

ATTACHMENT 4

**INVOLVEMENT BY INTERNATIONAL DEVELOPMENT
PARTNERS IN REGIONAL INTEGRATION
IN SOUTHERN AFRICA**

DBSA's activities in SADC countries

Table A.4.1: Loans to SADC Member States up till FY1999/2000

as at 31 March

(Millions of rands)

COUNTRY	Cumulative Total @ 31/03/94		94/95		95/96		96/97		97/98		98/99		1999/2000		Total	
Multi-state	-	0.0%	-	0.0%	-	0.0%	44	1.8%	200	4.7%	150	7.3%	-	0.0%	394	1.9%
Botswana	-	0.0%	-	0.0%	-	0.0%	-	0.0%	242	5.7%	-	0.0%	-	0.0%	242	1.1%
Malawi	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	1.1%	-	0.0%	6	0.3%	54	0.3%
Lesotho	561	6.8%	35	3.6%	-	0.0%	213	8.7%	389	9.1%	251	12.3%	-	0.0%	1,449	6.9%
Mozambique	-	0.0%	-	0.0%	3	0.3%	(0)	0.0%	410	9.6%	185	9.1%	-	0.0%	598	2.8%
South Africa	7,695	93.1%	946	96.4%	1,081	99.6%	2,124	87.1%	2,176	51.0%	1,406	68.8%	1,273	63.4%	16,701	79.2%
Namibia	-	0.0%	-	0.0%	-	0.0%	-	0.0%	263	6.2%	-	0.0%	220	11.0%	483	2.3%
Swaziland	5	0.1%	0	0.0%	1	0.1%	59	2.4%	325	7.6%	25	1.2%	97	4.8%	512	2.4%
Zimbabwe	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Zambia	-	0.0%	-	0.0%	-	0.0%	-	0.0%	210	4.9%	26	1.3%	82	4.1%	318	1.5%
Tanzania	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mauratius	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	330	16.4%	330	1.6%
Seychells	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TOTAL	8,261	100.0%	981	100.0%	1,085	100.0%	2,439	100.0%	4,263	100.0%	2,043	100.0%	2,008	100.0%	21,081	100.0%

Selected Regional Activities of the World Bank in Southern Africa

Box A.4.1: World Bank Projects for Environment and Natural Resources Management in SADC

SADC Regional Water Activities

The Bank's direct involvement in regional water issues in southern Africa is recent and can be dated from early 1998 when the Bank supported the SADC Water Sector in the finalization of the Regional Strategic Action Plan (RSAP) for Integrated Water Resources Development and Management- 1999-2004; and when the Bank attended SADC Water Sector's First Round Table Conference in Geneva from 10-11 December 1998. The main goal of this conference was to promote policy dialogue, build consensus and mobilize resources to implement the region's long-term policies and strategies in water resources management.

The Bank has since been supporting SADC Water Sector Coordination Unit (WSCU) in developing project concept notes (PCNs) for identified priority interventions and advising to formulate the right strategies to implement the RSAP. With the assistance of the Bank and other donors, including United Nations Development Program (UNDP), USAID, DFID, Swedish International Development Agency (SIDA), African Development Bank (AfDB), Development Bank of Southern Africa (DBSA), SADC Water Sector Coordination Unit has developed 3 IPCNs for proposed projects, mostly designed to put the enabling environment for sustainable management of the sub-region's scarce water resources. Among the 31 priority interventions, the Bank has expressed interest to support only 4 of them, including:

- Protection and Strategic Use of Ground Water for Drought Management in SADC, which constitutes part of the project: "Guidelines for Ground Water Management in SADC";
- Integrated Land and Water Management in SADC;
- Regional Project to Control Infestation and Translocation of Aquatic Weeds;
- Implementation Program for the SADC Protocol on Shared Watercourse Systems.

The first three are Global Environment Facility (GEF)'s projects while the fourth is expected to be an institutional development technical assistance to be provided with other donor partners.

The Bank is also a **member of SADC's Water Strategic Reference Group** composed of key donors, including UNDP, USAID, DFID, AfDB, SIDA, DBSA, DANIDA, and a few others and the Development Bank of South Africa. The role of this group is to provide strategic advice for the implementation of the "Strategic Action Plan" defined by SADC Water Unit.

