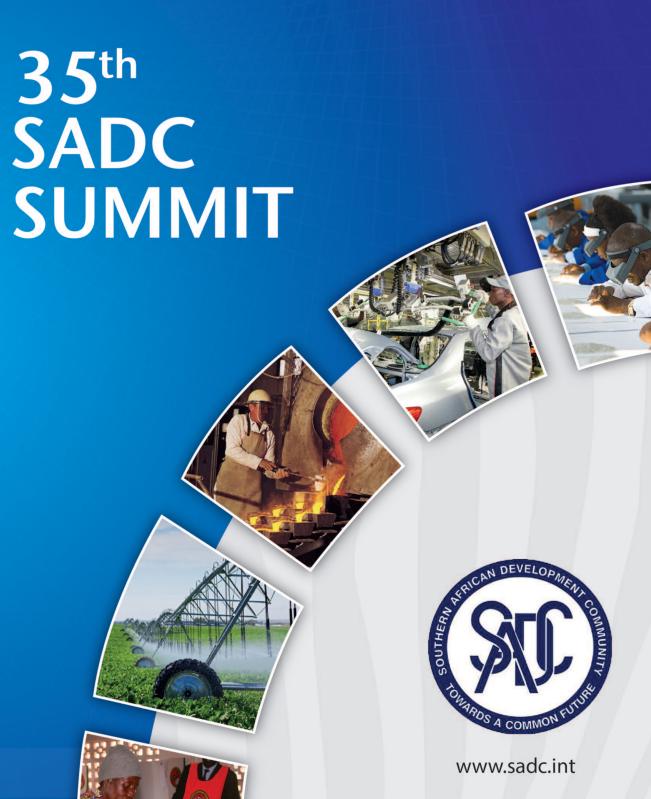


35th Summit of SADC Heads of State and Government 17-18 August 2015 Gaborone, Botswana







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SADC Executive Secretary
Dr. Stergomena Lawrence Tax
wishes to thank the following

for making this 35<sup>th</sup> SADC Summit Brochure a reality

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#### **SADC Mission**

The SADC Mission Statement is to promote sustainable and equitable economic growth and socio-economic development through efficient, productive systems, deeper cooperation 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.

#### **SADC Vision**

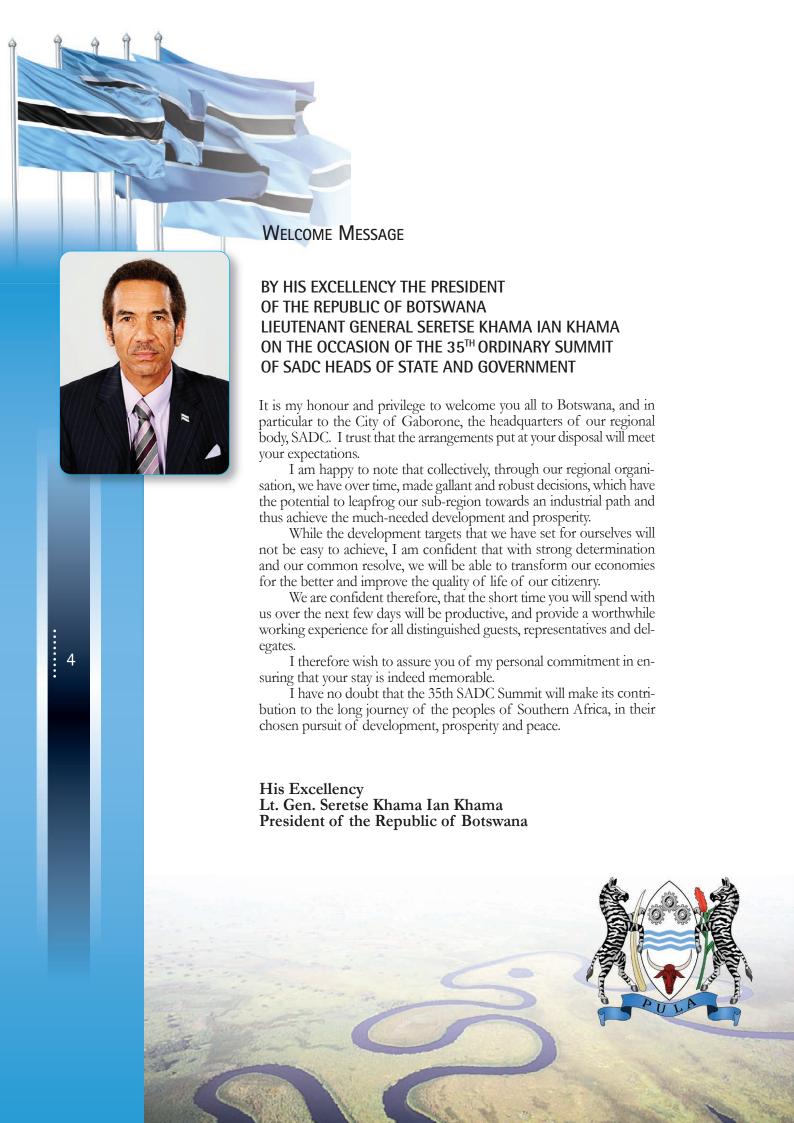
The SADC Vision is to build a region in which there will be a high degree of harmonisation and rationalisation, to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the people of the region.

The vision of SADC is one of a Common Future, a future within a regional community that will ensure economic wellbeing, improvement of the standards of living and quality of life, freedom and social justice, and peace and security for the people of Southern Africa.

#### **SADC Objectives**

The main objectives of SADC are to achieve economic development, peace and security, and growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through Regional Integration. These objectives are to be achieved through increased Regional Integration, built on democratic principles, and equitable and sustainable development.





#### Advancing the Regional Integration Agenda

THE 35th Ordinary Summit of SADC Heads of State and Government in Gaborone, Botswana, comes after a momentous year in which the region scored a number of major successes. The regional integration agenda has advanced significantly since the last Summit held in August 2014 in Victoria Falls, Zimbabwe. This shows the growing commitment by our leaders to achieve the long-term vision of a Common Future, within a regional community that will ensure economic wellbeing, improvement of the standards of living and quality of life, freedom and social justice, and peace and security for the people of Southern Africa.

Two key developments during the past year were the approval of the SADC Industrialisation Strategy and Roadmap, and the finalisation of the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020. The strategy and roadmap are expected to unlock doors within and beyond the region, presenting opportunities for the socio-economic transformation of our countries and immensely contribute to growth and development. The development, and ultimate approval, of the industrialisation strategy and roadmap shows the wisdom of SADC leaders to ensure that the region benefits from its vast natural resources endowment.

The Revised RISDP 2015-2020 was another major milestone during the year. Approved by the Extra-Ordinary Summit held in April 2015, the Revised RISDP recalibrates the SADC regional integration agenda, prioritizing, among others, industrial development. The revised blueprint provides a guiding framework for the last phase of the RISDP. The scope and purpose of the Revised RISDP remain unchanged from those of the original document, except that emphasis has been placed on re-aligning existing priorities with resources allocation in terms of their relative importance and greater impact on regional integration. It defines specific results and timeframes in the various areas of cooperation and integration in order to facilitate monitoring and evaluation. The purpose of the Revised RISDP is to deepen regional integration in SADC and it provides SADC Member States with a consistent and comprehensive programme of medium-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.

These two major developments are described in greater detail in this Brochure, which also presents my progress report on Achievements/Milestones since the last Summit in Victoria Falls. In addition, there is a section devoted to summaries of the key activities and programmes undertaken by the various SADC Secretariat directorates and units during the past year. This allows stakeholders to understand the sector-specific vision and mandate of SADC, as well as track implementation of the programme of action.

In line with the African Union declaration of 2015 as the "Year of Women's Empowerment and Development Towards Agenda 2063", the Brochure dedicates a section to this continental theme, highlighting efforts by SADC in this area. SADC is an important building bloc of the envisaged African Economic Community and will play its part in advancing the AU Agenda 2063.

The Summit Brochure also dedicates a full section to the Republic of Botswana, as the Host Nation of the 35th SADC Summit of Heads of State and Government.

Each year the SADC Media Awards recognise members of the media who raise awareness about the SADC regional integration agenda. The main objective of the annual SADC Media Awards is to promote regional integration through information dissemination as well as to promote journalism excellence in the region. An important part of the success of our programmes and activities depends on the media to raise visibility and to communicate with the people of the region. Equally important are the winners of the Secondary Schools Essay Competition who will be honoured during the 35th SADC Summit.

We appreciate the achievements we have made in the past year with the President of the Republic of Zimbabwe, His Excellency Robert Mugabe, in the Chair, and I want to express our sincere gratitude to him and to the Chairperson of the Organ on Politics, Defence and Security Cooperation, the President of the Republic of South Africa, His Excellency Jacob Zuma, for their guidance and exemplary leadership during the year.

We look forward to Botswana's stewardship in guiding the regional integration agenda for the coming year under the leadership of His Excellency President Seretse Khama Ian Khama.

It is my hope therefore that you will find this publication very useful. I am pleased to share with you the *35th SADC Summit Brochure*, and I wish to express my very special gratitude to our knowledge partner, the Southern African Research and Documentation Centre (SARDC), for their dedicated work in preparing this important publication.

Dr. Stergomena Lawrence Tax SADC Executive Secretary August 2015







SADC DAY MESSAGE

# BY SADC CHAIRPERSON HIS EXCELLENCY ROBERT GABRIEL MUGABE PRESIDENT OF THE REPUBLIC OF ZIMBABWE

Fellow SADC Citizens,

As Chairman of SADC, I feel humbled, and yet greatly honoured, to present the 2015 SADC Day Message.

When the Founding Fathers realised that their Coordination Conference had served the region well, and that it had demonstrated the crucial need to cooperate in their development efforts, time had come to give the Organisation a new legal status, with a new and clear regional development and integration agenda. Accordingly, on 17 August 1992, in Windhoek, the Southern Africa Development Coordination Conference (SADCC) was transformed into Southern African Development Community (SADC).

Since then Member States have encouraged the people of the Region to participate fully in the implementation of SADC programmes and projects. The SADC vision is one of a common future, within a regional community, which ensures economic wellbeing, improvement of the standards of living, quality of life, freedom and social justice; peace and security for all the peoples of Southern Africa Our people should always be at the centre of all that we do as Member States.

Through our joint initiatives, our Organisation has sought to put into place necessary frameworks for SADC regional integration. The Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ

(SIPO) constitute the basis for effective and coordinated implementation of development programmes, in different sectors, across the entire Region. Programmes have been reviewed, from time to time, in order to adapt them to the realities and emerging challenges on the ground.

Fellow SADC Citizens.

As we commemorate the 23<sup>rd</sup> anniversary of SADC Day, we must take pride that our Region is the most stable in Africa. It has gained this reputation through teamwork, with a common resolve. We must never give up our search for lasting peace in any part of the Region. I therefore wish to commend ourselves for working tirelessly in providing rapid responses to emerging political and security challenges in our Region, through the SADC Organ on Politics, Defence and Security Cooperation. Our strength lies in that, as a grouping, we have a common history, shared ideals, and a common future. Today, some countries continue to express their intention to join our group, which is a clearer indication of the good reputation that our Organisation has built over the years.

In our endeavour to build a stable and prosperous SADC, we should always emulate the revolutionary spirit and principled stance of the Founding Fathers of our Organisation. We should never forget that our people made huge sacrifices for us to be the masters of our own destiny. Fellow SADC Citizens.

Our Region is endowed with abundant and diverse natural resources, which, instead of being sold in raw form, at very low prices, must, instead, be exploited and beneficiated, in order to add value to our exports. Value addition and beneficiation is critical, because the process should assist us in our efforts to industrialise, and in turn, increase employment opportunities for our people.

In line with the Theme that we adopted in August 2014, "SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition", the Region, in April 2015 in Harare, approved the SADC Industrialisation Strategy and Road Map, which is intended to bring about socio-economic and technological transformation of the Region.

The Regional Industrialisation Strategy is driven by national development strategies, visions and plans, and primarily by the SADC Treaty, the revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020, and the SADC Protocols, and specifically by the Industrial Development Policy Framework (IDPF). It is also informed by the African Union's Accelerated Industrial Development of Africa and Agenda 2063.

The strategy is anchored on three pillars: Industrialisation as a champion of economic and technological transformation; competitiveness as an active process to move from comparative advantage to competitive edges; and, regional integration and geography as the context for industrial development and economic prosperity.

Fellow SADC Citizens,

I am confident that the Strategy, if implemented effectively, has the potential of unlocking opportunities beyond our borders, resulting in sustainable economic growth and development.

As we implement the Strategy, it is imperative to develop sectors that enhance the effectiveness of this Strategy. Infrastructure is one such area. As SADC, we already have the Regional Infrastructure Development Master Plan (RIDMP), approved in Maputo, Mozambique in August 2012. It is imperative that SADC works out effective financial mechanisms to fund the regional industrialisation strategy and the Regional Infrastructure Development Master Plan. In this regard, we need to make clear decisions relating to priorities of our projects, the marketing to investors, and progressive financing modalities.

Fellow SADC Citizens,

As we pursue our industrialisation agenda, we must be mindful of the fact that our women and the youth are the backbone of our economies, particularly in the micro, small and medium enterprises sector. They are, without doubt, our future. We must strike a balance between development and inclusiveness, both between and within the SADC Member States.

Our resolve to strengthen and increase cooperation with other regional institutions has grown stronger. SADC is reaching out to other regional economic communities such as the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) in order to create a wider market. We are delighted to note that the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) was launched on 10 June 2015 in Sharm El Sheikh, Egypt, during the 3<sup>rd</sup> Tripartite Summit of Heads of State and Government. The prospect of an expanded market and the exploitation of our comparative advantage within the tripartite arrangement, can only stimulate intra-Africa trade and lend itself to a multiplier effect on our earnings. We anticipate increased economic activities that should result in enhanced employment opportunities.

