far behind this target. The representation of the women in their parliaments is below half of the required target.

In part as a result of the levels of extreme poverty and the HIV and AIDS pandemic, SADC countries are among those with highest infant mortality rates in the world. The average infant mortality rate (IMR) ranges from 13 in Mauritius to 154 in Angola. About half of the member states of SADC have infant mortality rates of more than 100 deaths per 1000 live births. From Zimbabwe's MDG progress and status report, the rise in IMR is mainly attributed to the impact of HIV/AIDS and the increases in poverty levels.

The health of both women and children are also significant indicators in the world's efforts to meet the MDGs relating to health. Maternal mortality rates in SADC are also amongst the world's highest. In 2005, Angola had the highest maternal mortality rate (MMR) of 1400 per 100,000 live births each. Mauritius recorded the lowest figure of 15. Factors that have contributed to higher maternal mortality rate include the low proportion of births that are attended by qualified and skilled health personnel.

The rise of HIV/AIDS pandemic in SADC is a very serious issue of concern. Factors which have been attributed to the spread of HIV/AIDS in SADC include poverty, gender inequality, intergenerational sex, illiteracy, stigma and discrimination, alcohol abuse and lack of information sources on issues of HIV/AIDS. According to the UNAIDS (2004), one third of the global community living with HIV is in SADC countries and the spread is uniform in urban and rural areas. HIV prevalence varies from 0.1% in Mauritius to 38.8% in Swaziland. Swaziland, Botswana and Lesotho in 2003 had more than quarter of their people aged between 15 and 49 infected with HIV.

There has been an increase in the numbers of adults and children infected with and dying from HIV/AIDS. This has adverse impact on the socio-economic development in the region. Women infected with HIV/AIDS are particularly those in their reproductive years. Research shows that more than 10 percent of women attending ante-natal clinics in Tanzania, Zambia and Zimbabwe were infected with HIV/AIDS. The Ministry of Health figures in Botswana show that 43 percent of women attending ante-natal clinics in Gaborone and 34 percent in Francistown were HIV positive. Infants born to HIV/AIDS infected mothers are likely to be infected with HIV.

SADC countries face poor prospects for achieving child health related MDGs. Angola, Botswana, South Africa, Zambia, Swaziland and Zimbabwe are all slipping back in under-five mortality rates. Mozambique and Namibia are behind the progress necessary to reduce under-five mortality by two-thirds by 2015. Only Malawi and Mauritius are on tract to realizing this goal. Zimbabwe, Zambia, Mauritius and Lesotho are on track in ensuring improved water sources for their populations while Namibia and Malawi are far behind. (SADC Poverty Profile, Consultative Conference, Mauritius 2008)

The RISDP reported that most SADC countries have experienced an increase in external debt over the last decades. External debt in relation to GDP has more than doubled in countries such as Angola, Mozambique and Zimbabwe and there are wide disparities in the level of external debt across counties. The level of external debt in relation to GDP ranges from 0.5% in Mauritius to 57.2 in Mozambique. Malawi, Mozambique and Zambia, which are classified as heavily indebted poor countries recorded ratios of external debt to GDP of 19.8%, 57.2% and 17.3% respectively. These figures are quite high relative to the size of their economies. By contrast, the ratio of external debt to GDP of Botswana, South Africa and Mauritius remained stable at relatively low levels.

### **3. Challenges of implementing the MDGs in SADC**

SADC countries face a number of development challenges that constitute severe obstacles to the achievement of many of the MDGs by 2015. The wider impact of the HIV & AIDS pandemic has significantly reversed the marked progress that had been achieved, while natural and anthropogenic factors have combined to engender circumstances that make achieving the MDGs difficult in the sub-region. Outside of the HIV and AIDS pandemic, high levels of poverty and income inequality, persistent food insecurity and environmental degradation are threatening factors. Weak government policies, institutions and political instabilities in some of the SADC Member States often compound the severity of these challenges. The prospects of achieving the MDGs in the sub-region will be largely dependent on resolving these challenges.

The challenge of high levels of poverty and income inequality: Poverty in SADC is a multifaceted phenomenon that includes lack of access to adequate food, health, education and other basic social amenities. Poverty also includes the condition of gender inequality, a lack of environmental management and powerlessness to widen the choices necessary for improved human-wellbeing. These factors combine into a self-reinforcing process that deprives the poor of capabilities to improve their

livelihoods. The existing high poverty levels thus inhibit prospects for achieving the MDGs in SADC countries. It is in this context that poverty is enigmatic; on one hand, its elimination is the primary goal of the MDGs while on the other it prevents that same goal from being realised. Income inequalities are a further exacerbating factor which in turn is worsened by the extreme inequalities prevalent between urban and rural areas. In order to make progress towards the goal of halving the number of people living in extreme poverty by 2015, poverty reduction efforts must concentrate in rural areas because that is where the majority of poor people live.

#### **4. Prospects for achieving the MDGs in SADC**

The SADC sub-region faces uneven prospects of achieving the MDGs. Although lack of reliable, time series data present problems for a comprehensive assessment of individual country prospects, available information indicates that most countries will fail to meet most goals by 2015. Food insecurity is one of the major challenges to achieving the MDGs in SADC. In terms of food security, despite improvements in cereal harvests, current food supply assessments indicate cereal shortfalls in some countries and food security assessments indicate that some rural households are facing domestic food shortages. While food aid inflow has been reported in the latest SADC food security bulletin to be improving in the sub-region, the import gap is still significant. According to the recent FAO data on the prevalence of under nourishment in the five sub-regions of Africa, the SADC sub-region ranks second after Central Africa in terms of the proportion of the population undernourished in Sub-Saharan Africa. This indicates that eradicating hunger by 2015 remains a challenge for many countries in the sub-region. (SADC Poverty Profile, Consultative Conference, Mauritius 2008)

Food insecurity in SADC is caused by many factors of both natural and socio economic character such as inappropriate agricultural practices and non-supportive government policies. Food insecurity in SADC is exacerbated by continuous cycles of natural disasters including floods, droughts and large scale animal and plant diseases.

National level aggregates tend to conceal the individual, family and household impact of food insecurity yet it is at the household level where the effects of hunger devastate millions of families. In Zambia and Swaziland, the poor depend on ‘famine food’ i.e. foods not normally eaten, such as roots and leaves foraged from the bush. Accordingly, the elimination of poverty is a prerequisite for eradicating hunger in the sub-region. It is also evident in SADC that the triad of poverty, food insecurity and HIV/AIDS is an intricate challenge to the achievement of the MDGs. It is important that interventions transcend the symptomatic treatment of food insecurity and begin to address its structural causes because too often, hunger interventions in the sub-region have an ‘emergency-relief’ bias rather than a comprehensive development strategy.

The HIV/AIDS pandemic poses the most severe development challenge in SADC, and recent research has shown that HIV/AIDS has started to reverse progress made towards achieving human development. SADC has the highest HIV prevalence rates in the world fuelled by high levels of poverty, gender inequality and weak health-care delivery systems. The education sector continues to lose personnel at an alarming rate, with teacher attrition due to AIDS being reported as 46.2% and 32.5% in Zambia

and Mozambique respectively. The figures are repeated to varying extents throughout the professional and skilled labour forces and tend to suggest that the achievement of all the MDGs is seriously threatened by the HIV/AIDS pandemic. Unless the pandemic is holistically addressed, the prospects for achieving these goals diminish everyday for millions of people in SADC.

To address the problems good policies and systems of governance are important for the achievement of the MDGs. Countries that have implemented sound economic policies and improved their systems of governance have experienced progress in growth and poverty reduction. Prudent policies towards good governance, structural and market re-orientation, macroeconomic stability and equitable growth are catalysts for poverty reduction.

In SADC, institutional and policy constraints pose a serious challenge to achieving the MDGs. Institutions are weakened by understaffing and inadequate technical capacities in key areas necessary to achieve the MDGs. The freeze on public sector employment, for example, has worsened staff and skill shortages in critical ministries like health and education which threatens the delivery of services. Institutional constraints have also been exacerbated by the impact of the HIV/AIDS pandemic. Teacher attrition ratios due to HIV/AIDS have increased with corresponding deterioration in the quality of education. In some schools, there is one teacher for all primary education grades.

Institutional weaknesses are also reflected in the inadequate capacity to monitor and evaluate progress towards achieving the MDGs in the sub-region. There is an acute lack of basic national and regional statistics necessary for the implementation and monitoring of the MDGs. Often the information is unavailable, unreliable, incomparable or not up-to-date. Policy weaknesses can also affect the implementation of MDGs and have, in certain incidences, directly contributed to worsening the human development situation in SADC. For instance, cost-sharing policies in schools have contributed to worsening enrolment ratios and increasing school dropout ratios. Similar policies in the health sector have made access to health services difficult, especially for the poor.

The achievement of the MDGs in SADC will be a costly exercise requiring enormous financial resources for the massive public investments needed. SADC is home to some of the world's poorest countries, therefore the scale of the funding requirements necessary to achieve the MDGs is beyond the means of many SADC countries. Domestic economic growth will be critical in expanding the 'resource envelope' necessary to finance the MDGs, however, recent experience of economic growth in Sub-Saharan Africa is sobering. Sub-Saharan Africa has experienced stagnant and declining export earnings, export concentration in primary commodities has increased and terms of trade (TOT) have declined, all culminating in balance of payments (BOP) problems and sluggish and/or declining growth.

The achievement of the MDGs in SADC will depend on significant reforms at national and international levels. This underpins the criticality of using regional integration for development. The overview on the status of the MDGs in the SADC region shows that the majority of countries in the SADC sub-region have experienced reversals in many MDGs indicators over the last decade, compounded by the

HIV/AIDS pandemic. The prospects of the SADC region in achieving the MDGs as planned in the Millennium Declaration are compounded by an external economic factors, linked to external debt, declining terms of trade and a lack of competitiveness. While still possible, meeting the MDGs for most countries in the SADC region require a number of significant and accelerated reforms, supported by a deepening of regional integration.



Table: SADC Region - Millennium Development Goals (MDG) and Indicators (2005 data from UNDP Hum Dev Rep 2007/2008, older data from different sources)

Member State	Goal/Target	Indicators for measuring progress	Angola			Botswana			DR of Congo			Lesotho			Madagascar		
			1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	Goal 1 Eradicate extreme poverty and hunger																
	Target 1 Halve between 1990 and 2015, the proportion of people whose income is less than \$1 per day	1. Proportion of population below \$1 (PPP) per day	-			23.5			-			36.4			61.0		
		2. Share of poorest quintile in national consumption (poorest 20%)	-		2.2	-	-	-	1.5	-	-	4.9					
	Target 2 Halve between 1990 and 2015 the proportion of people who suffer from hunger	1. Prevalence of underweight children < 5 years		31.0	31	13.0	13.0	31.0	31.0	18.0	20	33	42				
		2. Proportion of population below minimum level of dietary energy consumption	58	40	23	32	32	71	17	12	35	37					
	Goal 2 Achieve universal primary education																
	Target 1 Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	1. Net enrolment ratio in primary education (%)	58	61	85	81	54	-	73	86	65	79					
		2. Proportion of children starting grade 1 who reach grade 5 (% grade 1)	-	-	97	81	55	-	71	73	22	53					

Member State		Angola			Botswana			DR of Congo			Lesotho			Madagascar				
Goal/Target	Indicators for measuring progress	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005		
	<b>3. literacy rate of 15- to 20-year olds</b>	-	71.4	83.3	89.1	68.9	68.7	85.1	88.1	72.2	70.1							
Goal 3 Promote Gender equality and empower women																		
<b>Target 1</b>	<b>Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015</b>	<b>1. Ratio of girls to boys in primary education (Ratio of female to male)</b>	-	0.86	-	1.04	-	-	-	1.07	-	1.00						
		<b>2. Ratio of girls to boys in secondary education</b>	-	-	-	1.15	-	-	-	1.53	-	1.03						
		<b>3. Ratio of girls to boys in tertiary education</b>	-	0.65	-	0.75	-	-	-	1.48	-	0.83						
		<b>4. Ration of literate women to men ages 15 – 24 years (as % male rate)</b>	-	76	-	109	-	80	-	-	-	94						
		<b>5. Share of women in employment in non-agriculture sector</b>																
		<b>6. Proportion of seats held by women in national parliaments</b>	15	15	5	11	5	12	0	12	7	7						
Goal 4 Reduce child mortality																		
<b>Target 1</b>	<b>Reduce by two-thirds,</b>	<b>1 Under-five mortality rate (per 1,000 live births)</b>	-	260	260	-	112	120	-	205	205	-	84	132	-	126	119	