Apart from this, the Bank has also been conducting three 'small' internal studies to lay the basis for in-depth analytical work related to SADC Regional Water. These are:

- **Support for Flood Mitigation in the SADC Region:** This project was launched following on the devastating floods in the sub-region. The main purpose is to assist countries affected by flood (Mozambique, South Africa, Swaziland, Zimbabwe) to come together and discuss how to establish some institutional mechanisms to exchange information and coordinate activities at the operational level. The effort may lead to the creation of a regional centre for disaster management which may ultimately include Zambia and Malawi. Some initial progress has been made in supporting multi-country facilitation for flood mitigation in southern Africa. The major actions activities so far relate to: (i) Taking stock of the different ongoing activities, studies and technical assistance being provided by different donors, agencies and international NGOs. (ii) Participation in the October 2000 International Mozambique Flood Conference.
- **Stakeholder Analysis of Zambezi River Basin:** The analysis involves the entire basin with eight riparian countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Zambia, and Zimbabwe. Though the Republic of South Africa is not a riparian state, its stakes and potential roles are to be examined as well. The purpose is to explore the stakes, positions and underlying interests of the riparian nations and to identify constraints to and opportunities for cooperation in the joint management of the Zambezi River Basin. About 30% of this analytical work has been executed with the use of trust funds.
- **Strategy Paper for SADC Regional Water:** The purpose is to define and streamline Bank work in line with the SADC's 'Regional Strategic Action Plan (RSAP) for Integrated Water Resources Development and Management', through demonstrating the links and implications of integrated water resource management (climate variability, drought, flood, WRM policy framework, legal and institutional framework) and macroeconomic performances at national and sub-regional levels.

Other examples of Bank activities aimed at regional co-operation on water issues in SADC include:

- **The SADC-HYCOS (Hydrological Cycle Observing System):** A project was prepared with the assistance from the EU and World Meteorological Organization to build capacity for the development of regional water resources information systems.
- **The Southern African FRIEND (Flow Regimes from International Experimental and Network Data):** where support included those for (i) a common hydrological database architecture standard for national hydrological services in seven SADC countries; (ii) human resources development; and (iii) research into the spatial and temporal characteristics of extreme hydrological events.
- **Freshwater Quality Monitoring Program:** a program developed within the UNEP/WHO/GLOBAL Environmental Monitoring System (GEMS) water program in co-operation with WMO and the United Nations Educational, Scientific and Cultural Organization (UNESCO). This program is already active in several regions and provides education and logistical support.
- **The WaterNet Project:** has been developed at the University of Zimbabwe and is a regional initiative that offers graduate-level training in water resources management, as well as research and information exchange.
- **The Lesotho Highlands Water Project:** a joint project between Lesotho and South Africa to meet the increasing demand for water in the Vaal river system and generate hydropower in Lesotho is currently the largest infrastructure project in the region.
- **The Zambezi River Basin Action Plan (ZACPLAN):** aimed at fostering regional co-operation among the Zambezi basin states for environmentally sound management of the common water resources of the common water resources. The Zambezi River Basin Action Plan Project (ZACPRO2) is one of ZACPLAN's projects.
- **Program for Regional Information Sharing and Management on Environmental and Sustainable Development:** aimed at assisting the SADC Member States to improve planning and management of natural resources in the region. Specific objectives include: to ensure appropriate circulation of environmental information; to promote active involvement of decision-makers in environmental information use; to provide users with environmental information that meets their needs; and to strengthen national capacities for environmental information management.

Box A.4. 2: World Bank Support for the SADC Payment System Project

When the SADC Treaty was approved in 1992 by a Summit Meeting of the Heads of State of the participating countries, South Africa was given the responsibility of administering the Finance and Investment Protocol. The South African Reserve Bank initiated the establishment of the SADC Committee of Central Bank Governors as a premise of financial sector cooperation among member countries. The main goal of the Committee is to promote the exchange of experience and incite countries to help each other to build adequate structure for the central bank, the private banking sector and the financial markets.

Weaknesses in the payment system can result in the lack of confidence in the banking system, inefficient use of the available money stock, and constitutes an impediment to the development of financial sector. Recognizing these risks, the **SADC Committee of Central Bank Governors** has taken the lead to foster financial cooperation among Member States through concrete initiatives such as the SADC Payment System Project.

The **main objective** of the project is to help each SADC country build an appropriate payment system strategy. The project also aims at defining a coordinated regional approach to cross-border payments. Recognizing that a sound regional payment system derives from a robust domestic system, the project focuses primarily on the strengthening of national payment system.