Fellow SADC Citizens,

Let's double our efforts to make SADC a prosperous and peaceful region as we, at the same time, continue to accelerate the political and socio-economic development of our region.

I wish you a happy, healthy and productive SADC Day. Long live SADC. Long live our Unity. Long live our solidarity. I thank you.

Robert Gabriel Mugabe President of the Republic of Zimbabwe



# The Right Honourable Dr. Pakalitha Bethuel Mosisili Prime Minister of Lesotho

THE RIGHT HONOURABLE Dr. Pakalitha Bethuel Mosisili (born 14 March 1945) is a Mosotho politician who has been Prime Minister of Lesotho since March 2015. He previously served as Prime Minister from May 1998 to June 2012. He led the Lesotho Congress for Democracy (LCD) to victory in the 1998 election, and under his leadership the party also won majorities in the 2002 and 2007 elections. While serving as Prime Minister

majorities in the 2002 and 2007 elections. While serving as Prime Minister, Dr Mosisili was also Minister of Defence.

Between June 2012 and March 2015 he served as a member of the opposition in Lesotho's 8<sup>th</sup> Parliament. Following a snap election held on 28 February 2015, he managed to form and lead a seven-party coalition government. He was sworn in as Prime Minister on 17 March 2015.



Dr. Mosisili was born in Qacha's Nek. He was educated at the Eagle's Peak High School, where he attained his Cambridge Overseas School Certificate in 1965. He then pursued higher education at the University of Botswana, Lesotho and Swaziland (UBLS) and graduated with a BA Degree plus a Concurrent Certificate in Education. Upon graduation in July 1970, he was imprisoned because of his political activism and was released the following year in November. He was a member of the Basutoland Congress Party (BCP) which he had joined in 1967 as a University student.

In 1976, he attained his MA in General Linguistics from the University of Wisconsin-Madison in the United States of America and then completed a BA Honours program via distance education from the University of South Africa (UNISA) in 1978. In 1982, he graduated from Simon Fraser University in Canada with a Master of Education Degree (MEd). He has worked as a high school teacher and lecturer in African Languages and Education at various universities in Southern Africa.

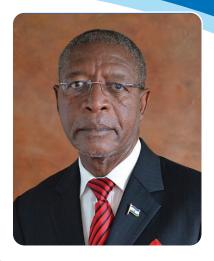
#### **Political Career**

In 1993, Dr. Mosisili was elected to parliament from the Qacha's Nek constituency and became Minister of Education and Training. He was appointed Deputy Prime Minister in late January 1995, and retained the position of Minister of Education. On 20 July 1995, he was appointed Minister of Home Affairs and Local Government, while remaining Deputy Prime Minister.

A new ruling party, the Lesotho Congress for Democracy (LCD) was formed in 1997 under the leadership of Prime Minister Dr. Ntsu Mokhehle as a split from the BCP. On 21 February 1998, Dr. Mosisili was elected leader of the LCD after Dr. Mokhehle chose to step down due to poor health. He left the LCD in 2012 to form the Democratic Congress (DC) and remains the leader of the party. He has served as Chairperson of SADC and of the SADC Organ on Politics, Defence and Security Corporation.

#### Personal Life

He is married to Mathato Mosisili and they have four children. He serves in numerous community and professional organisations. His interests include gardening, stock farming, sports, music and research.









The Right Honourable Sir Anerood Jugnauth, GCSK, KCMG, QC

Prime Minister Minister of Defence Home Affairs

Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit

		CAREER	
Date of Birth	29 March 1930	14 December 2014	Prime Minister
Nationality	Mauritian	7 October 2003 –	President of the Republic
Address	La Caverne, Vacoas, Mauritius		resident of the Republic
Postal Address	New Treasury Building,	31 March 2012	
	Intendance Street,	2000 - 2003	Prime Minister
	Port Louis, Mauritius	1983 – April 2003	Leader, Mouvement
Tel	(+230) 207 9400		Socialist Militant
Fax	(+230) 201 2976	1982 - 1995	Prime Minister
Spouse	Lady Sarojni Jugnauth	1976 - 1982	Leader of the Opposition
Marital status	Married with two children	1973 – 1982	President, Mouvement
	Pravind (Son)	1773 1702	Militant Mauricien
	Shalini (Daughter)		
Education/Qu	ıalification	1971	Senior Crown Counsel
Roman Catholic Aided School, Palma		1969	Crown Counsel
Regent College, Quatre Bornes		1967 – 1969	District Magistrate
1951 Lincoln's Inn, United Kingdom		1967	Minister of Labour
1954 Called to the Bar		1965 – 1967	Minister of State for
Language Spo	ken English, French, Hindi,		Development
<b>T</b>	Bhojpuri, Creole	1072	*
Interest	Reading and Football	1963	Member of Legislative Assembly

TITLES HELD	
1980	Named Queen's Counsel
1984	Grand Prix of the Order of La Pléiade
March 1985	Doctor (Honoris Causa), Université, Aix-en-Provence
May 1985	Doctor of Civil Law (Honoris Cansa), University of Mauritius
1987	Member of Her Majesty's Most Honourable Privy Council
January 1988	The First Class Order of the Rising Sun (Japan)
1988	Knighted Commander of Most Distinguished
	Order of St. Michael and St George (UK)
March 1990	Grand Officier de L'Ordre de la Légion d'Honneur (France)
January 2001	Doctor (Honoris Causa), Chennai University (India)
2003	Grand Commander of the Order of the Star and Key
	of the Indian Ocean
2009	Honorary Doctorate from Middlesex University





HIS EXCELLENCY Filipe Jacinto Nyusi has been the President of the Republic of Mozambique since 15 January 2015, after serving as Minister of Defence for six years, from 28 March 2008 to 14 March 2014.

Filipe Nyusi (also Nhussi) was born on 9 February 1959 in Namaua, Mueda District in the Province of Cabo Delgado. He is a son of farmers Jacinto Nyusi Chimela and Angelina Daima, who have since passed away.

Young Filipe Nyusi joined the ranks of the Mozambique Liberation Front (FRELIMO) in 1973 and crossed the border to Frelimo's political and military training centre at Nachingwea in southern Tanzania. He completed primary studies at the Tunduru Learning Centre in Tanzania in 1974, and after Independence, he enrolled at the Frelimo Secondary School in Mariri where he completed his junior high school education in 1980.

Filipe Nyusi attended Samora Machel Secondary School in Beira, until 1982, where he completed his senior high school studies. He was then sent to the Czech Republic where he completed a Bachelor's Degree in Mechanical Engineering at Brno Military Academy, in Vaaz, in 1990, on the honours list. He did a post-graduate degree at Victoria University in Manchester, UK, in 1999, and has a Certificate from the Indian Institute of Management, in India, in 2003.

In his professional career, Filipe Nyusi worked at Mozambique Railways in Nampula, from 1992 to 2007, where he served as Deputy Head of the Maintenance Workshop, 1992-1993; Railways Operations Director, 1993-1995; and Executive Director, from 1995 to 2007. He was then relocated to headquarters in Maputo to become Chief Executive Officer, from 2007 to 2008, before he was appointed the Minister of National Defence.

He was a part-time lecturer in Mathematics at the Universidade Pedagógica in Nampula, from 2002 to 2007; and he served as a member of the Higher Education Pool in Nampula for three years. He has been a member of Clube Ferroviário (a sports club owned by Mozambique Railways) since 1993, and was Chairman of Clube Ferroviário in the City of Nampula, from 1995 to 2005.

Filipe Nyusi participated in the National Liberation Struggle and is a member of the Association of National Liberation Fighters. He sat on its National Committee until he was elected President of the Association.

Filipe Nyusi is a member of the Frelimo Party, and was a member of its Provincial Committee in Nampula until 2008. In 2012, at the 10th Congress of Frelimo, he was elected as a member of the Central Committee. In 2014, during the 3rd Ordinary Session of the Central Committee, Filipe Jacinto Nyusi was elected as the Frelimo Party's nominee for the Presidential Election held on 15 October 2014, and he was the winner.

In March 2015, at the 4th Ordinary Session of the Central Committee, Filipe Nyusi was elected as President of the Frelimo Party and of the Association of National Liberation Fighters.

Filipe Jacinto Nyusi has four children and is married to Isaura Ferrão Nyusi. He is a practising Catholic. He speaks Shimakonde, Portuguese, Kiswahili, English, and Czech.



HIS EXCELLENCY Dr. Hage G. Geingob was sworn into Office on 21 March 2015 as President of the Republic of Namibia. He is also President of the ruling SWAPO Party of Namibia.

Born on 3 August 1941 in the district of Grootfontein, he began his schooling in Otavi in 1948. In 1958 he attended the Augustineum College where his first political seeds were planted.

In 1961 he completed his teacher training, after which he started teaching at Tsumeb. He started participating in SWAPO activities and joined SWAPO officially in 1962.

On the 3 April 1964, Dr. Geingob left Namibia (then South West Africa) for the United States of America where he studied at Temple University. He obtained a BA in Political Science at Fordham University in New York in 1970; a Masters in International Relations from the University New School for Social Research in 1974; and a PhD from Leeds University in the United Kingdom in 2004.

Following the termination of the South African mandate over Namibia, the UN assumed direct responsibility and established a Nationhood Program for Namibia that included the United Nations Institute for Namibia (UNIN) in Lusaka, Zambia. Dr. Geingob was assigned by SWAPO to be a member of the UN Namibian team and was Director at UNIN for 12 years. Later, he was chosen to lead Namibians in exile home under the UNSC Resolution 435.

Following the successful United Nations supervised elections during 1989, Dr. Geingob was elected to be Chairman of the Constituent Assembly that was responsible for drafting the Namibian Constitution.

After Independence, he was appointed as the first Prime Minister and served for twelve and a half years in that position before taking a brief hiatus from the political sphere. In 2008, Dr. Geingob was appointed as the Minister of Trade and Industry and brought about meaningful changes which include Small and Medium Enterprises (SMEs) assistance through the Equipment Aid Scheme, the Industrial Policy and the creation of the SME Bank.

Dr. Geingob was elected as Vice President of SWAPO Party during the SWAPO Party Congress in November 2009. During 2012, Dr. Geingob would once again emerge from the SWAPO Party Congress as Vice President of the SWAPO Party of Namibia. Dr. Geingob was reappointed as Prime Minister until he was elected as President.

His themes are "One Namibia, One Nation" and that no Namibian should feel left out. He is a proponent of partnership in government and he advocates for enhanced transparency and accountability in the public service. He is also an ardent believer in the role that the Private Sector should play in economic development.







#### **QUICK FACTS**

#### Edgar Chagwa Lungu

President of the Republic of Zambia, Commander in Chief of the Armed Forces and Minister of Defence

Date of Birth 11 November 1956

Marital Status Married to Esther Lungu

Birth Place Ndola Central Hospital, Ndola, Zambia

Higher Education University of Zambia (LLB Degree)

Professional Practice Zambia Institute of Advanced Legal Studies

HIS EXCELLENCY President Edgar Chagwa Lungu was elected to the country's highest office on 20 January 2015 following a Presidential by-election that was precipitated by the death of President Michael Sata on 28 October 2014. Prior to the by-election, he was elected President of the Patriotic Front at an Extra Ordinary Convention of the Party which was held in December 2014. This came after Mr. Lungu had served for less than three years in the Patriotic Front Government as a junior Minister in the Ministries of Home Affairs, Justice and Defence.

President Lungu is an unassuming man, a silent kind of man but one who is nevertheless not shy to give an opinion on various issues, controversial or not, as long as he feels competent enough to do so. President Lungu is an accomplished lawyer and worked for the renowned law firm Andre Masiye and Company in Lusaka, Zambia, before he decided the Courtroom was not big enough for him to change people's lives in a progressive and positive manner.

The President has had an interesting career path that has seen him work for the Ministry of Justice, Barclays Bank Zambia Ltd, and Zambia Consolidated Copper Mines (ZCCM) Ltd. He graduated as one of the best law students from the University of Zambia (UNZA) on 17 October 1981 and the Zambia Institute of Advanced Legal Studies in 1983. He then got his legal practicing certificate in 1983 after work stints as a Stare Advocate at the Ministry of Justice and Lawyer at Zambia Consolidated Copper Mines (ZCCM) and Barclays Bank Ltd.

The President also trained as a military Officer at Miltez in Kabwe, Zambia which perhaps explains his deep discipline and ability to juggle so many influential responsibilities with much ease — Minister of Justice, Minister of Defence, etc. Perhaps it's his rare mix of law and military discipline that quickly set him strongly on a political path that has now seen him elected as the second President of the Patriotic Front, and sixth President of the Republic of Zambia.

As can be seen, President Lungu rose very quickly from the post of junior Minster to full Minister of very influential Ministries of Home Affairs, Defence and Justice in just two-and-half years. Within a year under what some pundits have called the "fastest rise and rise" in office, President Sata tapped him for full Cabinet Minister before finally ascending to the post of President of the Republic of Zambia.

# Major Achievements/Milestones

August 2014 – August 2015

#### INTRODUCTION

The past 12 months have been an exciting period for Southern Africa, ushering in new developments that are expected to change the socio-economic landscape of the region, in pursuit of SADC regional integration and cooperation.

The region continued to enjoy peace, and has remained politically stable. Since August 2014, SADC successfully observed general and/or Presidential elections in the Republics of Botswana, Mozambique, Namibia, Mauritius, Lesotho; and the Presidential by-election in Zambia. I wish to congratulate the governments and peoples of these Member States for holding peaceful and credible elections, through which the will of the people was democratically expressed.