Member State		Angola		Botswana		DR of Congo		Lesotho		Madagascar						
Goal/Target	Indicators for measuring progress	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	<b>between 1990 and 2015, the under-5 mortality rate</b>															
	<b>2. Infant mortality rate (per 1,000 births)</b>	-	154	154	-	82	87	-	129	129	-	63	102	-	78	74
	<b>3. Proportion of one-year-old children fully immunized against measles</b>	-	62	45	-	90	90	-	54	70	-	70	80	-	55	59
Goal 5	Improve maternal health															
<b>Target 1</b>	<b>Reduce by three-quarters, between 1990 and 2015, the maternal mortality ration</b>															
	<b>1. Maternal mortality ratio (per 100,000 births) (2000)</b>	-	1,700	1,400	-	100	380	-	990	1,100	-	550	960	-	550	570
	<b>2. Proportion of births attended by skilled physician (1995 – 2003) %</b>	-	45	45	-	94	94	-	61	61	-	60	55	-	46	51
Goal 6	Combat HIV/AIDS, malaria and other diseases															
<b>Target 1</b>	<b>Have halted by 2015 and begun to reverse the spread of HIV/AIDS</b>															
	<b>1. HIV prevalence among pregnant women 15 – 24 years</b>		2.8 (2004)			33.5	-	3.2	-	-		27.3 (2004_	-	-	-	
	<b>2. Condom use rate of the contraceptive prevalence rate</b>															
	<b>3. Condom use at last high-risk sex (men % ages 15 – 24)</b>	-	63		-	88	33	-	-	-	-	48	48	-	12	12
	<b>4. Percentage of 15- to 24-year olds with comprehensive correct knowledge of HIV/AIDS (M=male; F=female)</b>	-	39		-	36	33 M	-	-	-	-	18M		-	18	16M
							40F					26F				19F

Member State		Angola			Botswana			DR of Congo			Lesotho			Madagascar		
Goal/Target	Indicators for measuring progress	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	<b>5. Ratio of school attendance of orphans to school attendance of non-orphans ages 10 – 14 years</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Target 2 Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</b>	<b>1. Prevalence of malaria (Malaria cases per 100,000 people) (2000)</b>	-	8,773	-	48,704	-	2,960	-	0	-	-	-	-	-	-	-
	<b>2. Proportion of children &lt; 5 yrs with insecticide treated bed nets (%)</b>	-	2	2	-	-	-	1	1	-	-	-	-	0	15	
	<b>3. Children &lt; 5yrs with fever treated with anti-malarial drugs (%)</b>	-	63	63	-	-	-	45	45	-	-	-	-	61	34	
	<b>4. Prevalence of tuberculosis (TB cases per 100,000 people)</b>	-	256	333	-	342	556	-	537	449	-	390	588	-	325	396
	<b>5. Proportion of TB cases detected and cured under directly observed treatment, short course (DOTS) (%) (2004)</b>	-	118/74	68	-	68/71	65	-	63/78	63	-	70/52	69	-	77/74	71
<b>Goal 7 Ensure environmental sustainability</b>																
<b>Target 1 Integrate the principles of sustainable development in country policies and programmes a reverse the loss of environmental resources</b>	<b>1. Proportion of land area covered by forest (%)</b>	-	-	47.7	-	-	21.1	-	-	65.8	-	-	0.3	-	-	22.1
	<b>2. Energy use (kilograms of oil equivalent ) per \$1 GDP (PPP) (1980 – 2002) (2004)</b>	-	3.2	3.3	-	-	8.6	6.1	2.2	3.3	-	-	-	-	-	-

Member State	Goal/Target	Indicators for measuring progress	Angola			Botswana			DR of Congo			Lesotho			Madagascar		
			1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
		<b>3. Carbon dioxide emissions per capita (metric tons) (1980 &amp; 2002) 2004</b>	0.7	0.5	0.7	0.9	2.3	2.4	0.1	-	1.0	-			0.2	0.1	0.1
	<b>Target 2 Halve by 2015 the proportion of people without sustainable</b>	<b>1. Proportion of population with sustainable access to an improved water source (%)</b>	32	50	53	93	95	95	43	46	46	-	76	79	40	45	50
		<b>2. Proportion of population with access to improved sanitation</b>	30	30	31	38	41	42	18	29	30	37	37	37	12	33	34
	<b>Target 3 By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>	<b>1. Proportion of households with access to secure tenure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Goal 8 Develop a global partnership for development</b>																
	<b>Target 1 In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</b>	<b>1. Telephone lines per 1,000 people</b>	8	7	6	21	75	75	1	-	-	7	16	27	3	4	4
		<b>2. Cellular phones per 1,000 people</b>	0	-	69	0	297	466	0	19	48	0	47	137	0	17	27
		<b>3. Personal computers in use per 100 people</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>4. Internet user per 100 people</b>	0	-	-	0	-	-	0	-	-	0	14	-	0	4	-
		<b>5. Internet user per 1000 people</b>	-	-	11	-	-	34	-	-	2	-	-	24	-	-	5

Member State	Indicators for measuring progress	Malawi			Mauritius			Mozambique			Namibia			South Africa		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
Goal 1 Eradicate extreme poverty and hunger																
Target 1 Halve between 1990 and 2015, the proportion of people whose income is less than \$1 per day	Proportion of population below \$1 (PPP) per day (1990 – 2003)		41.7						37.9			34.9				10.7
	2. Share of poorest quintile in national consumption (poorest 20%)		4.9						6.5			1.4				3.5
Target 2 Halve between 1990 and 2015 the proportion of people who suffer from hunger	Prevalence of underweight children < 5 years		22				15		24			24				12
	2. Proportion of population below minimum level of dietary energy consumption	50	33		6	6		66	47		35	22		-	-	
Goal 2 Achieve universal primary education																

Member State	Indicators for measuring progress	Malawi			Mauritius			Mozambique			Namibia			South Africa		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
<b>Target 1</b>	<b>Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</b>															
	1. Net enrolment ratio in primary education (%)	50	-	95	95	97	95	45	55	77	83	78	72	88	89	87
	2. Proportion of children starting grade 1 who reach grade 5 (% grade 1)	64	44		98	99		33	49		-	95		75	65	
	3. literacy rate of 15- to 24-year olds	63.2	76.3	76	91.1	94.5	94.5	48.8	62.8	47	87.4	92.3	92.3	88.5	93.9	93.3
<b>Goal 3 Promote Gender equality and empower women</b>																
<b>Target 1</b>	<b>Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015</b>															
	1. Ratio of girls to boys in primary education (Ratio of female to male)	-			-	1.02		-	0.98		-	1.07		-	1.01	
	2. Ratio of girls to boys in secondary education	-	0.81		-	1.00		-	0.70		-	1.29		-	1.09	
	3. Ratio of girls to boys in tertiary education	-	0.41		-	1.41		-	0.73		-	0.89		-	1.15	
	4. Ration of literate women to men ages 15 – 24 years (as % male rate)	-	72		-	91		-	50		-	96		-	96	
	5. Share of women in employment in non-agriculture sector	-														
	6. Proportion of seats held by women in national parliaments	10	14		7	5.7		16	34.8		7	25.0		3	32.8	

Member State		Malawi		Mauritius		Mozambique		Namibia		South Africa							
Goal/Target	Indicators for measuring progress	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	
Goal 4 Reduce child mortality																	
<b>Target 1</b>	<b>Reduce by two-thirds, between 1990 and 2015, the under-5 mortality rate</b>	<b>1 Under-five mortality rate (per 1,000 live births) 1970 and 2003</b>	330	178	125	86	18	15	278	158	145	155	65	62	-	66	68
		<b>2. Infant mortality rate (per 1,000 births)</b>	189	112	79	64	16	13	163	109	100	104	48	46	-	53	55
		<b>3. Proportion of one-year-old children fully immunized against measles</b>	-	77	82	-	94	98	-	77	77	-	70	73	-	83	82
Goal 5 Improve maternal health																	
<b>Target 1</b>	<b>Reduce by three-quarters, between 1990 and 2015, the maternal mortality ration</b>	<b>1. Maternal mortality ratio (per 100,000 births) (2000)</b>	-	1,800	1,100	-	24	15	-	1,000	520	-	300	210	-	230	400
		<b>2. Proportion of births attended by skilled physician (1995 – 2003) %</b>	-	61	56	-	99	98	-	48	48	-	76	-	-	84	92



Member State	Indicators for measuring progress	Malawi			Mauritius			Mozambique			Namibia			South Africa		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
Goal 6 Combat HIV/AIDS, malaria and other diseases																
<b>Target 1 Have halted by 2015 and begun to reverse the spread of HIV/AIDS</b>	<b>1. HIV prevalence among pregnant women 15 – 24 years</b>		15.0 (2001)						14.7 (2002)		7.5 (2004)			25.2 (2004)		
	<b>2. Condom use rate of the contraceptive prevalence rate</b>															
	<b>3. Condom use at last high-risk sex (men % ages 15 – 24)</b>	-	47	47	-	-	-	-	33	33	-	69	69	-	-	-
	<b>4. Percentage of 15- to 24-year olds with comprehensive correct knowledge of HIV/AIDS (M=male; F=female)</b>		30	36M 24F					31	33M 20F		41M 31F				
	<b>5. Ratio of school attendance of orphans to school attendance of non-orphans ages 10 – 14 years</b>															
<b>Target 2 Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</b>	<b>1. Prevalence of malaria (Malaria cases per 100,000 people) (2000)</b>	-	15,984		-	1		-	18,115		-	1,502		-	143	
	<b>2. Proportion of children &lt; 5 yrs with insecticide treated bed nets (%)</b>	-	3	15	-	-	-	-	-	-	-	3	3	-	-	-

Member State		Malawi			Mauritius			Mozambique			Namibia			South Africa		
Goal/Target	Indicators for measuring progress	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	<b>3. Children &lt; 5yrs with fever treated with anti-malarial drugs (%)</b>	-	27	28	-			-			-	-	14	-		
	<b>4. Prevalence of tuberculosis (TB cases per 100,000 people) (2003)</b>	-	469	518	-	136	132	-	557	597	-	477	577	-	341	511
	<b>5. Proportion of TB cases detected and cured under directly observed treatment, short course (DOTS) (%) (2003)</b>	-	72	71	-	92	89	-	78	77	-	62	68	-	68	70
Goal 7 Ensure environmental sustainability																
<b>Target 1 Integrate the principles of sustainable development in country policies and programmes a reverse the loss of environmental resources</b>	<b>1. Proportion of land area covered by forest (%)</b>			36.2			18.2			24.6			9.3			7.6
	<b>2. Energy use (kilograms of oil equivalent ) per \$1 GDP (PPP) (1980 – 2002) 2004</b>	-			-			1.0	2.3	2.6	-	10.2	10.2	4.8	3.9	3.7
	<b>3. Carbon dioxide emissions per capita (metric tons) (1980 &amp; 2002) 2004</b>	0.1	0.1	0.1	0.6	2.6	2.6	0.3	0.1	0.1	-	1.1	1.2	7.2	7.4	9.8
<b>Target 2 Halve by 2015 the proportion of people without sustainable</b>	<b>1. Proportion of population with sustainable access to an improved water source (%) 2004</b>	41	67	73	100	100	100	-	42	43	83	87	87	83	87	88
	<b>2. Proportion of population with access to</b>	36	46		99	99		-	27		24	30		63	67	

