

**SOUTHERN AFRICAN
DEVELOPMENT COMMUNITY
(SADC)**



(DRAFT)

**REGIONAL INDICATIVE
STRATEGIC DEVELOPMENT
PLAN
(RISDP)**

**SADC SECRETARIAT
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ABBREVIATIONS

AAIF	AIG Africa Infrastructure Fund
ACP	African, Caribbean and Pacific
ADB	African Development Bank
AGOA	Africa Growth Opportunity Act
ALCOM	Aquaculture for Local Community Programme
ASCAS	Accumulating Savings and Credit Associations
ASCCI	Association of SADC Chambers of Commerce and Industry
ASEAN	Association of South East Asian Nations
AU	African Union
BENEFIT	Benguela Environmental and Fisheries Interaction and Training Programme
BIS	Bank for International Settlements
BLNS	Botswana, Lesotho, Namibia and Swaziland
BOD	Biochemical Oxygen Demand
BOT	Build-Operate-Transfer or Build-Own-Transfer
CARICOM	Caribbean Common Market
CBD	Convention on Biological Diversity
CBI	Cross Border Initiative
CCBG	Committee of Central Bank Governors
CEPGL	Economic Community of the Great Lakes Countries
CIS	Culture, Information and Sport
CISNA	Committee on Insurance, Securities and Non-banking Financial Authorities
CITES	International Convention on Trade in Endangered Species
CMT	Committee of Ministers of Trade
COMESA	Common Market for Eastern and Southern Africa
CPPPs	Community-Public-Private Partnerships
CSAS	Co-operative Savings Associations
CSOs	Civil Society Organisations
CUs	Customs Unions
DAC	Development Assistance Committee
DBSA	Development Bank of Southern Africa
DFIs	Development Finance Institutions
DFID	Department for International Development
DFRC	Development Finance Resource Centre
DRC	Democratic Republic of Congo
EAC	East African Community
EAIF	Emerging Africa Infrastructure Fund
ECOWAS	Economic Community of West African States
ECSAFA	Eastern, Central and Southern African Federation of Accountants
ELM	Environment and Land Management
ELS	Environment and Land Sector
ELS-SCU	Environment and Land Sector-Sector Co-ordinating Unit

EPAs	Economic Partnership Agreements
EU	European Union
FAO	Food and Agricultural Organisation
FANR	Food, Agriculture and Natural Resources
FDI	Foreign Direct Investment
FISCU	Finance and Investment Sector Co-ordinating Unit
FPI	Foreign Portfolio Investment
FTA	Free Trade Area
GAD	Gender and Development
GATT	General Agreement on Tariffs and Trade
G8	Group of Eight
GDI	Gross Domestic Investment
GDP	Gross Domestic Product
GDS	Gross Domestic Savings
GMOs	Genetically Modified Organisms
GNP	Gross National Product
GNS	Gross National Savings
GPA	Global Programme on HIV/AIDS
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immune-Deficiency Virus/Acquired Immune Deficiency Syndrome
HPI	Human Poverty Index
HSPFD	Health Sector Policy Framework Document
IA	Implementing Agents
ICM	Integrated Committee of Ministers
ICPs	International Co-operating Partners
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IEC	information, Education and Communication
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IOC	Indian Ocean Council
IPAs	Investment Promotion Agencies
IPOs	Initial Public Offering
IR & D	Industrial Research and Development
IS	Infrastructure and Services
IT	Info-communication Technology
LDCs	Least Developed Countries
MBI	Management By-In
MBO	Management By-Out
M & E	Monitoring and Evaluation
MERCOSUR	Southern Cone Common Market
MMA	Multilateral Monetary Area
MMTZ	Malawi, Mozambique, Tanzania and Zambia

MOU	Memorandum of Understanding
MVA	Manufacturing Value Added
NAFTA	North American Free Trade Area
NARS	National Agricultural Research Systems
NCPs	National Contact Points
NEPAD	New Partnership for Africa's Development
NGOs	Non-governmental Organisations
NPV	Net Present Value
NSOs	National Statistical Offices
NTBs	Non-Tariff Barriers
OAU	Organisation of African Unity
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
POPs	Persistent Organic Pollutants
PPP	Purchasing Parity Power
PPPs	Public-Private Sector Partnerships
PSC	Project Steering Committee
PRSP	Poverty Reduction Strategy Paper
PTA	Preferential Trade Area
RBO	River Basin Management Organisations
R & D	Research and Development
RECs	Regional Economic Communities
RERA	Regional Regulatory Association
RETOSA	Regional Tourism Organisation of Southern Africa
RIFF	Regional Integration Facilitation Forum
RISDP	Regional Indicative Strategic Development Plan
RPA	Regional Programme of Action
RSA	Republic of South Africa
RSAP	Regional Strategic Action Plan for Integrated Water Resources Management and Development in the SADC Region
RTTC	Regional Tsetse and Trypanosomias Control Centre
SABA	Southern African Broadcasting Association
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADC-FTA	SADC Free Trade Agreement
SADCC	Southern African Development Co-ordination Conference
SAPs	Structural Adjustment Programmes
SAPP	Southern African Power Pool
SCAs	Savings and Credit Associations
SCUs	Sector Co-ordinating Units
S & D	Special and Differential
SDIs	Spatial Development Initiatives
SEPAC	Small Enterprise Promotion Advisory Council
SHDSP	Social and Human Development and Special Programmes
SITCD	SADC Industry and Trade Co-ordination Division
SMEs	Small and Medium Scale Enterprises

SNC	SADC National Committee
SPA	SADC Programme of Action
SPS	Sanitary and Phytosanitary
SRDCP	SADC Regional Drug Control Programme
SSA	Sub-Saharan Africa
S & T	Science and Technology
STDs	Sexually Transmitted Diseases
STOs	Senior Treasury Officials
STP	SADC Trade Protocol
SWOT	Strengths, Weaknesses, Opportunities and Threats
TB	Tuberculosis
TCM	Transport, Communications and Meteorology
TFCAs	Transfrontier Conservation Areas
TIFI	Trade, Industry, Finance and Investment
TNF	Trade Negotiating Forum
UN	United Nations
UNAIDS	United Nations Program on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNIVISA	Universal Visa
USD	United States Dollar
WB	World Bank
WTO	World Trade Organisation
ZAR	South African Rand

EXECUTIVE SUMMARY

1. Background and Context

In March 2001, the Heads of State and Government met at an Extraordinary Summit in Windhoek and approved the restructuring of SADC institutions. Key features of this restructuring include 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 aims 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.

2. 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 towards achieving those goals. In order to facilitate monitoring and measurement of progress, it sets targets and timeframes for goals in the various fields of co-operation and integration.

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.

3. Methodology

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

The following highlights summarise the RISDP:

4. **Chapter Two** analyses recent economic, human and social trends. It notes that the economic situation in SADC improved in the 1990s, but is still unsatisfactory, with several countries experiencing 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 debt burdens, all of which have contributed to high levels of poverty. The challenge for the region is to create an environment that is conducive to the attainment of high and sustained rates of equitable economic growth and poverty reduction by overcoming the constraints of underdevelopment and dependence on primary sectors of production, improving macroeconomic conditions and maintaining a conducive climate for increasing savings and investment.

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, on account of a widespread decline in life expectancy at birth, decreases in real per capita incomes and due to setbacks in school enrolment rates, the level of human development declined in the majority of Member States over the same time period. The region is thus haunted by relatively high levels of income poverty, high and in some cases rising levels of HIV/AIDS infection rates, rising levels of illiteracy in some countries, and shortages of critical human skills in key areas, among other challenges.

5. **Chapter Three** analyses and evaluates current policies and strategies in the various areas of regional co-operation and integration. The thrust of these sectoral policies and strategies has been found to be broadly consistent with SADC's strategic priorities. However, these policies and strategies have not been very effective in addressing the strategic priorities, and their impact on regional integration and development has been limited. The RISDP has identified gaps and challenges in the current policies and strategies, and used them to reorient those policies and strategies.
6. In light of the identified gaps and challenges, **Chapter Four** focuses on a selected number of areas that are critical for the achievement of SADC's objectives, in particular promoting deeper regional integration; integrating SADC into the world economy; promoting balanced, equitable and balanced development; eradicating poverty; and promoting gender equality. The selected priority intervention areas, their goals, specific

areas of focus and strategies are briefly summarised below. The targets and time frames can be found in Chapter 4 and in the Annexes.

The RISDP acknowledges that poverty eradication is the chief goal of SADC and that combating poverty is the overarching priority of its integration agenda. As a priority intervention area, the aim of poverty eradication is to promote sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication. Since poverty is multi-dimensional in its causes and effects, it is addressed in all the other intervention areas covered by the RISDP. The strategies in the various intervention area areas are broadly consistent with the poverty reduction strategies being pursued by Member States and, in many respects, complement them.

In the **HIV/AIDS** priority intervention area, the goal is to decrease the number of HIV/AIDS infected and affected individuals and families in the SADC region so that HIV/AIDS is no longer a threat to public health and to the socio-economic development of Member States. The intervention focuses on the incidence of HIV/AIDS infection, the socio-economic impact of HIV/AIDS, the policy and legislative frameworks and resources for the HIV/AIDS multi-sectoral response in SADC. The main strategy is to promote the re-allocation of responsibilities for planning, coordination, implementation, monitoring and evaluation of the SADC response across all areas of co-operation.

For the **gender equality and development** priority intervention area, the goal 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 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.

7. The RISDP focuses on promoting **trade, economic liberalisation and development** as a means of facilitating trade and financial liberalization, competitive and diversified industrial and mining development and increased investment through the establishment of a SADC Common Market. In order to attain this goal, SADC will need to accelerate and complete the formation of a free trade area; begin negotiations for the establishment of a customs union, which will be followed by a common market; 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.

The RISDP emphasises co-operation in **infrastructure support for regional integration and poverty eradication** in order to ensure the availability of a sufficient, integrated, efficient and cost-effective infrastructure that will support and sustain regional economic development, trade, investment, agriculture and contribute towards poverty eradication. The strategies for achieving this goal include: for **Electricity**, 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; for **Petroleum and Gas**, promoting joint exploration and development of resources; and co-operation in joint procurement of petroleum products; for **Tourism**, co-operation in marketing and promotion; and attracting investment; for **Transport and Communications**, reducing capital, maintenance and operating costs; and policy harmonisation and liberalisation of markets in all forms of transport; and, lastly, for **Water**, establishing and strengthening shared watercourse systems; and promoting the development of water infrastructure.

The RISDP also emphasises co-operation in **sustainable food security** in order to achieve lasting access to safe and adequate food at all times by all people in SADC for an active and healthy life. 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 RISDP has formulated strategies for attaining the above sustainable food security goal and objectives, which include: increasing crop and livestock production, productivity and profitability; 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.

In the **human and social development** priority intervention area, the goal is to contribute to the reduction of human poverty and to improve the availability of educated, skilled, healthy, flexible, culturally responsive, productive and efficient human resources for the promotion of SADC's

equitable growth, deeper integration and its competitiveness in the global economy. In pursuit of this goal, the RISDP focuses on the development and sustenance of human capabilities; the development of positive values, attitudes, and practices; and on increasing the utilization of human capabilities. The proposed strategies include the coordination, harmonization and engendering of education, training, health, nutrition, employment and labour policies; the harmonization of policies for employment creation and income generation; and establishment of exchange programmes and mechanisms for key stakeholders.

The RISDP recognises the importance of **science and technology** in economic development and increasing competitiveness. The goal of this intervention 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 S&T; developing legal and policy frameworks and programmes to promote regional co-operation in S&T; and developing instruments to promote collaboration in S&T between SADC and other organisations.

As an intervention area, **statistics** aims at providing relevant, timely, accurate and comparable statistical information 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; 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 **private sector development** intervention area, the goal is to integrate the private sector in policy and strategy formulation and programme implementation in SADC in order to accelerate and achieve sustainable regional economic integration and poverty eradication. The relevant strategies focus on institutionalisation of public-private sector dialogue; adequate representation of the private sector at all relevant decision-making levels in SADC structures; adoption by SADC of the Association of SADC Chambers of Commerce and Industry (ASCCI) White Paper as a current regional agenda for dialogue between Member States and the private sector; establishment of a Private Sector Unit at the Secretariat; reviewing the capacities of national chambers and business associations; and biannual surveys of regional competitiveness and business climate.

7. **Chapter Five** concentrates on resource mobilisation. It argues that successful implementation of the RISDP requires a major commitment of sustainable financial resources. These resources will be an important determinant of the success of the RISDP in achieving its integration and development objectives. In terms of financing its coordination function, currently SADC relies on contributions from Member States and grants from International Co-operating Partners. An increase in funding from both sources is required. Until now, Member States have been making equal contributions to SADC institutions. From April 2003, their contributions will take into account the relative level of their gross domestic product, which is a more equitable and sustainable basis. In order to improve the financial capacity of SADC further, Member States are exploring the potential for developing self-financing mechanisms for the organisation. For the purpose of increasing resources for financing development, 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. They will also need to change and improve the policy environment to stimulate private capital inflows, local savings, and private sector participation through public-private partnerships, debt, equity funds, venture capital, and credit guarantee insurance facilities.
8. **Chapter Six** asserts that successful implementation of the RISDP will also require an appropriate institutional framework. The RISDP envisages that at the political level 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. The implementation of particular programmes will involve some or all of the following structures: the Secretariat, Technical Advisory Committees and Sub-committees, Programme Steering Committees, participating Member States and SADC National Committees. The challenge will be to ensure that these structures have the requisite human and financial capacity. International Co-operating Partners, Implementing Agents and Contractors will also be involved. Since implementation will be participatory, there will be participation by women to facilitate gender mainstreaming, the private sector and civil society as well. The RISDP makes proposals for strengthening the role of these key stakeholders and enhancing their participation in implementing it.
9. **Chapter Seven** identifies the **mechanism for monitoring and evaluating** the RISDP, whereby the Summit will exercise continuous oversight using progress reports from the Secretariat. At the technical level, the Secretariat will coordinate and monitor implementation through an integrated monitoring system; and SADC National Committees will coordinate and monitor implementation at the national level with regular

feedback from the Secretariat. In addition, a Stakeholders Forum will review and contribute to annual progress and evaluation reports before they are considered by the ICM, the Council and the Summit. Furthermore, the Summit, the Council, the Secretariat, SADC National Committees and the Stakeholders Forum will all be involved in evaluation on a regular basis. As and when necessary, an in-depth, independent evaluation of the RISDP will be conducted.

CHAPTER 1

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THE SADC FRAMEWORK FOR INTEGRATION

This chapter analyses the Southern African Development Community (SADC) framework for integration including its vision and mission. It introduces SADC in its historical context, highlighting the reasons for its formation, how it has evolved over time and the rationale for formulating the Regional Indicative Strategic Development Plan (RISDP).

1.1 HISTORICAL BACKGROUND

1.1.1 The Southern African Development Co-ordination Conference

Regional co-operation and integration in Southern Africa owes its origin to historical, economic, political, social and cultural factors that have created strong bonds of solidarity and unity among the peoples of Southern Africa. These factors have contributed to the formation of a distinct Southern African personality and identity that underpins political and economic co-operation.

The formal establishment of structures to promote regional co-operation and integration started as an initiative of the Frontline States, the original members of which were Angola, Botswana, Mozambique, Tanzania and Zambia. This initiative was directed initially towards the political liberation of the region. From 1975 when they were formally constituted, the Frontline States met regularly to co-ordinate efforts, resources and strategy, with regard to the National Liberation Movements of Southern Africa that were fighting against colonialism, racism and white minority-rule. Later, this initiative was extended to address military attacks and destabilization of majority-ruled states by apartheid South Africa. The intensification of the struggle on both fronts strengthened bonds of solidarity and the need for collective action.

Most of the countries of Southern Africa ultimately achieved political independence, but against a background of mass poverty, economic backwardness and the threat of powerful and hostile white minority-ruled neighbours. Thus, the leaders saw the promotion of economic and social development through co-operation and integration as the next logical step after political independence.

Accordingly, based on the outcome of the July 1979 Arusha Conference which agreed on a strategy to launch the Southern African Development Co-ordination Conference (SADCC), the then nine majority-ruled states of Southern Africa – Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia

and Zimbabwe – met at Summit level in April 1980 in Lusaka, Zambia and declared their commitment to pursue policies aimed at economic liberation on the basis of a sustainable integrated development of their economies.

The Summit adopted the Lusaka Declaration entitled '***Southern Africa: Toward Economic Liberation***' as well as a Programme of Action covering areas of Transport and Communications, Food and Agriculture, Industry, Manpower Development and Energy. The aims of SADCC were to reduce economic dependence particularly, but not only, on South Africa; to forge links to create genuine and equitable regional integration; to mobilize resources for implementing national and interstate policies; and to take concerted action to secure international co-operation within the framework of the strategy of economic liberation. In pursuance of these objectives, the organization focused on functional co-operation in key sectors through a Programme of Action known as the SADCC Programme of Action (SPA). Above all, SADCC reflected the spirit of Pan Africanism and the latter's preoccupation with the need for regional integration as the means towards African continental unity and the recovery of African dignity and status in global affairs. These principles were enshrined in both the OAU Treaty of 1963 and the Lagos Plan of Action of 1980 and the Final Act of Lagos.

At the regional level, the main SADCC institutions were the Summit of Heads of State or Government which had responsibility for overall policy direction and control of the functions of the Conference; the Council of Ministers, which reported to the Summit, oversaw the work and development of SADCC and approved SADCC policies; the Standing Committee of Officials which was a technical advisory committee and advised the Council; and the Secretariat which was responsible for the coordination and management of SADCC programmes.

For the purpose of coordinating the SPA and enhancing ownership, a decentralized structure was adopted under which different sectors were allocated to each Member State. This approach underscored the need to build collective self-reliance, mutual trust and confidence and it was on this basis that the Organisation evolved over the years. The number of areas of co-operation increased, as the number of Member States rose, since each was allocated at least one sector to co-ordinate, but also in response to new challenges like HIV/AIDS. As the areas of co-operation increased, the SPA expanded.

1.1.2 From SADCC to SADC

By the late 1980s, it became apparent that SADCC needed strengthening. The attainment of independence and sovereign nationhood by Namibia in 1990 formally ended the struggle against colonialism in the region. In some of the other countries, concerted efforts to end internal conflicts and civil strife were bearing positive results. In South Africa, the process was underway to end the inhuman system of apartheid, and to bring about a constitutional dispensation acceptable to all the people of South Africa. These developments took the region

out of an era of conflict and confrontation, to one of peace, security and stability, which remain prerequisites for cooperation and development.

On the African continent, efforts continued, mainly under the auspices of the Organisation of African Unity (OAU) to promote closer economic relations. In 1991, some of the OAU Heads of State or Government signed the Treaty establishing the African Economic Community. Like the 1980 Lagos Plan of Action, the Treaty made Regional Economic Communities (RECs) the building blocks for the continental community. In light of this development, the SADC Heads of State or Government viewed their efforts at regional integration in Southern Africa as part of this continental effort. More recently, the African Union, the successor to the OAU, has reaffirmed its commitment to the African Economic Community. The New Partnership for Africa's Development (NEPAD) has designated RECs as implementing agencies for its programme.

On the global scene, fundamental and far-reaching political and economic changes were taking place. The cold war had ended, and world affairs were increasingly being managed on the basis of consultation and consensus, rather than confrontation and competition. Integration was fast becoming a global trend. Countries in different regions of the globe were organising themselves into closer economic and political entities. These movements towards stronger regional blocs were expected to transform the world, both economically and politically, as firms within these economic blocs would benefit from economies of scale provided by large markets, to become competitive both internally and internationally. For firms in Southern Africa not to remain behind, it became imperative for a large regional market to be established so that they too could benefit from economies of scale.

At their meeting in Windhoek in August 1992, the Heads of State and Government signed a Treaty transforming the "SADCC" from a coordination conference into SADC, the Community -- and redefined the basis of cooperation among Member States from a loose association into a legally binding arrangement. The purpose of transforming SADCC into SADC was to promote deeper economic cooperation and integration to help address many of the factors that make it difficult to sustain economic growth and socio-economic development, such as continued dependence on the exports of a few primary commodities. It had become an urgent necessity for SADC governments to urgently transform and restructure their economies. The small size of their individual markets, the inadequate socio-economic infrastructure and the high per capita cost of providing this infrastructure as well as their low-income base made it difficult for them individually to attract or maintain the necessary investments for their sustained development.

Accordingly, SADC opted for a development integration approach which recognises the political and economic diversities of regional integrating countries including their diverse production structures, trade patterns, resource

endowments, development priorities, institutional affiliations and resource allocation mechanisms. It addresses many of the production, infrastructure and efficiency barriers arising from the underdevelopment of the region. This approach also has the advantage of complementing trade liberalisation with sustainable corrective measures, designed to cushion the least developed member countries against shocks arising from the removal of trade barriers. It further allows member states to define the scope and sectors of cooperation and to identify appropriate strategies and mechanisms to overcome impediments to integration and to address regional imbalances between member states.

In the 1990s, the membership of the organization increased to 14 with the accession of Namibia in 1990, South Africa in 1994, Mauritius in 1995, and Seychelles and the Democratic Republic of Congo in 1997.

Since its inception, SADC has inculcated a sense of regional belonging as well as a tradition of consultation among the peoples and governments of Southern Africa, which, among other things, has improved regional security. It has also formulated the SPA, which covers cooperation in several economic and social sectors; and implemented several infrastructure and other projects. Furthermore, SADC has developed protocols in a number of areas of co-operation, which provide the legal framework for co-operation among Member States.

While SADC has recorded some remarkable achievements, difficulties and constraints have also been encountered. These include lack of institutional reforms for effective transformation from SADCC into SADC; lack of synergy between the objectives of the Treaty on the one hand and the existing SADC SPA and institutional framework on the other, and finally lack of appropriate mechanisms capable of translating the high degree of political commitment into concrete programmes of community building and integration.

In order to address these and other institutional problems, the Heads of State and Government approved the restructuring of SADC institutions at their Extraordinary Summit held in March 2001, in Windhoek. Under restructuring, the twenty-one sectors have been grouped into clusters under four Directorates at the SADC Secretariat. At the national level, SADC National Committees will co-ordinate their respective individual Member State interests relating to SADC. At the regional level, an Integrated Committee of Ministers (ICM) has been created to co-ordinate the work of different clusters. The new structure also includes the Troika system and the Organ on Politics, Defence and Security.

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 co-ordinated strategy to eliminate poverty in the Region. To underpin the restructuring of SADC institutions and provide a clear orientation for the policies and programmes of the organisation over the medium to long-term, the Extraordinary Summit also approved that the Secretariat prepare this Regional

Indicative Strategic Development Plan (RISDP) which is guided by the vision of SADC.

1.2 THE SADC VISION AND MISSION

1.2.1 Vision

The Regional Indicative Strategic Development Plan (RISDP) is underpinned by the SADC vision, which charts the direction for the development of the region. The Declaration "*Towards the Southern African Development Community*", adopted in Windhoek, Namibia, on 17 August 1992, by Heads of State or Government of Southern African States, calls upon all countries and people of Southern Africa to develop a *vision of a shared future, a future within a regional community*.

The SADC vision is one of a common future, a future in a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice and peace and security for the peoples of Southern Africa. This shared vision is anchored on the common values and principles and the historical and cultural affinities that exist between the peoples of Southern Africa.

1.2.2 Mission

The RISDP is also underpinned by the SADC mission statement. From the 1992 Declaration and the Report on the Review of the Operations of SADC Institutions, particularly from the objectives and strategies spelt out in Article 5 of the Treaty, the SADC Mission Statement is: "*To promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance, and durable peace and security, so that the region emerges as a competitive and effective player in international relations and the world economy*".

The pursuit of this mission is guided by the following principles, which are stated in Article 4 of the SADC Treaty:

- a) sovereign equality of all Member States;
- b) solidarity, peace and security;
- c) human rights, democracy, and the rule of law;
- d) equity, balance and mutual benefit;
- e) peaceful settlement of disputes.

1.3 THE SADC COMMON AGENDA

The SADC Common Agenda is spelt out in Article 5 of the Treaty as amended, as well as in the Report on The Review of Operations of SADC Institutions and

consists of the policies and strategies of the organisation. The policies of SADC are to:

- promote sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
- promote common political values, systems and other shared values which are transmitted through institutions which are democratic, legitimate, and effective;
- consolidate, defend and maintain democracy, peace, security and stability;
- promote self-sustaining development on the basis of collective self-reliance, and the interdependence of Member States;
- achieve complementarity between national and regional strategies and programmes;
- promote and maximise productive employment and utilisation of the resources of the Region;
- achieve sustainable utilisation of natural resources and effective protection of the environment;
- strengthen and consolidate the long-standing historical, social and cultural affinities and links among the people of the Region;
- combat HIV/AIDS and other deadly or communicable diseases;
- ensure that poverty eradication is addressed in all SADC activities and programmes; and
- mainstream gender in the process of community building.

The broad strategies of the SADC as contained in the Treaty are to:

- harmonise political and socio-economic policies and plans of Member States;
- encourage the peoples of the Region and their institutions to take initiatives to develop economic, social and cultural ties across the region, and to participate fully in the implementation of the programmes and projects of SADC;

- create appropriate institutions and mechanisms for the mobilisation of requisite resources for the implementation of programmes and operations of SADC and its institutions;
- develop policies aimed at the progressive elimination of obstacles to the free movement of capital and labour, goods and services, and of the peoples of the region generally, among Member States;
- promote the development, transfer and mastery of technology;
- improve economic management and performance through regional cooperation;
- promote the coordination and harmonisation of the international relations of Member States; and
- secure international understanding, cooperation and support, and mobilise the inflow of public and private resources into the region.

1.4 SCOPE AND PURPOSE OF THE REGIONAL INDICATIVE STRATEGIC DEVELOPMENT PLAN (RISDP)

According to the Agreement Amending the SADC Treaty, the RISDP, based on the strategic priorities of SADC and its Common Agenda is designed to provide strategic direction with respect to SADC programmes, projects and activities. The RISDP aligns the strategic objectives and priorities with the policies and strategies to be pursued towards achieving those goals over a period of fifteen years.

The RISDP is indicative in nature and outlines the necessary conditions that should be realised towards the attainment of SADC's regional integration and development goals. In other words, it is not a prescriptive or a command type of plan. In view of the need to monitor and measure progress, the RISDP sets targets that indicate major milestones towards the attainment of agreed goals. In this connection, the RISDP sets up a logical and coherent implementation programme of the main activities necessary for the achievement of the region's broader goals with a reasonable, feasible and agreeable time frame that takes into account resource constraints.

While maintaining a "development integration" strategy, the RISDP, in view of the significant discrepancies existing among SADC Member States, recognises the need for a flexible approach towards deeper integration and the implementation of various policy reforms and recommendations.

Most of the policies, strategies and programmes of SADC were designed independently by individual Sector Coordinating Units before they were grouped

into clusters managed through Directorates. For this reason, the various policies, strategies and programmes were not properly co-ordinated leading to weak intersectoral linkages. The RISDP identifies and strengthens the linkages, programmes and the policies of the various sectors with a view to improving efficiency and delivery of the SADC Programme of Action.

The RISDP provides SADC Member States, with a coherent and comprehensive development agenda on social and economic policies over the next fifteen years. It also provides the Secretariat and other SADC institutions with clear guidelines on SADC's approved social and economic priorities and policies, and, therefore, enhances their effectiveness in discharging their facilitating and coordinating role.

In the light of the SADC vision of a common future within a regional community and its mission to promote sustainable and equitable economic growth and socio-economic development, the ultimate objective of the RISDP is to deepen the integration agenda of SADC with a view to accelerating poverty eradication and the attainment of other economic and non-economic development goals. To attain this objective, the RISDP takes stock of the current political, social and economic situation in the region with a view to provide a way forward for SADC to attain its objectives.

CHAPTER 2

2. SOCIO-ECONOMIC SITUATION IN SADC

This chapter describes and analyses the recent economic, human development and social trends in SADC based on selected socio-economic indicators. It brings out key issues and main economic and human development challenges facing the region that will be addressed through the RISDP. The chapter, however, starts by making a brief reference to the political environment underlying the socio-economic situation in the last decade.

2.1 POLITICAL SITUATION

After several decades of political and military confrontation and unrest, marked by economic decline and social instability, Southern Africa is now experiencing a great deal of political stability, which can lead to economic recovery. The achievement of political independence by SADC member states, which started in the early 1960s, was finally completed with the attainment of independence of Namibia in 1990 and the end of South African apartheid regime in 1994. The recent achievement of peace in Angola is another positive step towards greater political stability in the region. The positive developments in DRC are also encouraging and increase the prospects for more effective cooperation and integration of the SADC region.

During the 1990s, most SADC member states adopted multi-party systems of government. Accordingly, the region witnessed the holding of regular elections. This trend has been sustained. These developments are attributable to improvements in political and economic governance, democracy and an atmosphere of peace and security that has prevailed since the beginning of the 1990s. Such an environment is crucial for poverty reduction through cooperation and integration.

2.2 MAIN ECONOMIC CHARACTERISTICS AND CURRENT ECONOMIC DEVELOPMENTS

2.2.1 Overall Economic Characteristics

SADC is made up of fourteen Member States at different stages of development, but predominantly underdeveloped. As a result, social and economic growth and development across the region are heterogeneous, with some countries attaining high growth rates and others achieving very low growth rates.

In spite of the economic imbalances amongst its Member States and the relatively small size of the market (only comparable to Belgium or Norway), in the African context SADC's aggregate GDP of USD 226.1 billion is more than double that of ECOWAS, and equivalent to more than half the aggregate GDP of Sub

Saharan Africa (SSA). It also has the highest GNP per capita in the whole of SSA. Thus, despite a relatively small market size, SADC region can still reap significant static and dynamic gains from regional integration, provided supply side constraints are adequately addressed.

Driven by the need to rapidly reduce poverty, like other SSA regions, SADC has embarked on the implementation of a number of reform measures aimed at promoting macroeconomic stability and higher growth combined with the improvement in the delivery of social services.

The section below analyses the economic developments of SADC on the basis of the following selected macroeconomic indicators:

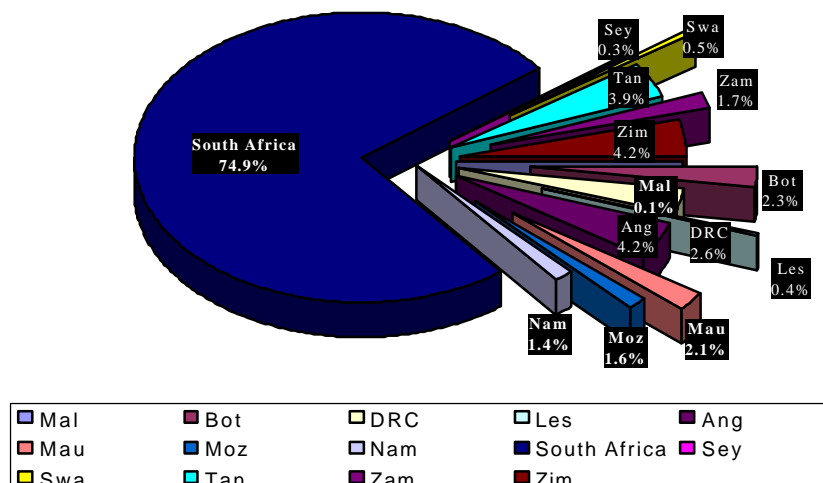
2.2.2 SELECTED MACROECONOMIC INDICATORS

2.2.2.1 Population and Gross Domestic Product (GDP)

In the year 2001 SADC had a combined population of 208 million people with a total GDP of USD 226.1 billion. During the same year GDP grew by about 2 per cent, which was less than the population growth rate of approximately 2.1 per cent.

As shown in Figure 1, in 2001 economic output in SADC was extremely uneven, reflecting mainly differences in resource endowment and economic size of the different Member States.

Figure 1
Share of SADC GDP, 2001



Source: SADC Statistics, 2002

The average regional GDP growth rate during the 1990s and beginning of the 2000s was significantly positive despite a slow start in 1990-1992. Strong signs of economic recovery started showing in 1993 and gained momentum in 1996 with a SADC average GDP growth rate of 5 per cent. However, in the following years the growth pattern fluctuated considerably from year to year and reached 3.1 and 1.9 in 2000 and 2001, respectively (see Figure 2).



Source: SADC Statistics, 2002

Improvement in economic performance is largely attributed to positive political developments in the region and introduction of macroeconomic reforms in most member states, which occurred at the end of the 1980s and beginning of the 1990s. However, economic performance on the whole has remained fragile and most SADC countries continue to be exposed to natural disasters and adverse external shocks.

2.2.2.2 SADC Structure of Production

The structure of production of SADC countries is characteristic of a developing region where large shares of GDP originate in primary sectors of production *viz* agriculture and mining, 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

sizeable manufacturing sector of Zimbabwe was not sustained due to several factors, including the influx of cheaper foreign goods, higher input costs and shortages of foreign exchange for importing inputs. This country has gradually become more reliant on services than before. The rest of the Member States have relatively small manufacturing sectors. They depend on services, agriculture or mining.

In addition to having a small manufacturing sector, SADC economies do not produce a diversified range of manufactured products. They produce a similar range of products such as foodstuffs, beverages, tobacco, textiles, clothing and footwear, which are agricultural-resource based. South Africa and Zimbabwe have significant mineral-resource based manufacturing industries also. But vertical integration in the different structures of production are lacking.

In 1997 manufactured goods contributed 9 percent to total formal merchandise exports in Tanzania, 20 percent in Mozambique, 27 percent in Zimbabwe and 43 percent in South Africa. Some of these figures are higher than the 16 percent average ratio for Middle East and North Africa. But they are all below the world average ratio of 78 percent and the average ratios for all low and all high-income countries of 75 percent and 81 percent, respectively, in 1997.

In mid 1990s, the average percentage of the labour force in industry in SADC was only slightly higher than 15%. The following countries had above average percentages: Mauritius, South Africa, Botswana, and Namibia.

In the period 1991 to 1999, there was positive growth of manufacturing value added (MVA) in many SADC Member States. During this period, the un-weighted average rate of growth of MVA in the SADC was 5.2 percent. The un-weighted average rate of growth declined during the first five years of the decade as a few countries in the region experienced negative rates of growth of MVA.

2.2.2.3 GNP Per Capita

SADC's average level of per capita income (GNP) is very low and has been declining in most countries over the last three decades. If the region is to make a dent in poverty, and achieve its goal of equitable and balanced growth, GNP per capita must grow consistently over the next few years, particularly in the less developed countries. However, GNP per capita growth has to be accompanied by appropriate policies of wealth distribution to achieve poverty reduction.

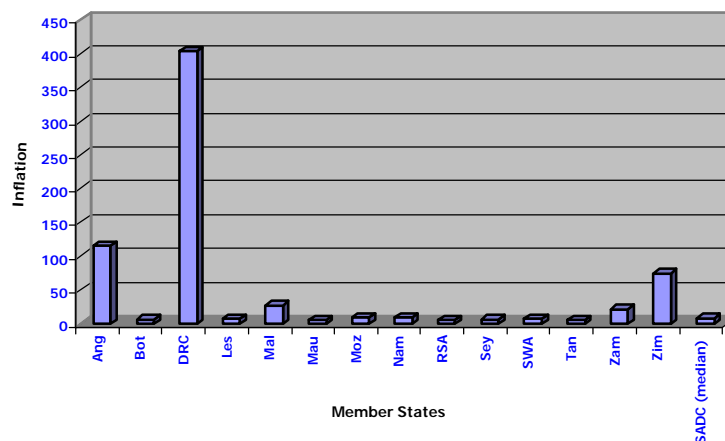
Main contributing factors to the current level of per capita income include distorted and underdeveloped structures of production, poor economic performance, problems in macro-economic management and unfavourable international economic environment. In the year 2000, SADC average GNP per capita stood at USD 1,887 (without Seychelles, a SADC country with approximately only 82,000 inhabitants, the average GNP per capita for SADC is

US \$1 307). High income countries in the region include Seychelles, Mauritius, Botswana and South Africa, with GNP per capita levels ranging from USD 3,090 (South Africa) to USD 9, 920 (Seychelles). The low per capita income countries in the SADC region, with income levels below USD 350, are DRC, Malawi, Mozambique, Tanzania, Angola and Zambia.