The **14 SADC countries** are expected to participate to the project. International organizations involved in the project include the **Bank of International Settlements (BIS), the IMF and the World Bank**.

The implementation of the project has four phases:

- **In the short term (Phase 1)**, the objectives are to initiate the project, sensitize the financial stakeholders in each of the countries in respect of payment system; gather information and develop capacity building in the SADC region.
- **In the medium term (Phases 2)**, the main goal is to define a vision and strategy for the payment system reform of each SADC country.
- **In the long term (Phases 3 and 4)**, the project will focus on the implementation of the vision and strategies for each of the SADC countries to support free trade within the region and the development of a unified vision and strategic framework.

Project approach and initiatives: The project aims at developing capacity through the organization of meetings (workshops and seminars). The main goal of these meetings is to create and enhance awareness on payment system, develop payment system knowledge and relationships between central and commercial bankers. The project also comprises a green book, a website, a newsletter (Vulindlela) and a video.

Attachment 4c

Table A.4.2. International Agencies Active in the SADC Water Sector

Agency	National Level	Regional Level
Canadian International Development Agency (CIDA)	Swaziland, Mozambique, Zimbabwe, South Africa	Wetlands, hydrology, hydro-power
Denmark Co-operation for Environment and Development (DANCED)	Botswana	
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	South Africa, Zambia, Zimbabwe	
Department for International Development (DFID)	Namibia, South Africa, Zimbabwe, Mozambique, Lesotho, Tanzania, Zambia	FRIEND project, Water Management
European Union (EU)		SADC-HYCOS
Global Water Partnership (GWP)		Protocol Implementation, SATAC
Norwegian Agency for Development Co-operation (NORAD)	Tanzania, Zambia, Zimbabwe, Namibia	Wetlands, Zacplan
Netherlands International Development Agency (IDGIS)	Mozambique, Zimbabwe, Lesotho, Tanzania, Zambia	Wetlands, Zacplan
Swedish International Development Agency (SIDA)	Namibia, Zimbabwe, Zambia, Tanzania, Botswana	Awareness and education program, shared rivers, SADC-WSCU, OKACOM, Zacpro 6, ZAMCOM
United Nations Development Program	All countries	SADC Water Round Table Process, Komati Basin, UNSG Special Initiative on Africa
World Bank	Angola, Malawi, Namibia, Mozambique, Lesotho, South Africa, Zimbabwe, Zambia	SSA Hydrological Assessment
Global Environment Facility (GEF)		Lake Malawi, Lake Victoria, Okavango
World Meteorological Organization (WMO)		SADC-HYCOS
Japan International Co-operation Agency (JICA)	South Africa	

Source: E Soderstrom, USAID, Botswana

Donor Support to COMESA

EU Support to COMESA

Table A.4.3: EU Projects in COMESA

PROJECT DESCRIPTION	PERIOD OF SUPPORT	VALUE (EURO)
Phase II – ASYCUDA/EUROTAGE Project: Regional Harmonization of Customers and Trade Statistics Systems Project	4 years from 1999	12.8 million
Phase II – COMESA Regional Integration Project	5 years from 1999	8.2 million
Phase I – Advanced Cargo Information system (ACCS) and Standard, Quality, Metrology and Testing (SQMT)	Completed (10 months from January 2000)	0.83 million
TOTAL		22.83 MILLION

Other project activities supported by the EU include: (i) Part of the 4 co-sponsors supporting the Regional Integration Facilitation Forum (RIFF) successor to the Cross-Border Initiative; and (ii) From mid 1998 through to 1999, the EU assisted COMESA with technical and financial resources for the following:

- compilation of the Common Tariff Nomenclature (CTN) and operations and administrative structures for the Common External Tariff (CET) in a COMESA customs union;
- the Monetary Harmonization Program and Regional Trade Facilitation Project at the Clearing House in Harare – Zimbabwe

The United States Agency for International Development (USAID) support to COMESA

Support to COMESA from USAID largely began from 1998 with the signing of Limited Scope Grant Agreements for: Economic Cooperation; and, Conflict Prevention and Mitigation between two parties. Under these Limited Scope Agreements, USAID has offered financial and technical support to COMESA of the order of US \$ 8.2 million. Examples of the areas of support provided by USAID include the following:

- compilation of a handbook, “COMESA and the World Trade Organization: Challenges and Opportunities in the WTO Round”;
- Capacity building support to the COMESA Court of Justice;
- Review and enhancement of the COMESA Rules of Origin Protocol;
- Extension of the Third-Party Motor Insurance (Yellow Card) Scheme to more countries in the Southern African region outside COMESA i.e. Mozambique and SACU member countries;
- Preparation of the Regional Investor Road Map.