Member State	Indicators for measuring progress	Malawi			Mauritius			Mozambique			Namibia			South Africa		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	<b>improved sanitation</b>															
<b>Target 3</b>	<b>By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>	<b>1. Proportion of households with access to secure tenure</b>														
Goal 8 Develop a global partnership for development																
<b>Target 1</b>	<b>In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</b>	<b>1. Telephone lines per 1,000 people</b>														
		3	8	8	52	285	3	-	4	39	66	64	93	-	101	
		<b>2. Cellular phones per 1,000 people</b>														
		0	13	33	2	267	0	23	62	0	116	244	-	244	724	
		<b>3. Personal computers in use per 1,000 people</b>														
		<b>4. Internet user per 1,000 people</b>														
		0	3	4	0	123	-	0	-	7	0	34	37	0	-	109

Member State	Goal/Target	Indicators for measuring progress	Swaziland			Tanzania			Zambia			Zimbabwe					
			1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005			
	Goal 1	Eradicate extreme poverty and hunger															
	<b>Target 1</b>	<b>Halve between 1990 and 2015, the proportion of people whose income is less than \$1 per day</b>	<b>1. Proportion of population below \$1 (PPP) per day (1990 – 2003)</b>					<b>19.9</b>		<b>63.7</b>			<b>56.1</b>				
			<b>Share of poorest quintile in national consumption (poorest 20%)</b>				<b>2.7</b>		<b>6.8</b>		<b>3.3</b>		<b>4.6</b>				
	<b>Target 2</b>	<b>Halve between 1990 and 2015 the proportion of people who suffer from hunger</b>	<b>1. Prevalence of underweight children &lt; 5 years</b>				<b>10</b>		<b>29</b>		<b>28</b>		<b>13</b>				
			<b>2. Proportion of population below minimum level of dietary energy consumption</b>			<b>14</b>	<b>19</b>		<b>37</b>	<b>44</b>		<b>48</b>	<b>49</b>		<b>45</b>	<b>44</b>	
	Goal 2	Achieve universal primary education															
	<b>Target 1</b>	<b>Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</b>	<b>1. Net enrolment ratio in primary education (%)</b>			<b>77</b>	<b>75</b>	<b>80</b>	<b>50</b>	<b>82</b>	<b>91</b>	<b>79</b>	<b>68</b>	<b>89</b>	<b>86</b>	<b>79</b>	<b>82</b>
			<b>2. Proportion of children starting grade 1 who reach grade 5 (% grade 1)</b>			<b>76</b>	<b>73</b>		<b>79</b>	<b>88</b>		<b>-</b>	<b>81</b>		<b>-</b>	<b>-</b>	
			<b>3. literacy rate of 15- to 20-year olds</b>			<b>85.1</b>	<b>88.1</b>		<b>83.1</b>	<b>78.4</b>		<b>81.2</b>	<b>69.4</b>		<b>93.9</b>	<b>97.6</b>	
	Goal 3	Promote Gender equality and empower women															

Member State	Indicators for measuring progress	Swaziland			Tanzania			Zambia			Zimbabwe		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
<b>Target 1</b>	<b>Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015</b>												
	1. Ratio of girls to boys in primary education (Ratio of female to male)	-	1.00		-	0.98		-	0.98		-	1.02	
	2. Ratio of girls to boys in secondary education	-	1.21		-	-		-	0.81		-	0.93	
	3. Ratio of girls to boys in tertiary education	-	1.16		-	0.44		-	0.46		-	0.63	
	4. Ration of literate women to men ages 15 – 24 years (as % male rate)	-	97		-	80		-	78		-	92	
	5. Share of women in employment in non-agriculture sector												
	6. Proportion of seats held by women in national parliaments	4	10.8		0	21.4		7	12.7		11	10	
Goal 4	Reduce child mortality												
<b>Target 1</b>	<b>Reduce by two-thirds, between 1990 and 2015, the under-5 mortality rate</b>												
	1 Under-five mortality rate (per 1,000 live births)	196	153	160	218	165	122	181	182	182	138	126	132
	2. Infant mortality rate (per 1,000 births)	132	105	110	129	104	76	109	102	102	86	78	81
	3. Proportion of one-year-old children fully immunized against measles	-	94	60	-	97	91	-	84	84	-	80	85

Member State	Indicators for measuring progress	Swaziland			Tanzania			Zambia			Zimbabwe		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
Goal 5 Improve maternal health													
<b>Target 1 Reduce by three-quarters, between 1990 and 2015, the maternal mortality ration</b>	<b>1. Maternal mortality ratio (per 100,000 births) (2000)</b>	-	370	390	-	1,500	950	-	750	830	-	1,100	880
	<b>2. Proportion of births attended by skilled physician (1995 – 2003) %</b>	-	70	74	-	36	43	-	43	43	-	73	73
Goal 6 Combat HIV/AIDS, malaria and other diseases													
<b>Target 1 Have halted by 2015 and begun to reverse the spread of HIV/AIDS</b>	<b>1. HIV prevalence among pregnant women 15 – 24 years</b>	37.3 (2004)			8.2			20.7 (2004)			18.6 (2004)		
	<b>2. Condom use rate of the contraceptive prevalence rate</b>												
	<b>3. Condom use at last high-risk sex (men % ages 15 – 24)</b>	-	-	-	-	47	47	-	40	40	-	56	69
	<b>4. Percentage of 15- to 24-year olds with comprehensive correct knowledge of HIV/AIDS (M=male; F=female)</b>	0M			49M			33M					
		27F			46			32			55		
<b>5. Ratio of school attendance of orphans to school attendance of</b>													

Member State	Indicators for measuring progress	Swaziland			Tanzania			Zambia			Zimbabwe		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
	<b>non-orphans ages 10 – 14 years</b>												
-	1. Prevalence of malaria (Malaria cases per 100,000 people) (2000)	-	2,835		-	1,207		-	4,204		-	5,410	
	2. Proportion of children < 5 yrs with insecticide treated bed nets (%)	-	0	0	-	2	16	-	7	7	-	-	-
	3. Children < 5yrs with fever treated with anti-malarial drugs (%)	-	26	26	-	53	58	-	52	52	-	-	-
	4. Prevalence of tuberculosis (TB cases per 100,000 people) (2003)	-	683	1,211	-	476	496	-	508	618	-	500	631
	5. Proportion of TB cases detected and cured under directly observed treatment, short course (DOTS) (%) (2003) 2004	-	47	50	-	80	81	-	83	83	-	67	54
Goal 7 Ensure environmental sustainability													
Target 1	Integrate the principles of sustainable development in country policies and programmes a reverse the loss of environmental resources												
	1. Proportion of land area covered by forest %		-	31.5			39.9			57.1		-	45.3
	2. Energy use (kilograms of oil equivalent ) per \$1 GDP (PPP) (1980 – 2002) 2004	-			-	1.4	1.3	1.4	1.3	1.5	2.7		2.6
	3. Carbon dioxide emissions per capita (metric tons) (1980 &	0.9	0.9	0.8	0.1	0.1	0.1	0.6	0.2	0.2	1.3	1.0	0.8

Member State	Indicators for measuring progress	Swaziland			Tanzania			Zambia			Zimbabwe		
		1990	2003	2005	1990	2003	2005	1990	2003	2005	1990	2003	2005
Goal/Target	2002) 2004												
<b>Target 2 Halve by 2015 the proportion of people without sustainable</b>	<b>1. Proportion of population with sustainable access to an improved water source (%)</b>	-	52	62	38	73	62	50	55	58	77	83	58
	<b>2. Proportion of population with access to improved sanitation</b>	-	52	48	47	46	47	41	45	55	49	57	53
<b>Target 3 By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>	<b>1. Proportion of households with access to secure tenure</b>											-	-
Goal 8 Develop a global partnership for development													
<b>Target 1 In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</b>	<b>1. Telephone lines per 1,000 people</b>	17	44	-	3	4	-	8	8		13		-
	<b>2. Cellular phones per 1,000 people</b>	0	84	-	0	25	-	0	22		0		-
	<b>3. Personal computers in use per 100 people</b>												
	<b>4. Internet user per 100 people</b>	0	26	-	0	7	-	0	6		0	-	-
	<b>5. Internet use per 1000 people</b>			32			9			20			77

Source: Human Development Report 2007/2008



**Annex 12: SADC Membership of Regional Integration  
arrangements and WTO**

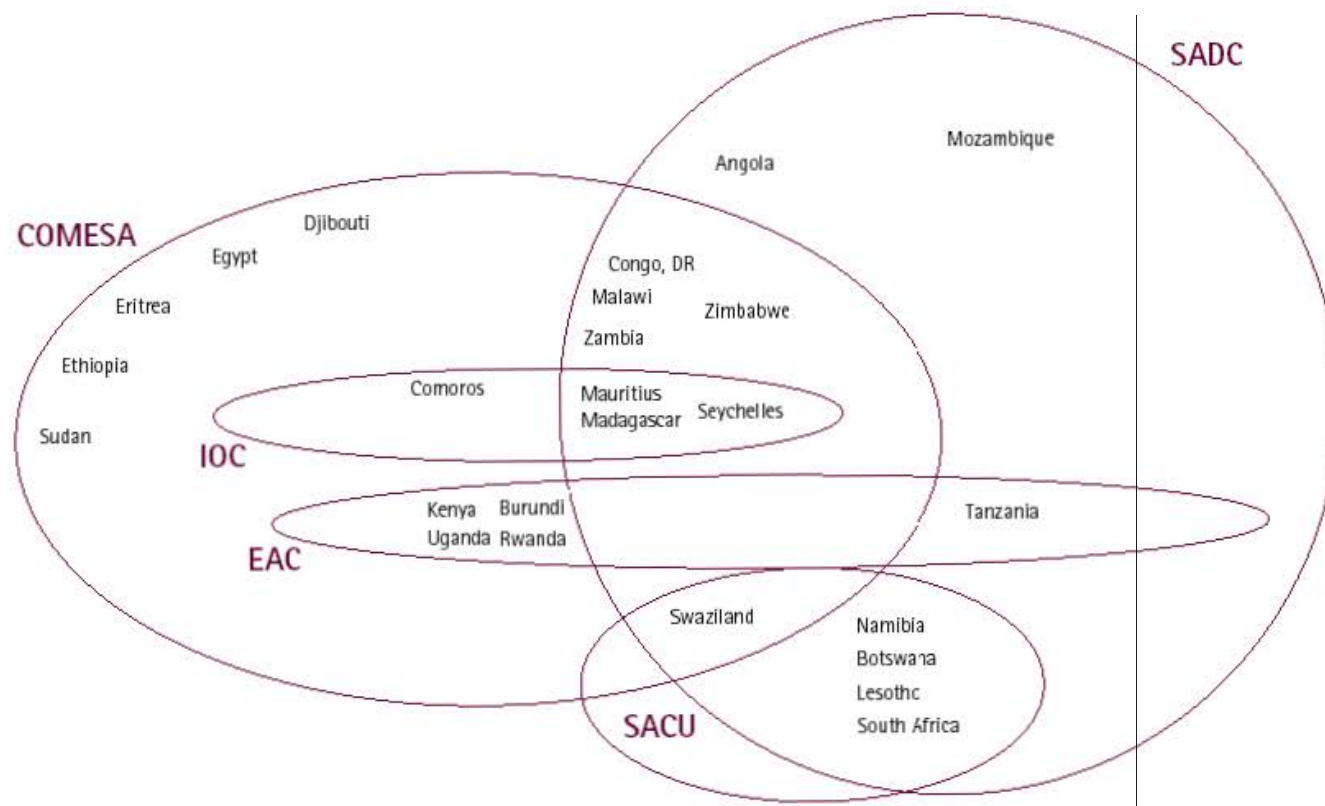
## SADC Membership of Regional Integration Arrangements and WTO

Grouping	SADC	COMESA	IOC	SACU	CEPGL	S A D C EPA	ESA - EPA	EAC EPA	CA-EPA	WTO
<b>Angola</b>	■					■				■
<b>Botswana</b>	■			■		■				■
DRC	■	■			■				■	■
Lesotho	■			■		■				■
Madagascar	■	■	■				■			■
Malawi	■	■					■			■
<b>Mauritius</b>	■	■	■				■			■
Mozambique	■					■				■
<b>Namibia</b>	■			■		■				■
<b>Seychelles</b> <sup>24</sup>	■	■	■				■			■
<b>South Africa</b>	■			■		■				■
<b>Swaziland</b>	■	■		■		■				■
Tanzania								■		■
Zambia	■	■					■			■
<b>Zimbabwe</b>	■	■					■			■