On the economic front, a number of developments have taken place to fulfil the decisions of the 34th Ordinary Summit held in August 2014 in Victoria Falls, Zimbabwe. Since the Victoria Falls Summit, the SADC Secretariat has been seized with the implementation of key decisions made by the leaders, chief among them, the need to develop a strategy and roadmap for industrialisation of the region; and the recalibration of the region's integration and development agenda. Major achievements/milestones during the year are outlined below.

#### SADC INDUSTRIALISATION STRATEGY AND ROADMAP APPROVED

In line with the theme of the 34th SADC Summit – "SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition" – the Heads of State and Government directed that industrialisation should take centrestage in SADC's regional integration agenda. This milestone was achieved.

The SADC Industrialisation Strategy and Roadmap was approved by the SADC Extra-Ordinary Summit held in April 2015, in Harare, Zimbabwe. I am confident that the strategy and roadmap, if implemented effectively, can unlock opportunities within and beyond our borders, leading to socio-economic transformation of SADC economies, and thus contribute immensely to sustained socio-economic growth and development.

During implementation, focus will be placed on key enablers such as value chains, infrastructure and skills development; technology, innovation, research and development; and effective financing mechanisms. The strategy and its roadmap have a long-term perspective, aligned to the African Union's Agenda 2063, covering 2015-2063.











#### FINALISATION OF THE REVISED RISDP 2015-2020

The development of the SADC Industrialisation Strategy and Roadmap was instructive in finalising the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020.

The 34th SADC Summit held in August 2014 considered the Draft Revised RISDP 2015-2020 and directed that Priority A on Industrialisation and Market Integration be reviewed so as to ensure that, at the current stage of integration, industrialisation is prioritised. In line with this directive, the multi-stakeholder task force on the review of the RISDP worked tirelessly since the last summit to complete the review process. The Revised RISDP was approved by the Extra Ordinary Summit held in April 2015.

The Revised RISDP identifies four main priorities to be pursued by the region during the next five years.

**Priority** A focuses on industrial development and market integration through interventions such as strengthening of sustainable industrial development, productive competitiveness and supply-side capacity enhancements, promotion of free movement of goods and services across SADC, and stability-oriented macroeconomic convergence. Other interventions under this priority area include the promotion of financial market integration and monetary cooperation, intra-regional investment and foreign direct investment, as well as deepening regional economic integration.

**Priority B** seeks to promote the facilitation of infrastructure to support regional integration, including investment in energy, transport (surface, air and intermodal), tourism, information communication technology, meteorology and water.

**Priority C** focuses on interventions to promote peace and security cooperation as a pre-requisite for achieving the SADC regional integration agenda.

Priority D covers the promotion of special programmes of regional dimension under clusters such as education and human resources development; health, HIV and AIDS and other communicable diseases; food security and transboudary natural resources; environment; statistics; gender equality; and science, technology and innovation, and research and development.





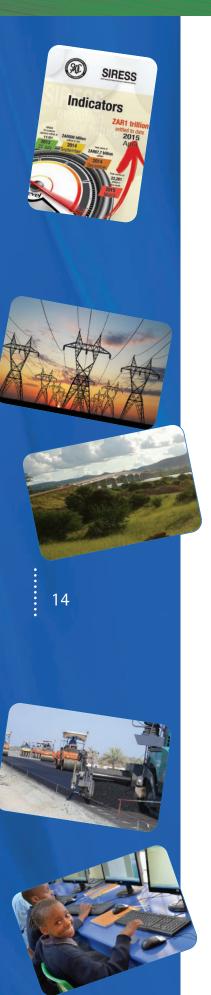
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#### LAUNCH OF COMESA-EAC-SADC TRIPARTITE FREE TRADE AREA

The year has witnessed the historic launch of the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) involving SADC, the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC). The TFTA was launched during the COMESA-EAC-SADC Tripartite Summit in Sharm El Sheik, Egypt in June 2015. The enlarged market through the TFTA is expected to change the economic landscape by increasing intra-regional trade in Africa and deepening regional integration through expanded markets, improved infrastructure, increased investment flows and enhanced competition. The TFTA creates an integrated market of 26 countries, with a combined population of 625 million people covering half of the member states of the African Union, and a combined Gross Domestic Product (GDP) of about US\$1.3 trillion. The TFTA is expected to promote the smooth movement of goods, services and investments across borders, as well as allowing member countries to harmonise regional trade policies to promote fair competition.







#### OTHER ACHIEVEMENTS IN TRADE, FINANCE, INVESTMENT

During the period under review, significant progress was recorded in the area of trade, finance and investment. Notable achievements include:

- Economic Partnership Agreements (EPAs) The EPA between the European Union and the SADC EPA Group was initialled. The text is undergoing legal vetting, leading to eventual signature, ratification and implementation.
- ❖ In the area of finance and investment, progress has been realized in connecting the national payments and settlements systems to the regional system through the SADC Integrated Regional Electronic Settlement System (SIRESS), an electronic payment mechanism developed to settle regional financial transactions. The system was piloted in July 2013, involving four countries − Lesotho, Namibia, Swaziland and South Africa. During the year, more Member States joined the system ─ SIRESS is now live in nine countries, with Malawi, Mauritius, United Republic of Tanzania, Zambia and Zimbabwe having joined. Where transactions used to previously take two to three days, or more, to clear, they are now cleared within 24 hours and fees that used to be paid to non-SADC clearing banks are saved.

#### ACHIEVEMENTS IN INFRASTRUCTURE DEVELOPMENT

During the year, significant progress was also made in implementing the SADC Regional Infrastructure Development Master Plan (RIDMP). Major achievements include:

- Within the framework of the RIDMP, the Project Preparation Development Fund (PPDF) was operationalised during the year, with one project being approved for grant financing the Mozambique-Zimbabwe-South Africa Transmission Interconnector. Eight more projects, which include three (3) energy, one (1) water and four (4) transport projects were accepted into the next indicative pipeline, and are being appraised. The significance of this development is that SADC now has its own project preparatory facility mechanism. The enhanced capacity will accelerate project preparation and should facilitate faster implementation of the RIDMP through an increased pipeline of bankable projects.
- ❖ In a related development, the SADC Secretariat and the SADC Development Finance Resource Centre have finalised a cooperation framework to facilitate identification and preparation of RIDMP projects that are potentially suitable for PPP financing. This was used to identify the first indicative priority list of projects that are potential candidates for PPP financing. The first indicative priority list of projects which includes energy, ICT, transport and water projects was presented at the 2<sup>nd</sup> Private-Public Dialogue held in March 2015. The dialogue continues to keep the private sector appetite and interest in SADC PPP projects high, thus investor take-up would further improve implementation of the RIDMP.
- The AU-NEPAD Planning and Coordinating Agency (NPCA) and the SADC Secretariat concluded a Memorandum of Understanding (MOU) to firm up their partnership and facilitate roll-out of the common infrastructure programme. Priority continental projects within the SADC region, which are contained in the RIDMP are incorporated in the Programme for Infrastructure Development in Africa (PIDA) coordinated by the AU-NEPAD Planning and Coordinating Agency (NPCA). The coordination and implementation modalities that have been adopted to guide implementation are based on the Institutional Architecture for Infrastructure Development in Africa (IAIDA) that was devised as part of the PIDA. The architecture is based on the principle of subsidiarity and recognizes the important coordination role of the Regional Economic Communities (RECs) and the need to invest in institutional capacity building and support for the Secretariats to adequately support Member States to achieve implementation objectives of the PIDA Priority Action Plan (PIDA-PAP). Key projects being implemented with the PIDA framework include the Batoka Gorge Generation Project, the Inga III Project and the Central Corridor projects.
- In the area of information communication technology, commendable progress has been made with the roll-out of programmes to meet the 17 June 2015 International Telecommunications Union deadline to migrate to Digital Terrestrial Television (DTT) broadcasting and ensure there is no leakage of analogue signals across borders. Five countries Mauritius, Malawi, Namibia, the United Republic of Tanzania and Zambia are already operating digital networks.



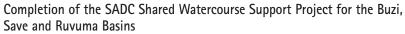
#### ACHIEVEMENTS IN THE WATER SECTOR

#### Establishment of the Cuvelai Watercourse Commission (CUVECOM)

The Cuvelai River Basin is shared between Angola and Namibia. An agreement establishing the Cuvelai Watercourse Commission (CUVECOM) was signed by the two riparian States in September 2014. This cooperation agreement provides guidance on how to protect, manage and develop the water resources of the Cuvelai Basin.

# Establishment and Launching of the Zambezi Watercourse Commission (ZAMCOM) Permanent Secretariat

The Zambezi river basin is shared between eight countries (Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe). As per the decision of SADC Council in August 1987, for 28 years, SADC Secretariat has been facilitating the implementation of water programmes and undertakings, which have led to the formation of the Zambezi Watercourse Commission (ZAMCOM). The Permanent ZAMCOM Secretariat was established in Harare, Zimbabwe through Act of Parliament of 2014, and was launched in July 2015.



The Buzi and Save Basins are shared between Zimbabwe and Mozambique, whilst the Ruvuma basin is shared between Mozambique and Tanzania. The project entails development of basin monographs, scenarios, basin strategies, as well as 18 small infrastructure projects to enhance the livelihoods of communities in the three basins. During the year, 18 projects shared between the three participating Member States were fully implemented in Tanzania and partially completed in Zimbabwe.

#### Establishment of a Regional Fund for Water Infrastructure and Basic Sanitation

The Fund to support water infrastructure and basic sanitation has been established with some seed funding. SADC Secretariat will continue to mobilise resources to sustain the fund.

#### ACHIEVEMENTS IN THE TRANSPORT SECTOR

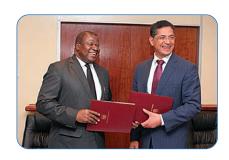
#### Design of the Tripartite Transport and Transit Facilitation Programme (2016–2020)

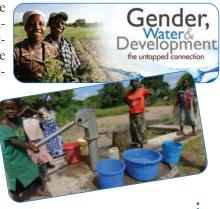
Some of the major hurdles and hindrances to regional market integration are transport related, including the high ratio of landlocked countries, the variability in road transport policies, regulations and standards that facilitate trade by affecting commercial vehicle drivers, vehicles and loads in cross border road transport operations.

To address these challenges, COMESA, EAC and SADC have since 2002 been collaborating on a joint programme. Harmonised road transport laws, regulations and standards which will be implemented under the Tripartite Transport and Transit Facilitation Programme (2016-2020) were approved in June 2015. The programme will be imple-

mented across the 22 East and Southern African mainland states, thus creating a single road transport market to underpin the Tripartite Free Trade Area (FTA), and the SADC and COMESA FTAs, and the EAC Customs Union. The significance of this achievement is that full implementation of the programme will result in the reduction of transport costs, improve the competitiveness of the regions' goods and services, promote the preservation of road assets and improve road safety.

This is a key milestone as it pushes the achievement of the road transport targets under the Protocol on Transport, Communications and Meteorology (PTCM) (Chapters 4-6) to 75 percent. The programme also contributes to the achievement of targets under the RISDP, in particular the transport prerequisites for industrialisation. For the wider Tripartite region, it will lead to greater degrees of convergence and harmonisation in road transport facilitation whilst contributing to the achievement of the soft transport targets under the PIDA programme.









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#### Establishment of Interim SASO and Secretariat

Progress has also been made in terms of strengthening regional cooperation in the area of aviation safety as required under the SADC Protocol on Transport, Communications and Meteorology (PTCM) and International Civil Aviation Organisation (ICAO) Agreements. Focus was placed on the operationalisation of SADC Aviation Safety Organisation (SASO).

In March 2015, the Kingdom of Swaziland and the SADC Secretariat signed the Memorandum of Understanding for the hosting of the Interim SASO Secretariat. The Interim SASO Secretariat was launched in May 2015 in Mbabane, Swaziland. The significance of this development is that SADC now has an institution to facilitate and help Member States to harmonise aviation safety, and provide technical assistance. This will improve aviation safety, state oversight and address prevailing air transport deficiencies in Member States capacity.

#### FOOD AGRICULTURE AND NATURAL RESOURCES RELATED PROGRAMMES

In the area of food security and environment, a number of achievements made include the development of the Protocol for the Protection of New Varieties of Plants (also known as the Plant Breeders' Rights); the completion of a programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+) for measuring, reporting and verification of carbon emissions reduction in Member States; implementation of capacity building and programme of supply of equipment for surveillance and control of the Asian Fruitfly for four most affected Member States; and the development of national strategies for conservation and sustainable utilisation of plant genetic resources for food and agriculture in the six participating Member States, namely Botswana, Lesotho, Malawi, Mozambique, Tanzania and Zambia.

#### SOCIAL AND HUMAN DEVELOPMENT RELATED PROGRAMMES

#### **Education and Skills Development**

A milestone during the latter half of 2014 was the conclusion of capacity-building for the SADC Open and Distance Learning (ODL) project. This has strengthened the use of ODL to improve access to quality education and skills development. An ODL project evaluation and exit strategy was developed for approval by SADC Ministers of Education and Training. The Secretariat plans to build on the success of the project to improve skills development in the region.

#### Science, Technology and Innovation

A number of achievements were made to strengthen cooperation and promote the development and transfer of science, technology and innovation in support of all programmes that promote sustainable and equitable socio-economic growth as well as poverty eradication in SADC. These include the development of the draft SADC Cyber-Infrastructure Framework; revision of the Draft Charter on Women in Science, Engineering and Technology; and the finalisation of Draft Climate Change Strategy and Draft STI Climate Change Implementation Framework and Plan.

#### Development of the SADC Declaration on Accelerating Youth Empowerment

The SADC Declaration on Youth Empowerment and Development was developed. The Declaration underpins political commitment in the region and articulates the intent and purpose for the implementation of the regional youth development and empowerment agenda.