2.2.2.4 Inflation and Interest Rates

As compared to the 1980s, most SADC countries have performed relatively well in stabilizing inflation rates, particularly since the early 1990s. Sound macroeconomic policies and inflation targeting are the underlying factors contributing to the lowering of inflation within the region. In analysing the overall SADC trend in inflation in the 1990s it is important to exclude countries that were involved in prolonged political turmoil and/or civil wars and, therefore, running essentially war economies. Excluding these countries, the average inflation rate in SADC was approximately 9.5% in 2001.

Figure 3. Inflation Figures for SADC Member States in 2001



Source: SADC Statistics, 2002

Despite improvements in overall macroeconomic management, which impacted positively on inflation in the last decade as reflected in a significant decline in inflation rates, inflation remains one of the major challenges to national efforts for economic recovery and for regional cooperation and integration and poverty reduction.

Interest rates remain high in all SADC Member States. There are wide variations between countries with single-digit inflation and interest rates mostly below 20 percent, and high inflation countries with interest rates ranging from about 40 percent to as high as over 100 per cent. One of the main reasons that accounts

for high interest rates in the region is the tight monetary policy intended to reduce inflation.

2.2.2.5 Savings and Investment

Savings and investments are central determinant of the rate and pattern of economic growth in SADC economies. By increasing domestic savings and using the resources in productive domestic investment, SADC economies will strengthen the region's prospects for accelerated economic growth, poverty eradication and sustainable development.

Between 1980 and 2001 regional Gross National Savings (GNS) fell short of regional Gross Domestic Capital Formation (GDCF). In 2001, the average SADC GDCF was 16.75 percent of GDP against a regional GNS of 15.85 percent of GDP, leaving a resource gap of -0.9. Among individual countries, there were wide disparities between saving and investment rates, with most countries recording negative resource balances.

As far as FDI is concerned, SADC as a Community attracted on average only USD 691 million in the early 1990s, but FDI to the region quadrupled in the second half of the 1990s standing on average at USD 3061 million during 1995–98. This figure accounts for more than half (55 percent) of all FDI flows directed to the SSA region. Individual SADC countries appear to have performed relatively well compared with other Sub-Saharan countries. Six SADC countries (South Africa, Angola, Zambia, Lesotho, Tanzania and Namibia) were among the top 10 recipients of FDI in Sub-Saharan Africa during the second half of the 1990s. Southern Africa has emerged as a strong pole for attracting foreign investment to SSA. From 1995 to date, more than 25 percent of FDI to Sub-Saharan Africa region was directed to Southern Africa.

The outlook for investment in SADC would not be complete without bringing the cross-border regional dimension into the picture. South Africa, Mauritius and Zimbabwe are the main sources of cross-border investment into other SADC countries. Currently, intra-regional investments in the SADC-region are concentrated in the following sectors: Mining, Tourism, Transport, Finance, Manufacturing, Retail, Telecommunications, Agriculture and Fisheries.

The main avenues for FDI in SADC are privatisation and public-private provision of infrastructural services. Most countries are also attracting resource-seeking foreign investment flows. In general, efficiency and market-seeking investment flows remain proportionately small.

2.2.2.6 Fiscal Balances

Despite efforts during 1990-2000 to bring negative fiscal balances to sustainable levels, most SADC countries continued to experience relatively high budget deficits. However, with only a few exceptions, all SADC Member States improved their fiscal positions during the 1990s. On average, budget deficits have been reduced in a significant number of SADC countries.

The control of current and capital expenditures, tax reforms (including the improvement of tax collection and the broadening of the tax base) and privatisation of state-owned enterprises have been the underlying reasons for these improvements.

Further reductions in budget deficits have proved difficult to achieve, given SADC countries' commitment to eradicate poverty through increased public provision of health and education facilities and services.

2.2.2.7 External Trade and the Terms of Trade

Foreign trade plays an important role in the economies of SADC Member States. Trade data on SADC countries reveal a number of features.

Firstly, trade is relatively a more important component of GDP in small countries like Lesotho and Swaziland than in large countries like South Africa. Total merchandise trade of the SADC increased between 1991 and 1998.

The export trade of Angola, Botswana, Democratic Republic of Congo (the DRC), Namibia, South Africa and Zambia is dominated by oil or mineral exports. The production of these commodities does not create much employment, as it is capital-intensive. Moreover, oil and mining industries have few linkages with the rest of the domestic sectors. In other countries agricultural commodities dominate export trade. The bulk of the imports of all SADC countries are intermediate and capital goods.

Available data on the terms of trade for SADC member countries suggest a long-term decline for SADC as a region and for Africa as a whole between 1980 and 1999.

Within Southern Africa, South Africa's intra-regional trade is concentrated in the SACU countries due to the existence of a customs union and a common monetary area. Of South Africa's exports to the Southern African region, which amount to 19 percent of total exports, 13 percent go to other SACU member countries. Five out of 7 percent of South Africa's imports from Southern Africa come from other SACU member countries.

Among other Southern African countries, Lesotho is overwhelmingly dependent on South Africa for its export market. A significant proportion of Zimbabwe's and to some extent Malawi's exports also finds markets in Southern Africa, mainly in South Africa. Otherwise, for the majority of the countries in Southern Africa, the OECD is the major export market. Asian export destinations are significant for Angola, Mauritius, Mozambique, South Africa, Tanzania and Zambia. The bulk of imports of SADC Member States originate in the OECD. For the DRC, Mauritius, Seychelles and Tanzania, Asian sources account for significant proportions of their imports; while for Angola and South Africa NAFTA is a significant source of their imports.

The level of extra-regional trade of SADC countries is quite high relative to intra-regional trade. This is largely attributable to the pattern of trade of SADC countries, which is similar and structurally weak. In the early 1990s, the bulk of their exports, about 90 percent, comprised of mineral and agricultural commodities sold mainly to industrialised countries with little or no value added. About two thirds of their imports were made up of intermediate and capital goods, purchased mainly from industrialised countries. Only South Africa and Zimbabwe have significant capacities to produce such goods.

2.2.2.8 Current Account Balance

The SADC overall annual average current account balance for the period 1990-2000 is *negative 7.0%*. However, an analysis of the underlying country trends during this period reveals three categories of countries. The first category represented by Botswana, Namibia, and to a certain extent Mauritius, enjoyed rising current account surpluses throughout the period of analysis.

The second category includes South Africa, Swaziland, Seychelles, and Zimbabwe. These countries have experienced a modest level of current account deficits, which do not exceed, on average, 5 percent of GDP during the period of analysis.

The third category of countries, with high and deteriorating current account deficits include Angola, Lesotho, Malawi, Mozambique, Tanzania, and Zambia.

2.2.2.9 External Debt and Aid

Most SADC countries have experienced an increasing external debt burden over the last two decades. In several countries, the debt burden has become extremely onerous. The stock of external debt in SADC stood at \$69.12 billion in 2001. External debt in relation to GDP has more than doubled in Angola, the DRC, Mozambique and Zimbabwe. On average over the period 1992-2000, it represented 173 percent of GDP in Angola, 175 percent in DRC, 124 percent in Malawi, 116 percent in Tanzania, 202 percent in Zambia and 238 percent in Mozambique. It is important to note, however, that in a few SADC Member

States, notably in Botswana, Namibia and South Africa, external debt remained stable at relatively low levels in relation to GDP.

Due to their debt positions, access to external sources of funds, other than official sources on highly concessional terms, remains limited. Resource-seeking FDI and project finance, associated with privatisation and public-private provision of infrastructural services, have been the main means for filling the savings-investment gap in these countries. But they remain highly dependent on ODA for this purpose.

Consistent with that outcome, *aid dependence* in SADC remains high at almost the same level in 1999 as in 1980 as measured in net ODA per capita. Given some of the countries' aid-dependence and high debt-burdens, maintenance of sound macro-economic policies in these countries may, for the foreseeable future, depend heavily on massive debt write-downs and very large continued aid flows.

2.3 ECONOMIC CHALLENGES

2.3.1 Overview

From the foregoing discussion it is possible to identify the main problems and challenges posed by the prevailing economic development framework to SADC cooperation and integration agenda. The main challenge is clearly to overcome the underdeveloped structure of the regional economy, improve macroeconomic performance, political and corporate governance and thus, unlock the untapped potential that lies in both the region's human and natural resources. In sum the main economic challenge facing the region is the development of an environment conducive to regional integration, economic growth, poverty eradication and to the establishment of a sustainable path of development. More specific challenges on the overall regional development framework for cooperation and integration in the SADC region include the following:

2.3.2 Adjustments in the Economic Structures and Convergence of Member States

The proportion at which different sectors contribute to total output is a major indicator of the level of development of different economies. The standard pattern of development of modern economies is one where higher proportions of output originate from the most dynamic sectors of the economy, viz. manufacturing and services.

Available indicators show that in the last two decades there has been a great deal of de-industrialisation in the SADC region, notably in Zimbabwe and

Zambia. If the region is to develop faster and take advantage of regional integration and globalisation, Member States will need to address the constraints facing the supply side of their economies, including those related to inadequate regional infrastructural linkages.

A successful restructuring of SADC member states should lead to more diversified economies and to significant reduction in the member states over dependence on primary commodities. This would also contribute to increases in the volume of intra-regional trade.

Equitable and balanced development of Member states is one of the objectives of SADC. If this objective is to be achieved the widening in the gap between member states incomes discussed above needs to be reversed in a reasonable time frame. Indeed deeper integration of the regional economy should lead to economic convergence and not divergence amongst Member States.

2.3.3 Further Improvements in Macroeconomic Indicators and Policy Management

Despite that significant improvements have been achieved in the area of macroeconomic management and performance, a lot still remains to be done if SADC is to make a dent in poverty in the next decades. The foregoing discussion on selected macroeconomic indicators has shown that income growth rates, inflation, fiscal deficits, current account deficits, resource gaps in savings and investment and the burdens of external debt remain far from the desired and sustainable levels which could set the appropriate stage for a successful cooperation and integration process.

In view of this situation, SADC Member States have to individually and collectively continue deepening and improving their macroeconomic fundamentals.

2.4 SOCIAL AND HUMAN DEVELOPMENT SITUATION AND INDICATORS

2.4.1 Overall Situation and Indicators

The levels and rates of growth of human development, as measured through the Human Development Index (HDI), which incorporates life expectancy at birth, combined gross enrolment ratios at all levels of education, adult literacy, and real per capita income, vary and fluctuate among SADC member States. According to the 2000 SADC Regional Human Development Report, the average HDI for the SADC region in 1998 was 0.538 in comparison to 0.568 in 1995. The majority of SADC Member States fall within two broad categories of human development. Seven Member States fall in the medium human development

category, with an index value of 0.500 – 0.799, whilst six are in the low human development category with an index value below 0.500.

The Report further revealed that on average the SADC region experienced a decline of about 5 percent in its HDI between 1995 and 1998. The decline was attributed to a fall in all the key variables of the human development index, with real per capita income and life expectancy at birth accounting for the largest decline of 7.8 percent and 5.6 percent respectively. The reduction in life expectancy is largely due to the impact of the HIV/AIDS pandemic, whilst the low economic growth was the major contributory factor to the drop in the real per capita income.

Notwithstanding the above-mentioned overall declining trend, positive changes were registered in the three key variables other than life expectancy by some Member States. Seychelles and South Africa recorded about 25 percent and 17 percent growth in gross enrolment respectively. Adult literacy increased by between 6 and 15 percent in Namibia, Mozambique, Botswana, Tanzania and Lesotho. Real per capita income grew by about between 6 to 14 percent in Botswana, Zimbabwe, Mauritius and Lesotho.

The SADC HDI is much lower when gender disparities are factored into the three key components of human development through the Gender-related Development Index (GDI). This gender disaggregated index stood at 0.536 in the late 1990s and declined by 0.87 percent from the mid-1990s. This was mainly due to a fall in life expectancy, adult literacy rate and combined education enrolment ratio.

2.4.2 Poverty Situation

Poverty in all its dimensions is one of the major development challenges facing the SADC region. The poverty situation in the region is largely reflected in the low levels of income and high levels of human deprivation. Available statistics indicate that about 70% of the population in the region lives below the international poverty line of US\$2 per day while 40 percent of the region's population or 76 million people live below the intentional poverty line of US\$1 per day. Recent figures from the ADB and the World Bank show that about 80 percent of the population in some Member States such as Mozambique and Zambia is estimated to be living in extreme poverty.

With regard to human poverty, this varies among Member States and has shown some fluctuations in the last decade. The levels range from the highest figure of about 54.7 percent of the population affected by human poverty to the lowest index of 11.6 percent. A few Member States such as Mozambique, Malawi, and Zambia are worst affected as they have a human poverty index of above the regional figure of 31.5 percent. About half of Member States have an index just

slightly below the regional average. Although a declining trend was observed during the late 90s, human poverty is on the increase in some Member States.

The greatest deprivation is mainly in the area of low access to safe drinking water and child malnutrition. Almost half of Member States' indicators on these two components of human poverty are below the regional average. In terms of access to safe water, the most affected countries are Angola, Mozambique, Lesotho, Malawi, Zambia and Swaziland. With regard to child malnutrition, nearly all the afore-mentioned countries (except for Lesotho and Swaziland), including Tanzania and Namibia have more than 26 percent of under five children affected by malnutrition.

The problem of poverty as reflected in poor access to water and malnutrition has been further aggravated by the drought situation that has hit the region as manifested in the current food crisis. Currently about 14 million people are threatened with starvation in the region.

Poverty in the SADC region is particularly acute among various vulnerable groups such as households headed by old people and child-headed households, that are now on the increase due to the impact of HIV/AIDS pandemic. Poverty in Southern Africa is a consequence of economic, technical, environmental, social, political and exogenous factors. Low and unsustainable rates of economic growth in the wake of higher rates of population growth result in low incomes. Often, the poor lack adequate capital assets – physical, financial, human, natural and social. Among other things, lack of adequate physical and financial capital may be caused by unwillingness or inability to postpone consumption and lack of access to financial markets. Lack of adequate human capital may be the result of absence of educational facilities, high opportunity cost of being in school, high cost of education and training or limited appreciation of the value of education. Lack of adequate natural capital may be the consequence of environmental degradation, unequal distribution of land or pressure on the land caused by growth of population or marriage systems that lead to settlement in areas that are already overpopulated. And lack of adequate social capital may be the result of absence of relatives, neighbours, friends or other people with whom the poor can interact.

Apart from lack of adequate capital assets, the rates of return on the physical, human and social capital of the poor are generally low due to low physical productivity and low prices for their goods and services, which are the by-products of:

- Inefficient use and management of scarce capital assets as defined above;

- Unequal economic power between the rich and the poor within their countries and between their countries and rich states, both of which work to the disadvantage of the poor who have little control over the determination of the prices of their goods and services;
- Limited economic opportunities characterised by small domestic markets for goods and services and lack of avenues for productive paid-and self-employment; and
- Soil erosion and degradation, water pollution and scarcity, and depletion of forests and other natural resources caused by inappropriate agricultural practices, urban development and growth of population.

Low physical productivity is also the result of the use of unimproved technology the reasons for which include:

- Lack of interest by governments in promoting appropriate indigenous technology;
- Lack of access to modern technology due to high cost and restrictions on the use of patented technology; and
- Inability to make effective use of modern technology because of lack of knowledge and due to illiteracy.

The rates of return on deposits placed by the poor at formal financial institutions tend to be relatively low. At semi-formal or microfinance institutions the rates of return are also low, if not lower.

Over the past two decades, in several countries the poor have been particularly adversely affected by the effects of structural adjustment measures such as:

- Removal of agricultural input subsidies which has resulted in an increase in the cost of production;
- Privatisation of state marketing corporations which has led to the closure of some of the markets that serve the poor;
- Retrenchments which have led to unemployment;
- Currency devaluations which have led to a marked increase in domestic prices of inputs and final products;
- Liberalisation of interest rate determination which has led to a marked increase in the interest rates at which the poor borrow money from financial institutions; and

- Decontrol of maximum product prices, which has led to a sharp increase in prices.

The poor are also vulnerable to economic shocks and instability arising from other factors; droughts, floods and other natural disasters; illness and violence; and the high rate of crime in the region, which makes life and property insecure and discourages economic activity.

Socially, the poor are subject to norms, values and customary practices that disadvantage women and other groups economically, socially and politically or lead to their exclusion and powerlessness. These norms and values include:

- Socio-economic stratifications where women are not valued as much as men;
- Inequitable and oppressive social relations concerning gender; and
- Large families, which overburden women.

Politically, the poor are the victims of bad governance reflected in:

- Unequal distribution of political power which has left the poor voiceless and powerless;
- Corruption which wastes and diverts resources from activities that promote the interests of the poor;
- Lack of transparency and accountability which has the same effects as corruption; and
- Inefficient bureaucracies which do not promote the interests of the poor

SADC Member States are addressing their poverty problems either through Poverty Reduction Strategy Papers (PRSPs) or through other initiatives. Lesotho, Malawi, Mozambique, Tanzania and Zambia have each prepared a PRSP (Swaziland is preparing one now) in broad consultation with stakeholders who will participate in monitoring poverty reduction and growth strategies. While PRSPs are not tailor-made, they all support policies that aim at helping the poor so that they can benefit from growth by expanding their opportunities, with focus on safety nets, pro-poor economic growth emphasizing productive sectors and employment creation, building human, physical and other capital assets of and for the poor, good governance and a conducive macroeconomic environment.

2.4.3 Selected health, education and labour indicators

A further disaggregation and deeper examination of the social and human development indicators reveals wide variations and gaps in terms of levels of human capabilities among Member States.

i) **Infant and Maternal Mortality Rates**

The health status of the region's population is characterised by large discrepancies among Member States on basic indicators such as infant, child and maternal mortality rates. Available statistics from the SADC Health Sector Policy Document show that the average Infant Mortality Rate (IMR) for the SADC region is 80 per 1,000 live births. It ranges from 9 in the Seychelles to 166 in Angola. Malawi, Mozambique and Zambia also have IMRs above 100.

Although the SADC region has a lower IMR (80) than the rest of the African continent (105), it lags far behind other regions of the world such as North America (6), EU (30) and ASEAN (45). The levels of IMR have serious implications for the survival, well-being and development of children in the region.

With regard to maternal mortality rate, the level for the SADC region at 486 deaths per 100,000 live births compares favourably with that for the African continent at 832. However, the SADC level in general is still far above that of other regions of the world such as the EU (12), North America (43) and ASEAN (273).

The relatively poor health indicators for SADC are largely a reflection of the continued burden of diseases in the region particularly communicable diseases such as the HIV/AIDS pandemic, tuberculosis, malaria, polio, hepatitis B, cholera and dysentery. The HIV/AIDS pandemic, by virtue of its magnitude, is the single greatest developmental and public health concern. These diseases are aggravated by high levels of malnutrition, particularly among women and children.

ii) **HIV/AIDS Pandemic**

The SADC region faces a severe HIV/AIDS epidemic. The current extent of the pandemic has affected virtually every aspect of the lives of the people in the SADC region and has now reached crisis proportions. Since the mid-80s when HIV/AIDS was identified in most countries of the region, there has been a rapid increase in the numbers of adult and children infected with, and dying from HIV and AIDS, with corresponding adverse impact on the socio-economic development of the region. The HIV/AIDS pandemic, by virtue of its magnitude, is the single greatest developmental and public health concern. UNAIDS has estimated that over one million people died of AIDS in the SADC region in 2001, cumulatively this brings the total number of deaths since the start of the epidemic to over 20 million.

The levels of infection in the individual countries have placed SADC on the top list of the most affected region in the world. Even though the 14 countries are at different levels of the maturity of the epidemic, all indicators point towards a severe state of the epidemic. Estimates of the severity of the epidemic using adult prevalence rates show that about 20 percent of the entire adult population aged 15 – 49 is currently infected in nine Southern African countries. These are Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe. Some worst countries have adult prevalence rates of over 40 percent.

The devastating impact of the pandemic continues to be felt at all levels of society within the region. The overall effect also continues to be reflected in the demographic structure of the population, with life expectancy dropping significantly to around 40 – 50 years, child and adult mortality rising and the number of orphans continuing to increase at an unprecedented rate. Apart from a significant decline in the labour force, there will be a younger, ill-qualified and inexperienced pool of human resources in the labour market.

This is due to the fact that most HIV/AIDS victims are educated, skilled and enterprising and require long periods of training and skill acquisition. Since this category of population provides the technical, professional and managerial backbone of the economies of Member States, there is an imminent threat that the epidemic will undermine the socio-economic development efforts in Member States and the integration process in the region in general.

The negative impact of the HIV/AIDS pandemic is also being manifested in the following ways:

- It is decreasing the productive capacity of all the sectors due to the loss of key personnel. This in turn is reducing the levels of tax revenues and thereby lowering the capacity of the public sector to effectively provide social services such as health, social welfare and education.
- The decline in the productive capacity of the economy also leads to a decline in savings and investment rates and eventually the GDP growth rate.
- It is reducing the productive capacity of agriculture, especially the subsistence agriculture sub-sector due to the loss of the economically active population.
- The education sector is also affected due to lower rates of educational attainment and falling enrolment of children affected by HIV/AIDS, together with losses of education personnel.
- Health care systems are overwhelmed with HIV/AIDS patients with the result that health workers are overburdened, health care costs are escalating

and acute conditions are being “crowded out”. Conditions such as tuberculosis (TB), which were almost being brought under control in the 1970s, have re-emerged as a result of the HIV/AIDS epidemic, further straining the overstretched health care systems.

- The epidemic has also led to an increase in the number of orphans, street children and child-headed households.

In response to the HIV/AIDS epidemic in the Southern African Development Community (SADC), Member States in the SADC region have been implementing HIV/AIDS programmes since the mid-80s in order to:

- i) prevent or reduce the transmission of HIV and other STDs and
- ii) reduce the socio-economic impact of HIV/AIDS among individuals, families and communities.

In the early stages of the epidemic, many countries were guided in the implementation of HIV/AIDS Programmes by the WHO’s Global Programme on HIV/AIDS (GPA) which was later supplanted by UNAIDS in 1996. The early HIV/AIDS response was mainly centred around raising awareness on HIV/AIDS through IEC and communication for behaviour change (abstinence, mutual faithfulness), condom promotion and treatment of STDs as well as clinical and home-based care. These early approaches were predominantly medical and health-focussed in nature and largely neglected the participation of other sectors in the response. In addition, it emerged that there was (and there still is) the challenge of narrowing the gap between knowledge and behaviour.

As the epidemic continued to evolve in the 1990s and effects became increasingly cross-cutting, there was a realization that the health sector alone could not respond to, and cope with the wide-ranging socio-economic consequences and manifestations brought about in its wake. Therefore, there was shift in the programming paradigm from a medical to a more multi-sectoral, participatory and inclusive approach.

iii) **Adult Literacy Rate**

Indicators of educational status such as adult literacy rate, and enrolment ratios at various levels are also characterised by wide variations among Member States. Although SADC recorded the lowest adult illiteracy rate of 27 percent as compared to other regions in Africa, some Member States such as Angola and Mozambique, still have rates above 50 percent. In addition, only six Member States have adult literacy rates in the range of 80 percent. The region is still faced with a challenge of eradicating one of the basic components of human poverty; namely, adult illiteracy.

iv) **Primary and Secondary Enrolment Rates**

The majority of Member States have net enrolment rates at the primary level below the range of 80 – 100 percent. This situation has implications for the attainment of universal access to education in the region. At the secondary level, only four Member States have net enrolment rates in the range of 80 - 90 percent.

v) **Tertiary Enrolment Rates**

In spite of significant investments made by the region in tertiary education, it has not fully exploited this potential in respect of the provision of high level education. Currently, tertiary enrolment rates are below 50 percent in most Member States. This state of affairs has serious implications for the region in terms of its competitiveness given the critical role that high level skills play in the knowledge-based global economy.

vi) **Unit Costs of Education (Efficiency Levels)**

Although it is not possible to provide a comprehensive picture on the unit costs of education in the SADC due to lack of up-to date data, available information show that the region is characterised by low levels of efficiency in the provision of education. The unit costs of education relative to GDP per capita are higher in SADC compared to other regions in the developing world. This is a consequence of high repetition/dropout rates and higher overhead expenses. There is, therefore, need for improving the efficiency in education spending in the region so that scarce public resources are allocated where the returns are higher and for the benefit of the majority of the population

vii) **Employment and Productivity Indicators**

Employment levels and labour productivity trends in the region are generally low. Although it is difficult to quantify the employment levels due to lack of data, available information indicates that there has been a general decline in formal sector employment in the majority of Member States.

The low employment levels in the region are largely due to a combination of factors leading to low levels of economic growth. These include distortions in factor prices and the short-term negative effects of structural adjustment programmes. The use of capital-intensive techniques of production in some sectors of the economy that have the potential for employment generation has further aggravated the unemployment problem. As a consequence, a large proportion of the growing labour force is absorbed in the informal sector, which currently is characterised by low levels of incomes and underemployment. The

youth and women are the most affected by unemployment and underemployment.

With regard to productivity, available figures show that labour productivity during the mid 90s increased by an average of 1.3 percent per annum in the SADC region. The net effect of high levels of unemployment and low levels of productivity is an increase in levels of poverty.

These above-mentioned employment and productivity trends have serious implications for the efficient utilisation of the region's human resources and the overall competitiveness in the global economy and market. There is urgent need for SADC to promote productivity as a strategy for sustainable regional competitiveness and for socio-economic development

2.5 CHALLENGES AND OPPORTUNITIES FOR SOCIAL AND HUMAN DEVELOPMENT

Although the SADC region has generally improved its human capabilities over the last decade, there are a number of major challenges that should be addressed, including those in the following key areas:

2.5.1 Education and Training

- the negative impact of the HIV/AIDS pandemic on the education and training sector;
- inequitable access especially by disadvantaged groups such as women and disabled people and people from rural areas;
- limited access to high level training and mismatch between supply and demand for skilled labour;
- lack of comparable standards and qualifications across all training institutions and countries;
- shortage of critical skills in key areas, which are vital for higher productivity and competitiveness;
- high cost of providing the required infrastructure;
- loss of educated and skilled personnel arising from the brain drain and the devastating impact of the HIV/AIDS pandemic;
- the need for the education system to prepare students for self-employment through the provision of relevant technical, entrepreneurial and indigenous skills.

2.5.2 **Health and Nutrition**

3.5.2.1 **Challenges**

The main challenges in the area of health include:

- reducing the heavy burden of major diseases particularly HIV/AIDS, TB, malaria, cholera and cancer.
- mobilisation of adequate resources for the provision of health care infrastructure, health services and the training of health personnel.
- addressing the problem of lack of understanding or appreciation of the gender dimensions and their mainstreaming in all the health interventions.
- reversing the loss of health professionals arising from the impact of the HIV/AIDS pandemic and brain drain.
- combating of high levels of malnutrition particularly among vulnerable groups such as children, youth, women and the elderly.

2.5.2.2 **Employment and Labour**

- removing structural distortions in the economies of Member States and combating of high levels of unemployment and underemployment, especially among women and youth.
- gender inequalities in the labour markets and inadequate mainstreaming of gender concerns in the policy formulation and programme implementation.
- inadequate integration of employment and labour issues in overall economic and social development.
- weak institutional and human capacity for the collection, analysis, harmonisation, utilisation and dissemination of labour market information and data.
- lack of a policy framework for promoting social dialogue and social protection.
- lack of a comprehensive framework to facilitate smooth movement of labour as a factor of production.
- HIV/AIDS affecting the most productive labour force.

- lack of positive cultural attitudes towards productivity, entrepreneurship and innovation.

2.5.2.3 **Culture, Information and Sport**

- Limited access to cultural institutions and lack of a legal framework for the protection of cultural heritage, intellectual property rights and related rights.
- Inadequate institutional framework for the promotion of cultural industries and the need for SADC to take advantage of its rich and diverse cultures.
- Existence of barriers, weak institutional framework and infrastructure for the collection, utilisation and dissemination of information on regional cooperation and integration in SADC.
- The need to promote pluralistic media systems, protect freedom of the press and other media and to ensure objectivity and responsible journalism.
- Lack of participation of all key stakeholders in implementation and resourcing of regional cultural and sporting programmes and events as well as in publicising SADC.
- Reduction of the information gap between urban and rural areas in Member States and promotion of local/regional media content.
- Lack of efficient and cost-effective communications infrastructure and facilities to disseminate and distribute information.
- Lack of a stable institutional framework for dealing with sports issues and inadequate provision of material, human and financial resources.
- Limited participation of women and people with disabilities in sports.

However, there are opportunities for improving human capabilities and well-being in the region. The major factors include the creation of appropriate policy and legal frameworks through the adoption of Protocols in nearly all the aforementioned areas. In addition, some key programmes have been designed to address the existing constraints. The region has also been able to forge strategic links and partnerships with key stakeholders within the region and with specialised inter-governmental agencies to share expertise, information and experiences on best practices in dealing with the identified challenges.

CHAPTER 3

REVIEW OF THE EXISTING SOCIAL AND ECONOMIC POLICIES AND STRATEGIES

3.1 INTRODUCTION

Since its inception in 1980 (as SADCC), SADC has constantly engaged in developing policies and strategies in the different areas of regional cooperation and integration, aimed at achieving its objectives. These strategies and policies were consolidated into sectoral strategy papers, Memoranda of Understanding (MOUs) and Protocols, which are key to the process of Community Building.

During its 22 years of existence SADC has made significant progress in the areas of regional cooperation and regional market integration, as well as in regional infrastructure and services.

This chapter briefly analyses and evaluates current economic and social policies and strategies of the different areas of regional cooperation and integration in SADC. This evaluation is intended to identify the gaps and challenges facing SADC at present, in order to rationalise the SADC Programme of Action (SPA) and strategic priorities over the next 15 years, in line with SADC's main objectives.

The review of current policies and strategies will be done according to the following new clusters:

- Trade, Industry, Finance and Investment (TIFI);
- Infrastructure and Service (IS);
- Food, Agriculture and natural resources (FANR);
- Social and Human Development and Special Programmes (SHDSP)

3.2 TRADE, INDUSTRY, FINANCE AND INVESTMENT

3.2.1 OVERVIEW

The Trade, Industry, Finance and Investment (TIFI) cluster comprises of trade and industry, mining and finance and investment. These sectors are intrinsically interrelated and can easily influence development and poverty reduction in the region.

Trade is viewed as catalytic to deeper regional cooperation and integration and can foster growth and poverty reduction. It is therefore an important instrument for sustainable economic development. As in the case of MERCOSUR, ASEAN and CARICOM, those countries that have integrated themselves into the world economy through trade and investment have enjoyed higher economic growth,

an improvement in many key social indicators and the standard of living of their peoples.

SADC exports are mainly primary and unfinished goods (about 90% of SADC exports comprise of mineral and agricultural goods), and its imports are mainly capital and intermediate goods. Only the Republic of South Africa (RSA) and to some limited extent Zimbabwe have the capacity to produce capital and intermediate goods. This impacts negatively on the development of the Region and leads to imbalances in economic levels. Furthermore, the Region produces similar primary goods, which are mainly agro and mineral based.

The SADC region produces significant quantities of major metals and minerals. It contributes about 53% of vanadium, 49% of platinum, 40% of chromite, 36% of gold, 27% of diamonds and 20% of cobalt to the world production. A number of SADC countries rely on this sector for their foreign exchange earnings and there is potential for investment and wealth creation in it.

Gross Domestic Savings (GDS) fell short of regional Gross Domestic Investment by 2.7% during the period 1980-99. SADC is undertaking major financial sector reforms in order to increase gross domestic savings.

In the early 1990s SADC as a group attracted an average of US\$ 691 million FDI, which quadrupled during the period 1995-98 to US\$3061 million and of this investment, South Africa accounted for two-thirds. RSA also accounts for 50% of FDI inflows to other SADC countries and 25% of FDI in Sub-Saharan Africa was directed to the RSA between 1995-2000. The level of investment for the rest of SADC averaged 23 % of GDP.

In general, inflation rates showed a declining trend for the more stable countries of SADC during the first half of 2000. However interest rates have remained high for the whole of SADC with very wide variations from rates below 20% to rates ranging between 40 and over 100%. In addition to this, most Member States have experienced an increasing external debt burden in the last two decades. This calls for sound regional debt management policies in SADC.

The policies that have so far been developed in all the above sectors will be evaluated on the basis of their relevance to overall objectives of the SADC region as well as the progress so far made by member states in effecting them for the development of trade, industry, mining, finance and investment in the region. This will also be looked at in context of constraints arising from lack of capacity of Member States to implement regional policies.

3.2.2 TRADE

3.2.2.1 Review of Current Policies and Strategies

The SADC Protocol on Trade, as amended, envisages the establishment of a Free Trade Area in the region by 2008 and its objectives are to further liberalise intra-regional trade in goods and services; ensure efficient production; contribute towards the improvement of the climate for domestic, cross-border and foreign investment; and enhance economic development, diversification and industrialisation of the region. The specific strategies adopted to achieve these objectives are:

- The gradual elimination of tariffs;
- Adoption of common rules of origin;
- Harmonization of customs rules and procedures;
- Attainment of internationally acceptable standards, quality, accreditation and metrology;
- Harmonization of sanitary and phyto-sanitary measures;
- Elimination of non-tariff barriers; and
- Liberalization of trade in services.

3.2.2.2 Evaluation of Trade Policies and Strategies

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. On the whole, the SADC trade policies and strategies are consistent with the objectives of eliminating obstacles to the free movement of capital, labour and goods and services and the improvement of the region's economic management and performance through regional cooperation with the ultimate goal of eradicating poverty.

The success of this depends on the effective implementation of the trade protocol by all Member States especially with regard to elimination of tariff and non-tariff barriers that takes into consideration the specificities of different Member States. These are to be accompanied by appropriate rules of origin, which will encourage the optimum utilisation of regional resources and allow forward and backward linkages in the various production chains.

Measures have also been taken to harmonise customs rules and procedures. These coupled with internationally acceptable standards, quality, accreditation and metrology as well as harmonisation of sanitary and phytosanitary measures are expected to enhance intra-SADC trade. As far as services are concerned, a

legal framework will be adopted to ensure compliance with international commitments made by SADC Member States.

3.2.2.3 Challenges for Trade Policies and Strategies

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 within the framework of the SADC Trade Protocol and to speed up implementation bearing in mind the underlying principles and objectives of the protocol. This also entails compliance with and implementation of WTO obligations as well as taking advantage of preferences provided under the Cotonou Agreement and the Africa Growth Opportunity Act.

It would be essential therefore to address the supply side constraints as well as competitiveness of industry with regard to production and to cushion the impact of the international tariff reduction on the development of the smaller, landlocked and less developed members of SADC.

As SADC moves into higher levels of integration such as the customs union, the issue of overlapping membership of SADC countries in a number of other regional bodies and the conflicting obligations arising thereof should be addressed urgently. A resolution on this issue would strengthen SADC's position as a building bloc of the African Union. The challenges posed by globalisation especially within the framework of the WTO, the AGOA and the Cotonou Agreements should be taken into account.

The other challenge is in developing new policies and strategies that would target vulnerable groups such as the rural and urban poor, small businesses, informal operators and women to ensure that they take advantage of the policies.