Table A.4.4: Economic Growth Partnership Program from 1998-2000

LSGA Components	FY1998	FY 1999	FY2000	TOTAL
Business Partnership	\$ 610,000	\$ 570,000	\$ 0	\$1,180,000
Reg. Telecommunication Harmonization	\$ 250,000	\$ 0	\$ 290,000	\$ 540,000
Global Information Infrastructure	\$ 600,000	\$ 42,000	\$ 450,000	\$1,092,000
WTO Training and Dissemination	\$ 250,000	\$ 250,000	\$ 400,000	\$ 900,000
Regional Investors' Roadmap	\$ 300,000	\$ 200,000	\$ 350,000	\$ 850,000
Regional Trade Analytical Agenda	\$ 500,000	\$ 0	\$ 0	\$ 500,000
COMESA Institutional Strengthening	\$ 200,000	\$ 190,000	\$ 200,000	\$ 590,000
Global Technology Network	0	0	\$ 300,000	\$ 300,000

*Eastern Africa Sub-Regional Support Initiative for the Advancement of Women

Contributions by other International Cooperating Partners

COMESA has entered into a number of cooperation agreements with various other ICPs. Examples of the support being received by COMESA are set out below in the table below.

Table A.4.5: Support by Other International donors to COMESA

ICP ORGANISATION	NATURE OF SUPPORT	VALUE (US\$)
United National Development Program (UNDP)	Trade Development and Promotion Program. Executed jointly with the ITC-UNCTAD/WTO	Not indicated
	Development of the Growth Triangle Investment strategy pilot program covering Zambia, Malawi and Mozambique. Also funded the feasibility study.	0.1 million
	COMESA Regional Inland Fisheries Resources Management	0.038 million
	Study to develop a common agricultural policy for the COMESA region	0.06 million
IMF/World Bank	IMF studies to assess the Impact of the FTA on Government Revenues of COMESA member states	Not indicated
	World Bank support to the Regional Trade Facilitation Project to provide Political risk cover for COMESA imports and exports	Not indicated
	IMF support to develop a program of work for examining the fiscal implications of the CET and, a framework for closer monetary cooperation	Not indicated
World Trade Organization (WTO)	COMESA has observer status to a number of WTO bodies	Not applicable
Food and Agricultural Organization (FAO)	Support to the project on Upgrading Quality and Safety in fish	0.344 million
Commonwealth Secretariat (COMESA)	Funded the regional workshop on the establishment of a Common Marine Fisheries Investment and Management Policy	Not indicated
	Establishment of a COMESA Horticultural Association in six COMESA countries	Not indicated
	Support in trade issues with WTO, ACP-EU and electronic xxxxx	Not indicated
Common Fund for Commodities (CFC)	Study on Production and Marketing of value-added Fishery Products	Not indicated
United Nations Industrial Development Organization (UNIDO)	Supporting projects in the Iron and Sector of COMESA countries to enhance productivity	Not indicated
Canadian International Development Research Centre (IDRC)	Supporting a Research Network established to carry out studies on Regional Integration and Multi-Lateral Economic Arrangements	Phase I – 0.5 million Phase II – 0.273 million
Organization of African Unit/African Economic Community (OAU/AEC)	Supported a study on Public Procurement Rules; and a workshop on the COMESA Trade Regime for French speaking member states	Not indicated
Economic Commission for Africa (ECA)	Assisted COMESA in finalizing the re-structuring and re-organization of the Secretariat	Not indicated
	Sponsored COMESA to phase II of the Tokyo International Conference on African Development (TICAD-II), a Japanese funded project	Not indicated
African Development Bank (ADB)	Have a cooperation Agreement which enables COMESA member states access ADB financing support within the framework of the regional integration programs Public Procurement Reform Project: harmonization of public procurement rules, regulation & procedures through COMESA Directives on Public Procurement. The project also aims to improve national procurement systems, to strengthen capacity of the COMESA Member States in public procurement, and to encourage more awareness of procurement opportunities within COMESA.	Not applicable Approved US\$1.5 million grant