N.B.: - Least Developed Countries are in bold  
 - CEPGL : Communauté Economique des Pays des Grands Lacs

<sup>24</sup> From 2008

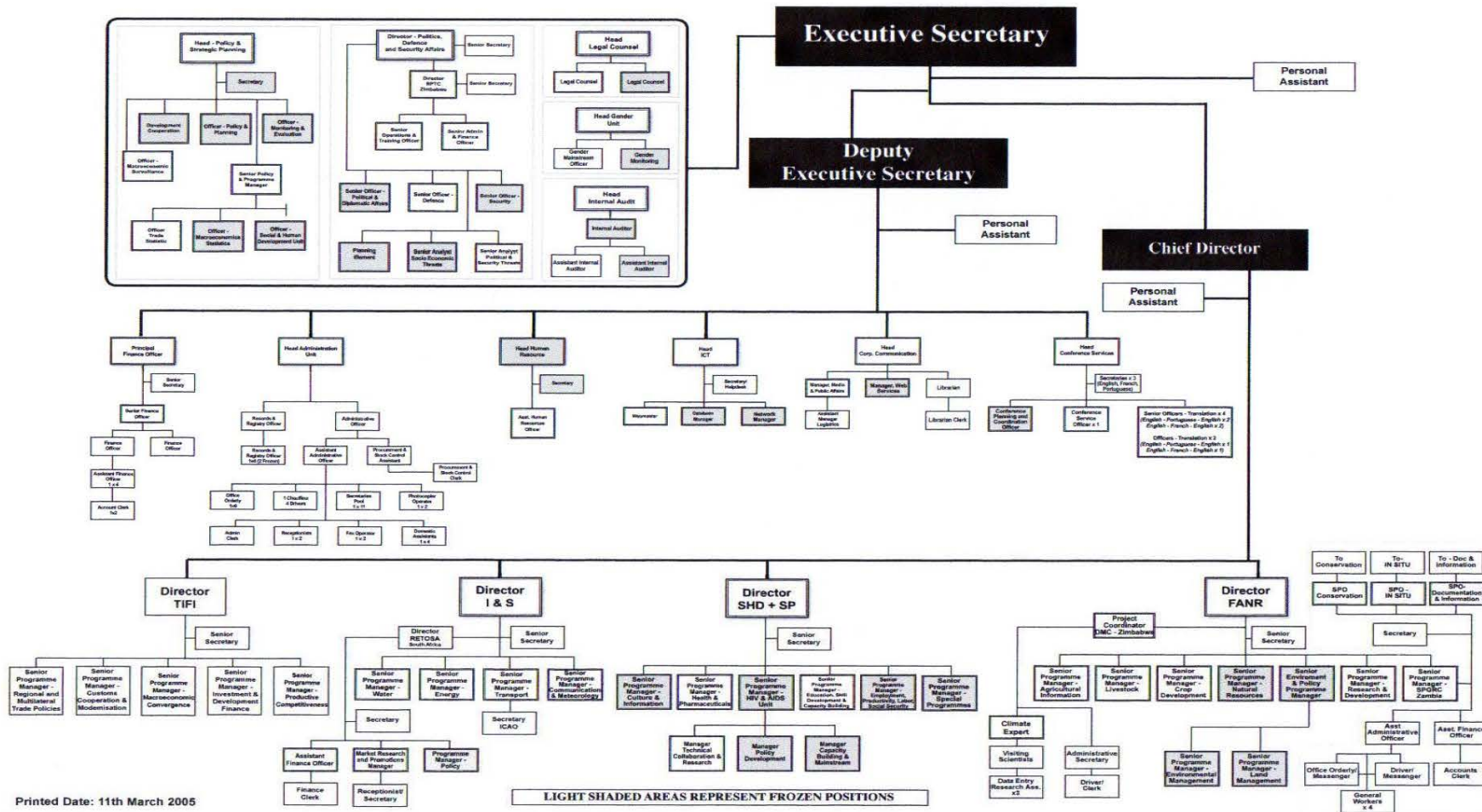
**Annex 13: Chart of East and Southern Africa Regional Economic  
Integration arrangements**



COMESA	Common Market for Eastern and Southern Africa
EAC	Commission for East African Cooperation
IOC	Indian Ocean Commission
SADC	Southern African Development Community
SACU	Southern African Customs Union

## **Annex 14: SADC Organisational Chart**

## New Secretariat SADC Organisational Structure As approved by Council on 25th February 2005, Grand Baie, Republic of Mauritius



Printed Date: 11th March 2005

LIGHT SHADED AREAS REPRESENT FROZEN POSITIONS

**Annex 15: Status of SADC Protocols and Declarations**

Legal Instruments (Protocols) and Date of entry into force	Date tabled for signature	Angola	Botswana	DRC	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
Treaty of SADC 30/09/1993	17/08/1992	R	R	C	R	#	R	C	R	R	C	R	R	R	R
SADC Protocol on Immunities and Privileges 30/09/1993	17/08/1992	R	R	C	R		R	C	R	R	C	R	R	R	R
SADC Protocol on Shared Watercourse Systems 28/09/1998 (Replaced by revised Protocol)	28/08/1995	S	R		R		R	C	S	R	R	R	R	R	R
SADC Protocol on Energy, 17/04/1998	24/08/1996	R	R		R		R	R	R	R	R	R	R	R	R
SADC Protocol on Transport, Communications and Meteorology 6/07/1998	24/08/1996	R	R		R		R	R	R	R	R	R	R	R	R
SADC Protocol on Combating Illicit Drugs 20/03/1999	24/08/1996	S	R		R		R	R	R	R	R	R	R	R	R
SADC Protocol on Trade 25/01/2000	24/08/1996	R	R		R		R	R	R	R	R	R	R	R	R
SADC Charter of the Regional Tourism Organisation of Southern Africa (RETOSA) 8/09/1997	08/09/1997	S	S		S		S	S	S	S	S	S	S	S	S
SADC Protocol of Education and Training 31/09/2000	08/09/1997	S	R		R		R	R	R	R	R	R	R	R	R
SADC Protocol on Mining 10/02/2000	08/09/1997	S	R		R		R	R	R	R	R	S	R	R	R
SADC Protocol on the Development of Tourism 26/11/2002	14/09/1998		R		R		S	R	R	R	R	R	R	S	R
SADC Protocol on Health 14/08/2004	18/08/1999	S	R	S	R		R	R	R	R	R	S	R	S	R
SADC Protocol on Wildlife Conservation and Law Enforcement 30/1/2003	18/08/1999	S	R	S	R		R	R	R	R	R	S	R	R	S
MoU* in Standardisation, Quality Assurance, Accreditation and Metrology in SADC (SQAM) 16/07/2000	09/11/1999	S	S		S		S	S	S	S	S		S	S	S
SADC Protocol on Tribunal and Rules of Procedure**	07/08/2000														
SADC Protocol on Legal Affairs	07/08/2000	S	R		R		R	R	S	R	S	S	R	S	S
SADC Protocol on Shared Watercourses 22/09/2003	07/08/2000	S	R		R		R	R	R	R	R	R	R	R	S
SADC Amendment Protocol on Trade 07/08/2000***	07/08/2000	A	A	A	A		A	A	A	A	A	A	A	A	A
Agreement amending the Treaty of SADC 14/08/2001	14/08/2001	A	A	A	A		A	A	A	A	A	A	A	A	A
SADC Protocol on Politics, Defence and Security Cooperation 02/03/2004	14/08/2001	C	R	S	R		R	R	R	R	R	S	R	S	R



Legal Instruments (Protocols) and Date of entry into force	Date tabled for signature	Angola	Botswana	DRC	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Zambia	Zimbabwe
SADC Protocol on the Control of Firearms, Ammunition and other Related Materials in SADC 08/11/2004	14/08/2001		R	S	R		R	R	R	R	R	S	R	R	S
SADC Protocol on Fisheries 08/08/2003	14/08/2001	R	R	S	R		R	R	R	R	R	S	R	R	S
SADC Protocol on Culture Information and Sport 07/01/2006	14/08/2001	S	R	S	R		R	R	R	R	R	S	R	R	S
SADC Protocol against Corruption 06/07/2005	14/08/2001	S	R	S	R		R	R	S	R	R	S	R	R	R
SADC MoU on Cooperation in Taxation and Related Matters 08/08/2002	14/08/2002	S	S		S		S	S		S	S	S	S	S	S
SADC MoU on Macroeconomic Convergence 08/08/2002	08/08/2002	S	S		S		S	S	S	S	S	S	S		S
SADC Protocol on Extradition	03/10/2002	S	R	S	R		R	R		S	R	S	R	R	S
SADC Protocol on Forestry	03/10/2002	S	R	S	R		S	R			R	S	R	S	S
SADC Protocol on Mutual Legal Assistance in Criminal Matters	03/10/2002	S	R	S	R		S	R		S	R	S	R	S	S
SADC Agreement Amending the Protocol on the Tribunal 03/10/2002	03/10/2002	S	S	S	S		S	S		S	S	S	S	S	S
SADC Mutual Defence Pact	26/08/2003		R	S	R		S	R	S	R	R	S	S	S	R
SADC Charter of Fundamental Social Rights	26/08/2003			S	S		S	S	S	S	S	S	S	S	S
Agreement on the establishment of the Zambezi Watercourse Commission	13/07/04	S	S				S		S	S			S		S
SADC Protocol on the Facilitation of Movement of Persons	18/08/05			S	S				R	S	S	S			S
SADC Finance and Investment Protocol	18/08/06			S	S	S		S	S		S		S		
SADC Protocol on Science, Technology and Innovation	17/08/08	S		S	S				S	S	S	S	S	S	S

Source: SADC Secretariat

R: Country Ratified protocol; C: Country acceded to protocol; S: Country signed protocol; A: Country adopted amended protocol

# Madagascar is required to accede to the Treaty

\* MoU – Memorandum of Understanding

\*\* The protocol entered into force upon the adoption of the agreement amending the Treaty of SADC at Blantyre in August 2002. Thus there will be no further requirement for individual SADC member states to ratify the protocol.

\*\*\* Angola, DRC and Madagascar are required to deposit instruments of implementation

**Annex 16: Map of the SADC Region**

## The SADC Region as at 18th August 2006



\* The Seychelles joined SADC in 2008.

**Annex 17: Record of the stakeholder consultation workshop on  
10th EDF Programming**

**Record of the stakeholder consultation workshop on 10th EDF Programming  
SADC-EC Regional Strategy Paper/Regional Indicative Programme 2008-2013  
Gaborone 13 July 2006**

## **1. Background**

The meeting took place in the framework of the programming of the 10th EDF and in particular in order to ensure coordination between the SADC regional Strategy Paper/Regional Indicative Programme (RSP/RIP) and the SADC Member State Country Strategy Paper/National Indicative Programmes (CSP/NIPs). The Guidelines for the 10th EDF programming process require that national strategies be consistent with the regional strategy and that without necessarily being considered a focal sector, the trade and regional integration dimension should be integrated into national strategies and national indicative programmes.

The main objective of the meeting was to consult with national stakeholders in order to facilitate the above mentioned coordination.

The meeting was co-chaired by SADC Secretariat's Dr. Tomaz Augusto Salomão and by Head of the EC Delegation in Gaborone, Paul Malin.

## **2. 10th EDF Programming Process for the RSP/RIP**

Following the opening remarks, the EC Delegation presented:

- A summary of the 10th EDF process for the preparation of the Regional Strategy Paper (RSP) and the Regional Indicative Programme (RIP).
- A summary of the draft issues paper for SADC-EC regional cooperation under EDF 10.