3.2.3 INDUSTRY

3.2.3.1 Review of Current Policies and Strategies

Current policies and strategies being pursued in the region focus on export promotion, promotion of industrial linkages, efficient import substitution, improvement of the investment climate, facilitation of imports of essential goods, regional human development, enhancing industrial support services, equitable distribution of industrial activity and adopting flexible market oriented exchange rates.

3.2.3.2 Evaluation of Current Policies and Strategies

These policies are in line with the strategic objectives of harmonising sound macroeconomic policies and maintaining a conducive environment for both local

and foreign investment; development of deliberate policies for industrialisation; and the development of economic and social infrastructure. SADC industrial policies and strategies have to a limited extent contributed to the development of industry in the region. There is need therefore to ensure a balanced and mutually beneficial industrialization in the region with focus on the promotion of industrial linkages and efficient utilisation of regional resources for the creation of productive employment opportunities across the region.

3.2.3.3 Challenges in Current Polices and Strategies

The industrial sector needs to withstand the challenges of globalisation, which range from competitiveness to industrial and product diversification, productivity, technology transfer and research and development. This can only be achieved with an overall improvement in productivity and competitiveness combined with a diversified and balanced industrial growth in a wider, well-linked economic space that allows for the efficient and effective use of factors of production on the basis of increased value addition. The new industrial strategies and policies need to encourage the participation of women in the development of small and medium scale enterprises and promote the use of information and communications technology.

3.2.4 MINING

3.2.4.1 Review of Current Policies and Strategies

The main focus is on the development of a regional mining sector that is economically, socially and environmentally sustainable, capable of meeting the regional mining challenges as well as ensuring long-term competitive growth for the sector. To this end, policies are being harmonised with a view to improving investment climate, information flows and development of a commercially viable small-scale mining industry with greater participation of women.

3.2.4.2 Evaluation of Current Strategies and Policies

The mining sector policies and strategies are in line with the SADC's strategic priority of promoting and maximizing productive employment and the utilization of resources of the region. Since the Protocol on mining came into force in 2000, mining legislation has almost been harmonised in all SADC Member States with the exception of the D.R.Congo. However, there is still need for harmonization of policies targeted at developing the sector. The sector has also achieved enhanced mineral prospectivity and all Member States have accessible databases. Public and private mining and training institutions have been effectively networked. The sector is, however, still constrained in terms of dealing with barriers to the flow of factors of production in order to facilitate more investment in it. In an endeavour to improve export earnings and derive more benefit from minerals, SADC is developing strategies for value addition.

3.2.4.3 Challenges in Current Policies and Strategies

The challenges in the mining sector include the acquisition of technology and know how to facilitate value addition, facilitating more investment in the sector and ensuring environmentally sustainable development. Another challenge is that of increasing the participation of small-scale operators and vulnerable groups including women.

3.2.5 FINANCE AND INVESTMENT

3.2.5.1 Review of Current Policies and Strategies

The policy objectives for the finance and investment sector include encouraging movement towards regional macroeconomic stability and convergence through prudent fiscal and monetary policies; providing a framework for co-operation in the area of finance; promoting the development of sound investment policies and encouraging savings; facilitating and stimulating investment flows and technology transfer and innovation in the region.

The strategies for achieving these policy objectives for finance and investment include pursuit of macroeconomic convergence, co-ordination of direct and indirect taxes, liberalization of current and capital account transactions, reform of payments systems, resource mobilization through development finance institutions and other financial entities and improving incentives for investment. In addition, it is important that national investment acts, codes or guidelines facilitate investment in the region and that policies promote free movement of capital in SADC as well as encouraging Member States to accede to international conventions on the protection and guarantee of investments.

For a number of themes, Memoranda of Understanding (MOUs) have been prepared. The MOUs on Macroeconomic Convergence and Cooperation in Taxation and Related Matters have been signed while those on Investment promotion, Exchange Control Policies, Payment, Clearing and Settlement Systems, and Harmonization of Legal Operational Frameworks of Central Banks of SADC and Development Finance Institutions (DFI) are still being processed. Other forms of cooperation exist amongst stock exchanges, commercial banks and non-banking financial institutions.

Under the Macroeconomic Convergence MOU, Member States have agreed that to achieve and maintain macroeconomic stability, all countries should converge on stability-oriented economic policies, which include, restricting inflation to low and stable levels, maintaining prudent fiscal stance that eschews large fiscal deficits, and high debt servicing ratios, and minimize market distortions. A

macroeconomic surveillance mechanism will be established to monitor the move towards convergence on selected indicators.

The MOU on Cooperation in Taxation and Related Matters underscores the need for cooperation on capacity building in the area of taxation with the aim of harmonising tax regimes, the application and treatment of tax incentives, direct and indirect taxes and treaties to avoid double taxation.

3.2.5.2 Evaluation of Current Policies and Strategies

The policies and strategies are generally consistent with the SADC Common Agenda and they conform to the overall strategic priorities of the region as they relate to achieving complementarity between national and regional strategies and programmes, creating appropriate institutions and mechanisms for mobilization of requisite resources and progressive elimination of obstacles to the free movement of capital.

There has been substantial liberalization of the banking, finance and capital markets as well as investment services in SADC unilaterally and through a number of agreements and memoranda of understanding. Apart from the ongoing initiative of developing the Finance and Investment Protocol, the sector has already implemented a number of activities to promote investment, such as the investment forums in the region and outside and the annual Southern African Economic Summit. The SADC Committee of Central Bank Governors has developed a monetary and financial statistical database, developed an information bank on the policies and structures of SADC Central Banks, improved the national clearance, payments and settlement systems and facilitated repatriation of bank notes and coin among SADC countries, among others.

Financial reforms in Southern Africa have largely focused on the banking sector with a view to making them more competitive. The main features of these reforms have been liberalization of entry into the banking industry, removal of official controls on deposit and lending interest rates, and strengthening of central bank regulatory and supervisory functions to improve prudence. The adoption of these financial reforms has permitted new financial institutions to enter the banking industry and facilitated the introduction of new financial products. These reforms have however not been sufficient to increase competition or stimulate increased savings mobilization and intermediation services in all countries. Access to credit and capital remains an area of concern for small to medium enterprises and the vulnerable groups such as the disabled and women. Most SADC members are operating effective stock exchanges, which have an important role in mobilizing savings, facilitating privatisation and attracting foreign capital.

However, except for the Multilateral Monetary Area (MMA) countries (Lesotho, Namibia, South Africa and Swaziland) there is no substantial integration in the monetary sector within SADC. As SADC approaches the Common Market, there will be need to coordinate and to some extent harmonize monetary policies in order to achieve balanced development of the region.

Seven SADC Member States have investment acts whose main aim is to attract foreign investment by offering low corporate and personal income tax rates; tax holidays and exemptions on profits, dividends, interest and royalties; exemptions from import duties and sales tax on inputs and capital equipment; tax rebates and drawbacks; and other allowances. In many respects these investment laws are similar and hence very competitive. Therefore, there is need for coordination of policies and activities for promoting investment in the region including acceptance by Member states to credit rating, which would give investors confidence in the region.

3.2.5.3 Challenges in Current Policies and Strategies

The main challenge for SADC is to intensify the pace of integration and harmonisation in this sector and to increase domestic savings and investment in the region. SADC also has to implement sound macroeconomic and prudent fiscal and monetary policies that will facilitate the reduction of inflation and interest rates, deficits, debts and the free flow of capital through liberalisation of exchange controls. Another challenge is that despite substantial liberalisation in the financial sector, small and medium enterprises continue to face difficulties in accessing credit from the banking system. There is also a need for financial reforms for the non-bank finance institutions. Such reforms should address the case for women entrepreneurs, who are constrained by laws and procedures, which deny them full capacity to access credit.

The other serious challenge facing the region is how to stamp out money laundering, which is assuming great proportions not only in the region, but also at the continental level.

3.3

INFRASTRUCTURE AND SERVICES

3.3.1

OVERVIEW

The development of infrastructure and services is critical for promoting and sustaining regional economic development, trade and investment. The potential for deepening integration through the sharing of the production, management and operations of infrastructure facilities, hubs, development corridors or poles is considerable.

While the overall picture is one of inadequate coverage, poor maintenance, weak financing and inefficient management systems, differences do exist across the countries in the Region. Many countries have been able to upgrade and expand their infrastructure assets and improve services through a combination of policy changes, institutional reforms and conducive investment climate. These policy reforms have paved the way for increased private sector involvement in the provision of infrastructure resulting in commercialisation and cost recovery measures being put in place. The major challenge now facing Governments is to establish regulatory frameworks to foster fair competition, support the emergence of a regional market and ensure that end users obtain the expected benefits.

In order to enable the region to meet the challenges of infrastructure development, SADC has put in place legal and policy frameworks through the formulation and adoption of appropriate instruments such as protocols and policy and strategy guidelines. These are examined in the subsequent sections.

3.3.2 ENERGY

3.3.2.1 Review of Current Energy Policies and Strategies

The overall goal of the Energy Sector is to ensure the availability of sufficient, reliable, least-cost energy services that will assist in the attainment of economic efficiency and the eradication of poverty whilst ensuring the environmentally sustainable use of energy resources. The sub-sectors for cooperation include woodfuel, petroleum and natural gas, electricity, coal, new and renewable sources, and energy efficiency and conservation.

The SADC Protocol on Energy was signed in August 1996 and came into force in April 1997 after receiving the required number of ratifications. The Protocol aims at the harmonisation of national and regional energy policies; cooperation in the development of energy and energy pooling; ensuring the provision of reliable, continued and sustainable energy services in the most efficient and cost-effective manner; promoting joint development of human resources and organisational capacity building; and cooperation in research, development, adaptation, dissemination and transfer of low-cost energy technologies.

The Protocol provides the broad legal and policy framework for cooperation in the energy sector and is operationalised through a SADC Energy Cooperation Policy and Strategy and an SADC Energy Sector Action Plan approved by the SADC Council of Ministers in 1996 and 1997 respectively. The Action Plan identifies four priority areas as Energy Trade, Information and Experience Exchange, Training and Organisational Capacity Building, and Investment and Funding. An SADC Energy Activity Plan (approved by Council in 2000) further elaborated the four priority areas into a detailed programme of activities to be implemented over a 3-5 year period.

3.3.2.2 Evaluation of Current Policies and Strategies

The Energy Policy Framework is comprehensive and its emphasis on the availability of sufficient, reliable and least cost energy services addresses the broader SADC objectives which include attracting investment and promoting competitiveness and trade as a means for eradicating poverty, bearing in mind the need for the environmentally sustainable use of energy resources.

The policy framework is also supportive and responsive to the SADC's strategic priorities that are targeted at industrialisation, the promotion of economic and social infrastructure, developing agriculture, gender mainstreaming, human resources development, and improving social welfare.

Although progress in the implementation of the Protocol has been rather slow, some encouraging strides have been made especially in the electricity sub-sector through the Southern African Power Pool (SAPP). The interconnection of power grids has progressed well and resulted in the introduction of a short-term energy market, which has turned SAPP into a competitive pool. Encouraging progress has also been recorded in the establishment of a Regional Regulatory Association (RERA).

3.3.2.3 Challenges in Policies and Strategies

Although the SADC Energy Sector policy framework is comprehensive and addresses the broader SADC objectives and strategic priorities, the programmes on the ground fall short of addressing some of the objectives of the Protocol. The challenges include the need to develop programmes that will address gender issues, and research and technology development. In addition, there is need to secure funding for projects/programmes dealing with grid interconnections, joint exploration, rural electrification, new and renewable sources of energy, and energy efficiency and conservation. Overcoming these challenges would not only add momentum to the longer-term vision of full economic integration, but would also contribute considerably towards increased economic growth and poverty reduction.

3.3.3 TOURISM

3.3.3.1 Review of Current Policies and Strategies

The overall goal of the Tourism Sector is to develop, promote and market the region as a single, but multifaceted tourism destination; and to improve the quality, competitiveness and standards of service of the tourism industry in the SADC region.

The protocol on Development of Tourism is the only legal policy instrument for the sector, which was developed and signed by Member States in 1998. It has not yet been ratified, but most of its programmes are being implemented. The

objectives of the protocol are to ensure equitable, balanced and complementary development of the tourism industry in the region; to optimise resource usage; involve small and micro-enterprises, local communities and women and youth; and to facilitate intra-regional travel through easing visa-restrictions.

One of the provisions of the protocol is the setting up of a regional body to market the SADC region as a collective tourism destination. In this context, the “Regional Tourism Organisation of Southern Africa” (RETOSA) was established in 1998. RETOSA is governed by a Charter, which was signed by all Member States and is in force.

Apart from ensuring greater private sector involvement in the development of the tourism sector, RETOSA is also the marketing and promotional arm of SADC, responsible for the positioning of SADC as a common destination. One of the strategies pursued by RETOSA in marketing the SADC region is the five year Business Plan (2003-2007). Its main objective is to market the SADC Region as a preferred destination; and to mobilize resources for tourism investment and development in the region.

The Tourism Sector Ministers approved a five year tourism development strategy (1995-1999) for the Tourism Sector, which is outdated and needs to be reviewed, to take into account the latest developments in the Tourism Sector.

3.3.3.2 Evaluation of Current Policies and Strategies

The Tourism Protocol needs to be signed and ratified by all Member States for it to enter into force. The Protocol is generally in line with “SADC” objectives, as enumerated in the SADC Treaty as well as the strategic objectives and SADC common agenda stated in the report on the “Review of Operations of SADC Institutions”.

The RETOSA Charter, which is in force, is also generally in line with the objectives and Common Agenda of SADC.

The Business Plan of RETOSA is generally responsive to the strategic priorities of SADC. However, there is need to vigorously market the region as a preferred destination.

The five year tourism strategy is outdated and needs to be reviewed. It was developed and implemented before the protocol came into being.

The tourism policies and strategies are focused on joint marketing and branding the SADC region as a preferred destination for tourists; on increased private investment flows into the region; and promoting the development of quality infrastructure and services. To implement these policies and strategies, the region needs to put in place an efficient network of incoming wholesalers to

programme and package comprehensive regional multi-destination tours; to sell these internationally; and to handle incoming passenger flows.

3.3.3.3 Challenges in Current Policies and Strategies

One of the most important challenges facing the sector is the signing and ratification of the Tourism Sector Protocol, in order to lay down a policy framework for developing the sector.

The second challenge is the review of the outdated five year Tourism Development Strategy, in line with the SADC Indicative Strategic Development Plan (RISDP). This will allow the sector to comprehensively address the broader SADC objectives as well as the objectives of the Tourism Protocol. The challenges include the development of programmes and projects to address professional marketing and communication; enhancing the role of the private sector in RETOSA; developing network destinations; developing strategies to attract investment in Tourism infrastructure; harmonization of tourism policies and laws in Member States; developing a tourism inventory (capacities, assets and attractions) for SADC; promotion of intra SADC Tourism and Univisa system; human and institutional capacity building and strengthening in order to lead the transformation process by implementing the policies; putting in place safety and security measures; and the development of integrated tourism development projects aimed at linking existing and future Transfrontier Conservation Areas (TFCAs) in SADC.

Tourism services are cross sectoral in nature, its services and benefit are usually captured under a set of sectors such as transport, hospitality industry, trade, services and manufacturing.

The traditional national accounts methods have therefore failed to summarise the total contributions to growth, employment, balance of payments, trade creation and poverty alleviation. As a result, the development of tourism activities has not enjoyed the priority it should, particularly when it comes to resource allocation. The challenge is to develop methodologies on how best to capture tourism sector activities in national accounts and balance of payments estimates so as to be accorded priority in national budgets.

The other challenge for the SADC region is to put in place a conducive environment for the growth of the tourism industry through a well thought out policy mix that will focus on, amongst other things, the promotion of investment into tourism facilities by both the public and private sectors; removal of barriers to tourism; and the competitive marketing of the industry.

3.3.4 TRANSPORT, COMMUNICATIONS AND METEOROLOGY (TCM)

3.3.4.1 Transport, Communications and Meteorology Policies and Strategies

The development of seamless, integrated, efficient, safe, cost effective and responsive transport, communications and meteorology systems is important to the realisation of the general objectives of SADC. The SADC Protocol on Transport, Communications and Meteorology, signed in 1996 and effected in 1998, provides the legal and broad policy framework for cooperation, and defines the strategic goals for the transport, communications and meteorology sectors.

Specific policies and strategies are reviewed and evaluated separately below for the transport, communications and meteorology sectors.

3.3.4.2 Transport

3.3.4.2.1 Review of Current Policies and Strategies

The strategic goals for the transport sector include, among others:

- Ensuring better planning, policy formulation and regulation of the transport system operations and delivery.
- Ensuring adequate funding of infrastructure maintenance to achieve cost effective and timeous delivery of services.
- Liberalising market entry by separating operating and regulatory functions.
- Ensuring that transport systems are integrated.
- Ensuring public safety and protection of the environment.
- Widening access to infrastructure services to meet the strategic objective of poverty eradication.
- Promoting regional development corridors as the tool to concentrate resources for maximum benefit.

3.3.4.2.2 Evaluation of Current Policies and Strategies

Significant progress has been made in reforming the institutional and funding arrangements for the region's transport systems. In this regard the majority of Member States now have Road Agencies or Funds, there is increasing separation of ownership and operations in seaports and the railways, concessioning of railways has gained a lot of currency while Member States continue to introduce autonomous civil aviation authorities. In efforts to improve safety, the region has adopted measures on driver training and licensing as well road signage, in maritime transport and civil aviation international conventions and standards are being applied while hydrographic survey projects have been formulated to enhance the navigability of inland waterways. There are on-going initiatives of market access for the improvement of transport services especially

in the road and air transport sectors. Despite the above, significant challenges, as outlined below, remain.

3.3.4.2.3 Challenges in Current Transport Policies and Strategies

The main challenges to achieving the transport objectives of SADC are:

- Building the administrative and technical capacity of Member States to implement reforms.
- Ensuring sustainable funding for the provision, rehabilitation and maintenance of infrastructure.
- Attracting private sector participation through public private partnerships.
- Promoting regional development corridors as microcosms of regional integration and replicating lessons from successful pilot projects.
- Enhancing rural accessibility and mobility and thereby directly contributing to poverty reduction.
- Improving safety and minimising negative environmental impacts that arise from the provision and operation of regional transport systems.

3.3.4.3 Communications

3.3.4.3.1 Review of Current Policies and Strategies

Communications include telecommunications and postal services. It is one of the basic aims of SADC to develop communications systems that will transform the region into an information-based economy. The strategic goals are to:

- Clearly separate the regulatory functions from operational activities through transparent policies, predictable legal frameworks and independent regulatory regimes;
- Effectuate policy harmonisation in the region through the provisions of appropriate policy and legal frameworks;
- Develop a regional network that will address increased teledensity and universal access to diverse communication services.

3.3.4.3.2 Evaluation of Current Policies and Strategies

The majority of the Member States have policies, legal frameworks and regulatory authorities in place. A few have upgraded these to the realm of Information and Communications Technology (ICT) in order to cater for an e-commerce environment. The application of info-communication technology (IT)

is yet to be increased. This will require a strong policy unit and the operational regulatory independence to attract more private sector participation.

3.3.4.3 Challenges in Current in Policies and Strategies

- Development of institutional capacity at policy level to drive the transformation process.
- Development of the ICT industry that will support an e-commerce environment.
- Aggressive promotion of a more attractive environment for the private sector.

3.3.4.4 Meteorology

3.3.4.4.1 Review of Current Policies and Strategies

Primarily, meteorology provides weather information to facilitate preparedness against hunger, social displacement, transport calamities, environmental degradation, etc. The whole region possesses high-level expertise and fairly modern infrastructure for data collection, collation and processing. Policy formulation and commercialisation is at an embryonic stage. The promotion of cost recovery strategies in the delivery of meteorological services is in place.

3.3.4.4.2 Evaluation of Current Policies and Strategies

The drought and excessive rains in recent years have helped to improve the profile of Meteorology in the region. Thus serious implementation of the SADC Protocol has recently been embarked upon.

- Satellite-based information-gathering infrastructure exists in all the countries;
- Only a few member States have had Policy level capacity to drive the transformation process;
- Development of appropriate policy and legal framework has been unsuccessful;
- Cost recovery strategies have been hampered by the fact that meteorological products are mainly for the public good;
- The inadequate regional telecommunications network hampers timely information sharing.

3.3.4.4.3 Challenges in Current Policies and Strategies

- Institutional capacity building to drive the transformation process.
- Development of model policy and legal framework.
- Reduction of dependency on the central treasury through cost recovery strategies in the meteorological services operations.
- Specification of frequency bandwidth requirements for high fidelity transfer of meteorological information.

3.3.5 WATER

3.3.5.1 Review of Current Policies and Strategies

The overall goal of the Water Sector is the attainment of sustainable, integrated planning, development, utilization and management of water resources that contribute to the overall SADC objective of an integrated regional economy on the basis of balance, equity and mutual benefit for all member States.

The SADC Protocol on Shared Watercourse Systems was signed in August 1995 and came into force in September 1998 after receiving the required number of ratifications. A process of amending the Protocol was initiated in 1996 to bring it in line with new international conventions and attend to queries of other member States on the original Protocol. The revision of the Protocol was successfully completed in 1999 and it was signed by 13 Member States in August 2000. As of February 2003, eight member States had ratified the revised Protocol.

The Protocol which provides the legal and broad policy framework for cooperation on water issues in the region, aims at promoting and facilitating sustainable, equitable and reasonable utilization of the shared watercourses through the establishment of shared watercourse agreements and institutions; harmonization and monitoring of legislation and policies; research, technology development, information exchange, capacity building, and the application of appropriate technologies in shared watercourses management.

Although there is no long-term policy and strategy for the development and management of water resources, the Protocol is being operationalised through a Regional Strategic Action Plan (RSAP) for Integrated Water Resources Management and Development in the SADC Region covering the period 1999-2004. The RSAP has identified seven key priorities to be addressed in order to enhance the region's ability to move towards a more integrated approach to the management and development of water resources. These are: improving the legal and regulatory framework; institutional strengthening; sustainable development policies; information acquisition, management and dissemination; awareness building, education and training; public participation; and infrastructure development.

In collaboration with the Global Water Partnership, a **"Southern African Vision for Water, Life and the Environment in the 21st Century "** was developed and formed the basis of the Africa Vision. It also shaped quite substantially the global vision on water adopted at the 2nd World Water Forum held at The Hague, Netherlands in March 2000. The vision of **"Equitable and sustainable utilisation of water for social, environmental justice, and economic benefits for present and future generations"** is supported by and made much more explicit by sub-visions. These are: social and economic development; equitable access to water of an acceptable quantity and quality; proper sanitation for all and safe waste management; food security for all; energy security; sustainable environment; security from disasters; and integrated water resources development and management.

3.3.5.2 Evaluation of Current Policies and Strategies

The Protocol, which aims at the sustainable management, development and utilisation of the region's water resources, and their equitable sharing for the mutual benefit of all, and for the upliftment of the quality of life, is consistent with the broader SADC objectives and Common Agenda. The emphasis on equitable sharing is consistent with the objectives of peace and security, and the strategic priority of conflict prevention.

The RSAP whose aim is to promote the adoption of an integrated approach to water resources development and management, recognises the role of water as a source of life and its use for a variety of purposes including agriculture, hydro-electric power generation, domestic and industrial requirements, as well as the maintenance of ecosystems. The RSAP, therefore, addresses the SADC strategic priorities that are targeted at industrialisation, the promotion of economic and social infrastructure, developing agriculture, and poverty eradication. Other strategic priorities that are addressed are those that relate to gender sensitivity, human resources development, and improving social welfare.

Overall, although the provisions of the Protocol have not been fully implemented, some promising initiatives are already underway. These include the full development of project concept notes into project documents to address the seven priority areas of the RSAP, and the progress being made in the establishment of River Basin Management Organisations (RBOs).

3.3.5.3 Challenges in Current Policies and Strategies

One of the most pressing challenges is the development of a policy and strategy that will not only provide a longer-term perspective for the development and management of the Region's water resources, but also guide and give strategic direction to short-medium term interventions such as the RSAP. The Southern African Vision for Water, Life and the Environment, together with its sub-visions should form the basis for the development of the long-term water policy and

strategy document. Other issues to be tackled are the inclusion of research and technology development as an additional area of priority; the formulation of strategic regional infrastructure projects/programmes for water storage, transfers, irrigation, drought mitigation and flood control; and the practical operationalisation of the integrated water resources management approach.

3.4 FOOD, AGRICULTURE AND NATURAL RESOURCES

3.4.1 OVERVIEW

The Food, Agriculture and Natural Resources (FANR) cluster comprises the following areas of co-operation: Food Security, Agricultural Research and Training, Crops, Livestock Production and Animal Disease Control, Environment and Land Management (ELM), Inland and Marine Fisheries, Forestry and Wildlife. In one way or another, most of these areas are related to agriculture and influence its performance.

Agriculture is a major player in the SADC regional economy, contributing 35 percent to its gross domestic product. About 70 percent of its people depend on it for food, income and employment. In addition, agriculture is a dominant source of exports in many countries, on average contributing about 13 percent to total export earnings and about 66 percent to the value of intra-regional trade. For these reasons, the performance of agriculture has a strong influence on the rate of economic growth, the level of employment, demand for other goods, economic stability and on food security, among other things.

There is potential for increasing crop production in the SADC region by expanding hectareage under cultivation, especially in Angola, the Democratic Republic of Congo, Mozambique, Tanzania and Zambia. The entire land mass of the region comprises 906,324,000 square kilometres or 30.9 percent of the total African land mass. Of this, 226,581,000 hectares (25%) is arable and 48,653,300 hectares is under cultivation. This large land mass implies that Member States are endowed with diverse soil and climatic characteristics; hence, they can grow a variety of crops and rear a range of animals. However, this potential is limited by the susceptibility of the region to droughts, floods, plant pests and animal diseases, the vulnerability of the agricultural population to HIV/AIDS infection, and inadequacy of irrigation and transport infrastructure. Furthermore, although they play an important role in agriculture as producers, women are handicapped by inadequate access to and control of resources, constraints that the RISDP will need to address.

The overall objectives of FANR are to promote agricultural productivity and food security at household, national and regional level; promote efficient development, utilization and conservation of natural resources; improve capacity in agriculture to transform national economies; generate domestic savings and foreign exchange to finance a gradual, structural transformation of the region's agriculture-dependent economies; and facilitate improvements in the welfare of the people of the region.

This broad FANR Policy Framework recognizes promoting food security as a priority objective. As a cross-cutting issue, food security is used as a basis for guiding its strategies in all the sectors of the cluster. Furthermore, since its inception, the FANR Sector has made progress in establishing the institutional framework for implementing regional programmes to alleviate hunger and poverty.

Until recently, however, some of the pertinent issues have not been addressed. One such issue is land tenure reform. A number of Member States are now working to resolve inequities in land ownership, access and use of this key resource. But there is no regional framework to guide national policies and strategies in this area. In addition, emerging issues such as food safety and biotechnology have also not been adequately captured by FANR. The Sector has addressed specific issues like food safety in a fragmented manner, with no clear delegation of authority and accountability for the development of policies to facilitate regional positions. The Sector has also been slow to highlight and realign policies and strategies to address the potential impact of HIV/AIDS on rural households in general, and the food and agricultural sector, in particular. Furthermore, the FANR Sector has not been adequately linked to other related sectors, such as rural infrastructure, transport and tourism.

The following sections review sector-specific policies and strategies, evaluate how far these policies and strategies meet the strategic priorities of SADC, identify what needs to be put in place and examine the need to refocus the policies and strategies.

3.4.2 FOOD SECURITY

3.4.2.1 Review of the Current Policies and Strategies

The Food Security policy in SADC is to ensure that all people have access to an adequate diet to lead an active and normal life. Currently, the region has adopted three Strategies to achieve the food security policy as contained in the Food Security Framework document, approved by Council in 1997. The three Strategies are:

- i) Improving Food Availability
- ii) Improving Access to Food, and

iii) Improving Nutrition.

On the issue of food availability, Member States are required to promote agricultural production and productivity; take measures that increase competitiveness and promote trade. Member States are also urged to promote the sustainable use of natural resources.

Regarding improving access to food, Member States are encouraged to adopt policies which will generate the maximum employment gains and incomes; introduce measures that improve income stability and equity; and develop safety nets (such as food for work, cash for work and targeted distribution of inputs or food) for vulnerable groups. Most of these measures require public, private and NGO partnerships.

Regarding improving nutrition, Member States are urged to adopt strategies that improve nutritional value of food; minimize food losses, particularly for the resource poor, and address food safety.

3.4.2.2 Evaluation of Current Policies and Strategies

Food Security policies and strategies have addressed the SADC strategic priority to develop an effective disaster preparedness and management mechanism by implementing programmes and projects aimed at early detection, early warning and mitigating the disaster effects. The main achievements have been in information generation and early warning through the Regional Early Warning System, the Regional Remote Sensing Project, and Data Management and Analysis Projects. The Regional Early Warning Unit has built capacity in Member States and the region to provide advance early warning information on the food security situation. This has enabled the region to take appropriate measures to mitigate the impacts of any impending food shortages. The Regional Food Security Training Programme has focused on building capacity of regional training institutions, while other programmes have concentrated on promoting seed availability and developing and disseminating participatory methodologies. But other suggested programmes aimed at promoting food supply and availability, such as food reserve mechanisms, irrigation development and agricultural trade facilitation have not received much attention and resources.

The above projects have been under implementation for some time. But they do not provide the full range of information required to adequately cushion the region against food insecurity. In particular, there is an urgent need for information on the operations of grain and cereal markets in the region to facilitate trade in food products.

Within FANR, there are several strategies on capacity building; however, none of these is addressing agri-business, agro-processing and trade in agricultural products.

The absence of a binding legal instrument on food security and agricultural development in general is a major weakness in the food security strategy. The current food crisis in the region has increased the need for greater cooperation in this area that would cover such issues as genetically modified organisms (GMOs), sanitary and phytosanitary (SPS) measures and trade.

3.4.2.3 Challenges in Current Policies and Strategies

- Absence of a regional food reserve facility and market development and over-dependence on rain-fed agriculture;
- Promoting private trading in agricultural products;
- Improving rural transport infrastructure; and
- Promoting agricultural production and productivity through creating an enabling policy environment for agricultural production, improving access to land and credit and enhancing technology generation and transfer.

3.4.3 AGRICULTURAL RESEARCH AND TRAINING

3.4.3.1 Review of the Current Policies and Strategies

The overall goal of Agricultural Research and Training is to contribute to poverty alleviation and sustainable growth through agricultural and natural resources research and training in the region. The specific objectives are to promote partnerships in the area of agricultural research and training, improve regional research and training co-ordination and integration, improve the information and communication system, and to review the institutional framework. The strategies for attaining these objectives focus on three broad areas. These areas are strengthening human resources capacity; strengthening regional research and training capacity, co-ordination mechanisms for related policy issues, partnerships and stakeholder ownership of collaborative research programmes; and facilitating exchange of information and dissemination of research results.

3.4.3.2 Evaluation of Current Policies and Strategies

It is apparent that the policies and strategies of Agricultural Research and Training address the following strategic priorities: the Development of Science and Technology, Research and Development; the development, utilization and management of human resources; the development of agriculture and the sustainable utilization of natural resources; and the development of measures to alleviate poverty with a view to its ultimate eradication. The question is how effectively have these met the strategic priorities.

Agricultural Research and Training has provided a platform for closer interaction and collaboration between National Agricultural Research Systems (NARS) and scientists within and outside the region. In addition, the overall research capacity has been strengthened through regional interventions focused on training and networking. A key latent achievement has been the provision of an environment for researchers to remain on the knowledge and technology frontiers, and increased efficiency in the utilization of the resources for agricultural research.

However the success of regional research interventions has directly depended on the performance of the NARS that has been constrained by limited capacity, especially in terms of size, funding and human resources, and weak linkages with local and international partner institutions.

The expansion of the mandate of Agricultural Research and Training from the original focus on co-ordinating research on food crops to research in agriculture and natural resources, and the co-ordination of advanced professional training in agriculture, has not been matched by increases in research activities in these areas and there has not been clear articulation of Agricultural Research and Training strategies in the same. As a result, Agricultural Research and Training has not been visible in initiating research on indigenous technical knowledge or guided research on emerging issues, such as biotechnology and intellectual property rights in indigenous flora and fauna. Furthermore, whereas Agricultural Research and Training has made progress in its crop research project and the gene bank, there has been limited promotion of research in indigenous vegetables, which play a significant role in the diets of rural people, and in floriculture, which is a major foreign exchange earner in some countries.

3.4.3.3 Challenges in Current Policies and Strategies

- Lack of a market-oriented smallholder production system where research is market led, demand driven and follows the commodity chain approach;
- Poor research-extension-farmer linkages, amelioration of which would improve the transfer and adoption of technology;
- Need for policies and strategies to offset the high rate of natural resource degradation, focusing on soil, water and biodiversity;
- Focusing research on soil fertility improvements, soil and water management, development of irrigation, promotion of integrated livestock - wildlife-crop production systems, and development of drought mitigation strategies;
- Strengthening the capacities of institutions and farmers' organizations to support agricultural production systems;
- Information and communication for rural development; and

- Integration of a gender perspective in agricultural research and training.

3.4.4 CROPS

3.4.4.1 Review of the Current Policies and Strategies

The ultimate objective of the sector is to promote the production, protection, processing, storage and utilization of all crops, including perennial ones, as a means of enhancing food security and promoting regional and global trade and economic development in the region. The immediate objective is to enhance regional co-operation through the development of coherent regional policies and programmes related to crop production, protection, storage, processing, utilization and trade.

The strategies are to improve the availability of agricultural inputs in order to improve crop production; in conjunction with the Water Sector, implement efficient use of water in irrigation; harmonize programmes related to sanitary and phytosanitary issues; harmonize the control of crop pests; and improve the distribution, marketing and availability of seeds.

3.4.4.2 Evaluation of Current Policies and Strategies

Since the Crop Sector was established in 1998, only two programmes on seed and institutional support have been supported. The programme on seed will address enhancing the multiplication of seed of improved varieties, harmonizing the release of seed and testing procedures in Member States, and harmonizing seed laws in the region.

3.4.4.3 Challenges in Current Policies and Strategies

- Development of new agro-processing technologies;
- Adoption of policies and strategies on horticulture and other high value crops;
- Facilitating regional and global export trade in agricultural products; and
- Improving gender mainstreaming in the policies and strategies.

3.4.5 LIVESTOCK PRODUCTION AND ANIMAL DISEASE CONTROL

3.4.5.1 Review of the Current Policies and Strategies

The mission of the sector is to promote regional integration and sustainable livestock production through the co-ordination of animal disease control strategies, human resource development and utilization of livestock products in order to create employment, improve the standard of living of the people and to meet regional food security objectives.

The policies of this Sector are to increase livestock productivity and promote livestock-based industries; improve livestock management practices; and promote, harmonize and apply effective regional animal disease control measures. The strategies focus on promoting the development of livestock and livestock-based industries; promoting sound livestock management principles and animal disease control measures; and supporting existing livestock research and training programmes.

3.4.5.2 Evaluation of Current Policies and Strategies

The Sector has successfully implemented several programmes. Achievements include the facilitation of the establishment of Veterinary Science Faculties in various Member States (Zimbabwe, South Africa, Zambia, and Tanzania); the Botswana Vaccine Institute; the Regional Tsetse and Trypanosomiasis Control Centre (RTTC) and the Centre for Tick and Tick Borne Diseases in Malawi. The RTTC has become a leader on the continent in the development of low cost and environmentally friendly technology.