The COMESA draft budget for 2001 indicated the following support from donors, although a large number of activities still required funding at the time:

Table A.4.6: Areas of support

Support area	Costs US\$	Donor
Regional Customs Bond Guarantee System	196,000	USAID
Barriers to trade in insurance services	10,000	UNCTAD
Regional Road Investors Map	9,000	Donor
Implementation program for growth triangles / SDIs	10,000	Donor
Private sector promotion and networking	250,000	Donors
Policy framework for & mainstreaming of gender	250,000	Donors
Harmonization of SPS, health & environment regulations	20,000	FAO/CAB
Upgrading of quality and safety of fish	344,000	FAO
Agriculture & industrial policy & strategy	30,000	FAO
	30,000	Donor
Increase production of value-added fisheries products	378,525	CFC
	36,750	FAO
Increase rice production	339,000	CFC
Enhanced cooperation on issues of peace & security	223,217	USAID
Operationalize Regional ATI	600,00	EU
<ul style="list-style-type: none"> • Publication of quarterly air transport journal • Establishment of Air Transport Regulatory Board • Implementation of Phases I & II of the air transport liberalization program • Adoption of air transport competition rules 	377,000	EU

• Establishment of Comesa airports facilitation committee		
Strengthen Drought Monitoring Centers – Harare, Nairobi	10,000	WMO
Installation of METEOSAT 2 nd generation ground receiving stations	?	Donors
Launch COMTEL company	50,000	USAID & NTO's
Harmonization of telecoms regulations	390,000	USAID
Revised harmonized road transit charges	20,000	USAID
Updating of hydrographic maps for coastal and inland waterways	NA	WMO, IMO, PMAESA
Develop Program of cooperation on postal services	NA	Donors
IT networking of coordinating Ministries	208,000	USAID
Regional Competition Policy	200,000	EU
Policy on Public Procurement	50,000	EU
Determine impact of CET/FTA on govt. revenues & competitiveness	550,000	EU
Install Payroll System – at Secretariat	25,000	USAID

Attachment 4e

USAID-RCSA Support for SADC¹

1 Increased Regional Capacity to Influence Democratic Performance

STATUS: Continuing

PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE: USD 1,251,000 DA

PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE: USD 1,364,000 DA

INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** 2004

The USAID Strategic Objective (SO) in Democracy and Governance (DG) was developed in close collaboration with Southern Africans, and is based on the premise that in the SADC region, with its unique history, countries and societies are more inclined to look to fellow member states than to outside the region when it comes to democratic norms and practices. Therefore, USAID's basic approach is to support key partners in the region who foster and advocate for democratic 'best practices.' This effort is critical given the tendency of governments in the region towards a consensus approach that, without active interventions by pro-democratic institutions, could result in adoption of democratic norms and practices based on the 'least common denominator.' USAID's regional democracy program is focused in three areas: 1) anti-corruption initiatives; 2) electoral and political processes; and 3) media pluralism, freedom and sustainability. USAID continues to support regional partner organizations to develop linkages and mutually supportive information and advocacy networks to promote democratic values, norms and processes.

2 A More Integrated Regional Market

STATUS: Continuing

PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE: USD 9,000,000 DA

PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE: USD 5,000,000 DA

INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

This initiative enhances Southern Africa's prospects for economic growth by supporting removal of trade barriers. The activities support the establishment of the SADC Free Trade Area (FTA) as well as the improvement of telecommunications, transport and electric power infrastructure efficiency among the member states of SADC. Historically, the region economic potential was hampered as each country or grouping of countries (the five SACU countries) operated as nine separate markets within the region. An integrated regional market will allow for economies of scale and lower infrastructure costs through shared systems, as well as the freer movement of goods and services, all of which will boost economic activity, employment and incomes.

¹ This section draws on information provided by the USAID Regional Centre for Southern Africa, Gaborone. Similar and comparable information could not be readily obtained for the USAID Regional Centre, located in Kenya, providing support for regional activities in the Eastern Africa region.

During FY 2000 the regional market integration initiative contributed to several key improvements including: (i) the launching of the SADC FTA, (ii) further intra-SADC import tariff reductions; (iii) the development of private sector advocacy to support trade policy reform; (iv) further improvement in telecommunications services; (v) the establishment of the Coordination Centre at the Southern African Power Pool (SAPP) to promote short-term electricity trade in the region; (vi) policy changes in road and rail transport that will allow private sector to compete with public sector monopolies in these areas, thus creating a more competitive environment in the region; and 7) further progress in establishing the RCSA-funded rail cargo tracking system.