#### Development of the Code of Practice on TB in the Mining Sector

The Code of Conduct on TB in the Mining Sector together with its Action, Performance Monitoring and Communication Plans were finalized and approved. The Code provides principles for operationalising the SADC Declaration on TB in the Mining Sector.

# Development of Guidelines for Advocacy and Communication Programme for Communicable Diseases

Guidelines for advocacy and communication for communicable diseases were developed and approved. The Guidelines are to be used by programme managers for communicable diseases to enable them to systematically integrate the key elements of the regional minimum policy standards into national policies and guidelines. This will allow effective implementation of the regional minimum policy standards and effective harmonisation.



#### FINALISATION OF THE 11th EDF NEGOTIATIONS

In June 2015, SADC concluded negotiations under its cooperation with the European Union, which culminated in the signature of the 11<sup>th</sup> European Development Fund (EDF) Joint Regional Indicative Programme (RIP) for Eastern Africa, Southern Africa and the Indian Ocean. The RIP was co-signed by COMESA, EAC, SADC, the Intergovernmental Authority on Development (IGAD) and Indian Ocean Commission (OIC). The funding will target three priority areas in the four regions – promote regional economic integration; advance peace and security; and support sustainable natural resources management at regional level, improving resilience and biodiversity conservation.

#### **CONCLUSION**

The achievements made during the year complement the other achievements made previously by the region. These achievements contribute to the deepening of regional integration, while enabling SADC citizens to benefit from SADC regional integration through generating opportunities for enhanced trade, increased investment, employment, and wealth creation, which ultimately will contribute to poverty reduction and socio-economic development.

We appreciate the achievements we have made in the past year with the President of the Republic of Zimbabwe, His Excellency Robert Mugabe, in the Chair, and I want to express our sincere gratitude to him and to the Chairperson of the Organ on Politics, Defence and Security Cooperation, the President of the Republic of South Africa, His Excellency Jacob Zuma, for their guidance and exemplary leadership during the year. We look forward to Botswana's stewardship in guiding the regional integration agenda for the coming year under the leadership of His Excellency President Seretse Khama Ian Khama.

Special appreciation is given to the staff of the SADC Secretariat for their dedication, tireless efforts and professionalism. I also want to thank all of the stakeholders to have contributed to our success during the past year and urge them to continue to do so in the future. May I take this opportunity to thank everyone who contributed to these achievements.

The Harare SADC Industrialisation Strategy and Roadmap 2015-2063 sets SADC's technological and socio-economic transformation path. Southern Africa will be transformed and built by Southern Africans – it can be done if we commit to deliver.

Dr. Stergomena Lawrence Tax SADC EXECUTIVE SECRETARY

August 2015



34th SADC Summit Heads of State and Government 17-18 August 2014, Victoria Falls, Zlmbabwe

# In brief REVISED RISDP 2015-2020



The Revised Regional Indicative Strategic Development Plan (Revised RISDP) 2015-2020 was endorsed by the SADC Extra-Ordinary Summit in April 2015 in Harare, Zimbabwe, as the new blueprint that will guide the implementation of SADC programmes in the next five years. The Revised RISDP has four main priority areas:

- Industrial Development and Market Integration
- ◆ Infrastructure in support of regional integration
- Peace and Security Cooperation as a prerequisite for regional integration, and
- ◆ Special Programmes of regional dimension.

Before this latest revision, the RISDP was developed and approved by Summit in 2003 for a 15-year period, but was effectively implemented from 2005, thus giving an implementation timeframe of 2005-2020. As the main blueprint for the SADC programme of action, the RISDP was to complement the restructuring of SADC institutions that took place in 2001 and to provide a clear direction for SADC policies and programmes over the long term. The RISDP is built on the premise that good political, economic and corporate governance are prerequisites for sustainable socio-economic development, and that SADC's objectives for poverty eradication and deeper levels of integration will not be realised if these are not in place.

Since its approval in 2003, the RISDP has guided SADC and its partners in planning the implementation of the cooperation and integration agenda. Two assessments of the RISDP were carried out in 2011 and 2012/13. Based on their findings and the recommendation of Council in 2013, a Revised RISDP has been produced for the remaining duration of the Plan.

#### Scope and Purpose of Revised RISDP

The Revised RISDP provides a guiding framework for the last phase of the RISDP – 2015-2020. The scope and purpose of the Revised RISDP remain unchanged from

those of the original document, except that emphasis has been placed on re-aligning existing priorities with resources allocation in terms of their relative importance and greater impact on regional integration. It defines specific results and timeframes in the various areas of cooperation and integration in order to facilitate monitoring and evaluation. The purpose of the Revised RISDP is to deepen regional integration in SADC and it provides SADC Member States with a consistent and comprehensive programme of medium-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.

#### Methodology for Revising the RISDP

The Revised RISDP was produced by a Task Force, which comprised the SADC Secretariat, all Member States and other relevant key stakeholders. In preparation for this exercise, the Task Force reviewed the recommendations of the Desk Assessment of the Regional Indicative Strategic Development Plan 2005-2010 and the Summary Report of the Independent Mid-Term Review of the Regional Indicative Strategic Development Plan 2005-2012. Other key regional, continental and global instruments were also consulted in order to take into account relevant parameters to determine new priorities and the corresponding results that would contribute towards regional integration in the remaining period of the RISDP.

#### Assessment of Current Contextual Factors

An assessment of the political situation and major socio-economic developments in SADC since 2003 confirms, within the context of the implementation of the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), that the political and security situation in the region has been, in general, conducive to the process of regional cooperation and integration.

The overview on macroeconomic performance indicates that since the early 2000s, the region has witnessed improvement in real Gross Domestic Product (GDP) and inflation, despite the global financial crisis in 2009. This was largely due to the solid macroeconomic foundation laid through sound macroeconomic management by Member States in the years preced-

ing the crisis. However, increased pace in implementing reforms is needed to improve the business climate and competitiveness environment of the region.

In spite of some observed improvements in social and human development indicators, there are continuing challenges, in particular low participation in secondary and tertiary education, high prevalence of communicable diseases and high levels of unemployment. These challenges have hindered the region from attaining the targets of the Millennium Development Goals (MDGs) for 2015 in areas of education, health and employment.

An analysis of the Strengths, Weaknesses, Opportunities and Threats of SADC was done after examining the context of continental integration and prospects for Africa's accelerated transformation in line with the African Union Agenda 2063 as well as the proposal for a SADC Vision 2050.

# Highlights of sector implementation of the RISDP 2005–2013

An overview of the implementation of the RISDP for the period 2005-2012/13 for all the areas of intervention, especially the achievements made and challenges encountered, reveals that the implementation of the RISDP has progressed well despite the many challenges faced. Further, SADC's role as a facilitator of development in the region has been successful at many levels and across a wide range of areas relating to regional cooperation and integration. In addition to providing guidance for the formulation of revised priorities for 2015-2020, the overview concludes that targeted research would need to be done to confirm the level of impact, and benefits accrued, as a result of RISDP-based interventions.

# Main Elements of the Revised Priorities, Areas of Focus and Strategies

The SADC priorities for regional cooperation and integration, as streamlined by Council in Lusaka, Zambia, in 2007 are:

- ◆ Trade/Economic liberalisation and development:
- ◆ Infrastructure in support of regional integration;
- ♦ Peace and security cooperation; and
- ◆ Special programmes of regional dimension.

  Taking into account lessons learned in the implementation of the RISDP as well as new developments that have occurred, these priori-

ties remain relevant and have been re-organised in the Revised RISDP 2015-2020 as follows:

**Priority A** – Industrial Development and Market Integration

**Priority B** – Infrastructure in Support of Regional Integration

**Priority C** – Peace and Security Cooperation, and

**Priority D** – Special Programmes of regional dimension under Education and Human Resource Development; Health; HIV and AIDS and other diseases of public health importance; Employment and Labour; Food Security

and Trans-boundary Natural Resources; Environment; Statistics; Private Sector; Gender Equality; Science, Technology and Innovation; and Research and Development.

The interrelationships between the four priorities are illustrated through a results chain, showing the causal links between inputs, activities, outputs, outcomes and impact. Selected targeted outputs and their time frames are presented

in a full chapter and further elaborated in a results framework Annex. The overall goal of the intervention areas remain more or less the same as described in the original RISDP. Pertinent changes apply to their main areas of focus and strategies. The priority intervention areas, their goals, areas of focus, and strategies are summarised as follows:

**Poverty Reduction.** The overall goal of poverty reduction, as a key crosscutting issue, is to contribute to the ultimate objective of poverty eradication. It is expected that the areas of focus for poverty reduction such as the analysis of development trends and their impact on poverty and strategies such as the harmonisation of poverty indicators will also be included in all the other priority intervention areas.





HIV and AIDS. The overall goal for this intervention area remains to decrease the number of HIV and AIDS infected and affected individuals and families in the SADC region so that HIV and AIDS is no longer a threat to public health and to the socio-economic development of Member States. The areas of focus, in line with the Maseru Declaration on HIV and AIDS, are on HIV pre-

vention, HIV treatment, HIV mainstreaming, sustainable financing and monitoring and evaluation. One of the main strategies is to build capacity for effective programming, planning and management of HIV and AIDS integrated responses.

Gender Equality and Development. The overall goal of the intervention area is to facilitate the attainment of women's empowerment and gender equality, and the promotion of gender-responsive, humancentred development and poverty alleviation towards inclusion and social justice. Key areas of focus include policy development and harmonisation of regional and national frameworks, women's economic empowerment, and gender-based violence. Strategies include the continued domestication and implementation of regional and international policy frameworks such as the SADC Protocol on Gender and Development, and the SADC Gender Policy, and the development of a regional multi-dimensional programme on women's economic empowerment.

Science, Technology and Innovation (STI).

The intervention area has as its goal the creation of an enabling environment to harness STI as a tool to address socio-economic challenges for sustainable development in the region. The areas

of focus include promotion of Public Private Partnerships (PPPs) investment in STI and Research and Development Infrastructure, promotion of women and youth participation in science, engineering and technology, and developing and strengthening regional STI

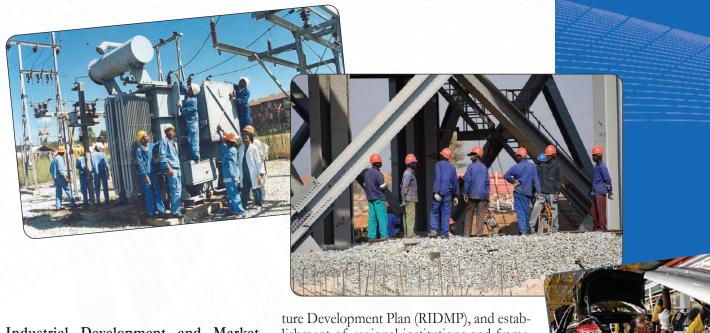
capacities. Strategies for achieving these and other areas of focus are the establishment of collaborative regional Research, Development and Innovation programmes in priority areas, and setting up and strengthening regional centres of excellence as well as networks in priority areas of STI.

Environment and Sustainable Development. The intervention area has the overall goal of ensuring equitable and sustainable use of the environment for the benefit of present and future generations. This will be achieved through the implementation of the Protocol on Environment for Sustainable Development. The main areas of focus include: domestication of legal and regulatory frameworks and Multilateral Environmental Agreements; mainstreaming environment; environmental assessments; and promoting partnerships. This will be achieved through development, coordination and implementation of strategies, policies and programmes in priority areas such as climate change, blue economy, green economy, waste management, biodiversity and ecosystems management, control of desertification and sustainable land management.

Private Sector. For this intervention area, the overall objective is to improve the environment for doing business in the region as well as to ensure effective policy and institutional mechanisms for Public Private Dialogue. The focus will be on policy and institutional framework for private sector involvement, and competitiveness, and Business Climate Surveys. The relevant strategies include development of a SADC policy framework for Public Private Dialogue as well as an institutional mechanism for engagement with the private sector.

Statistics. The overall goal of the intervention area is to facilitate the compilation and dissemination of quality disaggregated regional statistics. This is to be achieved by undertaking capacity building and training programmes, harmonisation of statistics and use of state of the art technological innovations and advancement through the implementation of a Regional Strategy for the Development of Statistics. The main strategies will include the establishment of effective mechanisms and tools for data collection and compilation of regional statistics, and development and implementation of a Statistics Protocol for the coordination of regional statistics.





Industrial Development and Market Integration. The overall goal of the intervention area on is to facilitate competitive and diversified industrial development, trade and financial liberalisation and integration, macroeconomic stability and convergence, as well as increased investment for deeper regional integration and poverty eradication. In order to attain this objective, the focus will be on enhancing industrial development, regional value chains (industrial cooperation) and value addition, consolidating the SADC Free Trade Area (FTA), enhancing the Tripartite FTA (TFTA), and improving financial market integration and cooperation and regional investments. The main strategies include the development and implementation of regional value chains and promoting value addition in selected priority sectors, including the development and implementation of the Regional Agricultural Policy, implementation of the SADC Action Plan Matrix on the Consolidation of the SADC FTA, and concluding implementing the TFTA.

Infrastructure Support for Regional Integration. The overall goal is to achieve efficient, seamless, integrated and cost-effective cross-boundary infrastructure networks and services that will enable economic development, regional integration and poverty alleviation. The main areas of focus include development, construction, maintenance and rehabilitation of regional infrastructure networks through the implementation of Short Term Action Plan of the Regional Infrastruc-

ture Development Plan (RIDMP), and establishment of regional institutions and frameworks in areas such as river basins, transport corridors, power pools, transfrontier tourism areas, meteorology, and regional regulatory oversight organization; and project preparation to ensure availability of bankable projects. Strategies include implementation of the RIDMP Short Term Action Plan 2012-2017 and promoting and strengthening PPPs for infrastructure development, funding and operations.