The region has also developed heart water vaccines through the Regional heart water Project with the Technical support from the University of Florida in the USA. The first generation vaccine and a tick decoy are now ready for commercialisation. Intervet International from the Netherlands has shown interest to manufacture the vaccine in South Africa. However, patenting of the technologies developed has not been clearly resolved and the region needs to protect its intellectual property rights and ensure that the technology is affordable to the resource poor farmers.

The Sector policies have incorporated gender issues by indicating the vital roles of both men and women in many aspects of its work, although there is still recognition that women have largely been marginalized and have not participated fully in the development of the livestock sector.

3.4.5.3 Challenges in Current Policies and Strategies

- Focusing regional co-operation on optimal sustainable rangeland utilization and animal feed flow, especially across borders;
- Lack of infrastructure and information on marketing of livestock and livestock products;
- Inadequate use of animal traction and organic manure to complement agricultural mechanization and expensive inorganic fertilizers;
- Overstocking and overgrazing in local communities;
- Unlawful use of pesticides in the region, especially non-biodegradable products; and

- Absence of concrete interventions to address the constraints faced by women.

3.4.6 FORESTRY

3.4.6.1 Review of the Current Policies and Strategies

The Forestry Protocol, which was signed in October 2002, provides the basic policy framework. The objectives of the Sector are to control, conserve and protect forest resources; sustainably manage and develop forest resources as the major source of energy in the region; and to facilitate the development of trade in forest products. The strategies for attaining these policies include co-operating in the sustainable management of shared forests; developing human resources for the Sector; harmonizing approaches to sustainable forest research management; and establishing equitable and efficient ways of facilitating public access to forests.

3.4.6.2 Evaluation of Current Policies and Strategies

For purposes of implementing its policies, the Sector has developed programmes on Training and Education, Improved Resource Management, Improved Knowledge of the Resource Base, Focused Research, Resource Utilization and Marketing and Environmental Management. But most of these programmes have focused on data and information gathering, and institution building at the national level. There has been limited regional collaboration and co-operation in areas of common concern, such as overexploitation, law enforcement and promotion of community-based programmes. Problems of sustainable forest output persist, as millions of rural households use fuel wood for energy. There is a paucity of regional interventions aimed at developing and promoting appropriate alternative energy sources.

Information regarding appropriate forest management systems for the various indigenous forest types is lacking in most Member States. This is partly attributed to past national policies that gave higher priority to the establishment, management and protection of exotic softwood and hardwood forest plantations than to the indigenous forests.

3.4.6.3 Challenges in Current Policies and Strategies

- Need to create public awareness and education to address agro-forestry practices, afforestation, fire control and overgrazing;
- Need to improve forestry and sericulture practices to address deforestation, genetic erosion, forest pests, disease control, invasive alien species, management and conservation of shared forests and forest resources, and law enforcement.

- Need for a regional strategy to develop small and medium scale forest-based industries, as well as appropriate fuel wood and charcoal production systems, especially in rural areas;
- Lack of information to facilitate trade in forest products and a strategy to develop standards, guidelines and other mechanisms for recording, preserving and equitably sharing of benefits from the use of traditional forest related knowledge; and
- Lack of concrete interventions to address the constraints faced by women.

3.4.7 FISHERIES

3.4.7.1 Review of Current Policies and Strategies

The Fisheries Protocol was signed in 2001, but the required number of Member States has not yet ratified it. The goal of the Sector is to promote responsible and sustainable use of the living aquatic resources and aquatic ecosystems in order to enhance food security and human health. The specific policy objectives are to promote effective management of fish stocks, protect and preserve fish resources, promote aquaculture and mariculture development and promote trade in fish.

The strategies of the Sector include establishing a regional stock assessment and fisheries management system; promoting regional trade; and building capacity for better fisheries management.

3.4.7.2 Evaluation of Current Policies and Strategies

To implement its strategies, the sector has embarked on the Assessment of the Marine Fisheries and Research programme commonly known as the Benguela Environmental and Fisheries Interaction and Training Programme (BENEFIT); the Monitoring, Control and Surveillance of Fishing Activities; the Regional Fisheries Information System and the Benguela Current Large Marine Ecosystem.

For the purpose of promoting aquaculture, the Sector initiated an Aquaculture for Local Community (ALCOM) Programme, which was phased out. It is desirable to revive and promote this programme throughout the region since it targets local and poor communities in rural areas, and directly addresses food security concerns as well as income generation. As regards trade, the latest revenue figures from fish are estimated at 3.0 billion US dollars per year. This figure can

easily be increased if the Sector can adopt a strategy to improve the quality of fish through appropriate handling, processing and conservation of the catch

3.4.7.3 Challenges in Current Policies and Strategies

- Lack of a programme for the effective management of fish stocks, which would cover all the Member States;
- Absence of policies to promote aquaculture (fish grown in inland ponds) and mariculture (fish in offshore ponds);
- Improving the quality of fish through appropriate handling, processing and conservation of fish landings; and
- Lack of concrete interventions to address the constraints faced by women in the sector.

3.4.8 ENVIRONMENT AND LAND MANAGEMENT

3.4.8.1 Review of Current Policies and Strategies

The policies of Environment and Land Management are designed to assess environmental conditions for sustainable development; reduce threats to human health, ecosystems and future development; promote sustainable development; manage shared natural resources on an equitable and sustainable basis; and accelerate regional integration and capacity building.

To achieve these objectives, measures have been taken to monitor and guide all sectors on the implementation of environmental policies, strategies and programmes; promote sound environmental management through pollution control, waste management and environmental education; and to ensure effective implementation of multi-lateral environmental agreements and gender mainstreaming.

3.4.8.2 Evaluation of Current Policies and Strategies

Almost all policies and strategies of Environment and Land Management directly address the policies of promoting sustainable utilization of natural resources and, indirectly, address the promotion of agriculture development.

The achievements of the sector include the setting up of an institutional framework, infrastructure and networks for co-ordination and programme implementation, capacity building and institutional strengthening through training programmes in Member States, and partnership building with other development institutions.

The sector has co-ordinated the positions of Member States and coordinated action plans for the international conventions such as the UN Convention to Combat Desertification (UNCCD), the Persistent Organic Pollutants (POPs), and the Convention on Biological Diversity (CBD).

3.4.8.3 Challenges in Current Policies and Strategies

- Prioritising the promotion of good land management through land use planning.
- Inadequate professional guidance to other sectors such as Trade, Mining and Tourism.
- Inadequate attention to issues of waste management and pollution, protection of the marine and coastal environment, the promotion of environmental awareness and acquisition of knowledge and skills; and
- Need for systematic implementation of the gender strategy beyond the mainstreaming of gender into specific projects and documents.
- Trans-boundary conservation of natural resources.

3.4.9 WILDLIFE

3.4.9.1 Review of the Current Policies and Strategies

The current policies focus on the conservation of regional ecosystems and landscapes, endangered, endemic and cross-border migratory species; management of water catchments and aquatic ecosystems; and prevention of extinction of indigenous plant and animal species, especially those distributed across national boundaries.

The key strategies to implement the above policies include promotion of community based natural resources/ wildlife resources management; promotion of transfrontier conservation; sustainable wildlife resources utilization; enhancing capacity building in wildlife management and conservation; and the development and implementation of domestic and international laws to control illicit trade in wildlife and wildlife products.

3.4.9.2 Evaluation of Current Policies and Strategies

The Wildlife sector has been instrumental in initiating Community-Based Wildlife Management particularly in Malawi, Mozambique, Tanzania and Zimbabwe. The sector has also enhanced the regional capacity using existing training institutions, such as the College of African Wildlife Management in Tanzania, and Tropical Resource Ecology Programme at the University of Zimbabwe.

The region has been successful in coordinating a common position at CITES, in particular the down listing of ivory from Appendix I to II, and the sale of ivory to Japan both of which were adopted at the 10th CITES in 1997. The region has also started to implement programmes on the transfrontier conservation areas, such as the Great Limpopo.

3.4.9.3 Challenges in Current Policies and Strategies

- Need for continuing to strengthen regional and national interventions aimed at curbing the illicit use of and trade in wild fauna and flora in order to sustainably conserve the wildlife resources;
- Lack of policies and strategies aimed at the conservation of wildlife in mountains and high diversity ecosystems such as rainforests;
- Lack of programmes covering long-term viability of wildlife -based tourism; and
- Lack of an enabling environment for women to play a more meaningful and empowering role in the management and conservation of natural resources, including wildlife.

3.5 SOCIAL AND HUMAN DEVELOPMENT AND SPECIAL PROGRAMMES

3.5.1 OVERVIEW

The Social and Human Development cluster covers areas of Human Resources Development, Health, Employment and Labour, and Culture and Information and Sport. It also caters for Special programmes. SADC Member States accord priority to social and human development in view of its crucial role both as a factor and as a broad measure of development. As one of the core areas of integration, it is mandated to ensure the availability of educated, skilled, healthy, productive human resources required for promoting investment, efficiency and competitiveness of the region in the global economy as well as improving the quality of lives of the region's population. This area also has an important role to play in consolidating the historical, social and cultural ties and affinities of the peoples of the region.

SADC has put in place policies, strategies and priorities through the formulation and adoption of instruments such as protocols and appropriate policy guidelines. These are examined in the subsequent sections.

3.5.2 HUMAN RESOURCES DEVELOPMENT

3.5.2.1 Review of Current Policies and Strategies

The main goal of SADC 's integration agenda in the human resources development field is to increase the availability of educated and highly skilled personnel through equivalent and harmonized education and training systems of Member States.

The Protocol on Education and Training, which was signed in September 1997 and came into force in July 2000, provides for seven main areas of cooperation, namely, policy for education and training, basic education, intermediate education and training, higher education, distance education, training fund, research and development, lifelong education and training, publishing and library resources. The Protocol seeks to promote a regionally integrated and harmonized educational system especially with regard to issues pertaining to access, equity, relevance, and quality of education interventions. The Protocol aims to achieve its objectives over a period of twenty years.

In order to implement the provisions of the Protocol, a Strategic Plan covering the abovementioned seven areas of cooperation was developed in 2002. The Plan has included other cross cutting issues such as HIV/AIDS pandemic. In the identification of priorities, relevant and complementary regional and international initiatives, such as those coordinated through UN agencies and NEPAD, were taken into account to avoid duplication.

3.5.2.2 Evaluation of Current Policies and Strategies

The Policy Framework on Human Resource Development and the HRD Strategic Plan is comprehensive and addresses the major challenges facing the region. However, there are a number of areas, which require improvement. For instance, the objectives of the Protocol on Education and Training do not make specific and/or direct reference to or mention gender or gender mainstreaming; people with disabilities and other disadvantaged groups; poverty eradication; economic growth and development; or HIV/AIDS control and other cross-sectoral linkages – although a regional cooperation approach is fully implied. Emphasis should be put on gender mainstreaming and equality in the development of educational and training materials, composition of professional associations, teacher/student exchange programmes, and exchange of experiences as well as inclusion of HIV/AIDS in the curriculum.

3.5.2.3 Challenges of Policies and Strategies

The challenges faced by Education and Training in the sub-region are largely common to all countries. These are access, equity, quality, efficiency, relevance and democracy in their educational and training policies.

Other challenges of the sector include: HIV/AIDS's negative impact on the education and training sector; low literacy rates; low enrolment rates especially at

secondary and higher education levels; limited provision of early child hood education; inequitable access especially by disadvantaged groups such as women and disabled people and people from rural areas; limited access to vocational education and training; mismatch between supply and demand for vocational education and training, and higher education and training; inadequate education and training facilities and equipment; shortage of teaching and learning materials; lack of comparable standards and qualification across all training institutions and countries.

3.5.3 HEALTH

3.5.3.1 Review of Current Policies and Strategies

In the area of health, the main goal of integration is to attain an acceptable standard of health for all citizens to reach specific targets within the objective of "Health for All" in the twenty first century by 2020 in all Member States through the primary health care strategy.

The SADC Policy Framework for Health provides a comprehensive coverage of all the key aspects of health and health services delivery in the region. It proposes policies, strategies and priorities in various areas such as health research and surveillance; health information system; health promotion and education; HIV/AIDS and sexually transmitted diseases; communicable and non-communicable disease control; disabilities; reproductive health; health human resources development; nutrition and food safety; violence and substance abuse.

The SADC Protocol on Health, which was signed in August 1999 and is yet to come into force, provides a legal and broad policy framework for cooperation in twenty four (24) areas, which include some of the major health challenges in the region such as HIV/AIDS and STD; Tuberculosis Control; Malaria Control; Reproductive Health; Childhood and Adolescent Health; Chronic Diseases; Emergency Health Services and Disaster Management and bulk purchasing of essential drugs.

In view of the devastating impact of the HIV/AIDS pandemic, a SADC HIV/AIDS Strategic Framework and Programme of Action 2000-2004 was developed in August 2000. It gives SADC's vision, goals and objectives for dealing with the epidemic – as well as the guiding principles, institutional arrangements and multi-sectoral strategic approach for dealing with the disease. This approach involves the participation of 10 SADC sectors, which will be involved in implementing programmes and projects to deal with the epidemic.

3.5.3.2 Evaluation of Current Policies and Strategies

Implementation of actions based on the Protocol has already started. The Protocol itself does fulfil the integration objectives of the SADC i.e. it definitely aims to tackle HIV/AIDS and in so doing reduce the impact of illness and deaths

on production, productivity and economic decline of the Member States. The Biennial Priorities which include the *HIV/AIDS/STD*; reproductive health; standardization of health information and surveillance systems; communicable diseases; and resource mobilization (human, financial) have been developed to facilitate implementation of the Protocol. However, they may not fully address all the issues contained in the Protocol.

There is need therefore, to have a long plan to fit with international agreements and initiatives such as the Millennium Development Goals of: reducing child malnutrition by half between 1990 and 2015; reducing child mortality by two-thirds by 2015; reduce maternal mortality by three-quarters by 2015; and halving and reversing the HIV/AIDS prevalence by 2015.

Implementation and achievements of actions have been measured against the objectives of the Protocol. Therefore, policies, plans, programmes of the Health Sector need to give *operational* expression to the objectives of the Protocol. Thus, in reviewing this sector, activities that have been implemented and achievements that have been realised have been juxtaposed with the appropriate Protocol objective. It must be said from the outset that the Protocol objectives do satisfy the agenda for a regional approach to tackling health challenges. Also, it is clear that improving the health status of the people in the region will directly result in increased production and productivity (for example by reducing the number of work-days lost through illness or caring for the sick and attending funerals). This will result in higher growth rates and therefore poverty reduction.

3.5.3.3 Challenges in the Policies and Strategies

There are many health challenges bedevilling the region. These include new serious diseases and epidemics, high morbidity and mortality rates, low nutrition status, poor health care infrastructure and services, lack of well trained health care personnel, poor living conditions, and the HIV/AIDS pandemic. A growing number of TB and other communicable diseases such as malaria, typhoid, cholera and an increasing number of non-communicable diseases such as cancers and hypertension have compounded the problem. In addition, inadequate understanding or appreciation of the gender dimension in all the health challenges bedevilling the region and inadequate resources for improving the health status of people are matters of serious concern.

3.5.4 EMPLOYMENT AND LABOUR.

3.5.4.1 Review of Current Policies and Strategies

The primary objective of the employment strategy is to stimulate the demand for labour, or increase the rate of labour absorption in the economy. A number of priority areas and specific strategies are identified, with emphasis on a proactive approach to employment promotion at national level, which should be

accompanied by some consensus on what such an approach entails, and how it is to be co-ordinated and harmonised at the regional level.

On the issue of Productivity, Member States have undertaken to formulate and adopt appropriate policies and strategies at the macro, institutional and enterprise level. The main objective of the Draft Social Charter is to facilitate the establishment and harmonisation of social security systems and generation of incomes.

3.5.4.2 Evaluation of Current policies and Strategies

The selection of unemployment and underemployment, and the inadequacy of labour standards and regulations, as well as their implications for regional integration, are the critical issues of concern in this sector. The objectives and strategies identified under the headings of employment promotion and labour market regulation are concrete and clearly targeted at addressing poverty reduction. Moreover, they take into account international labour standards, especially those of the ILO.

These priorities and strategies also reflect the linkages between the ELS sector and other sectors such as finance and investment. High levels of investment are necessary to promote employment, which in turn enhances people's access to finance. There is need therefore to more concretely identify these inter-sectoral linkages, and how they can be harnessed to ensure the achievement of SADC's goals.

With respect to other policy instruments, the Declaration on Productivity, the Draft Social Charter, the codes on HIV/AIDS at the Workplace and the Safe Use of Chemicals, as well as the Draft Codes of Conduct on Child Labour and Social Security address critical issues of economic growth and development.

As regards gender responsiveness, the ELS-SCU is one of the few SADC institutions that developed an explicit gender policy document, which was adopted in the year 2000. The policy acknowledges that the labour market in Southern Africa is characterised by gender inequalities, as reflected in legislation, laws, policies and practices that disadvantage women. The policy calls upon member states to review and reform them, commit themselves to develop and implement gender sensitive policies, and take positive action to promote equality for women in work and employment.

3.5.4.3 Challenges in Policies and Strategies

The Employment and Labour section faces problems with regard to employment creation. There is not enough investment to employ more people. The region has a high unemployment rate and therefore this affects the social life of many people. There is also need for social security nets for the unemployed. The

labour laws need to be modified to allow collective bargaining by employees. The region also needs to guard against child labour practices.

3.5.5 CULTURE INFORMATION AND SPORT

3.5.5.1 Review of Current Policies and Strategies

The policies and strategies for the CIS sector are contained in the Protocol on Culture, Information and Sport, which was signed in August 2001 and is yet to come into force, and the Policies, Priorities and Strategies Document.

With respect to general areas of cooperation, the Protocol identifies policy harmonisation; training, capacity building and research; resource mobilisation and utilisation; production, flow, exchange and use of information products; regional interaction among stakeholders; gender equality and equity; and persons with disabilities.

3.5.5.2 Evaluation of Current Policies and Strategies

There is no doubt that the policies and strategies identified in the CIS Protocol are relevant to the attainment of the objective of regional integration. The objectives to be attained under each sub sector are quite comprehensive, and focus is on the development and harmonisation of policies in each, as well as exchange of information.

The sector has recorded some achievements, which include the successful adoption of the Protocol, the policies, priorities and strategies document, the existence of networks and institutions that promote culture, information and sport, strong interest from the donor community to support the sector, and the existence of international fora where the region can take a common stand.

In addition, a number of important initiatives to promote culture, sport and the dissemination of information about SADC in the region were embarked upon. These include the establishment of a SADC Culture Trust Fund, the hosting of cultural festivals and regional sporting events, organisation of annual media awards, and launching of the Southern African Broadcasting Association (SABA).

Weaknesses identified include inadequate research, inadequate protection of intellectual property rights, negative attitudes to gender, ethnicity and work ethics, inadequate infrastructure, limited resources available to Member States to participate in social programmes, poor implementation of regional decisions and lack of performance standards and mechanisms to enforce implementation of decisions.

The document on Policies, Priorities and Strategies contains recognition of the importance of gender equality. It notes with concern the continued absence of

policies, or their inadequacies, which will continue to undermine co-ordination and harmonisation, work in the area of human rights, democracy, and gender equality as well as active publicising of SADC's achievements.

3.5.5.3 *Challenges in Policies and Strategies*

Generally, the policies and strategies in place are relevant and adequate to meet the set strategic priorities. However, there is need for further clarity, modification in some of the components and improvements of synergies with other strategic priority areas of integration. Issues, which require attention, include the following:

- a) Providing for policy and strategic coherence and linkages within and between the core areas of integration; e.g. health and culture or health and food security or sanitation/environment and safe water supply; skills development and labour market demand; employment creation and macro-economic convergence and investment promotion;
- b) There is need for a clear demarcation and striking a balance on the scope and level of cooperation and integration, taking into account the principle of subsidiarity. Currently, there is a tendency to take on board at the regional level all the major issues or areas of concerns, even when these could be best handled at the national level or by non-state stakeholders;
- c) There is also a tendency for a wholesale adoption of internationally agreed human development targets, especially in the areas of health and education, without taking due account of resource availability and institutional capacities in the region. There is need for the formulation of realistic overall SADC-specific strategic objectives, benchmarks and targets on the key components of human development taking into account opportunities and challenges that exist in the region.
- d) Some of the core areas of human development will require shift of emphasis in order to maximize their impact on regional integration. One such area is culture which is focusing only on the past and existing ties and affinities, and yet it has a crucial role in mobilizing key stakeholders in the region in changing attitudes and ways of living to meet emerging and future regional and global challenges.

3.5.6 **SPECIAL PROGRAMMES: DRUG CONTROL**

3.5.6.1 **Review of Current Policies and Strategies**

Development brings social problems that need to be addressed proactively, hence, the signing of the SADC Protocol on Combating Illicit Drugs in 1996. Since the early 1990s, the SADC Region, like everywhere in the world, has seen an increase in the production, trafficking and abuse of illicit drugs. Drug trafficking syndicates have been attracted by positive growth in a number of economic

sectors in the SADC Region, as well as by the rapid expansion in information technology, and in the entertainment industry. On the other hand, growing stressors such as poverty, unemployment, migration, HIV/AIDS and weakened family support also bring about desperate efforts to generate income, such as illicit drug production, especially cannabis, and the trafficking and abuse of cannabis and other illicit drugs. Apart from destroying young lives and delaying the development of young people, the drug problem has broader implications such as the spread of infectious diseases, violent crime, and criminal economic activities such as corruption and money laundering. The drug trade is also associated with the smuggling of stolen cars, small arms, animal and mineral products, and human trafficking (especially females for prostitution purposes.)

The SADC Protocol on Combating Illicit Drugs, which came into force in March 1999, requires Member States to accede to a number of UN Conventions in this field, promulgate and adopt domestic legislation, which satisfies those conventions. The Protocol provides for Member States to cooperate with each other to afford mutual legal assistance in a joint effort to suppress illicit drug trafficking. With respect to law enforcement, the Protocol requires that Member States promote the effective enforcement of sentences for drug offences. The Protocol also contains provisions relating to drug demand reduction, such as drug education measures to various target groups and the monitoring of drug abuse trends in Member States. The Protocol furthermore addresses corruption, as it relates to drug trafficking, as well as the forfeiture of the proceeds of drug trafficking, which is linked to money laundering.

The first five-year SADC Regional Drug Control Programme (SRDCP) contains strategies aimed at:

National and the regional coordination and capacity building; drug control legislation; drug demand and supply reduction and research on drug abuse and irresponsible sexual behaviour.

3.5.6.2 Evaluation of Current Policies and Strategies

The policy framework for the combating of Illicit Drugs is still very relevant to a regional effort in drug control. It is also helpful with regard to the establishment of the administrative and legal framework for drug control, both at the national and regional level.

The SRDCP has been instrumental in facilitating the establishment of national drug control coordinating bodies in Member States, and has provided assistance for the elaboration of National Drug Control Master Plans in all Member States. It has further created national networks for the collation of epidemiological information on illicit drug abuse and trafficking trends, which is again collated regionally and reported to Council every six months. The Regional Drug Control programme has also developed curricula for the training of drug abuse

prevention and treatment personnel for the region, alongside support to NGOs in this field and other capacity building activities in drug demand reduction.

3.5.6.3 Challenges in Current Policies and Strategies

The main challenges in the area of drug control include:

- The need to forge inter-sectoral linkages, closer cooperation and networking within the Secretariat in the operationalisation of measures for drug control and demand reduction as well as in the implementation of a future regional anti-corruption programme.
- The gender aspect of drug control and the socio-economic dimension of drug-related problems will also require special attention.
- The regional drug control policy will also need to further focus on the building of strong synergies and networks in drug supply and demand reduction, respectively, with other regional economic communities on the Continent, as well as with the Drug Control Unit at the African Union Secretariat.

3.6 CROSS-CUTTING ISSUES

3.6.1 GENDER AND DEVELOPMENT

3.6.1.1 Overview

It has been demonstrated that greater equality between women and men contributes to economic growth, the reduction of poverty and overall human development. Yet pervasive inequalities exist between women and men in the SADC region. Women constitute the majority of the poor in the region, as a result of their limited access to, and control over productive resources such as land, livestock, credit and modern technology. In addition, women have limited access to adequate health facilities, formal education and employment, and are over represented in the informal sector where returns are extremely low and unreliable. Moreover, laws exist in most Member States, which restrict women's legal capacity, and have a direct bearing on women's income earning capacities.

In order for SADC to achieve its poverty reduction and eradication objectives, its policies and strategies should address these gender gaps.

3.6.1.2 Review of Current Policies and Strategies

There are a number of instruments, which provide the overall policy framework for the achievement of gender equality at regional level. These include the

Declaration on Gender and Development, its Addendum on the Prevention and Eradication of Violence Against Women and Children, and the Plan of Action for Gender in SADC.

The **1997 Declaration on Gender and Development (GAD)** recognises gender equality as a fundamental human right, and that the mainstreaming of gender issues into the SADC Programme of Action and Community Building Initiative is key to the sustainable development of the SADC region. As a result, the Declaration commits SADC Member States to the following, among others:

- The achievement of at least 30% target of women in political and decision making structures by 2005;
- the reform of discriminatory laws and social practices;
- the promotion of women's full access to, and control over productive resources such as land, livestock, markets, credit, modern technology, formal employment, quality education, reproductive and other health services;
- an integrated approach to deal with the issue of violence against women;
- the cultivation and promotion of a culture of gender equality in SADC and respect for the Human Rights of Women; and
- facilitating the achievement of gender equality in access to economic structures and control of resources.

The second policy instrument is the 1998 Addendum to the GAD Declaration, entitled the **Prevention and Eradication of Violence Against Women and Children**. It reaffirms the commitment of SADC Member States to the prevention and eradication of violence against women and children in the region, and contains the following major elements:

- ◆ a recognition that violence against women and children is a violation of fundamental human rights;
- ◆ an identification of the various forms of violence against women and children in SADC;
- ◆ a concern that the various forms of violence against women and children in SADC continue to increase, and a recognition that existing measures are inadequate; and
- ◆ recommendations for the adoption of measures in a number of areas.

A third policy instrument is the 1999 ***Plan of Action for Gender in SADC***, which seeks to operationalise the commitments contained in the Declaration and Addendum. The Plan outlines a number of objectives, strategies and activities in the following areas:

- gender policy and institutional frameworks;
- women's human rights;
- access to economic structures and control of resources;
- politics and decision making;
- peace and stability;
- gender capacity building and training;
- dissemination of information and networking; and
- coordination of SADC participation and position at African and Global events.

Following the adoption of the 2001 Report on the restructuring of SADC institutions, the Plan of Action for Gender in SADC was revised, and a ***Framework of Activities*** developed, which perceives three broad strategic objectives for the SADC gender programme. These include gender mainstreaming, which covers all sectors, as clustered into the directorates; coordination and outreach; and monitoring the implementation of the SADC GAD Declaration and Addendum, as well as other regional, continental and global gender equality instruments.

3.6.1.2 Evaluation of Current Policies and Strategies

The policy documents discussed above cover a wide area, due to the cross-cutting nature of gender. They are intended to address some of the gender gaps that were earlier identified, and are generally relevant to SADC's overall objectives of poverty reduction and eradication.

A number of regional interventions focused on gender sensitisation and awareness, coordination of the women in politics and decision-making programme, and facilitating exchange of best practices have been undertaken.

The regional programme of action for women in politics and decision-making in particular has had a major impact in bringing attention to the minimum target of 30 percent of women in politics and decision-making by the year 2005. The regional level activities have produced resource materials, created a pool of gender trainers in the region, and enhanced networking among women MPs. The monitoring by the SADC Gender Unit of the implementation by Member States of the GAD Declaration and Addendum through annual reporting mechanisms, and the facilitation of information exchange between Member States can also be

seen as achievements. Moreover, a certain level of awareness of the critical importance of integrating gender perspectives into policies, strategies and programmes has been achieved.

3.6.1.3 Challenges in the Policies and Strategies

There is no doubt that in many SADC member states, the increased participation of women in all sectors has contributed to improvements in the economy. In spite of the progress made towards gender equality however, there are a number of weaknesses at national and regional levels, which have resulted in slowing down progress towards the achievement of the commitments made in the policy instruments referred to earlier.

At regional level, the interventions have not as yet begun to tackle some of the core areas of regional integration, as reflected in the organisation's strategic priorities. This is especially the case with regard to mainstreaming gender into sectoral policies, strategies and programmes.

Due to capacity constraints, little progress was made in this regard, except for the conducting of a gender audit study into some of the former SCUs. This study proposed a number of concrete, sector-specific gender mainstreaming interventions. These should be used as a starting point to design gender mainstreaming strategies and programmes for the directorates, as well as develop concrete monitoring and evaluation tools to track progress towards gender equality. In addition to the mainstreaming strategy, empowerment programmes, especially in the economic and education sectors will need to be identified, with a view to fast-tracking progress towards gender equality.

A second gap at regional level is the fact that the Gender and Development Declaration and its Addendum do not have the same legally binding effect as Protocols, which are SADC's primary documents of cooperation and integration. Related to this is the failure by Member States to incorporate the provisions of regional instruments into domestic laws and policies, which undermines regional efforts at policy harmonization.

There is therefore need for a regional policy to address these weaknesses, which should provide a framework for cooperation and integration in this field, identify concrete strategies, set time-bound targets to be achieved, and indicators of progress. This policy should also provide pointers for the development of sector-specific interventions to mainstream gender into the programmes and activities of the four clusters at the Secretariat, as well as sectoral ministries in Member States.

Weaknesses at national level include limited human and financial capacity of gender coordination machineries, and poor linkages between these and sectoral ministries. This results in a piecemeal and uncoordinated approach, and delays

efforts to mainstream gender into all policies, programmes and activities at national level.

At both national and regional level, there are very few agreed benchmarks and concrete targets, as well as limited monitoring and evaluation tools to track progress on the achievement of gender equality. This further underlines the need for a regional gender policy as earlier proposed, which identifies the areas of cooperation, sets targets to be achieved, indicators of progress, strategies and activities to be implemented by Member States, with support and coordination by the Secretariat.

3.6.2 SCIENCE AND TECHNOLOGY

3.6.2.1 Overview

As a region destined for deeper integration and the ultimate creation of a common market, it is imperative for SADC to cooperate on science and technology (S&T). Scientific and technological innovation could form the basis for socio-economic development in the region. Cooperation is essential also in environmental management, which often requires regional solutions that are based on science and technology. Collaboration and networking in addressing issues of science, technology and innovation are requirements at national, regional and global levels. SADC member states can maximize efficiency and effectiveness of their investment in research and development through regional cooperation.

3.6.2.2 Review of Current Policies and Strategies

The policies and strategies for regional cooperation in science and technology are not yet in place. However, the then SADCC commissioned a study on regional science and technology which addressed the following five areas concerning S&T: the economic setting; education and human resources; national organization and management; the status of research and development institutions; and the legal aspects. The report of the study published in 1994 produced the following findings, some of which are still relevant today:

- SADC economies are dominated by agriculture and mining and limited manufacturing which depend on imported technologies.
- Expenditure on research and development (R&D) is way below 1% of GDP throughout the region.
- Governments in the region offer little or no incentives to the private sector to encourage research and development activities.

- There are shortages in scientific and technological human resources including artisans, technicians, engineers and scientists, which are exacerbated by the brain drain due to more attractive research conditions in the developed countries.
- Education in science and technology is biased against girls and the performance of schools are not encouraging because of low enrolment and progression rates, poorly trained teachers and inappropriate curricula.
- There are gaps in legislation to protect intellectual property rights.
- There is very little cooperation in science and technology between countries in the region.

3.6.2.3 Evaluation of Science and Technology Policies and Strategies

Several meetings have taken place in the region to deliberate on issues of science and technology in SADC. The SADC Heads of Science and Technology met in April 1999 to explore regional cooperation and made several recommendations. The absence of a dedicated regional structure to drive regional cooperation in science and technology prevented the implementation of these recommendations. The SADC Heads of Science and Technology met again in May 2002 to consider a proposal on compiling a report on S&T collaboration and to identify constraints thereto. One of the recommendations of the meeting was the proposal for a SADC Science, Engineering and Technology Week to popularise science and technology in the region.

An analysis of the current situation reveals the lack of policies and strategies and the absence of an institutional framework as the main factors preventing meaningful cooperation in science and technology within SADC. Chapter 4 of the Plan will address these issues and put forward proposals for implementation.

3.6.2.4 Challenges for Policies and Strategies

There is need for an institutional framework for regional integration and cooperation in science and technology, which would include a legal instrument, well articulated policies and strategies and an organizational infrastructure to drive regional cooperation in science and technology.

Priority issues of science and technology policies and strategies could include creation of a regional indicator programme and promoting public awareness and understanding of science and technology, especially among the youth.

The science and technology function of the SADC secretariat will also prioritise the issue of building science and technology networks to promote intra and interregional cooperation and linkages. This will require the necessary institutional arrangements and resources.

3.6.3 SADC STATISTICS

3.6.3.1 Overview

The overall objective of the SADC Statistical System is to support regional integration by making available relevant, timely and accurate statistical information to be used in SADC planning, policy formulation, protocol monitoring and decision-making. The SADC Statistical Programme is the instrument through which the System is promoted. The specific objectives of the Programme include the harmonization of statistics in the region and capacity building in SADC Member States in the field of statistics. The Programme focuses on the availability of comparable, accurate and up-to-date core statistics in the economic and social areas in particular economic statistics, Social statistics and cross cutting statistical issues.

3.6.3.2 Review of Current Policies and Strategies

The development of the SADC statistics is guided by the Strategy Document approved by Council in 1998, which stipulates that SADC statistics is critical in the monitoring and evaluation of the SADC Programme of Action and the regional integration process. The strategy highlights the following challenges:

- Inadequate resources allocated to statistics in some of the member countries;
- Disparities in the statistical capacity among the countries;
- Inadequate statistical capacity at the Secretariat to co-ordinate statistics in the region;
- Absence of a legal instrument for regional cooperation in the area of statistics;
- Lack of dissemination mechanisms (including databases and connectivity); and
- Long time lag between collection of data and dissemination of statistics.

The implementation of the strategy focused on the following priorities:

- National accounts, trade, prices, balance of payments and investment statistics;
- Economic sector statistics: finance, industry, mining, and agriculture;

- Social sector statistics: population, education, labour, health, and HIV/AIDS;
- Environment and related statistics: tourism, transport, energy, and water.

In addition, the following cross-cutting themes are also prioritised:

- Poverty Statistics
- Gender Statistics
- Informal Sector Statistics
- Development of statistical databases and other dissemination, publication and accessibility mechanisms

3.6.3.3 Evaluation of the Policies and Strategies

Progress has been made in some priority areas including national accounts, prices, censuses, training, and database development. Most countries in SADC are implementing the revised United Nations System of National Accounts. A programme on the harmonisation of price statistics has been launched. The objectives of the programme is to construct a regional harmonised statistics with a view to take SADC member states to an international price comparative programme. Programmes and projects to address the poverty information systems and natural resources accounting are also under implementation. Establishment of sustainable regional statistical systems based national statistics offices (NSOs) is being addressed through capacity building at regional as well as national levels.

3.6.3.4 Challenges for the Policies and Strategies

There is need for a legal instrument for regional cooperation in the area of statistics. The instrument will ensure that the institutional arrangements for collecting, processing and dissemination of statistics are adequately resourced. The instrument will also provide a framework for enforcing compliance on minimum standards for quality statistics. The collection, processing and dissemination of statistical information for monitoring and evaluation of the policies and strategies and in particular the RISDP are crucial in the development of statistics.

Some of the important areas not covered are the statistical indicators on science and technology, research and development and the informal sector. It is imperative that these statistics are incorporated in all official statistics and may have to be addressed as a matter of urgency along with capacity building at regional and national level.