3 Broadened U.S.-SADC Cooperation

STATUS: Continuing

PLANNED FY 2001 OBLIGATION AND FUNDING SOURCE: \$1,000,000 ESF

PROPOSED FY 2002 OBLIGATION AND FUNDING SOURCE: \$1,000,000 ESF

INITIAL OBLIGATION: FY 1999

ESTIMATED COMPLETION DATE: FY 2004

The purpose of this Special Objective (SpO) is to strengthen the relationship and develop stronger economic ties between the member states of SADC and the United States (U.S.). In recognition of the need to strengthen the relationship, the U.S. Government (USG) and SADC have agreed to conduct an annual U.S. - SADC Forum. The Forum aims to facilitate dialogue regarding regional issues of mutual interest and critical importance. The inaugural forum was held in April 1999. A second Forum was held in May 2000. These Forums have brought together senior US government officials and high-ranking SADC and national officials to explore issues of mutual concern, demonstrate USG and SADC commitment to the region, and further assist the SADC states to develop a sense of common identity and position in dealing with the broader global community. To this end, a set of mutually agreed activities, financed through Economic Support Funds (ESF), is being undertaken to further the U.S.-SADC Forum agenda.

Activities supported by this program included the following: (i) assist SADC in developing the legal basis necessary to successfully stimulate investment and expand trade by providing training related to intellectual property rights from the Department of Commerce's Commercial Law Development Program; (ii) provide a Trade Advisor to the SADC Secretariat to assist in the implementation of the SADC Trade Protocol through provision of analytical expertise and policy advice. The Advisor will also help strengthen the institutional capacity of the SADC Secretariat; (iii) provide assistance to conduct analysis of the trade data and revenue implications of implementing the proposed SADC FTA; (iv) provide support for SADC's regional HIV/AIDS activities; (v) assist SADC in the development of desert ecotourism; (vi) assist SADC in disaster preparedness management and; (vii) provide technical assistance and training to SADC member s on the use of a natural resource base; (viii) increase Southern African capacity and management experience in conflict prevention and resolution; and (ix) create three model border facilities to serve as demonstration projects.

4 Increased Regional Cooperation in the Management of Shared Natural Resources

STATUS: New (approved 1/2000)

PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: USD 2,976,000 DA

PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: USD 3,336,000 DA

INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY2004

Southern Africa's most valuable resources -- water, migratory wildlife, and major ecosystems --are shared-- as they are contiguous areas that span 3-4 countries. Actions in one country's wildlife preserve affect the wildlife in the adjoining country. These shared natural resources are important both for the food security of the population directly depending on them as well as for the tourist industry in the region. Therefore, USAID's strategy aims to promote sustainable cross-border management of these resources. Cooperation in natural resources management is imperative, not only to protect these limited resources but also to enable the region's nature-based tourism industry to thrive. USAID is

implementing its strategy by promoting the establishment of Transboundary Natural Resources Management Areas (TBNRMAs). These are relatively large tracts of land that straddle the borders of two or more countries and incorporate a large-scale ecosystem. The TBNRMAs present an exceptional environment for implementing viable practices for sustaining improvements to the environment while simultaneously ensuring that rural communities directly benefit from the increased economic activity. USAID also supports creation of a policy environment in governments, SADC sector coordinating units, NGOs and training institutes that provide support services to the nascent TBNRMAs. Investments in improved ecological monitoring inform management decisions and reinforce implementation of the overall strategy.

USAID support has resulted in significant progress in preliminary activities needed to establish four TBNRMAs, and advanced negotiations with SADC/Environmental Sector coordinating units for drafting a regional environmental protocol. With regard to the TBNRMAs, participating governments agreed in principle to the establishment of the Four Corners TBNRMA, located at a popular tourist destination. USAID's implementing partner, the International Union for Conservation of Nature (IUCN) led a participatory process whereby an agreement was reached to establish a TBNRMA on the Zambezi River. Donor support stimulated the governments involved to take steps to establish the Gaza-Kruger-Gonarezhou TBNRMA—the world's largest game park, which includes Kruger National Park, Southern Africa's most popular tourist destination. The framework for the establishment of the Limpopo River Basin TBNRMA is established through the SADC Water Protocol on Shared Watercourses.