Peace and Security Cooperation. The future arrangement is that the RISDP and the SIPO will culminate into one strategy which will provide a holistic approach to issues of sustainable economic development and peace and security in the SADC region. In view of this, the specific objectives, as well as targeted outputs for Peace and Security Cooperation are not included in the Revised RISDP document since they already appear in the Revised SIPO (2010).

Agriculture, Food Security and Natural Resources. The overall goal of the intervention area is to develop, promote, coordinate and facilitate harmonisation of policies and programmes aimed at increasing agricultural and natural resources production and productivity, in order to ensure food security and sustainable economic development in the region. The areas of focus comprise production, productivity and competitiveness of agricultural products (crops, livestock, fisheries, forestry, and wildlife) on a sustainable basis, food and nutrition security and the changing economic and climatic environment, sustainable management of natural re-





sources, and conservation and utilisation of plant and animal genetic resources. The main strategies include operationalisation and implementation of the Regional Agricultural Policy, domestication of the Protocols on Forestry, Fisheries and Wildlife and Law enforcement, and strengthening regional and national capacities on the conservation and utilization of plant genetic resources.

**Social and Human Development**. For this intervention area, the overall goal is to enhance human capabilities, utilisation and reduce vulnerability, eradicate human poverty and to attain the well-being of SADC citizens. This is to be achieved through, among others, the establishment and strengthening of Centres of Specialisation and Centres of Excellence, development and implementation of the Regional Qualification Framework, implementation of the Protocol on Employment and Labour, prevention and controlling diseases of public health importance, coordination of pooled procurement and regional production of essential medicines, and development and implementation of regional youth empowerment strategy.

#### Financing the Revised RISDP

The strategic sources of funding that were put in place for the implementation of the RISDP are Member States' statutory contributions, Official Development Assistance (ODA), attraction of more direct local and foreign investment, and PPPs, and these are presented in the revised document. In order to build on existing initiatives as well as to establish innovative approaches for resource

# Institutional Framework for Implementation

The institutional framework which was put in place for the effective implementation of the RISDP is defined. At the political level, the Council of Ministers through the now defunct Integrated Committee of Ministers (replaced by Sector and Cluster Ministerial Committees) shall provide policy direction and oversight to implementation. At the operamanagement tional level, coordination of the RISDP shall primarily be the responsibility of the Secretariat. The implementation of relevant programmes shall involve some or all of the following structures: participating Member States, SADC National Committees, the Secretariat, Technical Advisory Committees and Sub-committees and Programme Steering Committees. The major challenges faced in the implementation of the RISDP based on the initial arrangements have been highlighted. Strategies for improving the implementation of the Revised RISDP, where the central focus will be institutional strengthening through coordination, role clarification, capacity building, and improved resource management, have been proposed.

mobilisation, a number of strategies are proposed. These are: operationalisation of the SADC Regional Development Fund; operationalisation of blending mechanisms; institutionalisation of selffinancing mechanisms; promotion of non-traditional Development Partners such as the BRICS group (Brazil, Russia, India, China, South Africa) in the context of South-South Cooperation; promotion of the use of PPPs in the development and financing of infrastructure; and institutionalising and operationalising policies and instruments that minimise the problem of high level capital flight, including illicit financial flows, from the region.

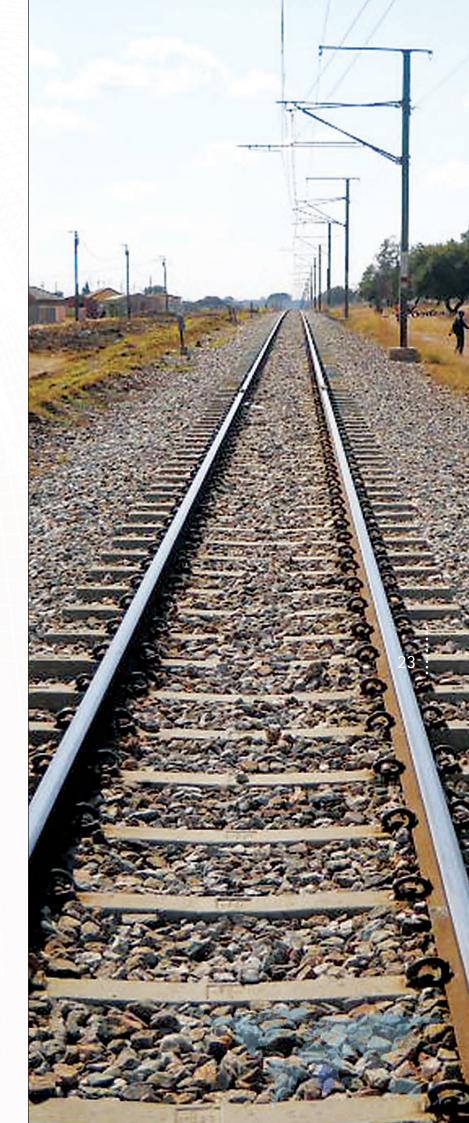
#### Monitoring and Evaluation

The mechanism for monitoring and evaluating the Revised RISDP has been designed in line with the SADC Policy on Strategy Development, Planning, Monitoring and Evaluation which was approved by Council in March 2012. At the political and policy levels, the Summit, the Council of Ministers and Sector and Clusters Ministers 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. Progress reports prepared by the Secretariat will be shared with stakeholders and implementing partners to promote transparency and accountability. It is envisaged that the Summit, the Council, the Secretariat, SADC National Committees and key stakeholders will all be involved in periodic evaluation.

By 2019, an internal desk assessment will be carried out to inform the conduct of the final independent in-depth evaluation of RISDP in 2020.

Adapted from final draft of Revised RISDP 2015-2020, April 2015













# Overview of the SADC Industrialisation Strategy and Roadmap

The SADC Industrialisation Strategy and Roadmap seeks to engender a major economic and technological transformation at the national and regional levels within the context of deeper regional integration. It was approved by an Extraordinary Summit of the Heads of State and Government of the Southern African Development Community (SADC) that was held in Harare, Zimbabwe, on 29 April 2015.

The Strategy and Roadmap was developed following the decision of the 34<sup>th</sup> Ordinary Summit in August 2014 in Victoria Falls, Zimbabwe, held under the theme: 'SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable, Economic and Social Development through Beneficiation and Value Addition". The approval of the strategy was thus in effect operationalisation of the Victoria Falls Summit theme.

The context preceding formulation and adoption of the strategy has been characterised by disappointing trends in SADC's intra-regional and global export content and economic growth that has done little to positively change human development in the region. Most SADC economies rely heavily on the

performance of their primary commodities such as minerals and agricultural produce, leaving them vulnerable to the fluctuations of international commodity prices. The region has generally performed well in terms of growth in Gross Domestic Product (GDP), averaging three to five percent over the last two decades. Yet human development indices have been less satisfactory, with a combined average of 60 percent of the SADC populace still living in poverty.

Thus the primary orientation of the SADC Industrialisation and Roadmap is

the need for the structural transformation of the SADC region by way of industrialisation, modernisation, upgrading and closer regional integration. The strategic thrust is a shift from reliance on resources and low-cost labour to increased investment and enhanced productivity of both labour and capital.

The August 2014 Summit at the Victoria Falls had also directed that industrialisation be accorded top priority in the review and implementation of the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020. Consequently, industrialisation has now been frontloaded in Priority A of the Revised RISDP 2015-2020, which was also approved by the Extra-Ordinary Summit in April 2015.

The strategy is anchored on three pillars, namely, Industrialisation, Competitiveness and Regional Integration, and premised on a three-phase long perspective covering 2015 -2063. The strategy is aligned to the Continental Vision, Agenda 2063, a strategy aimed at optimising the use of Africa's resources for the benefit of all Africans.

#### Strategic Goals

Strategic goals are both qualitative and quantitative.

#### QUANTITATIVE

The Strategy envisages substantial quantitative shifts in industrial structure, manufacturing production, exports, particularly those in the mediumand high-technology categories, while doubling industrial employment.

- ◆ Lift the regional growth rate of real GDP from four percent annually (since 2000) to a minimum of seven percent a year;
- ◆ Double the share of Manufacturing Value Added (MVA) in GDP to 30 percent by 2030 and to 40 percent by 2050, including the share of industry-related services;
- ◆ Increase the share of medium-and-hightechnology production in total MVA from less than 15 percent at present to 30 percent by 2030 and 50 percent by 2050;
- ◆ Increase manufactured exports to at least 50 percent of total exports by 2030 from less than 20 percent at present;
- → Build market share in the global market for the export of intermediate products to East Asian levels of around 60 percent of total manufactured exports; and
- ◆ Increase the share of industrial employment to 40 percent of total employment by 2030.

#### QUALITATIVE

The Strategy is transformational in terms of socio-economic transformation nationally and regionally.

- ♦ Achieve a major socio-economic transformation at the national and regional levels;
- Accelerate the growth momentum and enhancing the comparative and competitive advantage of the economies of the region;
- Diversify and broaden the industrial base and interdependences;
- Enhance the productive capacity, productivity and competitiveness of SADC economies;
- Provide a framework for technological and industrial catch-up, export diversification, natural resources beneficiation, enhanced valueaddition and increased regional trade and employment generation;
- Develop viable regional value chains capable of interacting with global value chains and identify areas where the SADC region can have the greatest success in capturing high opportunities based on present and future strengths and capabilities;
- Build a collaborative but challenging strategic partnership between governments, the private sector, the civil society and development partners as a compact for industrialisation; and

Ultimately, build firm and enduring foundations for a modernised SADC economy.

#### Core pillars

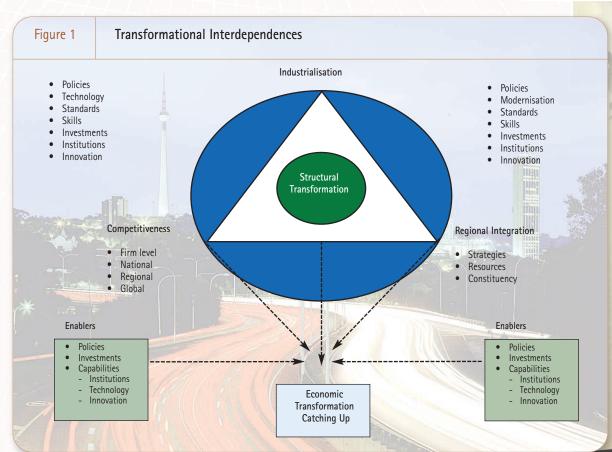
The Strategy is anchored on three pillars:

- Industrialisation as champion of economic and technological transformation.
- Competitiveness (at the firm/industry, country and regional level) as an active process to move from comparative advantage to competitive advantage.
- Regional integration and geography as the context for industrial development and economic prosperity.

The long-term transformation of the SADC economies requires focused qualitative and quantitative shifts in industrial structure, its enabling environment and the interdependence with other sectors to maximize the direct and indirect value addition in the industrial sector, broadly defined to include related support services.

The pillars are interdependent. Each is uniquely important, but only when they are pursued together will they satisfy the requirement of maximum effectiveness (Figure 1).







#### Strategic Interventions

The strategic interventions cascade down from those influencing economic growth to those specific for accelerated industrial growth and the reversal of deindustrialisation. In this context, while taking on board the strategic goals, particular attention is given to frontloading industrialisation within the framework of regional integration. Major strategic actions will need to be reinforced in order to achieve the overarching objectives of the industrialisation strategy. These will include strategic policies and prioritisation of policy interventions.

# Intervention 1: Macroeconomic framework

SADC countries should target macroeconomic stability within a developmental state with a specific focus on inclusive growth, economic diversification, enhanced competitiveness and deeper regional integration.

The macroeconomic framework should focus on catalyzing the transformation of production, ensuring the attainment of elevated levels of competitiveness and meeting the macroeconomic convergence requirements for the region as a whole.

To ensure sustainability, the developmental macroeconomic policy regime should aim at achieving:

- Inclusive quality growth;
- Economic diversification and competitiveness;
- Deepening regional integration; and
- Macroeconomic policy convergence.

#### Intervention 2: Revitalizing Regional Integration

Frontloading industrialisation will be promoted by the implementation of a conscious strategy of developmental regionalism – sequencing trade liberalisation alongside policy actions to build productive capacity, primarily in the private sector. In pursuit of accelerated regional industrialisation, national governments should re-align and interface their policies and plans in line with SADC's regional industrial priorities.

#### Intervention 3: Removing Binding Constraints

Accelerated industrialisation is being hampered by three binding constraints -- inadequate and poor quality infrastructure, a severe deficit of the skills needed for industrial development and insufficient finance.

#### Infrastructure

Efficient and affordable infrastructural services (consisting of transport, communications, ICT, energy and water supply) are critical inputs for reducing transaction costs for industry and trade, as well as for enhancing the economic and social wellbeing of society at large. Increased investment in new infrastructure – soft as well as hard – allied with improved management and additional spending on maintenance, are prerequisites for industrial take-off.

#### Skills development

Increased spending on formal academic education is a necessary but not a sufficient condition for industrialisation. To support industrialisation, education systems would indeed need to be restructured and re-purposed, with focus on technical and vocational skills of all kinds, especially those appropriate for a modern, knowledge economy.

#### Financing

To overcome the severe constraints imposed by the infrastructure and skills deficits, governments will need to re-order their public expenditure programmes to give greater priority to public and private investment in physical infrastructure and human capital development. In part, this will depend on the willingness to governments and electorates to embrace the paradigm of change in the form of a switch from consumption-led economic growth to investment-driven expansion.