3.6.4 SADC PRIVATE SECTOR

3.6.4.1 Overview

The SADC region is evolving from a largely state controlled economy to a private sector led economy. This development has now been happening at an increasing speed over the last 10 years. The role of the private sector in wealth creation, employment generation and therefore poverty alleviation is firmly accepted by all SADC member states. However the strategies and approaches by which the private sector may be engaged to the mutual benefit of both the States and the Private Sector are not entirely in place across the Region.

Private sector engagement in SADC is at different levels of development ranging from strong public-private sector partnerships, on one hand, to a cautious relationship between the State and Business. In the later case the private sector is generally handed down the policies and at best engaged at the programming stage. In those countries where the Public Sector sees it as mandatory to consult the Private Sector on policy, legislation and programmes that affect business, markets tend to be better regulated and developed and business environments are more attractive to both internal and external investors.

3.6.4.2 Review of Current Policy Environment and Strategies

Although collectively SADC Member States have agreed to engage the private sector in the drive towards regional integration, this is not backed by a SADC Policy on Public-Private Sector dialogue and Public-Private Sector partnership. Regional policies and strategies are also not in place:

- On how best to engage the private sector to deal with income poverty
- To mainstream strategies on tackling HIV/AIDS as the private sector is engaged
- To increase the involvement of women in business
- To ensure the development of a responsible private sector through nationally and internationally acceptable codes of good corporate governance

The current SADC Policy environment on the Private sector consists of two MoUs with ASCCI (August 2000) and SEPAC (February 2001). A subsidiary document, the ASCCI White Paper, has now been accepted by SADC Member States as a working document towards a more meaningful engagement of the Private sector. It is however not yet agreed as to how the White Paper issues will be implemented.

The ASCCI *White Paper on the Economic Policy Issues in the SADC Region* outlines key areas of concern by the private sector and makes several recommendations on the way forward. The White Paper explores five key issues covering Investment and Growth, Trade Expansion, Competitiveness, Harmonisation of Policies and HIV -AIDS, and identifies the following needs:

- The betterment of the macro-economic environment to attract investment, including FDI
- The security of investment
- The facilitation of the movement of labour
- The speeding up of the UNIVISA and its extension to SADC nationals
- The speeding up of free movement of capital
- The facilitation of intra-regional trade
- The removal of NTBs
- The provision of regional trade and market information
- The prevention of dumping practices
- The adoption of more liberal air access policies
- The enhancement of national and regional competitiveness
- The harmonisation of business arbitration systems and
- A concerted approach to the HIV/Aids issue

As a follow up, the Private Sector met in May 2002 and reviewed the White Paper for areas requiring action from them. The three priority areas identified for implementation by Chamber Members of ASCCI were Training in export procedures and general business training in order to enhance investment and growth; Market Information on import/export procedures, potential buyers/sellers, data on trade flows, customs duties and NTBs in order to enhance competitiveness; and a Reduction of customs procedures and bureaucracies to enhance Trade Expansion. These areas are currently under implementation.

3.6.4.3 Evaluation of Current Policy Environment and Strategies

The MOU between SADC and ASCCI is a non-legal binding instrument of co-operation between SADC and the Region's private sector through the Chambers of Commerce and Industry and Business Associations. Since its signing the major outcome from the SADC ASCCI MOU has been the creation of a private sector desk at SADC and the inclusion of the ASCCI White Paper on the Agenda of the Finance and Trade ministries as directed by the SADC Council in Angola (October 2002).

However the SADC ASCCI MOU seems to suggest that ASCCI is an external body to the “sub-regional organization promoting development and economic growth in the sub-region through regional integration”. Both the MOU and its spirit are insufficient as a tool to integrate the private sector into the SADC policy framework and regional programming.

The MOU with SEPAC came in the wake of a SADC Industry and Trade Ministers’ approval of a programme for the development and promotion of Small and Medium Enterprises (SMEs) in 1992 which was followed by a Regional Programme of Action (RPA) approved by the Ministers in 1998. Both the RPA and SEPAC focus on similar areas. These are the SME Policy support (Legislation); SME support services (Information and Technology database, and training and development); Access to finance; Marketing, business linkages and cross-border trade; and Institutional co-ordination.

As in the ASCCI MOU, the SEPAC MOU sought co-operation and not integration of the SMEs into the SADC policy framework, SADC structures and programmes. The MOU, though formalizing the relationship, is non-legal and not binding between the parties.

There is no evidence of SADC servicing the SADC SEPAC MOU beyond the stated intentions as detailed in the MOU. SEPAC on its part has implemented several initiatives albeit at a declining pace to the detriment of the agreed “SADC Programme for the Development and Promotion of Small and Medium Enterprises”.

The issues above offer a base for the derivation of strategies to develop, firstly, a SADC policy for a strong public-private sector partnership and dialogue, and secondly to integrate the private sector into the SADC framework. Although the intentions are substantial from both parties and the political will is in place, strategies are lacking on the way forward.

3.6.4.4 Challenges to public-private sector partnership

The base strategy for SADC will be to develop and implement all future policies and programmes through structured consultative processes in which such groupings as the private sector are an integral part. Two main challenges therefore exist for SADC. Firstly the institutionalisation of public-private sector dialogue and partnership and the enhancement of the current MOUs with ASCCI and SEPAC from mere obligations to mandatory responsibilities; and secondly the development of an action plan involving both the public and private sector to deal with issues outlined in the White Paper. The RISDP offers an opportunity to meet these challenges.

CHAPTER 4

PRIORITY INTERVENTION AREAS

4.1 BACKGROUND

The selection of the intervention areas presented in this chapter is based on their contribution to the overarching objectives and priorities identified in the Report of the Review of SADC Institutions, approved by SADC Heads of State and Government in Windhoek, Namibia in March 2001. The intervention areas are also influenced by the challenges identified in Chapters 2 and 3. The criteria used include contribution of the intervention area to poverty reduction and eradication; development integration; balanced and equitable development; integration into the continental and global economy; sustainable development and gender equality.

The presentation of the intervention areas highlights the overall goal, focal areas, key strategies, and broad targets. The targets take into account the Millennium Development Goals and other internationally agreed parameters. It should be noted that the targets are not presented in order of priority. The interventions are further elaborated in matrices, which identify the objectives, strategies, measures, time frames, indicators and the line responsibility (attached as annexes).

The interventions provide a broad strategic framework. The directorates at the Secretariat will prepare detailed implementation plans based on this framework.

A number of assumptions have been identified as critical for the attainment of the goals and achievement of the targets. These include the existence of strong political will, good governance, availability of human and financial resources, and effective management of inter-sectoral linkages and synergies.

The priority intervention areas presented in this chapter are as follows:

- Poverty eradication;
- Combating of the HIV/AIDS pandemic;
- Gender equality and development;
- Trade/economic liberalization and development;
- Infrastructure support for regional integration and poverty eradication;
- Sustainable food security; and
- Human and social development.

4.2 POVERTY ERADICATION

4.2.1 INTRODUCTION

The SADC region has identified the combating of poverty as the overarching priority in its integration agenda. Accordingly, the 1992 SADC Treaty contains broad goals achieving development and economic growth, alleviation of poverty, enhancement of the standard and quality of live of the people of Southern Africa and support for the socially disadvantaged groups through regional integration.

In recognition of the magnitude of the problem and in line with the commitments that Member States have made under the Millennium Development Goals and NEPAD, the region has adopted poverty eradication as its main goal.

4.2.2 OVERALL GOAL

The overall goal of the poverty intervention area is to promote sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication.

4.2.3 FOCUS AREAS

As indicated in Chapter 2, poverty is caused by many factors. For this reason, poverty eradication is addressed in all intervention areas outlined in this chapter, in particular, in the priority intervention areas of combating of the HIV/AIDS pandemic; gender equality and development; trade, economic liberalisation and development; infrastructure support for regional integration and poverty eradication; sustainable food security; and in human and social development. It is also addressed in the SADC Indicative Plan of the Organ on Politics, Defence and Security in view of the importance of good governance for poverty eradication.

4.2.4 STRATEGIES

Eradicating poverty requires that opportunities be created for the poor to create wealth for themselves. This entails building up the capital assets of the poor, redistributing natural assets, constructing and maintaining infrastructure and promoting knowledge and health in poor areas; protecting the environment and reducing economic inequalities. It also entails expanding into regional and international markets and promoting investment to stimulate economic growth and employment creation for the poor.

A key strategy in eradicating poverty is facilitating the empowerment of poor people by laying the political and legal basis for inclusive development, promoting public administrations that foster economic growth and equity, promoting inclusive decentralisation and community development, promoting gender equity, addressing social barriers and supporting poor people's social capital. Another strategy for eradicating poverty is reducing the risks of such events as conflicts, crimes, diseases and economic reforms and crises; reducing the vulnerability of the poor to them; and establishing coping mechanisms.

These strategies are covered in greater detail in the priority intervention areas mentioned above. They are basically consistent with the poverty reduction strategies being pursued by individual Member States, and, in many respects, complement national strategies.

4.2.5 TARGET

Halve the proportion of the population that lives on less than US\$1 per day between 1990 and 2015.

4.3 COMBATING OF THE HIV/AIDS PANDEMIC

4.3.1 INTRODUCTION

In recognition of the fact that there can be no meaningful development in the region unless the HIV/AIDS pandemic is addressed on an urgent and emergency basis, SADC Member States adopted a multi-sectoral HIV/AIDS Strategic Framework in 2002, which aims at strengthening the response to the HIV/AIDS epidemic. This Framework recognizes that the wider participation of all sectors and communities (including youth, women and children) in the HIV/AIDS response is likely to lead to enhanced synergism and complementarity of efforts for achieving greater impact.

4.3.2 OVERALL GOAL

The overall goal of the SADC HIV/AIDS intervention is to decrease the number of HIV/AIDS infected and affected individuals and families in the SADC region so that HIV/AIDS is no longer a threat to public health and to the socio-economic development prospects of Member States

4.3.3 FOCAL INTERVENTION AREAS

- Reduce and prevent the incidence of HIV/AIDS infection among the most vulnerable groups in SADC.
- Mitigate the socio-economic impact of HIV/AIDS.

- Review, develop and harmonise policies and legislation aimed at prevention and control of HIV/AIDS transmission.
- Mobilise and co-ordinate resources for the HIV/AIDS multi-sectoral response in the SADC region.

4.3.4 STRATEGY

The main strategy is to promote the re-allocation of responsibilities for planning, coordination, implementation, monitoring and evaluation of the HIV/AIDS response across the social and economic sectors of SADC, consistent with the specific mandates and comparative advantage they enjoy. Specific measures will include the following:

- Developing and implementing improved clinical management standards and strategies;
- Improving HIV/AIDS disease surveillance systems and disseminating epidemiological information to the other sectors;
- Providing health-related technical assistance to the other sectors as they plan, implement and monitor their strategies aimed at addressing the epidemic;
- Catalysing and creating opportunities for other sectors to become creative, innovative and take ownership for their HIV/AIDS response.

4.3.5 TARGETS

- The spread of HIV/AIDS reduced by 2007 and the prevalence of HIV particularly among young men and women reduced by 25% in all Member States.
- The proportion of infants affected by HIV reduced by 60% by 2015 in all Member States.

4.4 GENDER EQUALITY AND DEVELOPMENT

4.4.1 INTRODUCTION

Women contribute a very significant share to the income of their households, especially in agriculture. Research shows that improved educational and income-earning opportunities for women reduce infant and maternal mortality; educated women have fewer and healthier children, who are more likely to attend school and perform well. Gender equality therefore contributes to the reduction of poverty and overall development.

Despite this evidence, pervasive inequalities exist between women and men in the SADC region. Women constitute the majority of the poor in the region, as a result of their limited access to, and control over productive resources such as land, livestock, credit and modern technology. In addition, women have limited access to adequate health facilities, formal education and employment, and are over represented in the informal sector where returns are extremely low and unreliable. Finally, laws exist in most Member states that restrict women's legal capacity, and have a direct bearing on women's income earning capacities.

These gender gaps undermine the contribution of women who should instead be seen as a powerful resource for development. SADC's policies and strategies should therefore address these gender gaps in order to achieve its poverty reduction and eradication objectives

4.4.2 OVERALL GOAL

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.

4.4.3 FOCUS AREAS

- Gender policy and institutional frameworks;
- Women's human and legal rights, including the elimination of violence against women;
- Gender mainstreaming;
- Access to, and control of resources; and
- Access to key political and decision making positions.

4.4.4 STRATEGIES

- Accelerate the development of explicit gender policies, and establish and strengthen national gender coordination machineries; harmonize them at regional level, and develop a regional gender policy;
- Ratify international instruments on gender equality, incorporate their provisions into national laws through constitutional and legislative reforms, and set up appropriate enforcement mechanisms and institutions to deliver necessary services.

- Mainstream gender into all sectoral policies, programmes and activities at national and regional level through gender responsive planning, policy development and implementation, gender capacity building and training, and the collection of gender disaggregated data.
- Adopt women's economic empowerment policies and strategies in order to address the inequalities in access to, and control of resources; develop specific programmes and put in place gender-responsive budgeting initiatives.
- Adopt deliberate and positive measures such as affirmative action, with a view to accelerating gender equality in political and decision-making positions;
- Implement gender capacity building and training programmes at national and regional levels, and disseminate best practices to ensure wide spread diffusion.

4.4.5 TARGETS

- Target 1:** Development and strengthening of national gender policies and institutional frameworks by end of 2003, harmonization by the Secretariat and development of a regional gender policy by the middle of 2004.
- Target 2:** Signature, accession, and ratification by Member States of international and regional human rights instruments on gender equality by the middle of 2004, and incorporation by end of 2004;
- Target 3:** Repeal of gender discriminatory provisions in member states' constitutions, laws, policies and any other sources by mid 2005, and enactment of provisions guaranteeing substantive gender equality by end 2005;
- Target 4:** Establishment of enforcement mechanisms and service delivery institutions by mid 2006.
- Target 5:** Adoption of gender responsive planning, budgeting and implementation processes, regular gender capacity building and training programmes; and mechanisms for the collection of gender disaggregated data by end 2006.
- Target 6:** Development, strengthening and implementation of specific programmes for the economic empowerment of women by end of 2007.

Target 7: The achievement by all member states of:

- At least 30% women in decision-making positions in local government, parliament, cabinet and senior positions in the public sector by 2005, or affirmative action measures in place to accelerate the attainment of this target;
- At least 40% women in decision-making positions in local government, parliament, cabinet and senior positions in the public sector by 2010, or affirmative action measures in place to accelerate the attainment of this target;
- At least 50% women in decision-making positions in local government, parliament, cabinet and senior positions in the public sector by 2015, or affirmative action measures in place to accelerate the attainment of this target; and
- At least 20% women in decision making positions in large private sector firms as defined by Member States by 2005, 30% by 2010 and 40% by 2015.

4.5 TRADE, ECONOMIC LIBERALIZATION AND DEVELOPMENT

4.5.1 INTRODUCTION

Global trends and developments indicate that those nations or groups of countries that are successfully implementing trade and economic liberalization policies are experiencing high economic growth and an improvement in the quality of life of their peoples. Given the changing global environment, the creation of large markets has become synonymous with increased foreign investment and economic growth as investors search for economies of scale and efficiency gains in the production process. Markets have to be competitive at local and international levels. Small and protected markets have been rendered non-viable by globalisation.

Developments in the African continent show that many regional economic communities are integrating their markets with some having long established customs unions while others are at advanced stages and moving towards common markets. Within SADC there is the Southern African Customs Union (SACU). Some SADC Member States are in the Free Trade Area of the Common Market for Eastern and Southern Africa States (COMESA), which envisages establishing a customs union by the year 2004. The issue of multiple memberships of SADC Member States in regional integration blocs should be resolved as a matter of urgency in order to facilitate the establishment of a SADC Customs Union. The United States has proposed negotiating a free trade agreement with SACU. These developments have serious implications on

SADC's future, particularly in deciding on the geographical configuration for the second phase of the negotiations on the economic partnership agreement with the European Union in the context of the Cotonou Agreement.

SADC has been implementing the Trade protocol, since September 2000 that will lead to a Free Trade Area by 2008. As one of the building blocs of the African Union, SADC has to keep pace with developments on the continent in order to avoid slowing down the continental integration agenda of achieving an Africa wide single market.

It is imperative, therefore, that as a way of fostering a global partnership for development, SADC further develops trade and financial systems that are rule-based, predictable and credible. The Regional Indicative Strategic Development Plan considers trade and economic liberalization for deeper integration and poverty eradication as one of its key catalytic intervention areas. The pursuit of this intervention area would lead to the establishment of the SADC common market.

The policies and strategies that are adopted for trade, industry, finance and investment should take into consideration the special needs of less developed member countries and ensure that a win-win situation prevails. In the case of the trade protocol, the principle of asymmetry was adopted to address the concerns of less developed member countries in terms of tariff reduction and also on rules of origin for some products, which were made less stringent for them, at least in the first three years. Deliberate policies will also be required to deal with industrial development for the periphery areas or countries that may not be as competitive as others.

Such development variations could also be addressed through targeted cross-border investment in productive activities and corridor development, which would spread development across the region. Strategies will therefore be required to develop a competitive and balanced industrial base in SADC that optimally utilizes local resources through comprehensive value addition and creating an enabling environment for increased investment and sustained economic growth. The process of value addition of local resources particularly in mining and agriculture, will also take into account environmental concerns in order to ensure sustainable development. At the same time cross-cutting issues such as gender, HIV/AIDS, information and communications technology, statistics and science and technology will be mainstreamed into all areas of focus.

In developing the policies and strategies for industrial and mining development, the question of the informal sector both in terms of trade liberalization and actual production should be taken on board. Although there are no statistics, it is known that informal cross border trade is substantial and is thriving throughout the region. A large proportion of the population derives its livelihood from informal employment.

4.5.2 OVERALL GOAL

The overall goal of this intervention is to facilitate trade and financial liberalization, competitive and diversified industrial development and increased investment for deeper regional integration and poverty eradication through the establishment of a SADC Common Market.

4.5.3 AREAS OF FOCUS:

Completion of the establishment of the SADC free trade area;

Establishment of the SADC Customs Union;

Establishment of the SADC Common Market;

Attainment of macroeconomic convergence;

Development and strengthening of financial and capital markets;

Increase SADC share of FDI; and

Enhancement of SADC competitiveness in productive activities and effective participation in the global economy.

4.5.4 STRATEGIES

Fast track the implementation of the Protocol on Trade;

Commencement of negotiation on the establishment of the SADC Customs Union by 2004;

Harmonization of policies, legal and regulatory frameworks for free movement of all factors of production;

Formulation and implementation of stability-oriented macroeconomic policies to achieve macroeconomic convergence and engineer credibility;

Consolidation of implementation of the industrial and mining development strategies;

Enhancing competitiveness through industrial and mining development and promotion of increased productivity in productive sectors; taking advantage of the rich natural resource base in relation to commodity market;

Promotion of SADC as an attractive investment destination.

4.5.5 TARGETS:

Target 1: Free Trade Area - 2008

Target 2: SADC Customs Union - 2010

Target 3: SADC Common Market - 2015

Target 4: Diversification of industrial and mining structure and exports - 2015

Target 5: Macroeconomic convergence on:

- Inflation rate single digit by 2008, 5% by 2012, and 3% by 2015;
- Ratio of budget deficit to GDP of less than 5% by 2008 and less than 3% by 2012;
- Debt service ratio of less than 15% of export revenue by 2008; and less than 10% by 2012;
- Central Bank credit to Government less than 10% of previous year's tax revenue by 2008; less than 5% by 2012 and elimination by 2015.
- External reserves/import cover of at least 3 months by 2008 and more than 6 months by 2012.
- Balance and structure of the current account
- Increase the level of savings to at least 25% of GDP by 2008 and to 30% by 2012.
- Increase domestic investment levels to at least 30% of GDP by 2008.

Target 6: Financial Sector Reform

- Full development, completion and implementation of the following MOUs by 2004:
 - Payments and clearing systems,

- Legal framework,
 - Stock exchange,
 - Exchange controls, and
 - Information Technology.
- Completion of the development of the Protocol on Finance and Investment 2004;
 - Increase the share of credit accessed by women and SMEs to at least 5% of total credit by 2008.

4.6 INFRASTRUCTURE SUPPORT FOR REGIONAL INTEGRATION AND POVERTY ERADICATION

4.6.1 INTRODUCTION

Bridging the infrastructure gap has the potential for deepening integration through the sharing of the production, management and operations of infrastructure facilities, hubs, and development corridors. Strategic regional infrastructure interventions are key to attracting investment into the region, improving competitiveness and promoting trade. In view of the fact that the majority of the Region's population lives in rural areas, an integrated, efficient and least cost infrastructure system will unleash the production potential of these communities and provide the necessary links to markets, thereby significantly contributing towards poverty eradication and gender balance. Empirical evidence suggests that poverty reduction and gender balance have the potential to increase awareness and responsible behaviour both of which are necessary factors that can significantly contribute towards mitigating the spread of HIV/AIDS.

4.6.2 Overall Goal

The overall goal of infrastructure support intervention is to ensure the availability of a sufficient, integrated, efficient and cost effective infrastructure system that will support and sustain regional economic development, trade, investment, and agriculture thus contributing towards poverty eradication.

4.6.3 Focus Areas

- Ensuring the availability of sufficient, reliable and least cost energy supplies;
- Using tourism as a vehicle for achieving sustainable socio-economic development, poverty eradication and as a key incentive for the conservation and utilization of the region's natural resources;

- Providing efficient, cost-effective, safe and fully integrated transport, communications and meteorology systems;
- Integrated water resources development and management and their equitable sharing for the mutual benefit of all.

4.6.4 Strategies

4.6.4.1 Energy

Electricity:

- Promote power pooling through the extension of grid interconnections to cover all Member States and upgrading/strengthening existing grids.
- Consolidate the transformation of the Southern African Power Pool (SAPP) from a co-operative to a competitive pool and create a regional electricity market.

Petroleum and gas:

- Promote joint exploration and development of resources, and the harmonisation of policies, regulations and legislation to facilitate cross border trade, improve capacity utilisation, and cooperate in joint procurement of petroleum products in the world market.

Cross-cutting Issues:

- Improving access to affordable energy services to rural communities through rural electrification and development of new and renewable energy sources.
- Institutional strengthening, human resources development, information collection, processing and exchange, and research and technology development.

Targets

Target 1: Establishment and strengthening of private sector regional associations such as the Petroleum and Gas Association, and regional associations of regulators such as the Regional Electricity Regulatory Association by 2004;

Target 2: Establishment of energy data banks and planning networks by 2005;

- Target 3:** Harmonization of energy sector policies, legislation, rules, regulations and standards by 2006 to facilitate energy market integration;
- Target 4:** Identification and strengthening centres of excellence for energy research and technology development by 2008;
- Target 5:** Achieve 100% connectivity to the regional power grid for all Member States by 2012;
- Target 6:** 70% of rural communities have access to modern forms of energy supplies by 2018.

4.6.4.2 Tourism

- Facilitate the signing and ratification of the Tourism Protocol by all Member States;
- Development of the tourism strategy;
- Cooperate in marketing and promotion strategies, action plans, and implementation programmes to promote intra-regional and international tourism;
- Brand SADC as a tourism destination of choice and promote SADC destination identity and competitiveness through marketing and promotion activities;
- Introduce a UNIVISA system to facilitate intra-regional travel for the development of tourism through the easing or removal of travel and visa restrictions and harmonization of immigration procedures; and to facilitate movement of international tourists in the region in order to increase the market share and revenue of the region in world tourism;
- Create an enabling environment to enhance competitiveness of the region as an attractive investment location and develop tourism-specific incentives to encourage the growth of private sector initiatives in the sector;
- Promote community-public-private partnerships (CPPPs) in tourism development including SMEs, women and youth;
- Encourage development of SADC Transfrontier Conservation Areas (TFCAs) and tourism-based Spatial Development Initiatives (SDIs) as tourism product varieties;
- Promote competitiveness, quality, and standardization of services and infrastructure in the tourism industry through harmonization in the grading

and classification system for hotels, other accommodation establishments and ground operators;

- In the development of human resources, Member States will harmonise standards of training in their countries and ensure that tourism-training institutions in different parts of the region are complementary to one another in the training courses.

Targets

Target 1: Signing and ratification of the Tourism Protocol by all Member States by the end of 2003.

Target 2: Development of Tourism Policy and Strategy document by 2004.

Target 3: SADC share of World Market of tourist arrivals to reach 10% by 2005.

Target 4: Gender mainstreaming by 2005.

Target 5: SADC share of World tourism receipts from 1% in 2001 to 3% by 2005.

Target 6: Implement the SADC UNIVISA system by 2008.

Target 7: Harmonise policies, legislation and standards by 2008.

Target 8: To ensure that SADC is a known destination by 2008.

4.6.4.3 Transport and Communications and Meteorology

- Increase efficiency and reduce the costs of operations;
- Ensure appropriate levels of accessibility and mobility in rural areas;
- Promote sustainable sources of funding for the provision and maintenance of infrastructure;
- Promote public-private partnerships in the provision of infrastructure and services;
- Liberalize markets in road transport, air transport services, coastal shipping, and railway services to ensure competitiveness and efficiency;
- Promote harmonization of policies, rules and regulations to improve the level of safety and facilitate the cross-border transportation of people, goods and information;

- Improve accessibility to affordable universal communications services through the use of appropriate technology;

Targets (Transport)

- Target 1:** Liberalise regional transport markets by 2008.
- Target 2:** Harmonise transport rules, standards and policies by 2008.
- Target 3:** Recovery of all costs for maintenance of infrastructure by 2008 and full infrastructure investment costs by 2013.
- Target 4:** Removal of avoidable hindrances and impediments to the cross border movement of persons, goods and services by 2015.

Targets (Communications)

- Target 1:** Upgrade the capacity of ground stations to retrieve information from the high-resolution second-generation meteorological satellites by 2005;
- Target 2:** Develop appropriate policy and legal frameworks to facilitate operational cost-recovery, harmonisation and regional integration by 2006;
- Target 2:** Develop operational capacity of regulators to respond to customer expectations by 2007;
- Target 3:** Facilitate growth of public – private sector partnerships to achieve national universal access to services by 2010.

4.6.4.4 Water

- Establish and strengthen shared watercourse institutions in order to facilitate the development of comprehensive, integrated basin-wide plans;
- Improve the legal and regulatory framework at national and regional levels to ensure harmonised policies and legislation and consistency with international water principles;
- Promote the development of strategic water infrastructure (rehabilitation and expansion of existing facilities, creation of new facilities, regional programme for water supply and sanitation, pre-feasibility studies for strategic regional infrastructure projects e.g. water transfer and storage; irrigation; flood control and drought mitigation);

- Strengthen the capacity of national and regional water institutions for water resources planning, development and management;
- Enhance the knowledge base on water resources through improved information management, research and technology development (to improve the availability and quality of water); and
- Promote awareness and public participation in policy and programme formulation and implementation.

Targets

Target 1: Long term regional water policy and strategy developed and approved by March 2004;

Target 2: Increased awareness, broad participation and gender mainstreamed in water resources development and management by 2005;

Target 3: Centres of excellence for water research and technology development are identified, strengthened by 2005;

Target 4: Water sector policies and legislation harmonised by 2006;

Target 5: Establish and strengthen at least eight River Basin Organisations by 2006;

Target 6: Water data banks and planning networks are established and fully operational by 2007;

Target 7: Training and institutional capacity strengthening programmes developed and implemented by 2008;

Target 8: Halve by 2015 the proportion of people without access to safe drinking water and sanitation services;

Target 9: Develop by 2015 water resources infrastructure needed to double land under irrigation.

4.7 SUSTAINABLE FOOD SECURITY

4.7.1 INTRODUCTION

The SADC region is food insecure for a number of reasons. The production of foodstuffs is adversely affected by periodic droughts and floods, and by morbidity and loss of labour caused by HIV/AIDS. Both of these causes can be said to be beyond the control of Member States. Food production is also adversely affected

by other factors that reflect inappropriate policies and bad governance. These factors include low market prices for food products; inability of smallholder farmers to afford and access improved agricultural inputs; sale of labour, farm animals and other assets by smallholder farmers due to poverty which reduces their capacity to produce food; high level of dependence on rain-fed agriculture; dependence on maize and other cereals that are not drought resistant; and dependence on food aid. Availability of food to some agricultural households is adversely affected by poverty, which forces them to sell food products to raise cash. At the country level, food availability is determined by national food supply, which is the sum of domestic production, that can be adversely affected by the factors that have been stated above, imports of food that are constrained by limited availability of foreign exchange, and food reserves which in some cases are mismanaged. Another critical factor is access to food, which is adversely affected by low levels of income or poverty.

The level of food insecurity in SADC is high and rising. Between 1990-92 and 1997-99, for example, the number of undernourished people in the region is estimated to have increased from 52.7 million to 77.2 million or from 42 percent to 51 percent of the entire population. Although there have been improvements in a small number of countries, average per capita dietary energy and protein intakes have decreased over the past fifteen years, and now stand at 2.160Kcal per day, against a recommended level of 2.700Kcal per day, and at 49g per day, respectively. Over and above the problem of chronic food shortage, periodic famines leave many people without food. The 2001/2002 famine, for example, affected over 14 million people across the region. As a result of rising food insecurity, food imports have almost doubled in the region over the past fifteen years. Compounded by the burden of external debt servicing, the pressure exerted by these imports on foreign exchange receipts is likely to rise in the future. FAO estimates that cereal demand in SADC will reach about 58.4 million tonnes per year in 2015, or more than double the current requirement of 28.4 million tonnes.

4.7.2 OVERALL GOAL

The overall goal of co-operation in Food Security is to achieve sustainable or lasting access to safe and adequate food at all times by all people in SADC for an active and healthy life.

4.7.3 FOCUS AREAS

- Food Availability: In order to enhance long-term availability of food in SADC, the objective of regional co-operation in this area is to improve the availability of food.
- Access to Safe Food: The objective in this focus area is to improve access to safe food.

- **Nutritional Value of Food Consumed:** With respect to nutritional value of food consumed, the objective is to improve the nutritional value of food and minimize food losses.
- **Disaster-induced Emergencies:** Regarding disaster-induced emergencies, the objective is to improve forecasting, prevention, mitigation and recovery from adverse effects of natural disasters.
- **Institutional Framework:** The objective here is to strengthen the institutional framework for improving food security in the SADC region.

4.7.4 STRATEGIES

FOOD AVAILABILITY

- Increasing crop and livestock production, productivity and profitability.
- Promoting diversification of food crops.
- Protecting the environment and promoting sustainable use of natural resources, including Land, Fisheries, Forestry, and Wildlife.
- Promoting irrigation and appropriate technologies; e.g., the use of organic manure in smallholder agriculture.
- Mainstreaming gender and HIV/ AIDS into all FANR strategies and activities.
- Promoting labour saving agricultural support systems and technologies for resource poor farmers.
- Encouraging the involvement of commercial or large-scale farmers in food crop production through appropriate policies and legislation.
- Promoting trade in food and non-food agricultural products and enhancing advocacy for fair trade practices in agriculture.
- Encouraging public and private investment in agriculture, including research and technology development.
- Promoting effective coordination and linkages between FANR and other areas, in particular, Trade, Industry, Health, Water, Transport and Communications.

ACCESS TO FOOD

- Promoting rural non-farm income generating activities, including agro-processing.

- Promoting entrepreneurship development in rural areas.
- Promoting Agri-Business.
- Promoting effective food preservation and storage technologies.

TARGETS

- Target 1:** Double cropland under irrigation from 3.5% (1996-1998) to 7% as percentage of the total by 2015;
- Target 2:** Increase fertilizer consumption from 44.6 kilograms per hectare of arable land (1996-1998) to 65 kilograms per hectare of arable land by 2015 (world average is 98.8 Kg/ha);
- Target 3:** Increase cereal yield in kilograms per hectare from an average of 1,392 during 1998-2000 to 2,000 (world average) by 2015;
- Target 4:** Integrate principles of sustainable development into country policies and programmes by 2005 and reverse the loss of environmental resources by 2012.

NUTRITIONAL VALUE OF FOOD

- Promoting standardization and improving quality of processing, packaging, preparation and preservation of food.
- Promoting consumer/food education and awareness.
- Promoting the consumption of nutritious food, especially among vulnerable groups, such as people living with HIV/AIDS, under five children, pregnant women and old people.
- Promoting food fortification, particularly for micronutrients.
- Promoting effective co-ordination with other stakeholders, particularly Water and Infrastructure.

TARGETS

- Target 1:** Increase the daily per capita dietary energy intake from 2.160Kcal to 2.700Kcal by 2015.
- Target 2:** Halve the proportion of people who are hungry between 1990 and 2015.

Target 3: Halve the proportion of underweight children who are less than five years of age between 1990 and 2015.

DISASTER PREPAREDNESS FOR FOOD SECURITY

- Concerning forecasting and preventing adverse consequences of natural disasters, broaden and strengthen the early warning system to cover food availability, access to food and information on staple food markets, including prices.
- As regards mitigating the consequences of food crises, establish a reserve fund and/or physical stocks above national requirements; and promote safety nets.
- With respect to recovery from adverse effects of natural disasters, adopt measures to ensure availability of and access to agricultural inputs; and rehabilitate land and infrastructure.

INSTITUTIONAL FRAMEWORK

- Development of Protocols on Food Security and Agriculture and Environment and Land Management.
- Development of a Strategic Plan for FANR addressing food security issues.
- Completion of the Annex to the Trade Protocol on Sanitary and Phytosanitary measures.
- Improving gender mainstreaming of FANR policies and strategies.

TARGETS

Target 1: Development of Protocol on Food Security and Agriculture 2004-2005 and on Environment and Land Management.2005-2006.

Target 2: Development of a FANR Strategic Plan 2003-2004.

Target 3: Completion of the Annex to the Trade Protocol by 2004.

4.8 HUMAN AND SOCIAL DEVELOPMENT

4.8.1 INTRODUCTION

The social and human development intervention contributes to the reduction of poverty, developing and utilization of human capabilities required for promoting investment, efficiency, competitiveness, and to deeper integration as well as consolidating historical, social and cultural ties and affinities of the people of the

region. This area is also critical in addressing cross-cutting issues such as human poverty, gender mainstreaming, HIV/AIDS, science and technology, and ICT.

4.8.2 OVERALL GOAL

The overall goal of the Social and Human Development Intervention is to contribute to the reduction of human poverty and to improve the availability of educated, skilled, healthy, flexible, culturally responsive, productive and efficient human resources for the promotion of SADC's equitable economic growth, deeper integration and its competitiveness in the global economy.

The intervention will also contribute towards the reduction of human poverty, combating of the HIV/AIDS pandemic, development and utilisation of science and technology and ICT and the empowerment of women.

4.8.3 FOCAL INTERVENTION AREAS

- Develop and sustain human capabilities through increased access of the population to quality and appropriate education, training, welfare and social development, nutrition, health, cultural and sporting services as well as information in all Member States.
- Develop positive cultural values, attitudes and practices that are geared towards promoting healthy lifestyles, increasing productivity, maintaining harmonious labour-management relations, cultural tolerance, promoting gender equality, consolidation of cultural ties and the spirit of regional identity, commitment to deeper regional integration as well as combating of HIV/AIDS.
- Increase utilization of human capabilities through the provision of information, promotion of public understanding of science and technology, employment and income generating opportunities, including the promotion of cultural heritage, cultural industries, cultural festivals and sporting events to contribute towards the reduction of poverty.
- Promote media diversity and access to media and information for the population of SADC through the promotion of the use of local languages, including encouraging behavioural change for preventing and controlling the spread of the HIV/AIDS.