## **3. The SADC Member State CSP/NIP**

The NAOs from each SADC MS have made a brief presentation of the elements identified for the EU response strategy under their respective CSP/NIP for the 10th EDF. The following is a brief summary of the presentations made by countries:

### Botswana

The priorities stated for the CSP/NIP are those contained in the 9th National Development Plan (NDP9) and Botswana's Vision 2016 as:

- Competitiveness in global markets and economic diversification with a key role being accorded to the private sector and foreign direct investment, and the need to create an enabling environment;
- importance of regional integration;

- Employment through improved skills, productivity with emphasis on business education, science and technology as basis for a knowledge based economy;
- Economic growth as the means for poverty reduction through improved social justice and distribution of benefits;
- HIV and AIDS is a major challenge as it has a marked destabilising effect and is a serious drain on financial and human resources

#### Lesotho

- The CSP/NIP process has only recently started with information gathering and consultations being undertaken with local government authorities. No clear agenda has been decided for focal areas. The priorities are likely to be infrastructure and health, HIV and AIDS

#### Malawi

- Poverty reduction with focal sectors as Agriculture (food security) and Infrastructure;
- Non focal sectors: support for NSAs through micro projects
- Trade facilitation, adjustment and transport facilitation important are important concerns in the CSP
- Firm commitments to governance for incentive tranche, Malawi has signed up to the NEPAD Peer Review Mechanism

#### Mauritius

- For EDF 10 it is expected that there will be one focal sector with 85% of the resource allocation will go to General Budget Support to the Economic Reform Programme
- 10% of the NIP resources will go to NSA and 5% for Capacity Building

#### Mozambique

- The first draft 1st draft of the CSP has been agreed by both parties, The CSP is based on the PRSP for Mozambique and the 5 year national development programme.
- Focal areas will be Infrastructure, Transport, Agriculture and Health
- A separate meeting is planned to discuss trade issues and how best to incorporate them into the CSP/NIP

#### Namibia

- The implementation strategy for Namibia's Vision 2020 forms the basis for EDF 10 programming and planning;
- Following on from the 9th EDF Education will continue to be a focal sector EDF9, with the emphasis shifting towards a knowledge based economy, ICT;
- Rural Development as focal sector, emphasis on youth, women, support for agriculture, infrastructure and health, especially HIV and AIDS;
- Other priorities are increased industrialisation through development of SMEs, job creation;
- Capacity Building for trade policy

#### South Africa

- Cooperation over the next programme period is aligned with national priorities and the challenges of high unemployment, crime and HIV/AIDS. Clear value added principles will be used in determining the actions supported;
- Development of second economy to redress high gini co-efficient through SMEs, social services and governance;
- The Joint Response Strategy focus on inequality, employment and skills, basic services, especially HIV and AIDS, and governance – crime and, corruption.
- There is a need to strengthen NSAs role.

#### Swaziland

- The CSP/NIP is based on alignment with Swaziland's Vision 2020, the PRSP and MDGs
- The focal areas will be water and energy, and human development
- Non focal area – governance and the roll-out of new constitution

#### Tanzania

- The basis of the CSP/NIP is the National Strategy for Growth and Poverty Reduction, and the National Assistance Strategy;
- For the 10th EDF ii is expected that 70% of the resource allocation will be directed through general budget support, focussing on the NSGPR clusters of income poverty and quality of life;
- Governance as non-focal sector – support for NSAs, anti-corruption and local government reform

#### Zimbabwe

- It is hoped that for the 10th EDF there will be an improvement in the relationship between the EC Delegation and NAO;
- The focal areas will be rural development for food security and human development through education, health and HIV and AIDS;
- Support for Regional Trade negotiations, and institutional strengthening to counter human trafficking as non-focal sectors

#### Angola

- Three focal sectors are emerging from the consultation process
  - Governance – justice, decentralisation, public finance management;
  - Social development – human resource development, water, sanitation and health, focus on vulnerable groups;
  - Rural development – agriculture, re-integration into rural areas, mine clearance
- Non-focal area – support for regional integration and trade

#### **4. SADC and the 10th EDF Response Strategy**

The Secretariat indicated the main points of the possible response strategy by identified sectors:

Regional Economic Integration and Trade and EPAs: SADC remains committed to the targets of establishing a Free Trade Area (FTA) by 2008, a Customs Union by 2010 and a Common Market by 2015 and Monetary Union in 2016. There is a need for



both national governments and the Secretariat to monitor progress in implementing the necessary aspects of the SADC protocols.

Infrastructure: transport, communication, energy, integrated water resource management and infrastructure development are the main priorities of the Infrastructure and Service Directorate. It was also indicated that the Secretariat intends with the financial resources of the 10th EDF to retain only a coordinating supervisory role and to address infrastructure development with institutional support. No hard infrastructure is foreseen to be funded from the 10th EDF SADC RIP. Clarifications on the access modalities to the Infrastructure Facility were being sought.

Agriculture/Food Security: The Secretariat indicated that in the area of agriculture and food security the Secretariat wished to support the following projects:

- The Development of a Regional Agricultural Information Management system (AIMS) which is seen as an essential tool for the FANR Directorate to play its facilitating role and coordinating functions in the region. Proposed overall financial contribution: € 10 million;
- FANR Capacity Building, which would allow for increased human resources as well as improved capability of the existing staff to coordinate and undertake the supervisory role of the FANR Directorate. Areas such as policy analysis, natural resource management, environmental conservation, information management, research coordination and monitoring and evaluation were mentioned as areas in need of support. Proposed overall financial contribution: € 5 million
- Support to the Regional Coordination of Agricultural Research. The FANR Directorate recognises the need to advocate and facilitate the formal setting up of the NARS within SADC MS and coordinate among these NARS at regional level through the emergence of a sub regional organization. Proposed overall financial contribution: € 20 million

NSA participation: Both the Cotonou Agreement and the SADC Secretariat recognise the need for NSA participation. The civil society and private sector representatives present expressed their intention to be more involved and to be an integrant part of the EU-SADC cooperation. In particular, the private sector must be recognised as an important partner in the integration process. More open dialogue and recognition of the partners would ensure better participation

HIV and AIDS: The HIV and AIDS pandemic remains as a major challenge and threat to the region's development. SADC has developed a clear strategy and business plan for a regional response, with an emphasis on building sustained political support, mainstreaming, and dissemination of good practice and sustained. Additional external support is now becoming available through the Joint Financing and Technical Cooperation Arrangement. Regional capacity for quality control, production and procurement of drugs is an important area of the regional response.

## **5. Conclusions:**

The workshop allowed for good stakeholders' consultation although the process for coordination and complementation between the RSP/RIP and the CSP/NIP in the

region appears very cumbersome. Closer consultation at bilateral (SADC Secretariat – Member State) level may improve the complementarities.

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## SADC Secretariat Capacity Development Framework

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### **Annex 18**

# **SADC Secretariat Capacity Development Framework**

**March 2008**



## SADC Secretariat Capacity Development Framework

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## SADC Secretariat Capacity Development Framework

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### 1.0 SADC Institutional Framework

#### 1.1 Introduction

**The SADC Treaty objective 1(a) states that SADC seeks to “achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration” thus the SADC region has developed and is implementing the Regional Indicative Strategic Development Plan (RISDP), a framework for SADC’s development which assigns top priority to poverty eradication, achieving high and sustainable economic growth and deepening economic integration.**

The restructuring of SADC institutions and the formulation of the RISDP and SIPO have been significant milestones in the strengthening of regional cooperation and integration and providing a strategic direction for the SADC Member States to achieve their Common Agenda. The aim of the SADC institutional restructuring is to

- provide strategic direction towards a deeper regional integration
- prioritise RISDP & SIPO programmes contributing to deeper regional integration based on the principles of additionality and subsidiarity and align them with appropriate human and financial resources, and
- improve the efficiency and effectiveness of SADC institutional structures.

#### 1.2 SADC Institutional Framework: types of institutional structures and levels of intervention

Whilst the RISDP provides the framework for the implementation of the various strategies designed to fulfill the vision and mission statement of SADC, concerns have in the past been raised with regard to the speed of implementation of the Regional Integration agenda largely because SADC institutional management structures



## SADC Secretariat Capacity Development Framework

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face severe capacity constraints. It is also recognised that there is need to consolidate the SADC institutional restructuring exercise.



## SADC Secretariat Capacity Development Framework

### SADC Institutional Framework

Type of SADC Institutional Structures	Institution / Organisation	Levels of Intervention
Governing & Policy Decision-making Structures	SUMMIT; Double TROIKA, SADC COUNCIL, Ministerial Committees/Clusters, Standing Committees	regional
Principal Executive Institution	SADC SECRETARIAT	regional
other SADC Institutions	SADC Tribunal	regional
SADC Subsidiary Organisations	Development Finance & Resource Centre (DFRC), River Basin Organisations (RBOs), SAPP, RERA; Regional Peace Training Centre (RPTC) ; etc	regional
Centers of Excellence	Gobabeb, CESPAM; etc	regional
National Coordination Structures	SADC National Committees, National Contact Points,	national
National Implementation Structures	Sector Ministries, sector agencies at Member State level	national

From the perspective of capacity development all SADC institutional structures have to be focused and strengthened according to their mandate, core functions, set priorities, and programmes. This includes

- Strengthening of SADC Secretariat capacities and management systems and processes;
- Focusing of SADC Integration Agenda and Regional Governance structures;
- Strengthening regional SADC subsidiary organisations, the SADC Tribunal;
- Supporting Regional Centers of Excellence, and
- Strengthening of National SADC Governance and Management Structures.

It is important that the roles of decision-making, coordination, implementation, monitoring and reporting of the various SADC governing and management structures at regional and national level are clear and functional.





## SADC Secretariat Capacity Development Framework

The SADC Institutional Framework should be consistent and complementary in effect by implementing the SADC Integration & Cooperation Agenda.

### 1.2.1 SADC Secretariat

The centralisation of functions in the Secretariat involved a “paradigm shift” from earlier institutional arrangements. More specifically, functions that were previously decentralised and carried out by full-time Sector Coordination Units together with newly defined functions are now centralised at Secretariat level. This situation has placed severe capacity constraints on the Secretariat to function at optimum level. In addition the new RISDP/SIPO priorities and programmes demand that the Secretariat should now ideally, function as a:

‘Think tank’ with capacity to strategically advise and guide the Member States on the implementation of the SADC Common Agenda;

Principal regional coordinator of policies, strategies and programmes of the deeper regional integration process;

Provider of support services, to provide legal, administrative, financial and procurement services to technical directorates, and to convene annual consultative conferences and meetings of the SADC decision-making structures, and;

Professional ‘programme manager’, to strategically plan & budget, facilitate the implementation process, monitor prioritised programmes, and systematically report on progress in close coordination and cooperation with SADC stakeholders.

The new roles described above demonstrate the huge demands placed on the abilities and capacities of Secretariat which it is not able to perform in the present set up required standards due to severe institutional capacity constraints as well as lack of requisite competencies for staff.

### 1.2.2 SADC Regional Governing & Policy Decision-making Structures

The SADC institutional reform process including the prioritized Regional Integration and Cooperation agenda, the launching of the RISDP / SIPO Framework, the development of a SADC Development Fund, the establishment of the SADC Tribunal and regional subsidiary regional SADC organizations, and SADC National Committees certainly impacts on the agenda-setting, information & communication needs, and reporting format of the regional SADC governing and decision-making structures.

### 1.2.3 Other SADC Institutions, regional Subsidiary Organisations, and regional Centers of Excellence

As response to the growing institutional challenges within the SADC region and the need for more coordination and harmonization in key SADC



## SADC Secretariat Capacity Development Framework

programmes, several new regional subsidiary organisations including DFRC, River Basin Organisations, Regional Peace Training Center, regional Centers of Excellence such as GOBABEB and CESPAM, and the SADC Tribunal have been established. Guided by the SADC Integration agenda, Protocols, strategies, policies, and respective institutional assessments, additional policy development and management capacities have to be developed.

### 1.2.4 SADC National Coordination and Implementation Structures

It is quite evident that Member States are at different stages in the establishment and operationalisation of SNCs and strengthening of RISDP/SIPO implementing structures. Some Member States have taken a number of progressive steps to institutionalise the SNCs, supported by dedicated resources. Others, however, appear to have accorded SNCs low priority, leaving the responsibility for coordinating SADC programmes at national level to a single or few officers within the National Contact Points. In future it is important, that RISDP/SIPO programmes are

- “unpacked” amongst the Member States so as to determine levels at which specific interventions are to be implemented;
- integrated into national annual and medium-term plans & budgets by the Member States;
- coordinated, implemented, and monitored according to regionally agreed performance benchmarks that all Member States adhere to;
- more visible and owned by SADC stakeholders at national level.