# Intervention 4: Industrial Development

Frontloading industrialisation should be a function of diversification – enterprises breaking into new industries, utilizing new processes and producing new and better quality products for domestic and foreign markets.

In collaboration with the private sector, policymakers should generate a list of industrial diversification projects, also identifying those for which there is potential to develop regional and global value chains.

# Intervention 5: Potential Growth Paths

Within a SADC development context, and based on recent experiences regionally and globally, the Industrial Strategy identifies three clear-cut priorities for accelerated industrialisation:

- ◆ Agriculture-led growth, including agricultural value chains;
- Natural resource-led growth, including minerals beneficiation and processing, also linking into value chains, both regional and global; and
- ★ Enhanced participation in domestic, regional and global value chains.

These three prioritised strategies are mutually compatible. Policymakers are not required to choose between them. Projects under all three can be implemented simultaneously, subject to their financial viability and their regional and/or global competitiveness.

# Intervention 6: A Compact for Industrialisation

#### The Role of the State

Government's central role is the creation of an enabling policy environment for accelerated industrialisation with a particular focus on tackling the binding constraints of infrastructure, skills development and financing.

Government should also take the lead in building industrial infrastructure such as industrial parks to support cluster development, as well as invest in Research and Development for industrial development and innovation.

#### The Role of the Private Sector

The private sector must be consulted and involved in implementing the industrialisation strategy. Public-Private partnerships are crucial in discovering and easing constraints on business and employment growth and in improving the climate for Doing Business and attracting investment.

Given the multi-faceted challenges of industrialisation in the 21<sup>st</sup> Century, a strong alliance between governments, the private sector and civil society is essential. The engine of progress will be the productive sector driven by entrepreneurial dynamics within the context of a developmental state.

#### Intervention 7: Mainstreaming Gender Issues

The long-term strategy should contain empowerment dimensions to widen the scope and quality of women's participation in the industrialisation process, notably by improved access to skills development and SME support programmes.









#### Intervention 8: Strengthening Small and Medium Scale Enterprises

An integrated strategy for SME development focusing on increasing the small business survival rate via training programmes, access to information, financing, favourable fiscal policy environment and assistance in accessing modern technology is essential.

# Intervention 9: Enhancing Competitiveness

In the hyper-competitive global economy of the 21st century, improved competitiveness at both national and enterprise levels is central to revitalising industrialisation and rebuilding market share lost to foreign competitors, especially from Asia. Public-Private co-operation and dialogue will be an essential input into elevating competitiveness to the top of the economic policy agenda.

# Intervention 10: Growth Scenarios and Timelines

The industrialisation strategy should be situated within a generational perspective straddling the years 2015 to 2063. During this period, SADC economies will overcome their binding development constraints and progressively move through the growth stages – from factor-driven to investment- and efficiency-driven and ultimately to the high growth trajectory driven by knowledge, innovation and business sophistication. The SADC region will thus be fully transformed and become an important player in the continental and global landscape.

Given SADC's limiting initial development conditions, particularly in the realm of production and factor productivity as well as poor competitiveness rankings, a generational perspective, running from 2015 to 2063, would help the countries achieve their long development goals and regional convergence. The main thrust of the scenarios is to graduate SADC countries from factor-driven to investment-driven and ultimately innovation high development stage in line with competitiveness stages. Accordingly, three cascading growth scenarios are:

- ♦ Phase I Years 2015-2020 covers the remaining period of the RISDP until 2020;
- ◆ Phase II Years 2021-2050 constitutes a period of heavy lifting development and establishing strong momentum for competitiveness; and
- ♦ Phase III Years 2051-2063 —builds up for the convergence with the African Union long-term Agenda 2063 and crossing into a fully developed country stage.

# Intervention 11: Investment Planning

The long-term investment planning to support the three phases should take into consideration the following dimensions:

- → Implementation of the strategy is primarily the responsibility of each Member State.
- → Development of the regional infrastructure networks (roads, rail, research institutions, etc.) is a shared responsibility.
- ◆ Development of regional value chains and industrial clusters are a joint responsibility for governments and the private sector, supported by national and regional banks.
- ◆ Prioritisation of projects should be based on their national and/or regional strategic importance (e.g. mineral beneficiation), their regional interdependence (e.g. those based on inputs to the regional economy such as manufacturing, agriculture and construction), value addition and employment generation potential.
- ♦ A formula for sharing costs (including risks) and returns should be agreed on.
- ♦ Lagging areas should receive particular attention.



In a catch-up regional economy, Member States must increase both savings and investment as shares of GDP to the levels achieved by Asian comparators. There will be no SADC industrial revolution without substantially higher investment in infrastructure, upgrading and diversifying the capital stock and the provision of the high-technology skills necessary in modern industry.

Existing savings and investment levels in the SADC region fall well short of what is required. The requisite resources could be mobilised from both domestic and external sources. There is a role for Sovereign Wealth Funds in resource-rich economies to ensure that mineral, oil and gas rents are not repatriated or spent domestically on consumption, but mobilised and used to fund investment in infrastructure, skills and industrial projects.

# Coordination, Implementation and Monitoring

#### Coordination and Interface

The numerous activities implicit in the strategy will need close coordination by the Member States who will be responsible for the implementation of most of the recommendations. There will also be a key role for the SADC Secretariat in the co-ordination of projects and programmes.

The Strategy was adopted with a Roadmap which outlines the main areas for intervention and action in accordance with the strategic thrust of the strategy. Member States with the support of the Secretariat shall later develop a detailed and costed action plan.

#### Implementation and Monitoring

Implementation of the industrial strategy within the context of regional integration and competitiveness should be seen as a great challenge to the governments and citizens of the SADC region and their development partners. The strategy should be implemented as a system of progressive development and transformation. The effectiveness and speed with which the targets are reached will naturally depend on the quality of the efforts deployed. Evaluation of all components, enablers and drivers of the strategy should be subject to regular monitoring and reporting.

#### Role of the SADC Secretariat

Frontloading industrialisation in SADC implies a greater role for the SADC Secretariat in co-ordinating and harmonising industrial policy initiatives.

At present industrial development in SADC is one of the responsibilities of the Trade, Industry, Finance and Investment Directorate in the Secretariat. Given the fact that industrialisation has been elevated to the top of the SADC policy agenda, it is necessary to reflect this in the administrative structure.

Accordingly, it is recommended that the capacity of the Secretariat is strengthened in the context of the revised organisational structure that will be aligned to RISDP.

#### **Conclusions**

The SADC Industrialisation Strategy has been articulated as a long-term project of economic and societal transformation. The envisaged three phases straddling the period from 2015 to 2063 correspond to the main vision frameworks of SADC and ultimately that of the African Union Agenda 2063. The associated goals and targets permeate all phases although the policy emphasis and interventions are tailored to meet the challenges to be met over time. Throughout, the challenges of speedy and broad-based industrial development are addressed within the context of elevated competitiveness and deeper regional integration. This interdependence will enable swift catching up of SADC countries and ensure the realisation of progressively higher rewards in income, employment and broader social wellbeing.











# Tripartite Free Trade Area

#### A dream turned into reality

The Tripartite process involving COMESA-EAC-SADC was initiated in 2005 with an overarching objective of contributing to the broader goals of the African Union in accelerating economic integration of the continent and achieving sustainable development. The agreement also seeks to address some of the trade inconsistencies and costs in regional integration as a result of overlapping memberships since most countries in eastern and southern Africa belong to more than one Regional Economic Community (REC).

The illustration shows the multi-membership of some of the countries in the region. In this regard, COMESA-EAC-SADC agreed to work together in harmonising their integration programmes and implement joint programmes aimed at advancing economic development and improving standards of living.

Multi Membership of Countries in COMESA-EAC-SADC Egypt COMESA Libya SADC Djibouti Ethiopia Zimbabw Eritrea Zambia Sudan Malawi Comoros DRC South Africa Swaziland Botswana Kenya Mauritius Uganda Lesotho Madagascar Rwanda Mozambique Seychelles Burundi Namibia Angola Tanzania **EAC** 

In October 2008 at their 1<sup>st</sup> Tripartite Summit, Heads of State and Government of the three RECs made a historic undertaking to establish an enlarged market covering 27 countries stretching from South Africa to Egypt, half of the member states of the African Union. The creation of a bigger market is designed to boost intra-regional trade, increase investment and promote the development of cross-regional infrastructure.

The Tripartite Free Trade Area (TFTA) has a combined population of some 600 million people and a Gross Domestic Product (GDP) of about US\$1 trillion, and would ultimately serve as one of the building blocks of an African Economic Community.

#### Tripartite FTA now a Reality

The vision by COMESA-EAC-SADC to establish a single market covering almost half of the member states of the AU became a reality in June 2015 following the signing of the TFTA Agreement and Political Declaration. A total of 15 countries signed the agreement at the 3rd Tripartite Summit held 10 June in Sharm El Sheik, Egypt. These are Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Kenya, Malawi, Namibia, Rwanda, Seychelles, Sudan, the United Republic of Tanzania, Uganda and Zimbabwe. Swaziland signed soon after, became the 16<sup>th</sup> country to sign the agreement. Therefore, eight of the 15 SADC Member States have signed the agreement.

The remaining countries — Botswana, Ethiopia, Eritrea, Libya, Lesotho, Madagascar, Mauritius, Mozambique, South Africa, South Sudan and Zambia — requested more time to complete their internal processes before signing the document. However, all countries are expected to have signed the agreement within a period of one year. Following the signing, the countries will proceed to initiate the ratification process through their national procedures, and the agreement will come into force once ratification is attained by two-thirds of the signatories.

The establishment of the TFTA is expected to change the economic landscape by boosting intra-regional trade in Africa and deepening integration through improved infrastructure development, investment flows and enhanced competition. The enlarged market is also intended to promote the smooth movement of goods and services across borders, as well as to allow member countries to harmonise trade policies to promote fair competition.

The harmonisation of trade policies, and removal of non-tariff and other trade barriers such as huge export and import fees would en-



able countries to increase their earnings, penetrate new markets and contribute towards national development. COMESA-EAC-SADC have also agreed to prioritise industrial and infrastructure development to ensure that the tripartite arrangement is a success.

The African Union chairperson, President Robert Mugabe of Zimbabwe says the establishment of the TFTA will ensure that Africa is able to take its rightful position on the international scene through improved intra-regional trade. However, for this to happen, there is need for countries to intensify efforts to improve other enablers for socioeconomic development such as industrialisation, infrastructure and energy development.

"Our shared experiences have demonstrated that competitive production of goods and services for an FTA that delivers jobs, economic growth and prosperity cannot be achieved without enabling infrastructure, energy and industrialisation," President Mugabe, who is also the immediate past COMESA-EAC-SADC chair, said at the launch of the TFTA in Egypt.

#### Negotiation for the Tripartite FTA

COMESA-EAC-SADC agreed in October 2008 to negotiate for the establishment of a TFTA. A revised Draft Agreement and Annexes were finalised in December 2010. The COMESA-EAC-SADC Memorandum of Understanding (MoU) underpins the legal and institutional framework for the tripartite process. Significant advances have been made in finalising the negotiations, however some issues are still outstanding. The new COMESA-EAC-SADC chair, Ethiopian Prime Minister Hailemariam Desalegn, has urged countries to ensure a quick and speedy implementation of all integration programmes, as well as speedy completion of negotiations in the tripartite arrangement. "It is

MOROCCO ALGERIA MAURITANIA CHAD NIGERIA SOMALIA LIBERIA **EQUATORIAL GUINEA** 1 SAO TOME & PRINCIPE -SEYCHELLES Countries that are members of more than one economic community COMOROS MAURITIUS 0 REUNION

my hope that the remaining activities will be finalised as soon as possible in the upcoming negotiations," he said.

Negotiations for the TFTA have been conducted in three different phases namely the preparatory phase, phase one and phase two. The preparatory phase mainly covered the exchange of all relevant information including applied national tariffs as well as trade data and measures. Phase one of negotiations covered core FTA issues of tariff liberalisation, customs procedures and simplification of customs documentation, transit procedures among other issues. Facilitating movement of business persons within the region was negotiated in parallel with the first phase.

The last stage of negotiations, which is phase two, deals with trade in services and trade related issues including intellectual property rights and trade development, cooperation in trade and development and competitiveness.

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SADC HAS taken over the chair of the Tripartite Taskforce, and one of its tasks at the helm is to oversee the speedy implementation of all integration programmes by COMESA-EAC-SADC. The SADC Executive Secretary, Dr. Stergomena Lawrence Tax took over the chair in July from the Secretary General of COMESA, Dr. Sindiso Ngwenya.

Speaking soon after assuming the chair, Dr Tax urged members to ensure that ratification of the Tripartite Free Trade Area by the required two-thirds of Member States is completed expeditiously so that the agreement enters into force.

It is clear that if these processes are overly delayed, they may have implications on the promise and potential of this grand project, not only for the tripartite region but also for the Continental FTA," she said, adding that the required resources must be mobilised to fully support the tripartite arrangement.

This phase of negotiations is still being finalized as well as other few outstanding issues from the preparatory phase and phase one.

To catch up and complete the negotiations within minimal timeframe, a proposal that has been adopted by the Tripartite Summit is that those countries that already belong to FTAs in their respective RECs should ex-

tend the preferences they offer to members of their regional FTA first and then, second, to members of other regional FTAs.

Of the 27 countries in the Tripartite arrangement, a total of 23 are already in a FTA, while two are in a Preferential Trade Area (Ethiopia and Eritrea) and three offer no trade preferences to their regional partners (Angola, DRC and South Sudan). Therefore, all COMESA members should continue implementing the COMESA FTA and offer the same preferences to non-COMESA FTA members on a reciprocal basis. On the same basis, EAC and SADC countries should do likewise and offer preferences to other countries that do not belong to their FTA.