4.8.4 Strategies: Development and Sustenance of Human Capabilities

- Coordination, harmonisation and engendering of policies in education, training, health, nutrition, welfare and social development, culture, information, sport, employment and labour for combating human poverty, HIV/AIDS and improving human development.
- Establishment of exchange programmes and mechanisms for key stakeholders including students, academic staff, high level experts/researchers, artists, media professionals, sports persons, tripartite partners and populations leaving near borders, special exchange programmes as well as the promotion of excellence in culture and sports for regional identity
- Harmonisation of special support programmes for vulnerable groups including orphans, physically and mentally handicapped people and especially children affected by the impact of HIV/AIDS pandemic and creation of opportunities through various stakeholders dealing in cultural and sporting activities and the welfare of people with disabilities to provide special programmes, user-friendly facilities and training opportunities for them.
- Coordination of interventions at both regional and national levels to combat illicit drug trafficking and substance abuse.
- Establishment of centres of specialisation and excellence for the training and development of human resources in critical areas, including science and technology, ICT, joint procurement of essential educational and health services, including essential drugs, research, as well as mechanisms for referral of patients for tertiary care and combating of major diseases such as HIV/AIDS, TB and malaria.
- Harmonization and standardisation of the qualification and accreditation systems with a view to increase access to education and training opportunities and to promote comparability in the educational and training systems and their outputs.
- Allocation of adequate human and financial resources for the provision of essential services for human development as well as promoting their efficient utilization.
- Promotion of positive cultural values, attitudes and practices for human development, gender equality and deeper regional integration and regional identity.
- Increasing access to education in science and technology, ICT by women in order to address gender disparities.

Strategies: Utilisation of Human Capabilities

- Harmonization of policies and programmes for employment creation, income generation and productivity improvement with a view to enhance the labour absorptive capacity of the national economies as well as measures to reduce the brain drain in the region and the impact of the HIV/AIDS pandemic on the workforce.
- Harmonisation of policies and facilitating the establishment of mechanisms for the movement of labour and for the conservation and preservation of tangible and intangible regional cultural heritage as well as the promotion and protection of creativity.
- Consolidation and promotion of tripartism and social dialogue in addressing labour and employment issues as part of the regional integration agenda.
- Coordination and standardisation of databases and information systems in the area of social and human development and special programmes, particularly for human capital formation, labour markets, productivity improvement, cultural development, and combating human poverty, HIV/AIDS, TB, malaria and other major diseases.

4.8.5 TARGETS

Overall Human Development

Increase SADC Human Development Index (HDI) from 0.500 to 0.800.

Human Poverty Reduction and Development of Human Capabilities

- Universal adult literacy and primary education should be achieved by 50% of Member States that already have attained 90% universal access by 2010 and the rest by 2015.
- Gender disparities in secondary education should be eliminated by 2010 at secondary education and at all levels by 2015 in all Member States.
- Secondary net enrolment ratios should be increased to 100% by 30% of Member States that already have high enrolment ratios by 2007 and the rest should achieve 100% by 2015.
- Public education expenditure as percentage of total government expenditure should be at least 15% in all Member States by 2015.

- Pupil-teacher ratio at primary and secondary levels should be at least 20 and 25 respectively in all Member States by 2015.
- Life expectancy should be increased from the current average level of 47 years to greater than 60 years by 2015 in all Member States.
- Infant Mortality Rates should be reduced by two-thirds between 1990 and 2015 in all Member States
- Maternal mortality rates reduced by two-thirds between 1990 and 2015 in all Member States.
- The burden of malaria reduced by 60% by 2010 in all Member States.
- The prevalence and deaths from TB reduced by 50% by 2010 in all Member States.
- Universal access to health services for all SADC citizens by 2015 from the current level of 31%.
- Percentage of under five children with malnutrition halved between 1990 and 2015.
- Universal access to safe drinking water and proper sanitation to all SADC citizens by 2015 from the current average level of 35%.

Utilisation of Human Capabilities

- Productivity levels increased, income generating opportunities in place and unemployment and underemployment is substantially reduced by 2005 in all Member States.
 - Brain drain should be substantially reduced by 2005.
- Appropriate mechanisms and frameworks for an equitable, smooth and sustainable movement of labour within the region should be in place by 2007.

4.9 SCIENCE and TECHNOLOGY; STATISTICS; AND PRIVATE SECTOR DEVELOPMENT

4.9.1 INTRODUCTION

Science and Technology is one of the key drivers in socio-economic development and is therefore one of the key intervention areas for deeper integration and poverty eradication. All the intervention areas mentioned above such as food security, energy, water, transport and communications infrastructure, and human resources development will rely on scientific and technological solutions.

Statistics are indispensable for decision-making, for planning, implementation and monitoring policies of regional integration and poverty eradication. They also provide businesses with essential market information and give the public an objective view of the regional integration process. The mission of SADC Statistics is to provide SADC with a high quality statistical information service, which includes impartiality, reliability, and comparability of statistical information. Capacity building of statistical systems at national and regional levels is the key to provide the statistical data required for regional integration and poverty eradication.

Private Sector Development and public-private sector partnership are critical in regional integration and poverty eradication. Public-private sector dialogue encourages participation of private sector in policy formulation and implementation, and builds confidence in the business sector in public policies. The dialogue can inform policies and strategies for private sector development and address impediments to private sector investment.

4.9.2 OVERALL GOALS

- The overall goal of Science and Technology (S&T) intervention 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 overall goal of Statistics intervention is to make available relevant, timely, accurate and comparable statistical information for planning, policy formulation, implementation, monitoring and evaluation of SADC integration activities.
- The overall goal of the Private Sector Development intervention is to integrate the private sector in policy and strategy formulation, and programme implementation in SADC in order to accelerate and achieve sustainable regional economic integration and poverty eradication.

4.9.3 SCIENCE AND TECHNOLOGY

FOCUS AREAS

- Regional cooperation in S&T;
- Research capacity in key areas;
- Development, transfer and adoption of appropriate technology;
- Public understanding of S&T.

STRATEGIES

- Development and strengthening of capacity for effective management of S&T at national and regional levels;
- Development of legal and policy frameworks, and programmes to promote regional cooperation in S&T;
- Development of instruments to promote international collaboration in S&T between SADC and other regional economic blocs and international organisations;

Targets

- Target 1:** By end of 2004 the Secretariat should have a fully-fledged unit focused on managing S&T matters in the region.
- Target 2:** Institutional and legal frameworks should be in place by December 2006
- Target 3:** A Science and Technology Indicator Programme should be in place by January 2006
- Target 4:** Intellectual property legislation should be in place in all member countries by 2006
- Target 5:** The network of centres of excellence should be in place and operational by 2006
- Target 6:** The SADC Science, Engineering and Technology Week will be instituted in 2004

4.9.4 STATISTICS

FOCUS AREAS

- Legal framework in statistics
- Comparability of all SADC statistics
- Informal sector statistics database
- Statistical capacity in SADC
- Integrated regional statistical database
- Statistical database on poverty

STRATEGIES

- Development of a legal framework for regional cooperation in statistics;

- Harmonisation of statistical information (economic, social and cross cutting) in SADC;
- Collation, processing and dissemination of official statistics
- Development of indicators for monitoring and evaluation of regional integration;
- Capacity building for national and regional statistical systems

Targets

Target 1: Development of a legal Framework 2003-2005

Target 2: Harmonisation of SADC statistics 2002-2008

Target 3: Development of integrated regional statistical database 2003-2005

Target 4: Development of indicators for monitoring and evaluation 2003-2004

Target 5: Enhancement of statistical capacity in SADC 2002-2008

4.9.5 PRIVATE SECTOR

FOCUS AREAS

- Public-private sector partnership and dialogue
- Quality of dialogue between the public and private sector
- Capacity in the private sector institutions and at the SADC Secretariat to meet the needs of the anticipated partnership and improved dialogue
- Information flow between the public and private sectors, including the private sector and SADC Secretariat

STRATEGIES

- Institutionalise Public – Private sector dialogue through the development of a SADC Policy. The consultative process and development of this Policy will be completed within 2003
- As immediate interim measures, prior to the SADC Policy on Public Private Sector partnership, the Private Sector will be adequately represented at all decision-making levels of the SADC structures where Private Sector related issues are being discussed, and National Private Sector Institutions will be incorporated into SADC National Committees

- SADC will adopt the ASCCI White Paper as a current Regional Agenda for dialogue between Member States and the Private Sector
- Create and support a Private Sector Unit as part of the restructured SADC Secretariat which should be resourced to meet the needs of the private sector in support of regional economic integration and development, and the implementation of the Public – Private sector dialogue/participation Policy
- Review the capacities of SADC Chambers and Business associations and facilitate the development of a sustainable capacity enhancement programme
- Carry out a regional competitiveness and business climate survey biannually followed by a SADC Biannual Business Forum to accelerate the creation of an enabling regional environment for private business development

Targets

- Target 1:** A SADC policy on Public-private Sector partnership by end 2003
- Target 2:** SADC Private sector MOUs reviewed, enhanced and signed explicitly allowing private sector participation on key meetings of SADC by June 2003
- Target 3:** Adoption by Summit of a public-private sector Action Plan based on the ASCCI White Paper by August 2003
- Target 4:** Competitiveness and Business Climate Survey launched in June 2003, and completed and final report circulated in June 2004
- Target 5:** First SADC Biannual Business Forum in October 2004
- Target 6:** SADC Private Sector Unit created and launched in January 2004
- Target 7:** Review of SADC Chambers of Commerce and Industry and Business Associations launched April 2003, completed September 2003 and report circulated September 2003
- Target 8:** Chambers and Business Associations development plan launched in January 2004

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CHAPTER 5

SUSTAINABLE FINANCING OF THE RISDP

5.1 INTRODUCTION

The RISDP is a long-term development strategy for economic growth and development and requires major commitment of sustainable financial and human resources. This chapter addresses the financing mechanisms available to SADC as well as the policy framework necessary to mobilise funding for the RISDP.

SADC's financing requirements can be divided into financing for SADC's coordination function and financing for development activities.

SADC's coordination function is financed mainly through membership contributions, which from 2003/2004 financial year will be based on the proportional contribution of each Member State to the combined SADC Gross Domestic Product (GDP). International Cooperating Partners also contribute to the SADC operational budget. SADC is also exploring the feasibility of other self-financing mechanisms for its operational budget.

The financing of SADC development activities is relevant to explore for the purpose of financing the implementation of the RISDP. The analysis will focus mainly on the following potential sources of finance and financing mechanisms for development activities:

Financing for Development in SADC:

- ❑ Public finance
- ❑ Official development assistance (ODA)
- ❑ Debt relief
- ❑ Domestic savings
- ❑ Foreign direct investment (FDI) and portfolio investment (FPI)
- ❑ Development Finance and the DFI network

Financing Mechanisms for Financing Development

- ❑ Public-private partnerships (PPPs)
- ❑ Domestic financial and capital markets
- ❑ Private equity and venture capital
- ❑ A SADC Development Fund

5.2 FINANCING FOR DEVELOPMENT IN SADC

5.2.1 PUBLIC FINANCE

In order to implement RISDP at a national level it will be imperative for Member States to improve on their public finance mobilisation, expenditure and management systems. While the mobilisation and utilisation of public funds for development occurs at the national level, the development of strategies and policies to improve public finance management and allocation systems across the region and to harmonise approaches, if coordinated at a regional level, will harness greater returns by helping to lower transaction costs across a larger market. This will encourage private savings, investment, exports and growth and will make the region an attractive destination since the private sector will be able to count on relatively constant prices and interest rates in all SADC countries.

STRATEGIES

a) Maintenance of macroeconomic stability

There is need to create and sustain macroeconomic stability by managing the macroeconomic fundamentals as envisaged in the SADC MOU on Macroeconomic convergence.

b) Public Financial Management

There is need to improve public financial management through fiscal prudence and financial discipline, and avoid financial imbalances. Member States would need to implement capacity building programmes in public finance management.

c) Fiscal Management

There is need to develop mechanisms for increasing revenues through strengthening tax administrations to efficiently collect taxes and to broaden the tax net. This will require development and implementation of programmes to strengthen the capacity of Member States.

d) Good Economic Governance

Good governance, including accountable and transparent public resource management, is fundamental in establishing credibility that will attract investment resource flows. NEPAD has identified and prioritised codes and standards for achieving good economic and corporate governance. In this context, harmonisation of best practices in accounting and auditing standards across the region for sound public financial management is an imperative. Member States are encouraged to implement the programme

of harmonisation of auditing and accounting standards coordinated by the Eastern, Central and Southern African Federation of Accountants (ECSAFA).

5.2.2 OFFICIAL DEVELOPMENT ASSISTANCE

Although official development assistance has been declining and averages about 0.24% of industrial country GDP it remains one of the important sources of finance for the implementation of the RISDP. NEPAD can play an important role in persuading industrial countries to increase the level of ODA to the recommended 0.7% of their GDP.

The absorptive capacity of SADC in the utilisation of ODA resources will have to be addressed. NEPAD identifies several constraints including good governance (political, economic and corporate).

STRATEGIES

- Development and implementation of capacity building programmes at national level in the debt management, strengthening public budgeting and financial management and effective absorption of donor assistance.
- Work through NEPAD and other fora to mobilise and increase the level of ODA to 0.7% of industrial countries' GDP, reform the aid-delivery system to ensure domestic ownership by recipients and improved coordination with recipients' domestic priorities, and to streamline the fragmented delivery system.
- Work through NEPAD and other fora to reform ODA relationship including the setting up of mechanisms by recipients to engage OECD/DAC and other donor structures.

5.2.3 DEBT RELIEF

Unsustainably high external debt has indeed become a key constraint to development. Debt relief is an important part of a comprehensive strategy to create the basis for sustained growth and poverty reduction. The Heavily Indebted Poor Countries (HIPC) Initiative is the international response to provide comprehensive debt relief to the world's poorest and heavily indebted countries. The Enhanced HIPC Initiative is based on three key elements: deeper and broader debt relief, faster debt relief, link between debt relief and poverty reduction.

The resources made available as a result of debt relief initiative are a potential source of finance for the implementation of regional development programmes including the RISDP.

STRATEGIES

- Strengthening debt management capacity of Member States, particularly the HIPC countries in the area of coordination between debt and macroeconomic policies, implementation of debt strategies that are consistent with the objective of long-term debt sustainability, legal and institutional frameworks for debt management; and human and other capacity constraints.
- Promoting the development and application of standards in areas such as financial reporting, accounting and auditing, and improving the tracking and effectiveness of budget expenditures, including those associated with HIPC.
- SADC could through NEPAD and other fora lobby for enhanced debt relief and encouragement of creditors outside the HIPC Initiative to participate in this framework.

5.2.4 DOMESTIC SAVINGS AND INVESTMENT

Savings and investment are central determinants of the rate and pattern of economic growth. In increasing domestic savings and using the resources in productive domestic investments SADC economies will strengthen the region's prospects for accelerated economic growth, poverty eradication and sustainable development.

With regard to increasing domestic savings, fundamental conditions include the sound management of macroeconomic and budgetary policies. Furthermore, well developed and functioning financial markets and systems encourages savings. Effective protection and security of deposits for the general public through government regulation increases the tendency to save.

The region is characterised by large informal sectors whose activities and assets are unrecorded and which are also fragmented and/or segmented in terms of financial markets and services. Part of the problem stems from the high transaction costs of the private banking and non-banking institutions to provide financial services to the informal sectors, including emerging entrepreneurs, and poor households.

STRATEGIES

- Governments can through appropriate financial regulatory mechanisms create the conditions for sound financial institutions and thereby improve the public trust in the financial institutions such that the public feels secure to place their savings with domestic financial institutions. For this purpose,

further progress in harmonising policy, legal and regulatory frameworks at the regional level should be encouraged.

- Financial institutions should be encouraged to provide a fuller spectrum of financial services to households in both the formal and informal sectors as well as in both urban and rural settings. For this purpose, they could develop and implement programmes to encourage household savings such as through (i) revisiting minimum deposit levels and discretionary administrative fee structures in order to encourage small savers to use the formal financial sector institutions; and (ii) advertising campaigns.
- Government should encourage, directly and indirectly, the development of the microfinance sector to provide sustainable finance for the informal sector and financial services to the poor. On a regional level, Member States should be encouraged to exchange information on best practices on policy and regulatory frameworks for microfinance.
- Harmonisation of policies and regulatory frameworks at the regional level should be encouraged in order to create a larger market for microfinance industry.
- TARGET
- Increase the ratio of gross domestic savings to GDP to 20% and the ratio gross domestic investment to GDP to 25% by 2015.

5.2.5 FOREIGN DIRECT and PORTFOLIO INVESTMENT

Efficiency- and market-seeking foreign direct investment flows into SADC remain small, as the region has not as yet succeeded in attracting these types of investments into the region. Fast tracking market integration to overcome the small size of the national markets and limited effective demand is essential. Similarly, efficiency-seeking investment requires adequate and efficient infrastructure services, a workforce with skill levels that allow for timely and cost-efficient production and delivery of goods to international markets, supported by liberal trade policies and easy access to the export markets.

The most important development in international financial markets has been the increasing integration of world capital markets. Integration into global markets brings potential benefits in terms of increased market efficiency, access to the worldwide allocation of savings, speeding up of the process of financial innovation, the development of ways in which countries can hedge their economies against asset-price instability, and allowing for greater depth and liquidity of financial markets, as well as increased access to foreign capital.

Foreign portfolio investment (FPI) is another potential source of finance in the implementation of the RISDP. FPI complements rather than substitutes FDI. Larger and liquid financial and capital markets attract FPI, which is complementing FDI flows.

STRATEGIES

Attracting foreign investment in a highly competitive environment requires that the region should be able to offer investment opportunities with a relatively higher return given a certain level of risk, or alternatively, a lower risk associated with investments providing a certain rate of return. What do investors expect to see when determining whether SADC has an attractive enabling investment environment?

- Stable and predictable political environment; macroeconomic stability; favourable regulatory environment; quality of economic infrastructure; competitiveness of the regional market; qualified human resources; efficient financial markets; investment protection against expropriation; and transparent legal system.
- Integration of the national financial and capital markets to create larger regional financial and capital markets with higher liquidity level. The development of the SADC Protocol on Finance and Investment will provide a legal and policy framework for the integrated regional financial and capital markets.
- Harmonised investment regime and business environment.

5.2.6 DEVELOPMENT FINANCE AND SADC DFIs

Development finance can play an important role in the implementation of the RISDP and eradication of poverty in the region. Development finance usually pertains to financing for investments in revenue-generating activities. It also makes a distinction between capital and recurrent expenditure with the application of development finance largely being confined to the initial capital outlay and the first cycle of working capital requirements, with future recurrent costs being covered through internal cash generation from the project or enterprise or through commercial working capital arrangements.

SADC Development Finance Institutions (DFIs) can offer a range of financial services in the implementation of the RISDP including long-term capital for development projects to stimulate industrial development, promote entrepreneurship and private sector development, capital market development and trade finance.

SADC DFIs through their Network have agreed to collaborate to:

- a) Mobilise financial and human resources for sustainable development and investment and trade finance projects in SADC, and where their establishment agreements and national legislation permit, to consider issuing bonds for balance sheet lending and cross-share holding;
- b) Harmonise and apply international best practice credit risk management policies, procedures and methodologies in the appraisal and approval of cross-border and other sustainable and commercially viable investment and development projects;
- c) Cooperate in financing investment projects in SADC, and where their establishment agreements and national legislation permit, to explore, *inter alia*, the use of co-financing, syndication, subordination, or other structured finance arrangements.

The proposed measures or strategies will encourage risk-taking and sharing by DFIs in cross-border lending and hence facilitate greater flow of funds into the regional development activities.

STRATEGIES

- The creation of an enabling regulatory environment for purposes of developing vibrant financial and capital markets in the SADC;
- The granting of preferred creditor status to DFIs that are engaged in cross-border lending;
- In the event of unsecured lending to a Member State government or public entity, to rank the obligations towards a DFI Network member under a rescheduling agreement or in the event of insolvency of that entity, *pari passu* with all its other unsecured external debt;
- The acquisition of an international credit rating for each SADC country and for DFI Network members should be encouraged.

TARGETS

- Implementation of the MOU of SADC Development Finance Institutions and the programme of the DFI Network.
- Capacity building in Member States and in DFIs to acquire international credit rating status.

5.3 FINANCIAL STRUCTURES AND MECHANISMS FOR FINANCING DEVELOPMENT IN SADC

5.3.1 PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships (PPPs) are effective financing mechanisms for both national and regional development activities, especially infrastructure projects. In this respect, the availability of development finance over the medium-term is considered an important ingredient in ensuring:

- Materialisation of such PPP initiatives,
- Developing PPP projects;
- Undertaking financial structuring and packaging of projects;
- Mitigating the risks confronting PPP activities and projects.

STRATEGIES

a) PPP Policies, Strategies and Regulatory Frameworks

Member States need to develop and implement policies and strategies on PPPs and market these to key stakeholders including potential investors. Member States need to create legislative frameworks conducive for the development of PPPs. A transparent regulatory framework on PPPs is essential including the pricing of services and exit regulations for the private sector. Harmonisation of such regulatory frameworks, policies and strategies at the regional level will create a larger PPP market space and attract PPP oriented investments.

b) Re-balancing public-private sector production and ownership

Private sector development and restructuring of State Owned Enterprises would stimulate capital market development and increase liquidity in the market. It also stimulates participation of the private sector in the economy, especially in productive areas.

c) Promotion of Public-Private Partnerships in the provision of infrastructure and other services

Improve the provision of infrastructure services (telecom, energy, transportation, water and sanitation) either through better public provision of services or through effective PPPs.

d) Capacity Building for PPP Development

PPP units or agencies are essential to implement PPP policies and programmes. Development of PPP skills is a key ingredient in the capacity building programme for PPPs promotion.

e) PPP Options

PPP policies and strategies should allow consideration of a full range of PPP options in order to ensure optimal choices depending on the situation at hand, including:

- **Lease Contracts:** A private company rents facilities from a municipality and assumes responsibility for operation and maintenance. The lessee finances working capital and replacement of capital components with limited economic life and fixed assets remain the responsibility of the public partner.
- **Concessions:** A private company handles operations and maintenance and finances investments in addition to working capital of a public partner. The public partner exercises a regulatory and oversight role and receives a concession fee for this arrangement.
- **Build-Operate-Transfer or Build-Own-Transfer (BOT):** A form of concession with an emphasis on construction of new, stand-alone systems and comes in several variations.
- **Corporatisation:** A government entity forms a separate legal corporate entity to manage service provision. These corporate entities often referred to as "utilities," involve partnerships in the sense that government creates a separate, contractual "partner".

TARGETS

- Creation of Public-Private Partnership Units and capacity building thereof in Member States by 2005.
- Development of PPP policies, strategies and guidelines in Member States and harmonisation of PPP regulatory framework at the regional level by 2007.
- SADC countries will need to shift from 100% reliance on public finance for physical infrastructure to a 70:30 ratio of public-to-private finance by 2010 and a 50:50 ratio by the year 2015.

5.3.2 SADC FINANCIAL AND CAPITAL MARKETS

The presence of well-developed and robust financial systems will increase flows of foreign investment into the region. However, the SADC region has a narrow range of intermediaries and limited financial instruments. The lack of liquidity, due to the limited number of market participants and the low market capitalization also poses a barrier to investment in securities, as it is difficult to determine a market price for an investment in an illiquid market and the investment risk increases owing to the additional risk that the investor may not be able to dispose of the investment at the expected price.

The SADC Committee of Stock Exchanges is an initiative to fast track the development of capital markets in the region by improving the liquidity of trade in equities, bonds, derivatives and other financial instruments in Southern Africa, so as to raise capital for regional economic development and to make the SADC securities markets more attractive to local and international investors. The Committee's strategy is to keep national markets autonomous and to find ways of using technology, skills-sharing, dual-listing and cross-border investment within the SADC to accelerate development of a regional capital market. The vision is to have established an integrated real-time network of the region's national exchanges by the year 2006. This initiative should improve the liquidity and attractiveness of small national stock exchanges.

STRATEGIES

- a) Harmonising and achieving best practice in the Policy, Legal and Regulatory Environment.

Harmonising the policy, legal and regulatory framework for managing financial and capital markets is critical. Implementing best practice in adopting the policies and laws for dealing with financial regulation.

- b) Promote broader participation by the population in equity markets through the restructuring of State Own Enterprises and other empowerment mechanisms.

Governments can encourage the participation of the population in equity markets through the restructuring of State Owned Enterprises by offering part of the equity to the broader section of the population at a discount. Governments can also encourage private sector to spread the participation in shareholding to a broader section of the population whenever there is an initial public offering (IPO).

TARGETS

- Full implementation of the MOUs and programmes of CCBG, DFIs, CISNA, Stock Exchanges, Banking Association.
- Development and implementation of programmes and strategies to increase the participation of the broader population in the equity markets by 2008.

5.3.3 PRIVATE EQUITY AND VENTURE CAPITAL FUNDS

Private equity provides equity investment (risk capital) to enterprises not quoted on a stock market. It is used in developing new products and technologies, to expand working capital, to make acquisitions, or strengthen a company's balance sheet. Private equity also resolves ownership and management issues: a

succession in family-owned businesses, or management buy-out or buy-in (MBO/MBI). Venture capital, which is a subset of private equity, provides equity investment (risk capital) for early stage of business development including seed or launch, start-up, and early expansion.

The recent direction in private equity and venture capital is the development of transnational private equity funds where institutional investors to the fund come from various countries and the fund's mandate is to invest in different countries or regions. The infrastructure funds provide one example of transnational private equity funds with a mandate to invest in infrastructure in developing countries or emerging market economies.

a) Private Equity and Venture Capital Funds

The main forms of venture capital finance are business angels, entrepreneurs' own sources, friends and relatives, corporate venture finance and government sources.

Business angels: Business angel capital is equity investment in new and unquoted businesses by individuals acting on their own or as part of informal syndicates. Business angel capital complements the venture capital industry by providing smaller amounts of finance capital at the earlier stages than most venture capital are able to invest. This form of capital takes the investee business to the point at which it is attractive to a venture capital firm. Creation and strengthening of business angel networks is an important step in the development of a venture capital industry.

Corporate venturing: Corporate venturing is a new but increasingly important phenomenon in venture capital where public or private firms provide equity investment in new businesses outside their activities and spinout independent firms. It is one of the useful growth tools for growth oriented companies and has a potential to invigorate economic growth. Private corporate venturing responds to market forces, while public corporate venturing may require government direction and support.

- Corporate venture capital may involve passive investment in technologies and business activities outside the venturing firm to monitor growth ahead of acquisition.
- The second option of corporate venturing entails investing in ideas that spring from within the venturing firm. Such investments are active and aimed at building new, independent businesses that relate back to the core business of the venturing firm.

Government venturing: The traditional role of government in promoting venture capital has been indirect through creating the fiscal and legal framework to assist

the market channel resources to new and innovative enterprises, that is establishment of an environment conducive for venture capital development. In the new role government is a venture capitalist itself by providing direct supply of risk capital in the form of:

- Government equity investment (matching funds)
- Government loans (low interest facilities)
- Loan guarantee facilities (guarantee of institutional loans)
- Equity guarantee facilities (guarantee of institutional equity)
- Tax incentives (tax credit)
- Investor regulations (institutional investors)

b) Infrastructure Funds

There are various infrastructure funds sponsored by international development agencies and regional institutions that are a potential source of finance for the implementation of the RISDP. These funds make equity or debt investments particularly in infrastructure projects. Examples include:

- Comafin Fund

The Comafin Fund is an initiative by Commonwealth Heads of Government to create a new source of risk capital for commercial and infrastructure investment in Africa. This investment was designed to improve capital market development in the region; give practical support to regional integration; and facilitate new direct foreign investment flows into the region.

- AIG Africa Infrastructure Fund (AAIF)

This fund involves the setting up of a Pan-African equity fund for infrastructure investment, with a strong SADC focus. It will invest in equity and quasi-equity and convertible debt instruments in private sector infrastructure projects. The Fund has a mandate to invest in continental Africa, however its focus at present is on those countries where economic reforms have been implemented, or are being implemented and where there is a high level of political stability, good economic growth prospects, and where the necessary mechanisms exist to facilitate the Fund's exit strategy.

- Emerging Africa Infrastructure Fund (EAIF)

Emerging Africa is a recently established facility originally proposed by the UK's Department for International Development (DFID). Emerging Africa will make long-term debt financing available for private sector infrastructure companies in Sub-Saharan Africa. It is managed by Standard Infrastructure Fund Managers (Africa) Limited, a Standard Bank Group, Netherlands Development Finance Company and Emerging Market Partnership joint venture.

STRATEGIES

- Development and maintenance of a private equity and venture capital infrastructure including legal and regulatory framework, and government support to venture entrepreneurs.
- Promote development of venture capital industry associations at regional and national levels to lead the creation of a conducive environment for development of a venture capital culture.
- Promote business angel networks at the regional level to facilitate investment by individuals in the region.
- Encourage development and implementation of pro-venture capital legal framework and taxation policies to facilitate structuring of venture capital funds.
- Development and maintenance of a comprehensive database on regional and international funding mechanisms which can be accessed by Member States on a bilateral basis or through a regional window for the implementation of RISDP projects.

TARGETS

- Establishment of a venture capital infrastructure in Member States including venture capital business associations, business angel networks and legal and regulatory frameworks by 2008.
- Development and implementation of programmes to promote venture capital including business angels, corporate and government venturing by 2008.
- Publication of a compendium of regional and international funding mechanisms with a potential to support RISDP activities by 2005.

5.3.4 A SADC DEVELOPMENT FUND

A feasibility study is underway to advise Member States of the desirability and viability of establishing a SADC Development Fund in support of its regional development objectives. The important issues for regional integration are potential asymmetrical benefits and costs of regional integration in terms of resource flows, the need to provide sustainable finance for SADC Programme of Action, and bottlenecks and constraints in the mobilisation and utilisation of existing sources of finance for regional development. The need therefore arises for the re-allocation of resources in favour of less endowed countries to avoid polarisation.

The study will take into account and address the following issues:

- Existing funding arrangements (i.e. investment funds) both in SADC and continent-wide;
- The effectiveness of such funding sources and their suitability in addressing the development agenda of the region;
- The need for a development funding mechanism for regional cooperation and integration projects;
- The need for and advisability of enabling elements for intra-regional resource transfers to avoid polarisation (i.e. structural funds);

The first phase of the study is expected to be complete by June 2003.

CHAPTER 6

IMPLEMENTATION AND COORDINATION MECHANISMS

6.1 INTRODUCTION

The successful implementation of the RISDP is to a large extent predicated on the capacity that exists at both national and regional levels. Key capacity constraints relate to human resources, financial constraints and an appropriate institutional framework. This chapter sets out some broad principles for the institutional mechanisms required for the successful implementation of the RISDP. Issues relating to financing and sustainability have been covered in the previous chapter, while those relating to human resources capacity have been addressed in the context of each intervention area through strategies described in Chapter 4.

Other fundamental factors necessary for the effective implementation of the RISDP include:

- The acceptance, trust and real commitment of Member States to give importance and back-up to the proposed interventions.
- A common understanding and acceptance of the fundamental roles to be played by the line function responsibility structures.
- A long-term partnership between SADC and Cooperating Partners and regular policy dialogue and consensus building on issues that are critical to the socio-economic development prospects and to poverty eradication.

It is important to underscore the fact that the environment within which the RISDP will be implemented may change continuously. In some cases, RISDP

interventions may be overtaken by events due to initiatives that Member States and/or Cooperating Partners may have undertaken. In other cases, new or unforeseen circumstances may come to the fore. Maintaining the RISDP focus, while allowing for flexibility and adaptability, poses a key challenge. The RISDP needs to be seen as a “living” document that should be updated on a regular basis to keep it in line with prevailing reality.

It is also important to reiterate that the RISDP is, in a sense, a strategic framework pointing the general direction the Region would like to move. Concrete time bound and costed activities/programmes/projects will be developed and clearly spelt out in implementation/action plans for each project/programme. This will be done immediately after the appropriate SADC authorities have approved the broad strategic framework.

6.2 PRINCIPLES FOR RISDP IMPLEMENTATION

The implementation of the RISDP will be guided by the following principles that have emerged through SADC policy directives and/or experience with the implementation of the SADC Programme of Action:

- 6.2.1 Only programmes that add value to regional integration, or enhance the capacity to achieve SADC objectives will be implemented as priorities. This principle of **additionality** is essential in the sense that Member States will respect the RISDP only to the extent that it is seen to be adding value or generating solutions to common problems faced by the Region.
- 6.2.2 Implementation of the RISDP must be based on **broad participation and consultation**, in order to engage as many stakeholders as possible, to create ownership for the outputs, and to internalise the principles upon which it is based.
- 6.2.3 Management of programmes in the context of the RISDP should adopt the principle of **subsidiarity**, whereby all programmes and activities are undertaken at levels where they can be best handled. This means that the involvement of institutions, authorities, and agencies outside SADC structures to initiate and implement regional programmes using their own generated resources should be promoted and encouraged. This will ensure that the available capacity of the Secretariat is most efficiently utilised for policy development and harmonisation, as well as programme coordination and management.

- 6.2.4 Related to the above is the maximum *engagement of regional expertise and institutions* for programme management and implementation, which should further enhance capacity building and local ownership. This paves the way for the appointment of *Implementing Agents*, i.e. institutions (or management bodies) at regional or national level (depending upon the scope of the programme) that are given responsibility for overseeing and managing the implementation of individual programmes.
- 6.2.5 The **decentralised management approach** will ensure adoption of the participatory approach, promote ownership of outputs by beneficiaries and facilitate integration with other initiatives at the national, regional, continental and global levels.
- 6.2.6 In order to realise *maximum impact* and to address the *development discrepancies* that exist between Member States, it is essential that the RISDP is implemented, as far as possible, in the context of spatial development initiatives such as development corridors, growth triangles, growth centres and transfrontier conservation areas. Special consideration should also be given to allowing for **variable geometry**, where a group of Member States could move faster on certain activities and the experiences learnt replicated in other Member States. The bottom line in prioritising programmes should be their potential contribution towards poverty eradication.
- 6.2.7 While the RISDP provides a broad framework; detailed implementation plans should be drawn up for each intervention area/programme, clearly spelling out issues such as who the different actors are, implementation and management roles, benchmarks, and sustainability.

6.3 CHALLENGES TO RISDP IMPLEMENTATION

6.3.1 Resources required for the implementation of the RISDP

Significant human and financial resources will be required for the implementation of the RISDP programmes. Securing adequate resources poses a key challenge upon which the effective implementation and rollout of the RISDP depends.

6.3.2 Institutional Coordination

The role of the Secretariat in the implementation of the RISDP will be that of facilitation and coordination. Implementation on the ground will be the responsibility of stakeholders. Managing the various interests and perspectives of

all stakeholders poses a major challenge that may require capacity strengthening at the Secretariat.

6.3.3 Alignment with other initiatives and activities

There is a number of other national, sub-regional, continental and global initiatives that interface and have potential synergies with the interventions outlined in chapter 4. In this regard, promoting alignment and cooperation between the RISDP and these initiatives is essential to maximise synergies and complementarities.

6.3.4 Enhanced Involvement of Member States

Involvement of member states at the early stages of programme development and implementation is critical to the success of the RISDP. In this connection, every effort has to be made to ensure that potential problems that will hinder the enhanced interaction and involvement of Member States are anticipated and addressed up-front.

6.3.5 The Role of SADC National Committees

Closely related to enhanced involvement of Member States, is the role of SADC National Committees in the implementation of the RISDP and in coordinating and mobilising national consensus to regional initiatives. According to the Report on the Review of the Operations of SADC Institutions, the National Committees shall be responsible for implementing and monitoring SADC Programmes at national level and ensuring broad and inclusive consultations to prepare for inputs required by the Secretariat. The challenge is to ensure that SNCs are not only established but are also effectively functional. It is therefore essential that Member States avail adequate resources and capacity to the SNCs to enable them to effectively discharge their mandate as spelt out in the Review Report and the SADC Treaty (as amended).