USAID has supported the development of a SADC Environmental Protocol and the ratification of the SADC Wildlife Management and Law Enforcement Protocol. Both of these protocols contribute to the formulation of common standards in the management of shared natural resources. IUCN concluded a seven-country assessment that forms the basis of a Sport Hunting Policy for the region.

USAID support to NGOs resulted in adoption of environmental education as a key principle in at least one country in the region. USAID scholarships resulted in an additional 20 people being trained in wildlife management at the South African Wildlife College. A further 25 government planners were trained in natural resources accounting through an activity co-managed by the universities of New York and University of Pretoria. As a result of this training, these planners are now able to factor environmental costs into government accounting calculations and also to attach market-related prices to alternative development scenarios.

5 Expanded Commercial Markets for Agricultural Technologies and Commodities in the SADC Region

STATUS: New (Approved January 2000)

PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: USD 3,122,000 DA

PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: USD 3,300,000 DA

INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

This SO supports increases in household incomes and food security in Southern Africa through commercialization of dryland agriculture and the adoption of improved food crop varieties and animal health products. USAID's market-based strategy for agricultural development in the region addresses essential supply and demand constraints including non-tariff barriers related to agriculture, i.e., grades and standards, sanitary and phytosanitary regulations, transfer of germplasm, and intellectual property rights. Private sector agribusiness and agro-industrial associations will promote free trade policies, laws and regulations. USAID is working with selected Southern African countries, each of which has a comparative advantage in the target commodities, stimulating regional trade and investment.

In the area of technology development, USAID supported the development of 21 new technologies in FY2000. These include a farm level mechanical grain cleaner capable of economically removing sand and stones from the sorghum before milling. This process makes sorghum purchased from small

farmers more acceptable by sorghum processing industries. Demand for sorghum by milling industries is expected to increase. Farmers are benefiting directly from marketing a higher quality and higher-priced product. The South African Root Crops Research Network (SARRNET), a USAID-funded project, introduced a motorized chipping and flour-making machine for cassava farmers in Malawi. The machine produces better quality chips, cassava flour, and cassava starch. Women who are, generally, the primary processors, can save several hours of daily processing time with this new machinery. As a result, farmers are able to increase profits by selling their higher quality improved chips directly to private industry.

In the area of private sector participation in commercialization of technology, nurseries established by NGOs and farmer's organizations planted 187 hectares of cassava and 165 hectares of sweet potatoes, to multiply improved planting material in preparation for the 1999/2000 planting season. This has resulted in the planting of approximately 229,000 hectares of cassava and 13,000 hectares of new varieties of sweet potato. Because family farmers frequently trade planting material amongst themselves, this process sustains the program at the community level. However to expand distribution, higher levels of commercialization is required. Meeting this need are NGOs and related organizations that buy planting materials from public multiplication sites established by SARRNET and then sell the improved materials both directly to farmers or via community-level outlets. The NGOs also provide a certain level of extension services to farmers.

In technology adoption, a total of 1059 tons of sorghum and 49 tons of pearl millet improved seed were distributed to farmers for the 2000/1 planting season. Approximately 296,000 farmers, 15% of total sorghum farmers in the region, used the improved seed. The USAID-funded Sorghum and Millet Improvement Project (SMIP) activities continue to promote regional germplasm sharing, generate genotypes for commercialization and promote alternative seed delivery systems. Eighteen NGOs, two private organizations and 27 public institutions participated in multiplication and distribution of cassava and sweet potato planting materials.

As a result of USAID-supported education and advocacy in the area of market expansion, over 15 industries in four countries have started or substantially increased industrial use of cassava as a substitute for imported commodities. Several additional industries are showing an interest. In Malawi, four main industrial consumers of cassava flour have increased total utilization to 1,160 tons. This amount has a potential to increase to over 7,000 tons. Sorghum and pearl millet grain used for industrial purposes increased by nearly two percent in 2000. As a result, USAID-supported technology has helped industries in the region realize huge savings. A textile manufacturing company in Malawi, which produces over 12,000,000 meters of cloth per year, is saving US\$108,000 per year by using cassava starch.

In the area of food security and income generation, adoption of drought-tolerant crops has enhanced food security in the region. The SARRNET 2000 survey report on the use of cassava and sweet potato confirmed that root crops contributed over 30% to the national food balance sheet.