As a result, the national coordination and implementing structures of RISDP/SIPO programmes have to be adequately technically capacitated and resourced, and the communication lines strengthened.

## 2.0 Integrated SADC Capacity Development Framework with focus on Secretariat

### 2.1 Need for Change

For the Secretariat, to deliver results it has to have a distinct organisational identity as expressed in the Vision, Mission and Values Statement, and a clear and common understanding of its mandate and core functions. It needs policies and a strategy, which provide direction and give focus. Furthermore, the Secretariat needs a conducive structure, organisational and managerial capacities and competencies, which support the delivery of expected results.

In order to stabilize and consolidate the SADC Secretariat and to improve the ownership and visibility of SADC as a whole, there is urgent Need for Change.

To create more ownership and visibility of SADC and to make the SADC management, coordination and communication structures at regional and



## SADC Secretariat Capacity Development Framework

national levels more efficient and effective, the Executive Secretary of SADC in line with SADC Council decisions has initiated a Roadmap for implementing Change.

### **2.2 Strengthening of SADC Secretariat capacities, management systems and processes**

Various institutional assessment studies for SADC conducted so far have indicated urgent need for the Secretariat to embark on an extensive institutional capacity development programme in order to up-grade and strengthen institutional capacities and individual competencies. The aim of the Capacity Development Programme will be to improve organisational efficiency and effectiveness, to deliver day-to-day business processes & services and to strengthen coordination and harmonization in all areas of daily Secretariat business including SADC-ICP Partnership within context of the Windhoek Declaration.

It is generally agreed, that the Secretariat, as principal executive SADC institution, urgently needs to;

- further clarify roles of decision making, facilitation, policy coordination & harmonisation, and implementation across all SADC institutions to distinguish more clearly e.g. policy setting, strategy development, programme coordination, implementation and monitoring roles between high-level organs of SADC, Secretariat, and Member States ;
- transform regional integration priorities into Key Result Areas;
- execute core functions supported by an appropriate organisational structure;
- align human and financial resources with the re-prioritised regional integration agenda;
- introduce responsive staff management, compensation and performance systems;
- implementing robust operating policies and procedures supported by an appropriate Management Information System;
- improve internal and external coordination; and
- facilitate a structured organisational change process, driven by a shared vision and a conducive and cohesive organisational culture.



## SADC Secretariat Capacity Development Framework

### 2.3. Focusing of SADC Integration Agenda and Regional Governance structures

With regard to the core intervention area of prioritizing the Integration Agenda and focusing the SADC governance and institutional structures the following results have already been achieved:

#### a) Re-prioritisation of the Regional Integration Agenda

The Council meeting of August 2007 in Lusaka approved the following re-prioritised programmes of regional cooperation and integration as follows:

- Peace and security cooperation as a pre-requisite for achieving the Regional Integration Agenda.
- Trade/Economic liberalization and development including
  - Free movement of goods, services and factors of production;
  - Stability oriented macroeconomic convergence;
  - Financial market integration and monetary cooperation;
  - Intra-regional investment and foreign direct investment; and
  - Productive competitiveness' and supply side capacity.
- Infrastructure in support of regional integration and;
- Special programmes of regional dimension under Education and Human Resource Development, Health, HIV and AIDS and other Communicable Diseases, Food Security and Trans-boundary Natural Resources, Statistics, Gender Equality, and Science, Technology and Innovation and Research and Development.

#### b) Institutionalisation of Ministerial Clusters in line with Regional Integration Priorities.

The Integrated Council of Ministers (ICM) will be replaced by the following six ministerial clusters:

1. Cluster for Trade, Industry, Finance and Investment (currently constituted as Ministerial Task Force for Regional Integration)
2. Cluster of Infrastructure and Services in Support of Regional Integration;
3. Cluster for Food, Agriculture, Natural Resources and Environment
4. Cluster for Social, Human Development and Special Programmes
5. Cluster for the Organ on Politics, Defence and Security Cooperation
6. Cluster on cross-cutting issues related to Science & Technology and Gender



## SADC Secretariat Capacity Development Framework

### 2.4 Strengthening of regional subsidiary organisations, SADC Tribunal, and regional Centers of Excellence

These regional institutional SADC structures should be capacitated and resourced on the basis of future comprehensive institutional assessments according to their specific mandate, role, functions, strategies and respective programmes.

It is important that their institutional roles and reporting lines are clarified with regard to other regional and national organizations, in order to avoid conflict of roles or duplication of programmes. Needs for communication and coordination between Secretariat and these other regional organizations have to be determined in order to maximize effects of synergy and complementarity.

### 2.5 Strengthening of National SADC Governance and Management Structures

Interventions that can be initiated directly by the Secretariat to facilitate the strengthening of the capacities and competencies of SADC National Committees (SNCs) and implementing structures in the Member States. These include measures that can be implemented concurrently with those taken at Secretariat level. Again, the focus is on identifying the measures that are within the mandate of the SADC Secretariat to spearhead as provided for in the Treaty.

**Prior to this however, pre-requisite steps are required that will involve the following:**

- Need to engage Member States by the SADC Secretariat to agree on the allocation of coordination and implementation responsibilities with regard to RISDP / SIPO Implementation;
- Results of the activities under (i) above should re-confirm the role of SNCs. Based on this determination, Member States should then be required to implement actions to ensure that SNCs are fully established and operational; and,
- Agree on coordination mechanisms between the SADC Secretariat and SNCs including information flows and progress reporting.

Once the above steps are achieved, it will then be important for the SADC Secretariat to coordinate the provision of structured capacity development support to SNCs. This should aim at developing the technical capacities of these institutions in order for them to carry out their functions more effectively and efficiently.



## SADC Secretariat Capacity Development Framework

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### 3.0 Secretariat Capacity Development Framework

Starting point were SADC Council decisions to align the existing Secretariat structure with SADC Integration Priorities and Resources. In view of these Council decisions, various studies were carried out, expressing the need for

- an appropriate organisational structure with well-defined allocation of roles and responsibilities supported by responsive staffing and compensation systems;
- robust and responsive operating policies and procedures supported by an appropriate Management Information System; and,
- adequate management practices and systems supported by staff with appropriate competencies, whose culture and value systems also provide the “glue” required to make the Secretariat function more effectively and deliver its outputs.

In particular, Secretariat’s programme management, financial and administrative processes, procedures and technical staff skills have to be strengthened and to meet international standards, so that in future also direct release of ICP resources e.g. in form of a Contribution Agreement is possible.

At the same time, the uncertainties and anxieties among staff regarding the nature and impact of the impending ‘skills audit’ required management to take proactive steps to support and guide staff through this challenging Secretariat Change Process.

The cumulative effect of the above developments led the Executive Secretary to hold a Management Team Retreat at Rustenberg on February 6-8, 2008, on Secretariat Capacity Development issues. There, the urgent need for a planned Secretariat change process based on a detailed business plan for implementing a Secretariat capacity programme was reinforced .

Several issues of management nature were identified, which urgently need to be properly addressed and prioritised. To implement the adjusted organisational structure, to strengthen operating policies and procedures with a robust MIS, to introduce the approved Performance Management and Appraisal System, Secretariat management can only succeed when the Secretariat’s responsiveness is assured and, staff are ready to embrace change. Thus, the Secretariat Capacity Development Programme will be implemented as one of the priorities for 2008/09 by Secretariat across all directorates and organizational units.

#### 3.1 Goal and Objectives

The overall goal of the Capacity Development Programme is to strengthen SADC Secretariats’ managerial capacity. To achieve this goal the programme will pursue the following key objectives:

- to increase overall efficiency and effectiveness of the Secretariat as an executive institution of SADC.
- to improve the managerial effectiveness and day to day delivery of business services and processes.



## SADC Secretariat Capacity Development Framework

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### **3.2 Assumptions**

The development process of the Secretariat Capacity Development Framework has been guided by the following key assumptions;

- The Secretariat restructuring process which is already under way will be concluded and consolidated;
- SADC Secretariat Management will champion the implementation of the business plan with strict adherence to the focal areas;
- Member States (MS) and ICPs will fulfill their obligations.

### **3.3 Stages of developing the Secretariat Capacity Development Framework**

The process of developing the business plans followed a two staged systematic process as outlined.

#### Stage 1: Consultation

An extensive consultative process involving Directors and key personnel of the Human Resources and Administration was conducted. The consultative process was complemented by the Institutional Assessment Studies done through the support from various International Cooperating Partners. This led to identification and development of the concept, scope and key intervention areas for the Capacity Development Framework.

#### Stage 2: Compiling and construction of the Secretariat Capacity Development Framework

Using the outputs of the process mentioned above as well various reports on Institutional Capacity Needs Assessment, key activities, results/outputs and performance indicators were identified and put together.

The Secretariat Capacity Development Framework identifies priority intervention areas, outputs, strategies, activities, key performance indicators and resources, that are required to implement the planned activities. Thus, the Secretariat Capacity Development Framework provides also an overview of the amount of funding required through the analysis of costing and budgets required for the services to be provided by the Secretariat. This helps the Secretariat to focus on key areas with resource constraints, and further prepare for problems and opportunities that may arise as a result of resource or funding constraints.

### **3.4 Focus of the Secretariat Capacity Development Framework**

In line with the Secretariat vision, mission, values, the SADC priorities set by the Council and the institutional challenges faced by the Secretariat, the Secretariat Capacity Development Framework focuses on the following key intervention areas:

- Leadership skills development & review of management processes





## SADC Secretariat Capacity Development Framework

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- Policy and Strategy Development
- Programme Management
- Implementation of Secretariat Performance Management and Appraisal System
- Internalisation of the Secretariat vision, mission and values.
- Human Resource Development
- Development of Administrative Management Competencies
- Financial Management Development
- Accounting and Procurement of Services
- Implementation of SADC/ICP Partnership Framework

### 3.5 Institutional arrangements in implementing the SADC Capacity Development Framework

Implementing such a comprehensive Secretariat capacity development initiative is not necessarily the daily formal responsibility of senior management although it bears the responsibility to ensure that these issues are addressed fast, in order to improve the internal management systems (operational environment), and to enhance teamwork, efficiency and productivity. In order to ensure that the implementation of the Secretariat Capacity Development Programme is accelerated, a *Steering Committee for Capacity Development* has been established to plan, facilitate and monitor the implementation process.

The appointed Steering Committee for Capacity Development comprising of key personnel from Directorates and Units. The composition of the Committee is as follows:

- Executive Secretary (Chair);
- Deputy Executive Secretary for Regional Integration (Co-Chair);
- Director, Trade, Industry, Finance and Investment or Infrastructure and Services;
- Director, Policy Planning and Resource Mobilisation;
- Director, Budget and Finance;
- Director, Human Resources and Administration;
- Senior Officer, Public Relations; and
- Senior Officer, Institutional Development (as Secretary)

The Steering Committee shall be chaired by Executive Secretary who shall have a direct oversight management responsibility for the Capacity Development Initiative. The Deputy Executive Secretary for Regional Integration will be the co-chair of this Steering Committee. The Secretary of the Steering Committee will be the Institution Development Officer.

The Committee shall be responsible for development, prioritisation and sequencing of the programmes. The Committee shall have the responsibility to decide priority projects for implementation. It will also be responsible for resource mobilisation of the Capacity Development Framework. In general,





## SADC Secretariat Capacity Development Framework

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the Committee shall coordinate the overall planning, implementation, and monitoring process based on a detailed Secretariat Business Plan for Capacity Development. In addition, the Steering Committee shall establish Task Teams which will coordinate the implementation of specific tasks within the overall framework for Capacity Development.

### **3.6 Coordination and Monitoring of the Secretariat capacity development implementation process**

The Steering Committee will closely liaise with Management Team so that information on progress made is continuously shared. In order to safeguard continuous flow of information & communication between the Management Team and the Steering Committee, the Secretary of the Steering Committee attends the meetings of the Management Team as per need. The monitoring of the implementation process of the Secretariat capacity development process shall be bi-annually and the progress shall be reported to the Double Troika.