6.3.6 Paradigm Change Towards a Programme Approach

The adoption of the programme approach requires a fundamental paradigm shift for the key players in the implementation of the RISDP. Many of the key players are much more familiar and comfortable with implementing discrete sectoral programmes. It may well be the case that new skills will be required at the SADC Secretariat and in Member States. Facilitating this paradigm shift is a key challenge that will need to be addressed at an early stage.

6.3.7 Coordination of Cooperating Partners

As stated in the introduction to this chapter, the successful implementation of the RISDP is invariably predicated on the mobilisation of adequate resources. These resources will have to come from both internal and external sources. While SADC Member States are committed to assuming increasing responsibility in financing the RISDP, resource constraints facing the majority of them mean that Cooperating Partners will be requested to play an important role in this regard. The magnitude of the RISDP means that a large number of Cooperating Partners will be involved and their inputs will require considerable coordination. This coordination requirement will increase, as programmes are being approved and implemented. It is, therefore, absolutely essential that the Secretariat's coordinating capacity is enhanced and robust mechanisms are put in place for this purpose.

6.4 INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF THE RISDP

This section presents the institutional framework for managing and coordinating the implementation of the RISDP and clarifies in a broad sense the roles and responsibilities of the different actors. Intervention area or programme/programme specific arrangements, including the roles, rules of procedure, and interrelationships of the various layers, will be spelt out in detail by the respective Directorates in consultation with key actors, prior to implementation. For clarity, the management functions have been divided into four categories: The political level; operational level; programme level; and stakeholder level.

6.4.1 Political Level

At the political level, the key institutions that will provide policy direction and oversight to the implementation of the RISDP are the SADC Council of Ministers through the Integrated Committee of Ministers (ICM).

In line with the Treaty (as amended) the *Council* shall, among other things:

- Oversee the implementation of the policies of SADC and the proper execution of its programmes;
- Approve policies, strategies and work programmes of SADC; and

The ICM shall, among other things:

- Oversee the activities of the core integration areas (including trade, finance and investment; infrastructure and services; food, agriculture and natural resources; and, social and human development and special programmes);

- Monitor and control the implementation of the RISDP in its area of competence;
- Monitor and evaluate the work of the Directorates;
- Create permanent or ad-hoc sub-committees as may be necessary for cross cutting issues; and
- Exercise decision-making powers to ensure rapid implementation of programmes.

From the above, it is clear that Council receives regular progress reports from the ICM on the implementation of the RISDP, and gives final approval to any major change of a policy and strategic nature.

The ICM on the other hand directly monitors the implementation of the RISDP and gives policy guidance to the Secretariat, receives regular reports from the Secretariat, makes recommendations to Council on major changes relating to policy direction. However, the ICM is mandated by the Treaty to make decisions to ensure rapid implementation of programmes that would otherwise await a formal meeting of Council.

In line with the Report on the Review of the Operations of SADC Institutions, the ICM should also operate at cluster level. This will ensure that the cluster level ICM oversees the implementation of the RISDP, and provides technical guidance on specialised issues on behalf of the ICM.

6.4.2 Operational Level

At the operational level, management and coordination of the RISDP during implementation is primarily the responsibility of the Secretariat. According to the Treaty, the Secretariat is the principal executive institution of SADC and shall, among other things, be responsible for:

- Strategic planning and management of the programmes of SADC;
- Submission of harmonised policies and programmes to the Council for consideration and approval: and
- Monitoring and evaluating the implementation of regional policies and programmes.

It is clear from the above that the Secretariat is responsible for the day to day management and coordination of the RISDP implementation. This entails strategic planning for the review and continuous updating of the RISDP, institutional coordination of the various actors, programme coordination to ensure

adequate interface and synergies between different outputs and activities, and monitoring and evaluation of the RISDP in meeting its objectives.

6.4.3 Programme Level

The key structures in the implementation of a particular programme should include some or all of the following bodies:

- The Secretariat;
- Cooperating Partner/s;
- Technical Committees and Sub-Committees;
- Programme Steering Committees;
- Member States participating in the programme;
- SADC National Committees;
- Other Stakeholders;
- Implementing Agents; and
- Contractors.

It is important to point out that the key actors on these bodies will vary between programmes, depending upon the objectives, and scale of implementation.

The **Secretariat** is responsible to the Integrated Committee of Ministers to ensure that a programme delivers on its objectives, taking into account the interests of Member States and SADC. It is also responsible to the funding agencies (Cooperating Partners and/or member states) to ensure that the funds are used to produce the required outputs. The Secretariat, therefore, takes overall responsibility for the programme management (at a strategic level). In this context, the Secretariat will be responsible for the following:

- Funding negotiations for approved activities, and the signing of financing agreements on behalf of SADC;
- Facilitating and coordinating the participation and contributions of Member States;
- Coordinating and supervising Implementing Agents to ensure the timely submission of progress reports, and certify invoices and disbursements of funds for work done;
- Organising and participating in Programme Steering Committee meetings;
- Reporting implementation progress to the Integrated Committee of Ministers and higher SADC bodies; and
- Ensuring that SADC decisions are reflected at the programme implementation level.

Cooperating Partners will play an important role in providing resources for the implementation of the RISDP and should, therefore, be kept abreast on progress and their strategic advice sought where necessary. SADC should endeavour to create strong partnership with Cooperating Partners by engaging them on regular policy dialogue and consensus building. It is critical that Cooperating Partners are assured that the programmes are being implemented as proposed and that the resources are being used effectively.

Technical Committees should be created for the key intervention areas described in the previous chapter to provide technical guidance/direction and quality control. Technical Committees should also be created for sub-sectors within the intervention areas (e.g. water, energy, transport, communications, meteorology, tourism). These Technical Committees will go a long way in augmenting the capacity at the Secretariat on technical issues, and will ensure that any proposed programmes are technically sound and take into account the interests of Member States. The Technical Committees will be involved as early as the programme development stage and will act as technical advisory bodies to the Secretariat on specific issues. They will also act as a technical clearing house for issues/programmes prior to their submission to the Integrated Committee of Ministers for approval. Technical Committees will receive project ideas from SNCs and assist the Secretariat in developing them into fully fledged programmes/projects. They shall also be responsible for ensuring viability and sustainability of all programmes/projects. It is absolutely essential that the Technical Committees inherited from the old SADC structure are reviewed with a view to rationalising them and making maximum use of existing capacity.

Programme Steering Committees (PSCs) should be created for specific programmes/projects with a representation of a range of stakeholders that may have an interest or be able to add value to that particular programme. This may include the Secretariat, Cooperating Partner/s, relevant national government ministries/ departments, Chairpersons of SNCs of Member States participating in that particular project/programme, NGOs and/or local academic or research institutes, and relevant Regional Associations. However, it is also crucial that the committee is kept small enough to meet on a regular basis and be effective in reaching strategic decisions. The responsibility for convening the PSCs lies with the Secretariat. For any particular programme that the PSCs are responsible for, they will perform the following functions:

- Approve programme implementation plan;
- Monitor programme implementation;
- Approve annual work plans and budget;
- Make proposals to the Technical Advisory Committees/Sub-committees on changes to programme document;

- Make recommendations to the Secretariat on the selection of professional staff to Programme Management Units;
- Manage conflicts and disagreements among key actors;
- Assess success, problems, propose solutions and report on overall progress to the Secretariat; and
- Closely liaise with and give strategic advice to SNCs of Member States participating in a particular programme.

Member States participating in the programme have the responsibility of ensuring programme success and post-programme sustainability. Participating Member States will have the following responsibilities:

- Provide the necessary logistical support and information to missions by programme staff;
- Provide appropriately qualified counterpart staff to participate in programme activities as required;
- Manage impediments to programme implementation as it falls within their territory;
- Play an advocacy and public relations role on the programme to stakeholders.

SADC National Committees will be responsible for information dissemination, implementation and monitoring of the RISDP at national level and ensuring broad and inclusive consultations to prepare for inputs required by the Secretariat. National Committees together with their Sub-Committees shall be along the lines of the clusters and will therefore provide important inputs into the Directorates. In essence, therefore, SNCs will be the entry point between SADC and Member States and will be responsible for coordinating and mobilising national consensus on issues of regional importance. They shall also make critical inputs into regional policy and strategy formulation taking into consideration the peculiarities and interests of particular Member States. SNCs also have the responsibility to ensure the harmonisation of national with regional policies and the streamlining of RISDP activities into national development plans.

In order to ensure broad participation and consultation in the spirit of para 5.3.2, it is essential that relevant Stakeholders are involved in the implementation of specific programmes in the RISDP, based on areas of their interest or speciality. For instance, the private sector and NGOs can add tremendous value in the development of some programmes, sourcing funding and undertaking the implementation. The creation of Private Sector/Industry Associations should be promoted and their active participation encouraged to add the much-required impetus to programme development and implementation, especially in activities that do not readily lend themselves to grant or soft financing. Stakeholders can

participate in various ways, either directly by developing, funding and implementing some programme areas, or making inputs through technical committees, or through SADC National Committees.

In view of the fact that the role of the Secretariat is to facilitate and coordinate as opposed to implementation proper, Implementing Agents (IA) will be appointed and shall be responsible for the day-to-day operational management and supervision of a programme. This responsibility includes administrative and financial control. It is important to underscore the fact that the IA will not necessarily directly perform (execute) the task and produce the outputs. The likelihood is that the IA will appoint one or more contractors for this purpose. The decision to appoint a contractor is the responsibility of the IA in close consultation with the Secretariat and relevant Cooperating Partner/s. However, the responsibility for programme delivery to the Secretariat lies with the IA.

The Secretariat can be an IA for certain programmes, in particular those dealing with policy issues such as Protocol Implementation or policy development and harmonisation. In general the IA will be a regional entity of high repute in a particular area e.g. an academic or research institute, NGO, or a national government department depending upon the scope of the programme (reflecting the principles of subsidiarity and decentralised management). The essential characteristics of an IA should be in-depth technical know how in that particular area, demonstrated programme management capabilities, and general acceptability by Member States, cooperating partners and other key stakeholders. Implementing Agents will be responsible for the following:

- Coordinating and administering programme funding;
- Preparing draft programme implementation plans for submission to the Secretariat;
- Setting up programme /programme management arrangements;
- Managing the tendering process for the provision of programme related services and procurement of equipment;
- Providing administrative control of programmes; and
- Monitor progress and report to the Steering Committee and the Secretariat on a regular basis.

Selection of the IA should be based on some criteria developed by the Secretariat, which includes competence, credibility, sustainability, familiarity and regional balance (equity in participation). The Secretariat should make recommendations to the Integrated Committee of Ministers on the selection of an IA, following a tendering process based on approved SADC procedures. It may however be necessary to take into account specific tendering requirements that programme financiers (cooperating partners) may have.

CHAPTER 7

MONITORING AND EVALUATION MECHANISM

7.1 OVERVIEW

This chapter outlines the framework for monitoring and evaluation of the Regional Indicative Strategic Development Plan (RISDP).

The objectives of the RISDP Monitoring and Evaluation Mechanism are to:

- Ensure that the correct milestones, as planned, are being achieved;
- Act as an early warning system in cases where targets are unlikely to be achieved;
- Provide regular information to all stakeholders on progress of the RISDP and an informed basis for any reviews;
- Ensure the continuous sharpening and focusing of strategies and assist in the mobilization of appropriate interventions.

The monitoring and evaluation of the RISDP will be based on manageable processes, measurable and verifiable indicators; and conform to basic rules of simplicity, timeliness and cost effectiveness. The RISDP will be monitored regularly at three levels: political and policy, operational and technical, and stakeholder levels.

7.2 MONITORING

Monitoring of the RISDP will be a continuous implementation review function to provide the main stakeholders, including at the policy level, with early indications of progress or lack thereof in the achievement of objectives and outputs. Through a sensitisation programme, the SADC Secretariat will encourage all stakeholders in accordance with their function, level and responsibilities to carry out the monitoring function. This function will be coordinated at the SADC Secretariat.

Monitoring will be supported by an implementation framework as outlined in the Plan, funding strategies, work plans and programmes, progress reports and any other tools which may be developed during the implementation of the Plan.

7.2.1 Political and Policy levels

Summit and various policy organs including Council and Integrated Committee of Ministers will exercise continuous oversight of the implementation of the Plan to ensure consistency of outputs against the Vision and Mission, and achievement of set targets. Based on current achievements, challenges, and priorities Summit or the appropriate policy organ may direct a change of focus and/or strategies. It

may also initiate a review of specific policies for improved implementation of the Plan.

7.2.2 Operational and Technical Level

The Secretariat and the SADC National Committees will be responsible for ensuring that progress on the RISDP is monitored on a regular basis. The SADC National Committees will monitor implementation plans at national levels and provide status reports to the Secretariat on a continuous basis.

An integrated monitoring system for the Plan will be developed by the Secretariat to provide an early warning mechanism and to maintain a good grasp on the development and implementation of the Plan. The Secretariat will also monitor the implementation of the various protocols and MOUs, as these are key instruments of regional integration. Other than the agreed strategies, interventions and outputs, various legal instruments that may emerge from the implementation of the RISDP will also be monitored and evaluated in terms of their fit and contribution to the on-going implementation of the RISDP.

The Secretariat will ensure that the monitoring system provides for aggregate indicators to monitor the overall development of the region by tracking developments in all areas of integration. The Secretariat will also play the role of advisor and facilitator in ensuring that appropriate interventions are implemented, and supplementary programmes are developed to ensure that set targets are met or that changing scenarios are being addressed.

7.2.3 Stakeholder Level

SADC Secretariat will produce an annual report on the overall implementation of the Plan. The report will firstly be presented for discussion at an annual RISDP stakeholders' workshop. The stakeholders' engagement will promote transparency in implementing the RISDP, create a platform for adding value to the Plan and continue to broaden ownership. The stakeholders' workshop will also facilitate the finalisation of the progress report for submission to the Integrated Committee of Ministers (ICM) who in turn will table it at Council.

7.3 EVALUATION

The evaluation will provide analytical and objective feedback to the organization and stakeholders on the efficiency, effectiveness, and relevance of the RISDP in achieving the overall objective of poverty alleviation and its ultimate eradication. The two main types of evaluation will be self-evaluation and independent in-depth evaluation.

Self-evaluation will be the main tool for reviewing in a systematic and regular manner progress on medium-term programme implementation as well as agreeing on reorientation of activities in alignment with the objectives of the

RISDP and the medium-term programme. It will be a process of continuous improvement and will take place during programme implementation and/or completion.

Independent in-depth evaluation will be the main tool for assessing in an analytical and objective manner RISDP performance comparing achievements against objectives. Independent evaluators who will not be associated with the implementation of the Plan will carry it out. This evaluation will take place either during the Plan implementation (mid-term evaluation), at the end of the Plan implementation (terminal evaluation) or after completion of the Plan implementation considering a time period sufficient to observe developmental impact (ex-post evaluation). Mid-term evaluation will focus on possible modifications to the planned implementation of the Plan through successive medium-term programmes while terminal evaluation will focus on the desirability and feasibility of future activities.

- Independent in-depth evaluation of the implementation of the RISDP should be conducted every three years within the context of the medium term expenditure budgets and programmes. The objectives of the evaluation will include:
- Assessment of the impact of the RISDP on the overall objective of poverty alleviation and its ultimate eradication;
- Tracking and highlighting of the achievements and delays as they relate to priorities intervention areas of the RISDP;
- Appraisal of the full spectrum of the orientation and implementation programme of the RISDP, including the adequacy of policies, capacities and resources needed by the development process;
- Detailing the constraints, best practices and lessons learnt over the period and providing action-oriented recommendations;
- Reviewing the roles played by the various players, facilitators and those accountable for various responsibilities in the implementation of the plan;
- Review of the SADC Vision and Mission in the light of prevailing priorities of the region;
- Review of strategies and targets against outcomes, explaining the variances;
- Evaluation of the proposed interventions against achievements;
- Evaluation of the entire RISDP in relation to the current priorities of the region.

In order to ensure effective evaluation of the RISDP, two sets of information will form the basis for evaluation:

- Targets as outlined in the Plan; and
- Indicators of development of the region in each three-year circle.

Evaluation will have to be undertaken at the planning and programme implementation levels and should assess achievements on a set of global indicators of integration and progress in protocol implementation.

Specific reports on internal monitoring and evaluation will be kept at the programme level, as defined at each three-year circle. This will be coordinated at the Secretariat and made available to the evaluation team.

7.4 SUMMARY OF ROLES

- **Summit, Council and ICM:** continuous oversight using progress reports from the Secretariat
- **Secretariat:** coordination and monitoring at the regional level through an integrated monitoring and evaluation system
- **SADC National Committees:** coordination and monitoring at the national level with regular feedback to the Secretariat
- **Stakeholders Forum:** review and input to monitoring progress reports and evaluation reports before the ICM, Council and Summit consider them. The forum includes members from the private sector, CSOs, Women groups and Cooperating Partners.
- **External Evaluator:** production of a report, which assesses the implementation process, the outputs as against the set targets and the overall impact of the RISDP.

7.5 STRATEGIES

- Developing and strengthening a monitoring and evaluation capacity at regional and national levels;
- Ensuring the inclusiveness of the monitoring and evaluation process and acceptance of the results of review by all stakeholders;
- Developing aggregate indicators for monitoring and evaluation which take into account soft issues of regional integration and conferring credibility to such indicators;

TARGETS

- Development of the monitoring and evaluation guidelines for the implementation of the RISDP by 2004.
- Development of aggregate indicators for regional integration in all priority intervention areas.

ANNEXES

TABLE 4.3.1 COMBATING OF THE HIV/AIDS PANDEMIC

PRIORITY INTERVENTION AREA: Combating of the HIV/AIDS Pandemic					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Reduce and prevent the incidence of HIV/AIDS infection among the most vulnerable groups in SADC.	<p>Developing and implementing improved clinical management standards and strategies</p> <p>Improving HIV/AIDS disease surveillance systems and disseminating epidemiological information to other areas of cooperation</p> <p>Providing health-related technical assistance to other sectors.</p>			<p>Spread of HIV/AIDS</p> <p>Prevalence of HIV among young users and women</p>	Member States
Mitigate the social-economic impact of HIV/AIDS				Socio-economic impact of HIV/AIDS	Member States
Review, develop and harmonise policies and legislation for preventing and controlling HIV/AIDS transmission				<p>Policies</p> <p>Legislation</p>	Member States

<p>Mobilise and coordinate resources for the HIV/AIDS multisectoral response in SADC</p>	<p>Catalyzing and creating opportunities for the other areas of cooperation to become creative and innovative.</p> <p>Promoting reallocation of responsibilities for managing the HIV/AIDS response among the SADC areas of cooperation</p>				<p>SADC Secretariat</p>
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TABLE 4.4.1 GENDER AND DEVELOPMENT

4.2.5 PRIORITY INTERVENTION AREA: GENDER AND DEVELOPMENT					
GOAL: 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.					
OBJECTIVES	STRATEGIES	ACTIVITIES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Accelerate the development and strengthening of an explicit policy and institutional framework for gender equality at national and regional levels;	National gender policy and institutional development;	Develop and strengthen national gender policies and coordination machineries;	3 rd quarter 2003	Gender policies & functioning gender coordination structures in place in all member states	Member States
	Gender policy harmonization	Harmonise national gender policies and develop a regional gender policy;	End 2003	National gender policies harmonized and regional gender policy in place	Secretariat
Cultivate and promote a culture of gender equality in SADC, and respect for the Human Rights of Women	Adherence to international and regional instruments on gender equality;	Ratify and domesticate international and regional instruments on gender equality;	End 2004	International and regional gender equality instruments ratified and reflected in national laws;	Member States
	Constitutional and Legislative reform;	Audit and repeal gender discriminatory laws and outlaw violence against women;	End 2005	Constitutional provisions in place, gender discriminatory laws repealed & empowering laws enacted;	Member States
	Establishment of institutions and enforcement mechanisms	Amend laws and constitutions to provide for gender equality, Establish institutions to provide legal and other services	Ongoing	Institutions & mechanisms in place to enforce laws and deliver services	Member States and NGOs

Ensure mainstreaming of gender into all sectoral policies, programmes and activities at national and regional level	Gender sensitive and responsive planning, policy development and implementation;	Develop and harmonize sector – specific gender mainstreaming tools;	Immediate and ongoing	Sector-specific gender mainstreaming tools developed and in routine use;	Member States, NGOs and Secretariat
	Gender capacity building and training	Develop and conduct training programmes in gender analysis and mainstreaming.	Immediate and ongoing	Gender capacity building and training programmes in place and being routinely conducted	Member States, NGOs and Secretariat
	Gender disaggregated data	Collect gender disaggregated statistics and other data	Immediate and ongoing	Data in major sectors disaggregated according to sex available	Member States Secretariat
Promote the achievement of gender equality in access to, and control of resources in the SADC region	Women’s economic empowerment;	Develop programs and projects on the economic empowerment of women;	Immediate and ongoing	Programmes and projects on women’s economic empowerment developed and being implemented;	Member States, Private sector, NGOs
	Gender-responsive budgeting;	Adopt gender-responsive budgeting initiatives, and build capacity on gender responsive budgeting;	Immediate and ongoing	Gender budgeting initiatives established	Member States, NGOs and Research institutions
	Legislative and policy reform	Enact laws and policies removing restrictions on women’s access to resources	End 2005	Laws restricting access to resources by women repealed; enabling laws enacted;	Member States
Accelerate the achievement of equality between women and men in political and decision making positions	Adoption of deliberate, positive measures;	Amend constitutions and legislation to provide for affirmative action measures;	End 2004 Minimum 30% women in political and decision making positions by 2005 Immediate and ongoing	Affirmative action legislation and constitutional provisions in place;	Member states

Exchange of best practices	Document and disseminate best practices		Availability and dissemination of documented best practices	Secretariat
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TABLE 4.5.1 TRADE AND ECONOMIC LIBERALIZATION AND DEVELOPMENT

PRIORITY INTERVENTION AREA: Trade and Economic Liberalization and Development					
GOAL: The overall goal of this intervention is to facilitate trade and financial liberalization, competitive and diversified industrial development and increased investment for deeper regional integration and poverty eradication through the establishment of a SADC Common Market.					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Completion of Free Trade Area by 2008	Fast track the implementation of the Protocol on Trade	Implement all provisions of the Protocol on Trade by 2008	2003-2008	All intra-SADC trade tariffs at zero; NTB and TBT	Member States & Secretariat
Establishment of a SADC Customs Union by 2010	Provide for the establishment of a customs union and a common market in Trade Protocol by 2004	Negotiate a Common External Tariff; establish institutional framework for implementing the Customs Union	2004-2008	Common external tariff in place; Legal instrument providing for a Customs Union and a Common Market	Member states & Secretariat
		Implement the common external tariff	2010	Common external tariff implemented	
Establishment of SADC a common market by 2015	Consolidate the establishment of a SADC internal market;	Negotiate instruments on free movement of all factors of production	2010 – 2015	Legal instrument on free movement of all factors of production	Member States & Secretariat
Integration of SADC into global economy by 2020	Engage in the multilateral trade negotiations through WTO; Negotiate trade and development agreements with other region economic blocs	Pursue a SADC strategy on WTO negotiations; develop a SADC strategy on trade and development with other regional economic blocs		Increased SADC share of trade and investment in total global trade and investment; increased SADC trade and investment with other regional economic blocs	Member States & Secretariat

Enhancement of SADC economic competitiveness by 2015	Develop a regional industrial development policy and strategy framework; develop SADC economic competitiveness strategy	Analysis of SADC competitiveness platform; periodic benchmark of SADC competitiveness strengths and weaknesses	2004 - 2015	SADC industrial development framework; SADC competitiveness strategy; SADC competitiveness report.	Member States & Secretariat
Diversification of production structure and exports by 2015	Promote value addition especially in agriculture and mining; encourage creation of new industries including services; encourage manufactured exports and services	Establishment of agro-processing and mineral beneficiation industries (links to FANR);	2004 -2015	Value addition strategy;	Member States & Secretariat
Enhance employment creation capacity of the regional economies	Development of small and medium enterprises (SMEs); regularize the operations of the informal sector and promote entrepreneurship and self-employment;	Identify and amend the laws and regulations as appropriate to facilitate participation of SMEs in industrial production; develop a regional strategy on entrepreneurship promotion;	2004-2008 2003-2005	Amended laws and regulations to facilitate SMEs development	Member States & Secretariat
Achieve macro-economic convergence; harmonisation of macro-economic policies	Development of a protocol on finance and investment (2004);	Implement MOU on macroeconomic convergence, MOU on taxation and related matters; conclude other MOUs on finance and investment;	2003	Protocol on finance and investment; harmonization measures;	Member States & Secretariat
Mobilize resources for RISDP	SADC Regional Development Fund; Self-financing mechanism	Completion of feasibility study on Fund. Establishment of the Development Fund	2003 2005	Feasibility study report The Fund established	Member States & Secretariat

TABLE 4.6.1 INFRASTRUCTURE AND SERVICES

a) ENERGY

PRIORITY INTERVENTION AREA: Infrastructure Support for Regional Integration and Poverty Eradication					
GOAL: To ensure the availability of a sufficient, integrated, efficient and cost effective infrastructure system that will support and sustain regional economic development, trade and investment for poverty alleviation.					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
To improve security and reliability of supply and provision of least cost energy services;	Establishment of a competitive and efficient regional integrated energy market	Harmonization of energy policies, regulations and legislation (petroleum, gas and electricity).	2003-2006	Harmonized regional energy policies, regulations and legislation.	Member States & Secretariat.
		Extension of power grid interconnectivity.	2003-2012	Single regional energy market.	Member States, Secretariat & SAPP.
		Joint procurement, exploration, and development of petroleum products and services.	2003-2005	Regional Petroleum and gas association established.	Secretariat & private sector.
To ensure access to affordable energy services for rural communities	Rural electrification.	Development and implementation of rural electrification programmes.	2003-2018	70% of rural communities have access to electricity.	Member States & Secretariat.
	Development of renewable and low cost energy sources including solar biomass, and wind-generated energy.	Research and technology development on renewable energy sources; and piloting of existing technologies.	2003-2018	60% of rural communities have access to NRSE.	Member States, Secretariat, Energy Research Institutions

(b) - TOURISM

PRIORITY INTERVENTION AREA: Infrastructure Support for Regional Integration and Poverty Eradication					
GOAL: The goal to use tourism as a vehicle for achieving sustainable socio-economic development, poverty alleviation and as a key incentive for the conservation and utilization of the region's natural resources.					
OBJECTIVES	STRATEGY	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
To develop and market the region as a single but multifaceted tourism destination	Strengthening the Regional Tourism Organization of Southern Africa (RETOSA)	Marketing the region as a single but collective destination	2003-2005	Availability of marketing collaterals. Increase in Tourist arrivals; and Increase in SADC World market Share	RETOSA, and SADC Tourism Ministries, SADC Secretariat, private sector and IS Directorate
		promoting investment in resources that transcend territorial boundaries where necessary through PPPs	2003-2008	Increased Domestic and DFIs levels (15% of GDP)	RETOSA, SADC Secretariat, private sector and SADC member states
	Easing or removing travel and visa restrictions	Establish UNIVISA system	By 2008	SADC UNIVISA system	SADC member states, IS Directorate and Monitoring and Implementation Committee (MIC)
To improve the quality, competitiveness and standards of service and infrastructure of the tourism industry in the region	Capacity building and training	Needs assessment of the tourism sector	2004	SADC Tourism Training needs report	SADC Secretariat /IS directorate and SADC Tourism Training Committee
		Development of a Training Plan	2005	SADC Tourism Training plan in place	SADC Secretariat /IS directorate and SADC Tourism Training Committee

	enhance the overall quality of tourism products in the region	Promote the development of quality infrastructure and services.	On-going	Quality Infrastructure and services	SADC secretariat, IS Directorate, private sector and member states
		Harmonise standards	2008	Regional Harmonised standards	SADC Secretariat, IS directorates and SADC Member States
	creating a regional tourism research, statistics and information exchange network	Implement standard system of collection and analysis of tourism statistical data.	2005	Standard system of tourism statistical data collection and analysis	IS Directorate and Member states
		Undertake training course on SADC tourism statistics	2003	Training programme in place and Training Reports	IS Directorate, Training Committee and SADC member States
To ensure equity, balance and complementarity in the regional tourism industry	Harmonise and develop Policies, strategies and legislations				
		Review and develop a regional Tourism Strategic dev. Plan	2004	Regional Development Implementation plan	IS Directorate, RETOSA and member States
		Develop and harmonise Tourism legislation for SADC	2004	SADC Model Tourism Legislation	IS directorate and SADC member states
	Promotion and implementation of spatial development initiatives & developments initiatives	Undertake integrated tourism development projects, the coast to Coast initiatives	2005	Projects being implemented	IFS directorate, RETOSA and Member States

To increase the participation of SMEs, marginalized communities, youth and women in the tourism industry throughout the region.	Encourage increased private investments flows and NGO Funds into the marginalized communities	Creating enabling environment for private sector participation in marginalised areas	By 2005	Increased Public and Private sector Investment and NGO funds in marginalized areas	IS Directorate, private sector, NGOs, RETOSA and SADC Member States
	Gender mainstreaming	Study on gender issues in the tourism sector for SADC	2004	Study containing recommendations Complete	IS Directorate and Member States
		Develop a Gender mainstreaming Programme	2005	Programme In Place	IS Directorate and Member States

(c) TRANSPORT

PRIORITY INTERVENTION AREA :Infrastructure Support for Regional Integration and Poverty Eradication					
GOAL: To ensure the availability of a sufficient, integrated, efficient and cost effective infrastructure system that will support and sustain regional economic development, trade and investment for poverty alleviation					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
To maintain transport infrastructure	Develop systems for sustainable funding of transport infrastructure	Develop harmonised user-pay systems for transport infrastructure	By 2003	Reduced levels of backlog maintenance	Member States, SADC, private sector
		Promote public-private partnerships	By 2004	Increased levels of ppp funded projects	Member States, private sector
		Develop administrative overload control measures	By 2004	Overload trucks reduced to 10%	Member States, regional operators association, road transport industry
	Promote effective road management systems	Develop computer-based inventory and management systems to assist with identification of backlog maintenance requirements and maintenance programmes	By 2004	Road management systems established in Member States, and reports to regional association of road agencies	Member States, SADC, ASANRA
To rehabilitate infrastructure	Promote investment in war damaged transport infrastructure in Angola and DR Congo	Complete identification of Regional Trunk Road network in DR Congo	By 2003	Network identified and condition survey reports	DR Congo, SADC
		Feasibility studies for sections of regional road and railway networks	By 2004	Feasibility study reports, business plans	Angola, DR Congo, SADC
To develop missing transport and communications links	Improve connectivity in the regional transport networks	Carry out feasibility studies and marketing the development of missing links	By 2005	Feasibility study reports, business plans	
		Promote public-private partnership investment in missing links	By 2006	Majority of investment by private sector	Member States, SADC

To provide appropriate levels of accessibility	Improve accessibility for rural communities	Use of participatory approaches to infrastructure planning	By 2003	Guidelines on participatory infrastructure planning	Member States, NGOs, SADC
		Use of appropriate technologies in transport infrastructure provision and maintenance	By 2003	Guidelines on appropriate technologies	Member States, SADC
To promote integrated transport systems	Promote the use of cost efficient transport infrastructure	Invest in intermodal facilities	By 2007	Reports on new inland container depots and transshipment facilities	Member States, private sector
		Ratify international conventions on intermodal transport systems	By 2006	Reports on ratified conventions	Member States
To promote integrated regional investment in transport and communications infrastructure	Base transport infrastructure investment decisions on the needs of the overall system	Develop holistic transport policies	By 2005	Integrated national and regional transport policies	Member States, SADC
		Promote integration of infrastructure development along regional development corridors	By 2004	Presence of appropriate modal interface systems and facilities	Member States, SADC, private sector
To harmonise infrastructure investment	Collaborate in investment planning	Consider regional priority projects when planning investments	By 2004	Harmonised national and regional plans	Regional institutions, SADC
	Promote development of regional projects as appropriate on basis of efficiency, safety or environmental grounds	Investment in regional projects such as upper airspace control centre, and EDI infrastructure	By 2004	Establishment of regional centres and databases	Private sector, Member States, SADC
To restructure state owned enterprises	Commercialise or privatise state owned enterprises	Promote private sector provision, maintenance and operation of services	By 2005	Reducing Member State outlays in infrastructure investment and maintenance	Member States, private sector

	Introduce policies to involve the private sector in infrastructure maintenance and in capacity building schemes for contractors.	Encourage and monitor on-going institutional and regulatory reforms in Member States	By 2004	Institutional and regulatory reforms	Member States, SADC
	Promote concessioning as a strategy for involving the private sector in transport infrastructure provision	Encourage concessioning in roads, railways, civil aviation and maritime transport provision	By 2006	Concessions and privatisation are core of infrastructure strategy, governments play role of regulator as necessary	Member States, private sector, SADC
To liberalise regional transport markets	Extensive regional liberalisation with abolition of restrictions on carriers of a member state to carry goods between points in second and third member states.	Liberalise air transport services on basis of Yamoussoukro Decision, road transport on basis of multilateral agreement and provide for cabotage in coastal shipping services	By 2003	Economic entry and exit into the transport markets	Member States, SADC
	Develop rules of competition between and within different modes of transport	Implement competition rules for air transport services, ports, railways and road transport	By 2005	Competition rules agreed to by Member States and annexed to relevant protocols	Member States, SADC
To promote safe and secure transport operations	Regulate for minimum levels of safety and security	Promote maritime safety on basis of IMO conventions, air safety using ICAO SARPs.	By 2005		
		Promote port security and the security of cargo containers	By 2003		
		Promote harmonised driver training and testing	By 2003	Adopted common training and testing manuals	
		Promote harmonised vehicle testing systems	By 2004		
		Harmonise all relevant aspects of road traffic legislation and its enforcement	By 2004		

		Establish railway safety regulators	By 2005		
To provide transport services with minimal negative environmental impact	Promote sustainable environmental practices	Develop harmonised rules and regulations for the handling and transportation of hazardous materials	By 2003		
		Make environmental impact and performance assessment compulsory for project evaluation	By 2005		
To develop regional capacity in human resources development	Promote regional centres of excellence in training for the transport and communications sectors	Identify regional training centres for the road, railway, maritime, civil aviation and communications sectors	By 2004	Guidelines for recognition training centres	Member States, training centres, universities, SADC
		Promote research into transport and communications Promote training centres run by the private sector	By 2008 By 2008	Research reports Directory of private sector training centres	Training centres, universities, SADC Private sector, SADC
To strengthen private sector regional associations	Promote private sector regional associations as participants in regional policy formulation and implementation	Private sector associations formed and put on sustainable funding bases	By 2004	Active private sector associations for the road, railway, maritime, civil aviation sectors also for enforcement and regulators	Private sector, SADC
To facilitate cross border movement	Minimise avoidable delays at border posts	Transfer successful measures from the Trans-Kalahari and Beira border facilitation pilot projects to other corridors	By 2004	All regional border posts implementing border facilitation measures	Member States, private sector, SADC (TIFI and Infrastructure)
		Harmonise border post procedures and requirements	By 2008	Adoption of standard border post documents and procedures	Member States, SADC, private sector
		Adopt harmonised motor third party insurance system	By 2003	Adopted system annexed to Protocol on Transport, Communications and Meteorology	Member States, SADC

		Agree to recognize axle load certificates issued in other Member States	By 2004	Agreement on mutual recognition of weighbridge certificates	Member States, SADC
		Introduce one-stop border posts	Pilot projects implemented by 2008	Two functional one-stop border posts	Member States, SADC
	Promote activities of corridor planning committees	Establish, as necessary, corridor planning committees for all regional corridors	By 2005	All corridors have functional corridor planning committees	SADC, Member States, private sector

Communications and Meteorology matrix to be prepared by Communications specialist at SATCC-TU, Maputo.