The Tripartite Summit also agreed that it is possible to implement the TFTA at variable speeds given that some countries may achieve a tariff phase-down to zero tariffs on originating goods faster than other countries, subject to negotiations.

# Tripartite FTA – A model for other RECs to emulate

The establishment of the TFTA by COMESA-EAC-SADC is being followed closely by the AU as it sees the arrangement as a best practice that the other RECs in Africa should emulate in order to accelerate the harmonisation of their programmes and activities, as the successful implementation of the TFTA lays the foundation for the envisaged African Economic Community. Africa aims to launch a Continental FTA by 2017. See Table showing the roadmap for the Continental FTA.

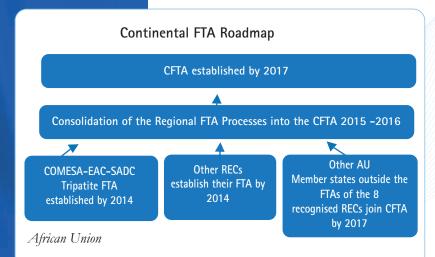
The Continental FTA is expected to evolve from the existing FTAs in sub-regional economic blocs, creating a combined market of more than 50 African countries, with a population in excess of one billion and a combined GDP of more than US\$3.4 trillion.

#### Conclusion

The journey to create the largest single market in Africa does not end with the signing of the TFTA Agreement to launch a single market. Member states are working towards finalising all remaining activities and negotiations to ensure that the "Grand" FTA is a great success.

The TFTA has the capacity to boost intra-regional trade in Africa, and deepen integration. Ultimately, the TFTA will shake up the economic structure and performance of the continent, and has the potential to turn Africa into a global economic giant.

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#### SADC as part of the

### Africa Union Agenda 2063

#### Capacity Development and Institutional Transformation Of Africa's Regional Economic Communities— Building Blocks of the African Union

The African Union's Agenda 2063 is at the centre of the quest for sustainable results from regional integration efforts. The capacity interventions deployed over the years have been largely fragmented and reactive, rather than well planned and strategised initiatives to respond to the development needs and challenges.

Whereas there have been a number of initiatives to enhance capacities of RECs to deliver on their mandate, to contribute to the African continental agenda, and harness Africa's potential, not much attention has been paid to the coherence and linkage requirements. This approach has not created an enabling environment, where the different institutions, especially regional communities can deliver effectively and efficiently, in a coordinated manner with synergies.

Therefore, the capacity of the entire AU institutional architecture requires attention, as part of the process of capacity-building and institution-building for RECs, particularly for effective linkages with other AU institutions to avoid the longstanding problem of overlaps and duplication by institutions that are supposed to be working in coherence, linking and reinforcing transformation efforts.

A clear definition of the role and space of cooperating partners in strengthening institutional capacities is of critical importance as this will allow for entrenched ownership of Africa's development agenda by Africans.

The advent of Agenda 2063 is an opportune moment to attend to systemic capacity needs of AU institutions as we prepare for implementation which should connect the RECs' Strategic Plans, Post-2015 Development Agenda, NEPAD and other priorities, and envisage the effective realization of the AU transformation agenda.

The overall capacity of Africa and the African Union's institutions, including RECs, will ultimately determine the quality of regional integration that will be attainable. The effective delivery of regional integration in Africa implies a strong, robust, learning and transformational network of both national and regional institutions, and in particular the RECs, as the building blocs for Africa's transformation. RECs must be effective coordinating and facilitating institutions, whose own capacities are strong enough to drive regional integration, while also fostering the institutional reforms and development.

The proposed delivery model must have the RECs as the centrepiece of regional integration in Africa and the basis for interventions. In order for Agenda 2063 to achieve results, it is essential to put in place effect system-level capacities that strengthen RECs as capable institutions to deliver on Agenda 2063, as components of the African Union.

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A new approach on an integrated model of capacity-building linking the African Union Commission (AUC), RECs and Member States is essential to strengthen the capacities of all key stakeholders and should foresee putting in place effective and coherent coordination structures, mechanisms and systems with a view to create synergies while avoiding duplication and wastage of resources.

The initiative should aim at forging functional linkages between RECs and other AU Organs and Institutions. It should seek to promote coordinated and sustainable impact by fostering transformative, purposive, people-centred and private-sector driven interventions.

In view of these considerations, the RECs must move quickly with already started process of capacity needs assessment of the AUC and RECs to allow us to put in place an effective capacity-building programme to enable implementation of Agenda 2063. This will serve as a basis to effectively mobilize partnerships and coordinate strategic resource mobilisation initiatives towards coherent and common goals for capacity development in Africa.

An effective continental programme requires appropriate capacity to drive its programme on a sustainable trajectory if our intended objectives are to be met, and it is critical that we put in place a homogenous capacity across the RECs, the AUC, the national levels and related stakeholders.

Through the Agenda 2063, we seek to ensure an asymmetrical capacity-building programme to collectively drive our common integration and development agenda. It is essential to keep up the momentum.

SADC's approach to capacity building is based on the Revised Regional Indicative Strategic Development Plan (RISDP) 2015-2020, and the SADC Industrialisation Strategy, which were approved by the SADC Sum-

mit taking into account the Agenda 2063 of the African Union.

SADC and other RECs appreciate the support of the AU Commission, the NEPAD Agency, the UNDP, and the UNECA in championing the first phase of this initiative and developing the Implementation Plan.

Adapted from a statement by the SADC Executive Secretary to the NEPAD Orientation Committee, 13 June 2015





## 2015

"The Year of Women's Empowerment and Development towards Africa's Agenda 2063"

# SADC as part of the AU Year of Women Empowerment and Development



The year 2015 was declared as the Year of Women Empowerment and Development towards Africa's Agenda 2063 by the African Union Assembly of Heads of State and Government in Malabo, Equatorial Guinea, in June 2014. This coincided with two very important global processes in the area of women's empowerment and gender equality – 20 years of the Beijing Declaration and Platform for Action; and the 15th Anniversary of UN Resolution 1325 on

Women, Peace and Security.

The African Union Heads of States also declared 2010-2020 as the African Women's Decade with the year 2015 targeted for the mid-term review. The year 2015 is also the review year for the SADC Protocol on Gender and Development, whose targets were aligned to the Millennium Development Goals (MDGs) adopted in 2000.

The SADC Protocol on

Gender and Development was signed on 17 August 2008 in Johannesburg, South Africa, and entered into force on 22 February 2013 having attained the required number of ratifications.

The African Women's Decade 2010-2020 is implemented in two phases. The first phase runs from 2010 to 2015, in parallel to the SADC Protocol on Gender and Development. The second phase is from 2015 to 2020, and will be implemented in tandem with the Revised SADC Regional Indicative Strategic Development Plan (RISDP) that has targeted outputs and milestones

for women's empower-

ment and gender equality. Hence, the significance of the year 2015 to the global, continental and regional women's movement cannot be overemphasised.

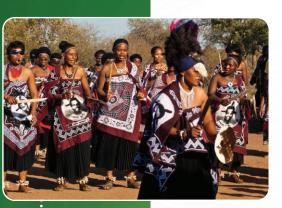
The 35th Ordinary Summit of SADC Heads of State and Government is taking place in Gaborone, Botswana, against the backdrop of these very important ongoing processes for gender equality in southern Africa and the African continent. The need for empowerment and gender equality can be addressed as an integral part of the regional, continental and global integration agenda, through the regional and continental Free Trade Areas, with the ultimate goal of eradicating the feminisation of poverty.

According to the African Union, the aim of the African Women's Decade is to advance gender equality by accelerating implementation of Dakar, Beijing and AU Assembly Decisions on Gender Equality and Women's Empowerment (GEWE), through a dual top-down and bottom-up approach which is inclusive of grassroots participation, to re-invigorate commitments to accelerated implementation of agreed global and regional GEWE commitments.

These are in line with the SADC Protocol on Gender and Development, which aims to harmonise the implementation of the various instruments to which SADC Member States have subscribed to at the regional, continental and international levels on gender equality and equity. These instruments include:

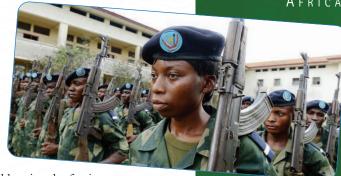
- ◆ Convention on the Elimination of all Forms of Discrimination against Women (CEDAW, 1979);
- ◆ Convention on the Rights of the Child (1989);
- UN Security Council Resolution 1325 (2000); and,
- Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (2003).

The AU Agenda 2063 is the continental development framework that aspires to an Africa where development is people—driven, tapping particularly on the potential of women and youth. Agenda 2063 has as one of its goals "full gender equality in all spheres of life" with two priority areas (i) women and girls empowerment and (ii) sexual violence and discrimination. This goal and priorities respond to the aspiration for "an Africa whose development is people-driven, especially relying on the potential offered by its women and youth and well cared for children."



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The SADC Protocol on Gender and Development is in line with the above priorities as it aims to provide for the empowerment of women, eliminate discrimination and achieve gender equality and equity through the development and implementation of gender-responsive legislation, policies, programmes and projects.

Regarding sexual violence, Article 20-26 of the SADC Gender Protocol comprehensively addresses the issues of gender-based violence, which includes sexual violence and sexual harassment. The Protocol further calls upon State Parties to put in place measures to prevent and eliminate human rights abuses, especially of women and children, during armed and other forms of conflict. A strategy on addressing sexual gender-based violence in conflict and post-conflict situations has been developed.

The 10 Year SADC Strategic Plan of Action on Combating Trafficking in Persons, especially Women and Children (2009-2019) addresses issues of gender-based violence, as women and girls are trafficked for purposes of sexual exploitation. The SADC region is in the process of developing a multi-dimensional Women's Economic Empowerment Programme (WEEP), which aims at addressing the feminization of poverty. When women are economically empowered, they will be stronger and less vulnerable to gender-based violence.

The thematic areas of the AU Agenda 2063 and the seven "Aspirations for the Africa We Want" are inclusive of issues addressed by different SADC legal and policy frameworks such as the Regional Infrastructure Development Master Plan; the SADC Industrialisation Policy and Roadmap; the Protocol on Culture, the Protocol on Environmental Management for Sustainable Development, the Continental Tripartite Free Trade Area, the Strategic Implementation Plan of the Organ (SIPO) and the SADC Protocol on Gender and Development.



### ASPIRATIONS "FOR THE AFRICA WE WANT"

- 1. A prosperous Africa based on inclusive growth and sustainable development;
- 2. An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance;
- 3. An Africa of good governance, democracy, respect for human rights, justice and the rule of
- 4. A peaceful and secure Africa;
- 5. An Africa with a strong cultural identity, common heritage, shared values and ethics;
- 6. An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children; and,
- 7. Africa as a strong, united and influential global player and partner. AU Agenda 2063

Regarding Article 52 of Agenda 2063 on gender parity, SADC has upgraded its initial target of 30 percent women's representation in politics and decision-making positions, in line with the AU's 50 percent gender parity target agreed in 2005. The target has been incorporated into the SADC Protocol on Gender and Development in Article 12 on Representation which states that, "State parties shall endeavour that, by 2015, at least fifty (50%) percent of decision making positions in the public and private sectors are held by women including the use of affirmative action measures as provided for in Article 5."

In operationalising this provision, SADC Member States in 2009 developed the SADC Framework for Achieving Gender Parity in Political and Decision Making Positions by 2015. The framework recognizes that the achievement of gender parity requires the concerted efforts of both government and non-governmental organisations and thus highlights actions to be taken by the government; civil society; private sector and political parties.

# **SADC** HISTORY

# The Front Line States and the Southern Africa Development Coordination Conference

The SADCC was established in April 1980 by nine independent southern African countries – Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The main objectives were:

- to reduce Member States' dependence, particularly, but not only, on apartheid South Africa;
- to implement programmes and projects with national and regional impact;
- to mobilise Member States' resources in the quest for collective self-reliance; and,
- to secure international understanding and support.

These objectives were pursued with determination and vigour. Through SADCC, the founding fathers sought to demonstrate the tangible benefits of working together.

The positive experiences gained in working together in the group of Frontline States to advance the political struggle for independence had to be translated into broader cooperation in pursuit of economic and social development. H.E. Sir Seretse Khama, the founding President of Botswana, was a leader in both of these objectives and a member of the original Front Line States with Mwalimu Julius Nyerere of Tanzania and Dr Kenneth Kaunda of Zambia.

## FOUNDING FATHERS IN LUSAKA in April 1980







H.E. Sir Seretse Khama at the Lusaka Summit in April 1980, signing the Declaration – "Southern Africa: Towards Economic Liberation".



# Transformation to a Regional Economic Community

In August 1992, when SADCC Heads of State and Government met in Windhoek, capital of the recently independent Republic of Namibia, they signed a Declaration and Treaty establishing the Southern African Development Community (SADC) and shifted focus from the coordination of development projects to a more complex task of integrating the economies of Member States. The Treaty is the legal framework for building a Regional Economic Community in southern Africa. SADC and Member States are expected to act according to the following principles:

- ◆ Sovereign equality of all Member States;
- ◆ Solidarity, peace and security;
- ◆ Human rights, democracy, and the rule of law;
- ◆ Equity, balance and mutual benefit;
- ◆ Peaceful settlement of disputes.

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. SADC has also formulated the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO) which cover all areas of implementation of SADC programmes. SADC has ratified Protocols in several areas of cooperation, and has developed the Industrialisation Strategy and Roadmap to take the region into the future as part of the African Union's Agenda 2063.