## **4.0 Secretariat Capacity Development Framework: Business Plan & Budget**

### **4.1 Resource Analysis**

It is important to note that the current Secretariat human resources for planning and implementing the Secretariat Capacity Development Programme do not spend 100% of their time solely on fulfilling these activities. In addition, the human resources available also spend time on other activities such as:

- Summit and Council meetings;
- Troika meetings;
- Integrated Committee of Ministers meetings;
- Programme and project implementation workshops and seminars;
- Meetings with consultants on various assignments;
- Preparing inputs to the budget preparation processes; and
- other activities initiated by Senior Management.

The resultant effect of the above analysis is that human resources available for this Programme are severely constrained. It is clear, therefore, that the Programme will require additional human resources for effective implementation of the enlarged Secretariat task portfolio.

### **4.2 Additional Human Resource Requirements**

As indicated above the Capacity Development Programme will require additional resources. Human resources on the following specialized areas will be additionally needed:



## SADC Secretariat Capacity Development Framework

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- (i) Programme Management Experts with specialized skills in Programme Management; Procurement & Contracting, IT and Monitoring & Evaluation;
  - (ii) Institutional Development Specialist;
  - (iii) Human Resources Development Expert with strong skills in HR systems development and facilitation, especially change management

Although, there are presently capacity development activities are implemented in the Directorates and Units, but the scope is very limited. The activities identified within the Secretariat Capacity Development Framework are extra budgetary in nature and will therefore require external financial support.

### **4.3 Estimated Costs of the Secretariat Capacity Development Framework**

It is estimated that the overall Secretariat Capacity Development Framework will cost up to the amount of US\$ 18,360,000, of which US\$ 4,610,000 is the direct financial contribution by SADC Member States as provided for in the Secretariat Business Plan of 2008/09, and US\$ 13,750,000 are the estimated costs for the Secretariat Business Plan. In view of SADC Council decisions on the Job Evaluation Report, it is proposed that the US \$ 13,750,000 should be mobilized from ICP support through the newly created SADC Bridging Facility for Capacity Development.

### **4.4 SADC Capacity Bridging Facility**

Implementation of the Integrated Framework for Capacity Development will not only, require the full commitment of the SADC Member States, the Executive Secretary, but also additional financial resources. Indicative cost estimates are provided below covering a 4-year Implementation Framework. These address each of the main activities outlined in the Secretariat Capacity Development Implementation Framework that have cost implications. Thus, effective engagement of ICPs will therefore be important.

Applying the principles of the new SADC/ICP Partnership Framework, the Secretariat urges ICPs for coordinated support towards the coordinated and harmonised implementation of the Secretariat Capacity Development Framework, using the vehicle of the '*Bridging Facility*'.

In principle, ICPs have expressed support towards the establishment of a 'Bridging Facility' for Capacity Development that can provide a mechanism for SADC to rapidly respond to emerging capacity development needs of both, the Secretariat and other regional/national institutional structures. The 'Bridging Facility' can provide an entry point for ICPs to channel their funding support for the implementation of the outlined Secretariat Capacity Development Framework, assuring commonly accepted quality standards in managing and disbursing funds. It would also provide a temporary vehicle for



## SADC Secretariat Capacity Development Framework

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“on the job training” in operating ICP funds and setting up of a common fund handling process.

The ‘Bridging Facility’ is designed and implemented in the spirit of the SADC-ICP Partnership and Windhoek Declaration.

It is proposed that the Bridging Facility should cover short to medium-term requirements up to four years period starting from 2008/09 financial year. Initially the Bridging Facility should focus towards supporting capacity needs of the Secretariat, other SADC Treaty established Institutions such as SADC Tribunal, SADC Subsidiary institutions e.g. RPTC, DFRC etc. Later the support should also be channeled towards Member States SADC supported institutions whose mandate is to implement RISDP/SIPO specific priorities. Such institutions include SADC National Committees, SADC National Contact Points and respective Sector Ministries.

The implementation of Secretariat Capacity Development Framework will not only require the full commitment of senior management of Secretariat but also additional financial resources. Cost estimates shown in the table below are indicative of the total requirements covering a 4 year implementation period. Please, note, that the SADC Secretariat Business Plan for Capacity Development excludes the financial contributions of US\$ 4,610,000 by the SADC Member States with regard to the financing of SADC Headquarters, Secretariat staff recruitment costs, financing of the approved additional staff positions, and the envisaged Skills Audit of Secretariat staff.



## SADC Secretariat Capacity Development Framework

### Estimated Budget of the Secretariat Capacity Development Implementation Framework

Main Activity	Sub Activity	Key Results/Outputs	Budget Implication (US\$)
1.1 Leadership Skills Development	1.1.1 Conduct leadership and staff management course for directors and Heads of Units in the following areas <ul style="list-style-type: none"> <li>• People Management</li> <li>• Leadership</li> <li>• Team building</li> <li>• Effective meetings</li> <li>• Industrial relations</li> <li>• Presentation skills</li> </ul>	SADC Secretariat is effectively managed	<b>750,000</b>
1.2 Coordination and communicating skills for Executive management and SADC stakeholders	1.2.1 Conduct communications techniques and methods training program for managers.	SADC business processes & programs are effectively coordinated and communicated Policy	<b>650,000</b>
	1.2.2 Develop Information, and Communication policy and strategy on SADC priorities and programmes and processes.	Policy and Communication strategy developed	
	1.2.3 Provide relevant SADC Information to internal staff and external key SADC stakeholders	SADC programs and activities are well understood by internal and external stakeholders.	



## SADC Secretariat Capacity Development Framework

Main Activity	Sub Activity	Key Results/Outputs	Budget Implication (US\$)
1.3 Policy and Strategy Development	1.3.1 Conduct Training of Policy decision makers on application of Policy and Strategy development tools;	SADC Policy makers apply development tools during policy development processes	<b>500,000</b>
	1.3.2 Identify experts from the region for policy development in theme specific areas.	Experts in different policy thematic areas identified.	
	1.3.3 Develop policies and strategies using smart processes such as think tools, thematic expert pools or panels	Policies and Strategies in new thematic areas developed	
1.4 Development and implementation of an in-house Secretariat CD Process (2007 – 2010)	1.4.1 Identify, prioritized and design CD projects	The CD process is effectively designed and priority CD projects identified	<b>750,000</b>
	1.4.2 Train CD Steering Committee Members	CD process for Secretariat spearheaded internally	
	1.4.3 Implement CD projects identified above.	CD process systematically implemented SADC business processes are supported by IT	
	1.4.4 Purchasing of equipment and IT software	CD process effectively managed	
	External monitoring & evaluation of the Change Management process	CD process effectively managed	
	1.4.6 Hold Management Retreats – 3 sessions in first 3 months and thereafter every 6 months for the next three years;	Management Retreats for Change held	
	1.4.7 Hold Special Retreats for staff in the directorates and Units to derive KRAs and inter-dependencies	Retreats for directorate & Units staff held	



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Main Activity	Sub Activity	Key Results/Outputs	Budget Implication (US\$)
1.5 Secretariat Performance Management & Appraisal System	1.5.1 Holding an Introduction session of a Secretariat Staff Performance Management & Appraisal System	PMS is systematically and sustainably used as a management tool	<b>650,000</b>
	1.5.2 Review and adjustment of PMS	PMS continuously reviewed and adjusted	
	1.5.3 Train Managers and staff on use of PMS	Managers and staff are using the PMS successfully	
	1.5.4 Implement PMS	PMS is continuously utilized as a management tool	
1.6 Introduction of RISDP & SIPO Programme Management Cycle	1.6.1 Training of all key staff in core Directorates and Units in: <ul style="list-style-type: none"> <li>➤ Strategic and Operational Planning;</li> <li>➤ Activity costing;</li> <li>➤ Design and sustain a results-based Monitoring &amp; Evaluation System</li> <li>➤ Project Management including prioritisation &amp; interrogation;</li> <li>➤ Project Preparation &amp; Documentation; and Report Writing</li> </ul>	RISDP & SIPO implemented consistently and effectively	<b>550,000</b>
	1.6.2 Operationalisation of RISDP/SIPO Management Cycle with use of TA	Programs and projects are operationalised and managed effectively	
	1.6.3 Conduct a bi-annual Joint review sessions of the RISDP & SIPO programme implementation progress by all core Directorates and Units.	Implementation of RISDP and SIPO well monitored	
	1.6.4 Development of performance indicators for monitoring the RISDP and SIPO interventions,	All RISDP& SIPO interventions have indicators and targets	
2.0 Financial Management, Accounting and Procurement Competences	2.1 Staff Trainings for: <ul style="list-style-type: none"> <li>• programme budgeting training</li> <li>• procurement training</li> <li>• contract management training</li> </ul>	Financing and accounting systems effectively managed	<b>400,000</b>



## SADC Secretariat Capacity Development Framework

Main Activity	Sub Activity	Key Results/Outputs	Budget Implication (US\$)
3.0 Administrative Management Competences	3.1 Staff training in: <ul style="list-style-type: none"> <li>• key Secretariat administrative rules, regulations and procedures;</li> <li>• filing, documentation and use of basic computer software (e.g. MS Word and Excel)</li> </ul>	Rules and procedures consistently applied	<b>350,000</b>
	3.2 tailor-made training of Personal Assistants and senior as well as junior secretaries	Secretarial services improved	
	3.3 develop IT-based support for administrative management processes	Administrative process supported by IT	
4.0 Human Resource Development Competences	4.1 develop a Secretariat HRD policy and guidelines;	Human resources development guided by the policy.	<b>500,000</b>
	4.2 train core staff in human resource management issues	SADC Staff are effectively managed	
5.0 Implementing the SADC/ICP Partnership Framework	5.1 Development of a dedicated resource mobilisation strategy in close coordination with all directorates and strategic units using TA.	Resources are mobilized in a coordinated manner	<b>300,000</b>
	5.2 Development of System for capturing data on ICP funds to programmes and interface with Secretariat's financial management systems, using TA and purchase of software	MIS on ICP funds , cooperating agreements in place.	
	5.3 Development of database for capturing cooperation agreements and focal areas by ICP, using TA.	“	
	5.4 Training of P&SP staff in new systems, through hands on support from TAs and external attachments over 2/3 years.	Resource mobilization function effectively coordinated	



## SADC Secretariat Capacity Development Framework

Main Activity	Sub Activity	Key Results/Outputs	Budget Implication (US\$)
6.1 Establishment of Management Support Unit at Secretariat level to carry out assigned cross-cutting programme management tasks	6.1.1 Purchasing of furniture, communication infrastructure, special IT software and audio-visual equipment	MSU in place and operational	<b>600,000</b>
6.2 Operationalise the MSU	6.2.1 Engagement of 10 long-term TAs for about 4 years	MSU office in place and functional	<b>6,500,000</b>
	6.2.2 Cost of supporting 8 Interns each year for 4 years, drawn from Member States at the MSU	Interns and other key staff recruited	
	6.2.3 Rent of MSU premises and office operating costs including IT connectivity	Premises identified	
	<b>TOTAL COST OF INTERVENTIONS</b>		<b>12,500,000</b>
	<b>Contingency at 10%</b>		<b>1,250,000</b>
	<b>GRAND TOTAL OF 4 YEARS</b>		<b>13,750,000</b>





## SADC Secretariat Capacity Development Framework

### 4.5 Secretariat Business Plan for Capacity Development for 2008/09

The main activities, results/outputs, indicators, timeframe, and responsibilities are shown below in the implementation matrix for 2008/09:

Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
1.1 Leadership Skills Development	1.1.1 Conduct leadership and staff management course for directors and Heads of Units in the following areas <ul style="list-style-type: none"> <li>• People Management</li> <li>• Leadership</li> <li>• Team building</li> <li>• Effective meetings</li> <li>• Industrial relations</li> <li>• Presentation skills</li> </ul>	SADC Secretariat is effectively managed	Leadership and management course conducted	Nov, 2008	<b>Inst. Dev. Officer in collaboration with Dir. HR &amp; Admin.</b>
1.2 Coordination and communicating skills for Executive management and SADC stakeholders	1.2.1 Conduct communications techniques and methods training program for managers.	SADC business processes & programs are effectively coordinated and communicated Policy	Training on Communication techniques conducted	Sept., 2008	<b>Inst. Dev. Officer</b>
	1.2.2 Develop Information, and Communication policy and strategy on SADC priorities and programmes and processes	Policy and Communication strategy developed	Communication Policy and strategy in place	June, 2008	<b>Sen. PR Officer in collaboration with Dir. HR &amp; Admin.</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
	1.2.3 Provide relevant SADC Information to internal staff and external key SADC stakeholders	SADC programs and activities are well understood by internal and external stakeholders.	Info programs in the national strategies and media of MS. Brochures.	July, 2008	<b>Sen. PR Officer</b>
1.3 Policy and Strategy Development	1.3.1 Conduct Training of Policy decision makers on application of Policy and Strategy development tools;	SADC Policy makers apply development tools during policy development processes	Training Program on policy development tools conducted.	August,2008	<b>Dir. Policy &amp; Planning</b>
	1.3.2 Identify experts from the region for policy development in theme specific areas.	Experts in different policy thematic areas identified.	A pool of experts available.	Feb-March,2009	<b>Dir. Policy &amp; Planning</b>
	1.3.3 Develop policies and strategies using smart processes such as think tools, thematic expert pools or panels	Policies and Strategies in new thematic areas developed	Policies in place	April-June, 2009 July-Sept, 2010 Oct-Dec., 2011	<b>Dir. Policy &amp; Planning</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
1.4 Prioritize and sequence Capacity Dev. Projects for implementation	1.4.1 Identify and design capacity development projects	The CD process for Secretariat is effectively implemented and managed.	CD projects for Secretariat available	June ,2008	<b>Inst. Dev. Officer in collaboration with Dir. HR&amp; Admin</b>
	1.4.2 Train Steering Committee for CD Members	CD process for Secretariat spearheaded internally.	CD Steering Committee Members trained and available	September 2008	<b>Inst. Dev. Officer</b>
	1.4.3 Implement CD projects identified above.	CD process systematically implemented SADC Business processes are supported by IT	Implementation reports	October,2008	<b>Inst. Dev. Officer in collaboration with Dir. of HR&amp; Admin</b>
	1.4.4 Purchasing of equipment and IT software;	CD implementation process effectively managed	IT equipment and software available	Sept,2008	<b>Inst. Dev. Officer with Dir HR &amp; Admin.</b>
	▪ External monitoring & evaluation of the CD process	CD process effectively managed	M & E reports	February., 2009	<b>Inst. Dev. Officer with Dir. HR &amp; Admin.</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
	1.4.6	Hold Management Retreats – 3 sessions in first 3 months and thereafter every 6 months for the next three years;	Management Retreats for Change held	Workshop Reports Sept- Nov., 2008 Jan.-Mar,2009 April-Jun,2010 July-Sept.,2011	<b>Dir. HR &amp; Admin</b>
	1.4.7	Hold Special Retreats for staff in the directorates and Units to derive KRAs and inter-dependencies	Retreats for directorate & Units staff held	Workshop reports March,2009	<b>Secretariat Management</b>
1.5 Secretariat Performance Management & Appraisal System	1.5.1	Holding an Introduction session of a Secretariat Staff Performance Management & Appraisal System	PMS is systematically and sustainably used as a management tool	PMS developed and in use April,2008	<b>Dir. HR &amp; Admin with Inst. Dev. Officer</b>
	1.5.2	Review and adjustment of PMS	PMS is continuously reviewed and adjusted	PMS developed and in use May,2008	<b>Inst. Dev. Officer with Dir. HR &amp; Admin</b>
	1.5.3	Train Managers and staff on use of PMS	Managers and staff are using the PMS successfully.	Reports Sept., 2008	<b>Dir. HR &amp; Admin with Inst. Dev. Officer</b>
	1.5.4	Implement PMS	PMS is continuously utilized as a management tool	PMS reports Sept., 2008,Sept.2009, Sept.,2010,Sept.,2011	<b>Dir HR &amp;Admin and Inst. Dev. Officer</b>
1.6 Introduction of RISDP & SIPO Programme	1.6.1	Training of all key staff in core	RISDP & SIPO implemented	Training Reports Progress reports September ,2008	<b>Dir. Policy, Planning and</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
Management Cycle	Directorates and Units in: <ul style="list-style-type: none"> <li>➤ Strategic and Operational Planning;</li> <li>➤ Implement results-based Monitoring &amp; Evaluation System</li> <li>➤ Project Management including prioritisation &amp; interrogation;</li> <li>➤ Project Preparation &amp; Documentation; and, Report Writing.;</li> </ul>	consistently and effectively			<b>Resource Mobilisation</b>
	1.6.2 Operationalisation of RISDP/SIPO Management Cycle with use of TA	Programs and projects are operationalised and managed effectively	Progress reports	June,2008	<b>Dir. Policy &amp; Planning</b>
	1.6.3 Conduct a bi-annual Joint review sessions of the RISDP & SIPO programme implementation progress by all core Directorates and Units	Implementation of RISDP and SIPO well monitored	Progress Review reports	July,2008	<b>Dir. Policy &amp; Planning</b>
	1.6.4 Development of performance indicators for monitoring the RISDP and SIPO interventions, using TA	All RISDP& SIPO interventions have indicators and targets	Monitoring reports	May,2008	<b>Dir. Policy &amp; Planning</b>
2.0 Financial Management, Accounting and Procurement Competences	2.1 Staff Trainings for: <ul style="list-style-type: none"> <li>• programme budgeting training</li> <li>• procurement training</li> <li>• contract management training</li> </ul>	Financing and accounting systems effectively managed	Progress reports	Sept.,2008	<b>Dir. Budget &amp; Finance</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
3.0 Administrative Management Competences	3.1 Staff training in: <ul style="list-style-type: none"> <li>• key Secretariat administrative rules, regulations and procedures;</li> <li>• filing, documentation and use of basic computer software (e.g. MS Word and Excel)</li> </ul>	Rules and procedures consistently applied	Progress reports	Oct.,2008	<b>Dir. HR &amp; Admin.</b>
	3.2 tailor-made training of Personal Assistants and senior as well as junior secretaries.	Secretarial services improved	Progress reports	Oct, 2008	<b>Dir. HR &amp; Admin.</b>
	3.3 develop IT-based support for administrative management processes	Administrative process supported by IT	Progress reports	January, 2009	<b>Sen. ICT Officer with Dir. HR &amp; Admin.</b>
4.0 Human Resource Development Competences	4.1 develop a Secretariat HRD policy and guidelines;	Human resources development guided by the policy	HRD policy in place	Jan-March,2009,Mar.,2010, Mar.,2011	<b>Dir. HR &amp; Admin.</b>
	4.2 train core staff in human resource management issues	SADC Staff are effectively managed	Progress reports	Oct-Dec, 2008 Oct., 2009	<b>Dir. HR &amp; Admin.</b>
5.0 Implementing the SADC/ICP Partnership Framework	5.1 Development of a dedicated resource mobilisation strategy in close coordination with all directorates and strategic units using TA.	Resources are mobilized in a coordinated manner	Mobilisation strategy in place	January, 2009	<b>Dir. Policy &amp; Planning</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
	5.2 Development of System for capturing data on ICP funds to programmes and interface with Secretariat's financial management systems, using TA and purchase of software	MIS on ICP funds , cooperating agreements in place.	Progress reports	Nov, 008	<b>Dir. Policy &amp; Planning</b>
	5.3 Development of database for capturing cooperation agreements and focal areas by ICP, using TA.	“	“	Feb., 2009	<b>Dir. Policy &amp; Planning</b>
	5.4 Training of P&SP staff in new systems, through hands on support from TAs and external attachments over 2/3 years	Resource mobilization function effectively coordinated	Progress Reports	March, 2009	<b>Dir. Policy &amp; Planning</b>
6.1 Establishment of Management Support Unit at Secretariat level to carry out assigned cross-cutting programme management tasks	6.1.1 Purchasing of furniture, communication infrastructure, special IT software and audio-visual equipment	MSU in place and operational	Progress report	March, 2009	<b>Sen. HR Officer with Dir. Policy &amp; Planning</b>
6.2 Operationalise the MSU	6.2.1 Engagement of 10 long-term TAs for about 4 years	MSU office in place and functional	People recruited and in place	March, 2009	<b>Sen. HR Officer with Dir. Policy &amp; Planning</b>
	6.2.2 Cost of supporting 8 Interns each year for 4 years, drawn from Member States at the MSU	Interns and other key staff recruited	Interns recruited and in office	April, 2009	<b>Sen. HR Officer with Dir. Policy &amp; Planning</b>



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Main Activity	Sub Activity	Key Results/Outputs	KPI	Time Frame	Responsible person
	6.2.3 Rent of MSU premises and office operating costs including IT connectivity	Premises identified	Premises occupied	January, 2009	<b>Dir. HR &amp; Admin. with Dir. Policy &amp; Planning</b>





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### **Annex 19: List of acronyms and abbreviations.**

### List of Acronyms and Abbreviations

AOR	-	Annual Operational Review
AU	-	African Union
BLNS	-	Botswana, Lesotho, Namibia and Swaziland
BOCONGO	-	Botswana Council of NGOs
CEMAC	-	Economic and Monetary Community of Central Africa
CIVPOL	-	Cicilian Police Force
COMESA	-	Common Market for Eastern and Southern Africa
CSOs	-	Civil Society Organisations
CSP	-	Country Strategy Paper
DRC	-	Democratic Republic of Congo
EAC	-	East African Community
EC	-	European Commission
ECCAS	-	Economic Community of Central African States
EDF	-	European Development Fund
EPA	-	Economic Partnership Agreement
EPRD	-	European Programme for Reconstruction and Development
ES	-	Executive Secretary
ESIPP	-	EU-SADC Investment Promotion Programme
FANR	-	Food, Agriculture and Natural Resources
FAO	-	Food and Agriculture Organisation
FIP	-	Finance and Investment Protocol
GATT	-	General Agreement on Tariffs and Trade
GDP	-	Gross Domestic Product
HDI	-	Human Development Index
HDR	-	Human Development Report
ICAO	-	International Civil Aviation Organisation
ICPs	-	International Cooperating Partners
IGAD	-	Intergovernmental Authority on Development
IOC	-	Indian Ocean Council
IRCC	-	Inter-Regional Coordination Committee
IS	-	Infrastructure and Services
MDGs	-	Millennium Development Goals
MoU	-	Memorandum of Understanding
MRL	-	Maximum Residue Levels
MS	-	Member State
NePAD	-	New Partnership for Africa's Development
NGOs	-	Non-Governmental Organisations
NIP	-	National Indicative Programme
NSAs	-	Non-State Actors
OAU	-	Organisation of African Unity
PPP	-	Purchasing Power Parity
RAO	-	Regional Authorising Officer
REC	-	Regional Economic Community
RIO	-	Regional Integration Organisation
RIP	-	Regional Indicative Programme

RISDP	-	Regional Indicative Strategic Development Plan
RPTF	-	Regional Preparatory Task Force
RSP	-	Regional Strategy Paper
SACU	-	Southern African Customs Union
SADC	-	Southern African Development Community
SAIIA	-	South African Institute for International Affairs
SCU	-	Sector-Coordinating Unit
SHDSP	-	Social and Human Development and Special Programmes
SIPO	-	Strategic Indicative Plan for the Organ
SNC	-	SADC National Committee
SPS	-	Sanitary and Phyto-sanitary Standards
SQAM	-	Standardisation, Quality Assurance, Accreditation and Metrology
STP	-	SADC Trade Protocol
TA	-	Technical Assistance/Assistant
TBT	-	Technical Barriers to Trade
TCF	-	Technical Cooperation Facility
TDCA	-	Trade, Development and Cooperation Agreement
TIFI	-	Trade, Industry, Finance and Investment
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNGASS	-	United Nations General Assembly
WB	-	World Bank
WFP	-	World Food Programme
WTO	-	World Trade Organisation