(d) WATER

PRIORITY INTERVENTION AREA: Infrastructure Support for Regional Integration and Poverty Eradication					
GOAL: To ensure the availability of a sufficient, integrated, efficient and cost effective infrastructure system that will support and sustain regional economic development, trade and investment for poverty alleviation.					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Promote the sustainable, equitable and reasonable utilisation of shared watercourses through regional cooperation in water resources	Establish River Basin Organisations (RBOs) to manage trans-boundary river basins; Improve the legal and regulatory framework at the national and regional levels	Facilitate conclusion of River Basin Agreements; Harmonisation of water legislation and policies; develop regional guidelines water quality and standards;	Ongoing up to 2006	River Basin Organisations established and operational in all shared river basins in SADC; regional guidelines on water quality and standards;	Member States & Secretariat
To strengthen Water Institutions for effective water resources development and management	Develop management and organisational capacity for Integrated Water Resources Development and Management (IWRM).	Develop and implement overall IWRM training and organisation capacity building programme.	Ongoing up to 2008	IWRM programme in place and staff at SADC Secretariat, National Water Departments, RBOs, Energy and Water Utilities being trained	Member States & Secretariat
Development of Strategic Regional Water Infrastructure Projects	Rehabilitation and expansion of water infrastructure	Feasibility studies for joint water projects including transfer schemes, storage and irrigation.	2003-2018	Feasibility studies for joint water projects for consideration by donors.	Member States & Secretariat
Promote awareness and public participation in IWRM	Ensure participation of stakeholders in the formulation of policy, strategy and programme for IWRM	Conduct awareness campaigns and consultative forums with key stakeholders	2003-2018	Participation of key stakeholders in IWRM.	Member States, Secretariat & key stakeholders

TABLE 4.7.1 SUSTAINABLE FOOD SECURITY

<p>PRIORITY INTERVENTION AREA: Sustainable Food Security GOAL: Achieve lasting access to safe and adequate food at all times by all people in SADC for an active and healthy life.</p>					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
To improve food availability	<p>Increasing sustainable crop and livestock production, productivity and profitability</p> <p>Promoting diversification of food crops</p> <p>Promoting irrigation and appropriate technologies such as use of organic manures and conservation tillage.</p> <p>Mainstreaming gender and HIV/AIDS into all FANR strategies and activities.</p> <p>Promoting Labour Saving agricultural support systems and technologies for resource poor farmers including those affected by HIV/AIDS</p> <p>Encouraging the involvement of commercial or large scale farmers in food production</p>	<p>Development of a Strategic Plan addressing food security issues such as diversification, irrigation development and water management, appropriate technologies.</p> <p>Development of a Protocol on food security and agricultural development in order to enhance regional cooperation.</p>	<p>2003-2004 for developing the Plan</p> <p>2004- 2005 for new Protocols/MOU</p> <p>From 2003 onwards for implementation of relevant policies, strategies and programmes</p>	<p>FANR Strategic Plan</p> <p>Average yields per hectare; irrigated land; food production per capita; food trade data; purchases of agricultural inputs; and Food Balance Sheet.</p> <p>Protocols</p>	<p>SADC Secretariat, FANR Directorate, other Directorates, Member States, Farmers, Private sector and ICPS.</p>

	<p>Protecting the environment from degradation and promoting sustainable use of natural resources such as land, water, fisheries, forestry, and wildlife</p> <p>Promoting trade in food and non –food agricultural products and enhancing advocacy for fair trade practices in agriculture.</p> <p>Promoting investment in agriculture including research and technology</p> <p>Promoting effective coordination and linkages between FANR and other areas, in particular, Trade, Industry, Health, Water and Transport and Communications.</p>	<p>Completion of the ratification process and implementation of Protocols on Wildlife, Fisheries and Forestry</p> <p>Development of a Protocol on Environment and Land Management</p> <p>Completion of the Annex to the Trade Protocol on Sanitary and Phyto-Sanitary Measures as well as implementation of the Trade Protocol.</p> <p>Investment Forums on Food Security and Agriculture</p>	<p>2005 - 2006</p> <p>2004 for completion of the SPS Annex; and 2003 on-wards for implementation of the Trade Protocol.</p> <p>2003 on-wards</p>	<p>Land under forest, land area protected, GDP per unit of energy use, and pollutants emissions per capita and ratified Protocols.</p> <p>SPS Annex to the Trade Protocol</p>	
To improve access to food	<p>Promoting rural non-farm income generating activities and employment to reduce poverty.</p> <p>Promoting entrepreneurship in rural areas</p> <p>Promoting agri-business;</p>	<p>Strengthening coordination on entrepreneurship development, income and employment creation with Industry and Employment and Labour Sectors and NGOs paying special attention to women and small operators.</p>	2003-2018	<p>Proportion of people suffering from hunger; earnings; household income and expenditure survey data; value added in agri-business, level of employment in formal and informal sectors, and Food Balance Sheet.</p>	<p>SADC Secretariat, FANR Directorate, other Directorates, Member States, Farmers, Private sector and NGOs.</p>

	Promoting food preservation and storage technologies				
To improve nutritional value of food consumed	<p>Promoting standardisation and improving quality of processing, packaging, labelling, preparation, and preservation of food;</p> <p>Promoting food fortification particularly for micro nutrients;</p> <p>Promoting consumer/food education and awareness</p> <p>Promoting the consumption of nutritious food especially among vulnerable groups such as those living with HIV/AIDS</p> <p>Promoting effective coordination with other stakeholders, particularly water and infrastructure</p>	Adoption of nutrition as a cross-cutting issue by SADC	<p>2003-2005 for adoption of nutrition as a cross-cutting issue in SADC.</p> <p>2003-2018 for implementation of the strategies.</p>	Average per capita dietary energy intake levels, proportion of underweight children and Food Balance Sheet	SADC Secretariat, FANR Directorate, other Directorates, Member States, Private Sector and Consumer Associations.
Improve forecasting, prevention, mitigation and recovery from adverse effects of natural disasters	<p>With regard to forecasting and prevention, broaden and strengthen early warning system to cover:</p> <p>Food availability</p> <p>Access to food</p> <p>Information on staple food markets, including prices</p>	Strengthen cooperation on early warning mechanisms to cover the various strategies through a protocol or an MOU	2003 - 2018	Timely information on food availability, access to food, and food markets	SADC Secretariat, FANR Directorate and Member States
	Improve measures for mitigating the consequences of food crises by:				

	<p>Establishing a reserve fund and/or physical stocks above national requirements;</p> <p>Promoting safety nets (food/income for work and food grants)</p>	<p>Develop an MOU covering the Reserve Fund/stocks; and undertake regional appeals for assistance</p>	<p>For the regional reserve fund and national stocks by 2005</p> <p>For the safety net, as the crisis occurs</p>	<p>Reserve fund and national stocks</p> <p>Safety nets</p>	<p>SADC Secretariat, FANR Directorate and Member States</p>
	<p>Undertake short-term measures to restore production and productivity by:</p> <p>Ensuring availability and access to inputs and</p> <p>Rehabilitating infrastructure.</p>	<p>Enhance cooperation in restoration programmes and strengthen links with Infrastructure and Services Directorate</p>	<p>As and when there has been a crisis</p>	<p>Availability of inputs and purchase of inputs.</p> <p>Rural roads, markets, storage facilities, and packaging facilities</p>	<p>SADC Secretariat, FANR Directorate, Member States and Donors</p>

TABLE 4.8.1 HUMAN AND SOCIAL DEVELOPMENT

Priority Intervention Area: Social, Human Development and Special Programmes					
Goal: To improve the availability of educated, skilled, healthy, productive and efficient human resource for the promotion of equitable economic growth, sustainable socio-economic development of the SADC region and enhancement of its competitiveness in the global economy.					
OBJECTIVES	STRATEGIES	MEASURES	INDICATORS	TIME FRAME	RESPONSIBILITY
To increase access to quality and appropriate education, training, welfare and social development, nutrition, health, cultural, sporting services and information, including science and technology and ICT.	Coordination, harmonisation and engendering of policies on education, training, health, nutrition, welfare and social development, culture, information and sports for combating human poverty and HIV/AIDS.	Review national policies; coordinate the harmonisation, monitoring the implementation of gender-sensitive policies in education, training, health, nutrition, welfare and social development, culture, information and sports.	Policies on education, training, health, nutrition, welfare and social development, culture, information and sports harmonised.	2005 - 2015	Member States & Secretariat;
		Coordinate and monitor the ratification and implementation of Protocols in the above-mentioned areas.	Universal access to information, cultural services and sport achieved.	2005-2015	Member States & Secretariat
		Increase allocation of resources as a share of GDP to above-mentioned areas, including the combating of HIV/AIDS, TB, malaria and other major diseases	universal adult literacy and primary education achieved; secondary and tertiary net enrolment ratios increased; gender disparities in education and training eliminated. life expectancy increased to greater than 60 years; infant Mortality Rates reduced to 45/1000; child mortality rates reduced by 50 /1000; maternal mortality rates reduce to 200/1000.	2005-2015	Member States & Secretariat

<p>To increase the supply and availability of qualified personnel in critical skills areas, including science and technology and ICT.</p>	<p>Establishment of centres of specialisation and excellence in critical skill areas; standardization of the qualification and accreditation systems;</p>	<p>Design and coordinate mechanisms for the joint procurement of essential educational and health services including essential drugs for the combating of HIV/AIDS, TB and major diseases.</p> <p>Design intra-regional skills development programmes; harmonize accreditation and qualification systems;</p>	<p>The spread of HIV/AIDS and other deadly diseases halted in all Member States and their incidence reversed.</p> <p>Centres of excellence and specialization; standardized educational and training qualification systems;</p>	<p>2005 – 2015</p> <p>2005 - 2015</p>	<p>Member States, Stakeholders and Secretariat</p> <p>Member States, Stakeholders and Secretariat</p>
<p>To consolidate cultural ties and promote the spirit of regional identity as well as the integration of labour markets.</p>	<p>Establishment of exchange and cultural programmes and mechanisms in the areas of culture, labour and sports for key stakeholders</p>	<p>Design and facilitate the implementation of exchange and cultural programmes as well as framework for the free movement of labour</p>	<p>Cultural and exchange Programmes and framework for the free movement of labour in place.</p>	<p>2005 - 2015.</p>	<p>Member States, Stakeholders and Secretariat</p>
<p>To increase employment and income generating opportunities and stem the loss of personnel through brain drain and HIV/AIDS.</p>	<p>Harmonisation and coordination of policies, for enhancing the labour absorptive capacity of the SADC economy; attract and retain of skilled personnel.</p>	<p>institute policy dialogue among stakeholders and tripartite partners on employment creation and on retention of high level personnel and combat HIV/AIDS.</p>	<p>Policies on labour and employment harmonised and mechanisms for policy dialogue in place.</p>	<p>2005 - 2015.</p>	<p>Member States, Stakeholders and Secretariat</p>

<p>To increase media diversity as well as increased access to the media to the population of SADC, including promoting behavioural change to combat HIV/AIDS.</p>	<p>Harmonise and coordination of media and information policies and programmes</p>	<p>increase investment in the both the print and electronic media and communications infrastructure and encourage the use of indigenous languages in the dissemination of information</p>	<p>Media diversity and wide access to information achieved.</p>	<p>2005-2015</p>	<p>Member States, Stakeholders and Secretariat</p>
<p>To adopt labour standards and social security provisions that promote conducive labour market environment;</p>	<p>Harmonisation of policies on labour standards, social protection; monitor the implementation of the ILO Core Conventions; and regional labour policy Frameworks;</p>	<p>Ratification and implementation of ILO Core Conventions; development of regional labour policy frameworks that are supportive of a competitive labour market.</p>	<p>Harmonised policies on labour standards and social protection; ILO Core Conventions ratified and implemented;</p>	<p>By 2007</p>	<p>Member States, Stakeholders, Social partners and Secretariat.</p>
<p>To improve productivity and labour - management relations</p>	<p>Formulation and harmonization of policies and programmes on productivity and harmonious labour-management relations</p>	<p>Review and align national policies and programmes on productivity and strengthen tripartism in SADC integration agend.</p>	<p>Productivity policies and programmes in place and harmonious labour-management relations and tripartism maintained</p>	<p>By 2007</p>	<p>Member States, Stakeholders, Social partners and Secretariat.</p>

TABLE 4.9 1 (a) SCIENCE AND TECHNOLOGY

INTERVENTION AREA: SCIENCE AND TECHNOLOGY					
GOAL: To develop national systems of innovation in the region in order to drive sustained socio-economic development and the achievement of the goals of the sadc common agenda					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Strengthen regional cooperation on Science & Technology	Establish management structures at the Secretariat	Set up a S&T unit within the Department	January 2004	S&T unit in place by January 2004	SADC secretariat and member countries
		Set up committees of representatives of member countries	January 2005	Committees set up by 2005	
	Set up institutional framework for S&T cooperation	Produce S&T policies	January 2005	Policy & strategy document produced December 2004	
	Institute a legal framework for cooperation	Conclude a legal instrument on Science and Technology	December 2006	Discussions held by June 2004; MOU signed by end of 2005	
Promote the development and harmonization of S&T policies in the region	Institute a S&T indicator programme	Carry out a Research and Development Audit	Audit begins in 2004	Baseline audit complete by December 2005	SADC secretariat and member countries
	Support national policy development initiatives	Hold policy development of workshops	Workshops begin in 2004	1 st workshop organized in 2004	SADC secretariat and member countries
	Secure the protection of intellectual property rights	Support initiatives in member countries to institute intellectual property legislation	Legislation in place in all countries by 2006	Agreement on broad principles agreed by member states by 2005	Member states and SADC secretariat

Leverage international support for and cooperation in Research and Development initiatives	Form strategic partnerships with regional bodies and other partners	Negotiate for support earmarked for S&T through instruments such as the EU's Regional Indicative Programme	Negotiations to start in 2004; ongoing	Funds secured for R&D	SADC secretariat
		Initiate discussions with other regional entities on S&T cooperation	Negotiations to start in 2004; ongoing	Agreement on cooperation secured	SADC secretariat
Develop research capacity in key areas	Deepen regional collaboration on research programmes	Identify centres of excellence	December 2004	Centres identified by end of 2004	SADC secretariat; Member countries; research institutions
		Increase connectivity between the centres	Starting in 2004	Real-time linkages between institutions in place by 2005; More collaborative programmes identified by end of 2005	Member countries; research institutions
	Set up a research training facility	Develop concept for the research facility	2003 – 2004	Project proposal finalized	SADC secretariat; member countries
		Source funding for the project	2003 – 2005	Funding secured	SADC secretariat; member countries
		Set up the facility	January 2006	Facility in place by end of 2005; Training programme commences in 2006	SADC secretariat; member countries
Promote public understanding of Science and Technology	Run national and regional PUSET campaigns	Support national PUSET programmes	Starting immediately	Effective PUSET programmes in all member countries	SET stakeholders in member countries
		Hold annual SADC SET week	First week held in 2004	SADC SET week instituted in 2004	Member countries; SADC secretariat

<p>Technology development, transfer and diffusion</p>	<p>Increase expenditure on R&D</p> <p>Formulate technology transfer and diffusion policies</p> <p>Encourage increased government and private sector investment in R&D</p>	<p>Create incentives and identify priority areas for investment in R&D</p> <p>Adapt best policy and practice within and outside SADC</p>	<p>Efforts commence immediately</p> <p>Policy in place by end of 2005</p>	<p>All member countries surpass 1% of GDP by 2015</p> <p>All countries implement policy by 2007</p>	<p>Member countries; SADC secretariat; private sector organizations</p> <p>SADC secretariat; member countries</p>
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TABLE 4.9.1 (b) STATISTICS

INTERVENTION AREA: Statistics					
GOAL: To make available relevant, timely, accurate and harmonized statistical information for SADC planning, formulation, implementation, monitoring and evaluation of SADC activities, in line with the protocols					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Develop a legal framework for statistics	Develop a legal framework for statistics	Organisation of meetings for member states to develop a legal framework on statistics	By 2005	Legal framework adopted and implemented	Member States and SADC Secretariat
Develop an integrated regional statistical database	Collation, processing and dissemination of official statistics	Organization of channels of communication for data transmission between producers of statistics in Member States and the SADC Secretariat	By 2004	Data from Member States regularly and automatically transferred to the SADC Secretariat	Member States and SADC Secretariat
		Reach agreement on the problem relates to different base years at constant prices among Member States	By 2005	Statistical bulletin regularly published and statistical data on the SADC website regularly updated	SADC Secretariat
		Mobilise member states to discuss the problem of movements in exchange rate and prices at the national level, which leads to distortions in the data when they are converted to other currencies for the purposes of regional and international comparisons	By 2004		

		Dissemination of national and regional statistical data through the publication of statistical bulletins and on the SADC website	By 2005		
Promote the harmonization of statistics between SADC Member States	Promotion of the harmonization of indicators made available by Member States	Organization of the dialogue between users and producers of statistics, in order to agree on a minimum set of indicators to be produced by all Member States	By 2004	Harmonized statistical indicators	Member States and SADC Secretariat
		To research concepts and definitions in order to start work on the documenting of methodologies including metadata.	By 2005		Member States and SADC Secretariat
		To request from all Central statistics offices details of their statistics methodologies	By 2005		Member States and SADC Secretariat
		Organisation and dissemination of these methodologies will be attempted.	By 2005		Member States and SADC Secretariat
	Promotion of the harmonization of statistical methods used to produce the indicators	Harmonization of price statistics	By 2015		Harmonized methods for the production of price statistics

		Harmonization of other social and economic statistics		Harmonized methods for the production of the most important social and economic statistics	Member States and SADC Secretariat
Enhance statistical capacity in SADC Member States	Promote the continuous improvement of statistical competence	Training of statisticians in Member States, and exchange of experiences between them	Immediately and continuously	Statisticians trained and organized in a network to share experiences	Member States and SADC Secretariat
	Development of mechanisms for the implementation of international standards in statistics	Promotion of the use of the 1993 version of the System of National Accounts (SNA 93) of the United Nations and other international standards	By 2006	SNA 93 implemented in all Member States	Member States and SADC Secretariat
	Development and implementation of poverty monitoring systems	Promotion of the production and use of statistical data on the various aspects of poverty	By 2005	Data available on poverty	Member States and SADC Secretariat
	Incorporation of informal sector statistics into official statistics	Development and promotion of methods to collect data on the informal sector	By 2007	Data available on the informal sector	Member States and SADC Secretariat
	Collection of gender disaggregated data to enable gender mainstreaming	Promotion of the production of gender disaggregated data by Member States	By 2004	Gender disaggregated data available for all Member States	Member States and SADC Secretariat
	Promotion of a better understanding of statistics and of a more qualified use of statistical data	Sensitization to statistics and training of statistics users	Immediately and continuously	Trained users of statistics	Member States and SADC Secretariat

Promote the use of statistics for economic analysis and research	Development of indicators to monitor and evaluate regional integration in SADC	Organization of the dialogue to agree on indicators	By 2004	Indicators available for monitoring and evaluating regional integration	Member States and SADC Secretariat
	Development of economic models and forecasting mechanisms for SADC	Organization of the dialogue to agree on economic models and forecasting mechanisms	By 2006	Forecasting methods available and implemented	Member States and SADC Secretariat

Table 4.9.1 (c) PUBLIC PRIVATE SECTOR PARTNERSHIP AND DIALOGUE

INTERVENTION AREA: Public-private sector partnership and dialogue.					
GOAL: Integrate the private sector in policy and strategy formulation, and programme implementation in the SADC new development model in order to accelerate and achieve sustainable Regional economic integration.					
OBJECTIVES	STRATEGIES	MEASURES	TIME FRAMES	INDICATORS	RESPONSIBILITY
Promote active participation of the private sector in the Regional integration process	Institutionalise public-private partnership (ppp) and dialogue	Formulate SADC policy on ppp & d. Review SADC/Private Sector MOU objectives Develop institutional structure for ppp & d.	Policy by end 2003. Structure in place Jan 2004.	SADC Policy on ppp & d. Ppp & d structure.	Member States & Private Sector.
	Address private sector issues through the ppp & d.	Adopt ASCCI White Paper as Agenda for ppp & d. Launch a Competitiveness and Business Climate Survey. Capacity building for private sector institutions.	Adoption of White Paper by August 2003 Launch survey June 2003 Private Sector Institutions development plan January 2004	Action Plan for White Paper issues. Survey report. Capacity building plan.	Member States & Private Sector. Secretariat Private Sector

GLOSSARY

Adult literacy rate is the percentage of people aged 15 and above who can, with understanding, both read and write a short, simple statement on their everyday life.

Affirmative action refers to programmes designed to remedy effects of past and continuing discriminatory practices in the recruiting, selecting, developing and promoting of women or other disadvantaged groups. Affirmative action programmes seek to create systems and procedures to prevent future discrimination by ensuring an equality of outcomes, such as quota percentages, timetables, and affirmative action training programmes.

Aid refers to flows that qualify as official development assistance (ODA) or official aid. Also known as foreign aid.

Aquaculture means all activities aimed at producing in restricted areas, processing and marketing aquatic plants and animals from fresh, brackish or salt waters.

Balance of payments is a summary statement of a nation's financial transactions with the outside world.

Budget deficit or surplus refers to central government current and capital revenue and official grants received, less total expenditure and lending minus repayments.

Chronic diseases means diseases having a long course.

Common market is a form of economic integration in which there is free internal trade, a common tariff, and free movement of labour and capital among partner states.

Community means the organisation for economic integration established by Article 2 of the SADC Treaty.

Community based wildlife management means the management of wildlife by a community or group of communities, which has the right to manage the wildlife and to receive the benefits from that management.

Comparative advantage. A country has a comparative advantage over another if in producing a commodity it can do so at a relatively lower opportunity cost in terms of the forgone alternative commodities that could be produced.

Conservation means the protection, maintenance, rehabilitation, restoration and enhancement of natural resources and includes the management of the use of natural resources to ensure the sustainability of such use.

Corridor means a major regional transportation route along which a significant proportion of Member States' or non-Member States' regional and international imports and exports are carried by various transport modes, the development of which is deemed to be a regional priority.

Corruption means any act referred to in Article 3 of the Protocol Against Corruption and includes bribery or any other behaviour in relation to persons entrusted with responsibilities in the public or private sectors which violates their duties as public officials, private employees, independent agents or other relationships of that kind and aimed at obtaining undue advantage of any kind for themselves or others.

Council refers to the Council of Ministers of SADC established by Article 9 of the SADC Treaty.

Culture means, as the totality of a people's way of life, the whole complex of distinctive spiritual, material, intellectual and emotional features that characterise a society or social group, and includes not only arts and literature, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs.

Current account balance is the difference between exports of goods and services plus inflows of unrequited official and private transfers, and imports of goods and services plus unrequited transfers to the rest of the world. Included in this figure are all interest payments on external public and publicly guaranteed debt.

Customs union is a form of economic integration in which two or more nations agree to free all internal trade while levying a common external tariff on all non-member countries.

Debt burden is the sum of interest payments and repayments of principal on external public and publicly guaranteed debt expressed as percentage of export of goods and services.

Deep integration refers to profound and far reaching regional co-operation and integration in terms of the breadth and depth of the areas covered and in the mechanisms for reaching and enforcing common decisions.

Demand reduction, as used with respect to illicit drugs, means those measures that encompass all primary, secondary and tertiary activities taken to reduce, and to deter the use of illicit drugs.

Development is the process of improving the quality of all human lives. Important aspects of development are raising people's living levels, creating conditions conducive to the growth of people's self-esteem and increasing people's freedom of choice.

Development integration is an approach to regional integration that combines coordination of programmes/projects with trade and factor market liberalisation.

Direct taxes are taxes levied directly on individuals or businesses; e.g., income taxes.

Disability means any restriction or lack of ability to perform an activity in the manner or within the range considered normal for a human being.

Distance education means a system of learning and teaching that is grounded in the principles of open and resource-based learning and takes place in different contexts at a multiplicity of sites, through a variety of mechanisms and learning and teaching approaches.

Dropout rate is the proportion of school-aged children who do not complete a particular school cycle.

Drugs means any narcotic drug or psychotropic substance.

Double taxation is the situation in which the same tax base is taxed more than once.

Economic co-operation means two or more countries working together to promote their common economic interests through joint projects and programmes, physical or otherwise.

Economic growth is the steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and income.

Economic integration is the merging to varying degrees of the economies and economic policies of two or more countries in a given region.

Enrolment ratio, gross is the number of students enrolled in a level of education, regardless of age, as a percentage of the population of official school age for that level. The combined gross primary, secondary and tertiary enrolment ratio refers to the number of students at all these levels as a percentage of the population of official school age for those levels.

Energy pooling refers to co-operation among parties or entities in development, transmission, conveyance and storage of energy in order to obtain optimum reliability of service, economy of operation, and equitable sharing of costs and benefits.

Equal opportunity measures seek to provide women with an enabling environment and optimum conditions to reach equal status with men.

Export duties means any duties or charges of equivalent effect imposed on, or in connection with, the exportation of goods from any Member State to a consignee in another Member State.

External debt is the debt owed by a country to non-residents that is repayable in foreign currency, goods or services.

Fish means any aquatic plant or animal, and includes eggs, larvae and all juvenile stages.

Fishing means all activities directly related to the exploitation of living aquatic resources and includes transshipment.

Fish stock means a population of fish, including migratory species, which constitutes a coherent reproductive unit.

Foreign direct investment is capital provided by a foreign investor to an affiliate enterprise abroad in the form of equity capital or re-invested earnings or loans.

Free trade area is a form of economic integration in which there exists free internal trade among member countries but each member is free to levy different external tariffs against non-member nations.

Gender refers to the socially and culturally constructed roles, privileges, responsibilities, power and influence, social relations, expectations and value of men and women, girls and boys. There are significant differences in what women and men can or cannot do in one society when compared to another. In all cultures, the roles of women and men are distinct, as are their access to productive resources and their authority to make decisions. Typically, in most cases, men are held responsible for the productive activities outside the home, while the domain of women are the reproductive and productive activities within the home. In most societies, women have limited access to income, land, credit, education, limited ownership and control over these resources.

Gender and Development (GAD) approach originated from the analysis of the social relations between women and men to explain why women were still marginally benefiting from development processes despite the fact that their specific contributions were being recognized. GAD approaches correlate unequal gender relations and the unequal access to natural, social and economic resources. This approach does not consider women, their roles, needs and aspirations, in isolation from those of men. Indeed, the responsibilities assigned to women differ among households, communities and societies but they are all determined in relation to those of men. It is the social arrangements of these responsibilities between women and men that are the main focus of GAD policies.

Gender empowerment is a process of awareness and capacity-building leading to greater participation in transformative action, to greater decision-making power and control over one's life and other processes. Empowerment of women as a policy objective implies that women legitimately have the ability and should, individually and collectively, participate effectively in

decision-making processes that shape their societies and their own lives, especially about societal priorities and development directions.

Gender equality is based on the idea that no individual should be less equal in opportunity, access to resources and benefits or in human rights than others. It is based on the notion that "all people are created equal therefore should have equal share of the worlds resources and benefits". In this case, therefore, women and men have an equal right to access and control over resources and benefits, participation in politics and decision making, gainful employment, and so forth.

Gender equity, though often used interchangeably with gender equality, is a very distinct concept. Equity programmes favour treating women and men differently in order to achieve the equal status of women and men. Such programmes are based on the premise that if women and men were treated the same way (equally) there would be a risk of reaching unfair outcomes due to original disparities.

Gender gap is any statistical gap between the measured characteristics of men and women in areas such as educational attainment, wage rates, or labour force participation.

Gender mainstreaming is defined by the United Nations as *the: process of* assessing the implications for women and men of any planned action, including legislation, policies and programmes, in any area and at different levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes, in all political, economic and societal spheres so that women and men benefit equality, and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

Gender-related Development Index (GDI) is a composite index using the same variables as the Human Development Index. The difference is that the GDI adjusts the average achievement of each country in life expectancy, educational attainment and income in accordance with the disparity in achievement between women and men.

Gender responsive budgeting asks if women's and men's needs and interests are included. A gender budget demonstrates recognition of different needs, privileges, rights and obligations that women and men have in society. It recognises the differential contribution of men and women in production of goods, services and human labor in mobilizing and distributing resources. It is a tool of analysis in which the government budget is disaggregated and the effect of expenditure and revenue policies-especially on poor-women is analyzed.

Globalisation is the increasing integration of national economies into expanding international markets.

Gross domestic investment refers to outlays for additions to fixed assets of both the private and public sectors plus the net value of inventory changes.

Gross domestic product is the total final output of goods and services produced by the country's economy, within the country's territory, by residents and non-residents.

Gross domestic savings is the amount of gross domestic investment financed from domestic output.

Gross national product is the total domestic and foreign output claimed by residents of a country. It comprises gross domestic product plus net factor income from abroad.

Gross national savings is the sum of gross domestic savings and net foreign savings.

Health promotion means the process of enabling people to increase control over, and to improve their health.

Human capital or human capabilities are the productive investments embodied in human persons. These include skills, abilities, ideals, and health resulting from expenditures on education, on-the-job training programmes and medical care.

Human development is the process of enlarging people's choices so that they can live a long and healthy life, be educated, have access to resources for a decent standard of living, enjoy political, economic, social and cultural freedoms, and have human rights, self-esteem and opportunities for being creative and productive.

Human Development Index (HDI) is a composite index based on three indicators: longevity, as measured by life expectancy at birth; educational attainment, as measured by a combination of adult literacy (two-thirds weight) and the combined gross primary, secondary and tertiary enrolment ratio (one-third weight); and standard of living, as measured by per capita GDP (in PPP US\$).

Human Poverty Index for developing countries measures deprivation in three dimensions of human life; namely, longevity, knowledge and decent standard of living.

Illicit drug trafficking means the offences set forth in Article 3, Paragraphs 1 and 2 of the 1988 UN Convention Against Illicit Drugs and Psychotropic Substances.

Illiteracy rate (adult) is calculated as 100 minus the adult literacy rate.

Import duties means customs duties or charges of equivalent effect imposed on, or in connection with, the importation of goods consigned from any Member State to a consignee in another Member State.

Indirect taxes are taxes levied on goods and services.

Infant mortality rate is the number of deaths among children between birth and one year of age per 1,000 live births.

Inflation is the phenomenon of rising prices.

Infectious diseases are diseases that can be passed on from one person to another.

Informal sector is that part of the economy of developing countries characterised by small competitive individual or family firms, petty retail trade and services, labour-intensive methods, free entry and outside official regulation and control.

Information means knowledge, statistics, reports, and various forms and acts of expressions which are recorded or coded including books, audio, video tapes and electronic digitalisation.

Integrated Committee of Ministers means the Integrated Committee of Ministers established by Article 9 of the SADC Treaty.

Interest rate is the amount paid on credit or deposits.

Labour productivity is the level of output per unit of labour input, usually measured as output per worker-hour or worker-year.

Life expectancy at birth is the number of years a new-born infant would live if prevailing patterns of mortality at the time of birth were to stay the same throughout the child's life.

Macroeconomic convergence is a situation where two or more countries are pursuing similar stabilisation policies and their principal macroeconomic variables are moving towards equality.

Macroeconomic stability is a situation in which a country has low inflation accompanied by falling budget and trade deficits and a low rate of expansion of the money supply.

Mariculture is the breeding of fish in offshore ponds.

Maternal mortality rate is the annual number of deaths of women from pregnancy-related causes per 100,000 live births.

Media means all means, vehicles or channels of communication including print media, broadcast media, film, video and new information technology.

Money laundering means engaging directly or indirectly in a transaction that involves money or property which is proceeds of crime or receiving, processing, conceiving, disguising, transforming, converting, disposing of, removing from, bringing into any territory, money or property that is the proceeds of crime.

Monetary policy refers to activities of central banks designed to influence financial variables such as money supply and interest rates.

Non-tariff barrier means any barrier to trade other than import and export duties.

Organ means the Organ on Politics, Defence and Security Cooperation established by Article 9A of the SADC Treaty.

Policy coordination refers to voluntary and largely unenforceable alignments of national policies and measures in particular fields.

Policy harmonisation refers to agreement on the manner in which each member state will exercise or use a particular instrument over which it retains control.

Portfolio investment refers to financial investments by private individuals, corporations, pension funds and mutual funds in shares, bonds, certificates of deposit and notes issued by companies and public agencies.

Poverty is the situation facing those in society whose material needs are least satisfied. Inability to afford an adequate standard of consumption because of low income is referred to as **income poverty**. If, apart from low income, a country is characterised by malnutrition, poor health, low survival rates, low literacy levels, inadequate housing and living conditions, etc., then there is **human poverty**.

Primary health care means essential health care based on appropriate, acceptable methods and technology, made universally accessible through community participation.

Privatisation is the sale of public assets to individuals or private business interests.

Protocol means an instrument of implementation of the SADC Treaty, having the same legal force as the Treaty.

Public health means the effort of society to protect, promote and restore the people's health through health-related activities in order to reduce the amount of diseases, premature death, and reduce discomfort and disability in the population.

Region means the geographical area of the Member States of SADC.

Regional Development Fund means the Regional Development Fund established by Article 26A of the SADC Treaty.

Regional Indicative Strategic Development Plan means a plan, based on the strategic priorities and SADC Common Agenda, designed to provide strategic direction with respect to SADC projects and activities.

Reproductive health means the state of complete physical, mental, and social well-being and not merely the absence of diseases or infirmity, in all matters related to the reproductive system and to its functions and processes.

SADC Common Agenda means the set of fundamental principles and values, referred to in Article 5A of the SADC Treaty, that will guide the integration agenda of the organisation.

SADC National Committee means a SADC National Committee established by Article 9 of the Treaty.

Secretariat means the Secretariat of SADC established by Article 9 of the Treaty.

Shared watercourse means a watercourse passing through or forming the border between two or more states.

Small arms include light machine guns, sub-machine guns, including machine pistols, fully automatic rifles and assault rifles and semi-automatic rifles.

Substantive gender equality means genuine, actual or real gender equality; in other words, gender equality that is not slight but substantial.

Summit means the Summit of Heads of State or Government of SADC established by Article 9 of the Treaty.

Sustainable development is a pattern of development that permits future generations to live at least as well as the current generation.

Sustainable use means use in a way and at a rate that does not lead to the long-term decline of natural resources.

Terms of trade is the ratio of a country's average export price to the average import price; also known as the commodity terms of trade.

Transfrontier conservation area means the area or the component of a large ecological region that straddles the boundaries of two or more countries, encompassing one or more protected areas, as well as multiple resource use areas.

Tribunal refers to the board constituted to ensure adherence to and the proper interpretation of the provisions of the SADC Treaty and subsidiary instruments and to adjudicate upon disputes referred to it.

Troika means the system referred to in Article 9 of the SADC Treaty.

Underdevelopment is an economic situation in which there are persistent low levels of living in conjunction with absolute poverty, low income per capita, low rates of economic growth, low consumption levels, poor health services, high death rates, high birth rates, dependence on foreign economies, and limited freedom to choose among activities that satisfy human wants.

Underemployment is a situation in which persons are working less than they would like to work.

Unemployment is a situation in which people are without jobs either because they are unwilling to accept available jobs or because there are no jobs available.

Value addition is the amount of a product's value in final or semi-processed form over and above the value in its raw form.

Wildlife means animal and plant species occurring within natural ecosystems and habitats.