Retired Brigadier General Hashim Mbita (right) was awarded SADC's highest honour, the Seretse Khama SADC Medal, shown here with host President Hifikepunye Pohamba at the 30th SADC Summit held in Windhoek in 2010. Other recipients shown here are Dr Kenneth Kaunda, founding President of Zambia (left) and Dr Sam Nujoma, founding President of Namibia (second right). First recipient of the Khama medal was the founding President of Tanzania, *Mwalimu* Nyerere, in 1985.

# SADC HISTORY PROJECT HASHIM MBITA PROJECT



SADC Executive Secretary, Dr Stergomena Lawrence Tax, and SADC Chairperson, President R.G. Mugabe, launch the publications of the SADC History Project, popularly known by the name of its Patron, as the Hashim Mbita Project, with Mbita's daughter, Shella, at the 34<sup>th</sup> SADC Summit, held in Victoria Falls, Zimbabwe, in August 2014.

# Southern Africa Liberation Struggles 1960–1994 Contemporaneous Documents

This publication contains narrative and personal stories about:

- the armed struggle for independence in the Liberation War countries of Angola, Mozambique, Namibia, South Africa and Zimbabwe;
- ♦ the role of the Front Line States in the liberation of southern Africa, notably the original Front Line States Botswana, Tanzania and Zambia;
- ◆ the "extension countries" including Lesotho, Malawi and Swaziland;
- ◆ support from countries and regions outside southern Africa, in North and West Africa, China, Cuba, GDR, USSR and Nordic support; and,
- support by the Non-Aligned Movement, the Organisation of African Unity, United Nations, and solidarity organisations.

The publication stretches to nine volumes containing a total of 5,000 pages and 2 million words. One thousand sets have been printed. The nine-volume sets contain one volume on each of the Liberation War countries of Angola, Mozambique, Namibia, South Africa, Zambia and Zimbabwe; one volume on the Front Line States, mainly the original FLS – Botswana, Tanzania and Zambia; one volume on the extension countries – Lesotho, Malawi and Swaziland. There is one volume on countries outside of SADC; and one volume on the support from international organisations. The work was compiled by teams in all of those countries and edited by historians Arnold J. Temu of Tanzania and Joel das Neves Tembe of Mozambique.

**HASHIM MBITA** stood tall as a hero of the liberation struggle in Africa, and he was widely respected for his principles and dedication. He died in Dar es Salaam, age 81, on Union Day, 26 April 2015, the date that Tanganyika and Zanzibar were united in 1964 to create the United Republic of Tanzania. Unity is the message he left behind. He was a proud Tanzanian who became a de facto southern African due to his role in the liberation of the region. Brigadier-General Mbita (retired) was the Executive Secretary of the Liberation Committee for 22 years, from 1972 until his mission was accomplished in 1994 when the liberation of the subcontinent was completed with democratic elections in South Africa leading to majority rule. He was honoured by SADC with the Sir Seretse Khama SADC Medal, and by the African Union with its first "Son of Africa" award. At the SADC Summit last year in Victoria Falls, Zimbabwe awarded him the highest national honour that can be given to a foreigner, The Royal Order of Munhumutapa. The citation reads: "For the important role he played in regional liberation as well as integration during his 20-year tenure as the Executive Secretary of the Liberation Committee of the Organisation of African Unity (OAU) – precursor to the African Union (AU)." The OAU Liberation Committee was hosted in Dar es Salaam by the government of Tanzania, at the invitation of the founding President, Mwalimu Julius Nyerere, who was Mbita's mentor, teacher and commander. The Liberation Committee provided and coordinated material support for the African liberation movements who had to fight for independence during a 30-year period from 1963 to 1994. At a conference held in Arusha, Tanzania to close the Liberation Committee in August 1994, Brig-General Mbita titled his statement "Mission Accomplished". He dedicated the final report of the Liberation Committee to the "gallantry of Africa's freedom fighters, especially to the memory of those who did not live to see the dawn of this era in Africa. This is a tribute to their courage, a salute to the heroes and heroines of African liberation." Brig-General Mbita initiated the SADC History Project and became its active Patron, insisting that the financing should come solely from Member States and that the work should be done in and by Member States.

# **SADC IN PICTURES**



Signing the Guest Book



Briefing the media



Visiting the Library



President Robert Mugabe's visit to the SADC Secretariat in May 2015. The visit to the Headquarters has become a standard tour of duty giving the Chairperson the chance to engage with Secretariat Management and staff.



President Jacob Zuma at the Extra-Ordinary SADC Summit in Harare on 29 April 2015.



The SADC Facilitator for Lesotho, the South African Deputy President Cyril Ramaphosa (front) and the SADC Executive Secretary, Dr Stergomena Lawrence Tax, with Prime Minister Pakalitha Mosisili of Lesotho.

Title deeds and symbolic key for the offices of the SADC Regional Peacekeeping Training Centre (RPTC) in Harare handed over by President Robert Mugabe to the SADC Executive Secretary, Dr Stergomena Lawrence Tax. The RPTC was established to coordinate peace support training and has a mandate to develop the peacekeeping capacity of SADC Member States.







The third meeting between India and the Regional Economic Communities of Africa on 20–21 August in New Delhi.

The Minister of Foreign Affairs of the Russian Federation, Mr Sergey Lavrov with the SADC Executive Secretary, Dr Stergomena Lawrence Tax, at a meeting in Moscow.



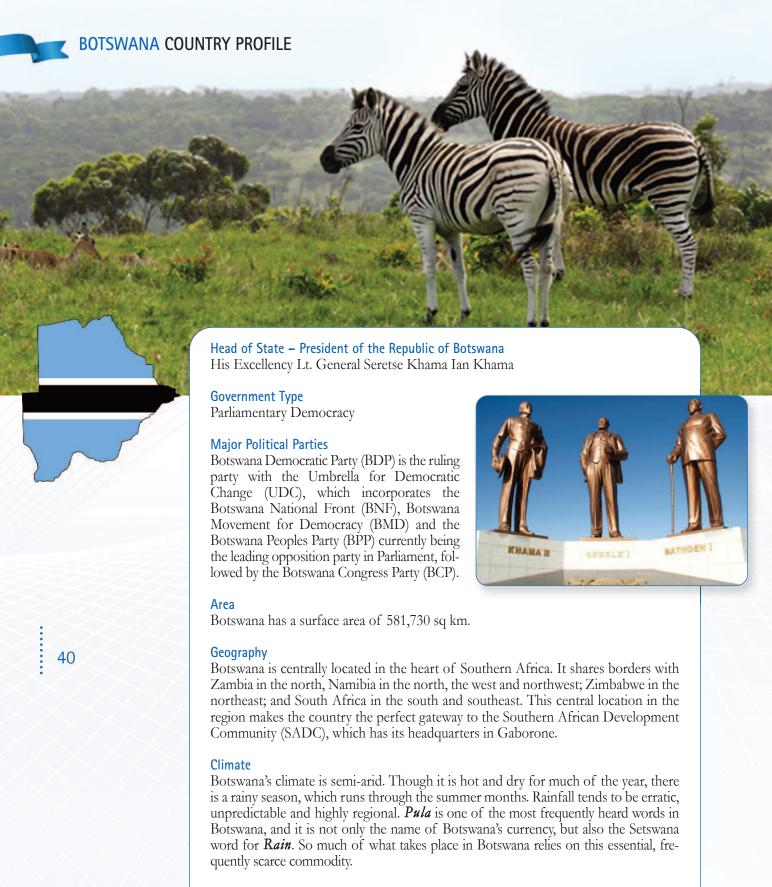
Members of the SADC Parliamentary Forum with the SADC Executive Secretary, Dr Stergomena Lawrence Tax.



Senior officials of the SADC-EU Political Dialogue in Brussels. The objective of the meeting was to continue fostering cooperation in a spirit of partnership and to set a roadmap towards the SADC-EU Ministerial Political Dialogue scheduled for 2015.



Launch of the Tripartite Free Trade Area in Egypt by 26 member countries belonging to three Regional Economic Communities in Africa—COMESA, EAC and SADC.



Time

Standard time zone UTC/GMT +2 hours Time zone CAT - Central Africa

### **Capital City**

Gaborone is the capital and the largest city in the country.

### Independence (National Day)

Botswana achieved independence on 30 September 1966.

#### **Population**

Botswana's population has recently surpassed 2 million, with 64.1 percent of the people residing in urban areas. Of the 2,024,904 persons enumerated during the 2011 Population and Housing Census, 49 percent are men and 51 percent are women, depicting a gender ratio of roughly 95.5 males: 100 females.

With respect to the age structure, Botswana's population is generally youthful with the proportion of those in the economically active category (15-64 years) increasing from 46.9 percent to 64.9 percent from 1971 to 2011. The population group of those aged 65 years and above declined from 5.6 percent to an estimated 5.0 percent in the same period in 2011. The national life expectancy at birth was estimated at 68 years in 2011.

#### People

Batswana refers both to the ethnic group of people who speak the Setswana language and share the Sotho-Tswana culture, and to citizens of Botswana regardless of their ethnic background. The singular is Motswana.

### Language

Setswana is the national language and is widely understood. English serves as an official language and a number of additional local languages are also widely spoken.

#### Religion

While Christianity is the predominant religion, other faiths including indigenous beliefs are also practised.

# Membership of International Groupings

In addition to the Southern African Development Community (SADC), Botswana is a member of various international bodies including the African Union (AU), Commonwealth of Nations, the United Nations Organisation (UN), and the Southern African Customs Union (SACU).

#### Accommodation

Botswana offers the traveller a range of accommodation options from top class hotels, luxury lodges and safari camps, to budget guesthouses and camping grounds. The major tourist areas have a choice of private lodges, safari camps, and public camping sites.

A variety of cuisines are served in hotels and restaurants from local favourites and game meat, to continental and Asian dishes. There are also plenty of fast food outlets and small restaurants/takeaways offering local dishes.

### **Transport**

The country's main airports are the Sir Seretse Khama International Airport at Gaborone; Francistown International Airport, and Kasane and Maun International Airports.

Local transportation is available by taxi and cab services. Private bus operators ply the extensive road network linking cities, towns, major villages and through regional corridors to other capitals in the sub-region.

### Visa and Other Travel Documents

Citizens of the United States, South Africa, British Commonwealth countries, and most Western European countries do not need visas for entry and stays of less than 91 days. Passports are required for travel to the country. Proof of yellow fever and cholera immunisations are required of tourists from affected countries.

#### **Telecommunications**

Botswana has one of the highest mobile market penetration rates in Africa, approaching 160 percent. The telecommunications market is dominated by three operators – Botswana Telecommunications Corporation Limited (BTCL), Mascom Wireless Botswana (Pty) Ltd (Mascom) and Orange Botswana (Pty) Ltd (Orange). Botswana Fibre Networks (BoFiNet) is a new player in the ICT space providing wholesale services in the telecommunications market.





GDP In real terms, the economy recorded a growth rate of 4.4 % in 2014.

**Currency** Pula and Thebe

**Inflation** Average annual inflation rate recorded for 2014 was 4.4%.

## Agriculture - products include

Livestock, sorghum, maize, millet, beans, sun-flowers, groundnuts

#### **Industries**

Diamonds, copper, nickel, salt, soda ash, potash, coal, iron ore, silver, livestock processing, textiles

### Mining

Botswana is the world's leading producer of gem quality diamonds. Besides diamonds, Botswana also produces coal, soda ash, copper-nickel matte and gold. Other occurrences have been identified, including agates, antimony, silver and chromite.

#### Media

Botswana has five radio stations, of which two are government while three are private. These are RB1, RB2, Duma fm, Gabzfm and Yaronafm as well as two television stations. Botswana Television is owned by the government while e-Botswana is privately owned.

On print, the country has several newspapers. The *Botsmana Daily News* is a daily newspaper produced by government. In addition, other privately owned newspapers are *The Guardian*, *Echo, The Gazette, Midweek Sun, Mmegi Monitor, Mmegi, The Telegraph, Ngami Times, Sunday Standard, The Voice* and *Weekend Post Newspapers*.

#### **Tourist Information**

The Botswana government's National Conservation Strategy and Tourism Policy was created to promote tourism while protecting wildlife areas.

Botswana is well known worldwide for having some of the best wilderness and wildlife areas on the African continent. A full 38 percent of the total land area is devoted to national parks, reserves and wildlife management areas, for the most part unfenced, thus allowing wild animals to roam wild and free. Travel through many parts of the country has the feeling of moving through an immense nature wonderland.

Botswana's principal tourist attractions are its game reserves, with photographic safaris available. The tourism industry is complemented by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes the activities of the restaurant and leisure industries directly supported by tourists and locals.

Botswana is the last stronghold for a number of endangered bird and mammal species, including African Wild Dog, Cheetah, Brown Hyena, Cape Vulture, Wattled Crane, Kori Bustard, and Pel's Fishing Owl.

# Major tourist destinations include

Okavango Delta Experience here the stunning beauty of the world's largest intact inland Delta with a unique ecosystem which during the rainy season is a maze of waterways, islands, and lakes. The delta has a wide variety of wildlife and birds.

Tsodilo Hills Close to the Okavango Delta, the hills have the oldest and highest concentration of human rock art in the caves.

Kalahari Desert The sand dunes at Khawa village and other places are a marvel to watch while relaxing under the soothing sun.

Makgadikgadi Salt Pan The pans are famous for quad bikers, safari and adventure.

Chobe area Has the largest elephant concentration in the world.

Botswana is rich in fauna and flora.

#### Arts and Crafts in Botswana

There are groups of people and organisations promoting indigenous crafts, newly introduced crafts or western art forms. Their products can be purchased in curio, craft, gift shops and malls in Gaborone, Francistown, Maun and Kasane, and at safari camps in the Okavango and Chobe regions.

#### Basketry

Botswana baskets are widely regarded as some of the finest in Africa, and the best in southern Africa. Their high quality, outstanding workmanship and originality have gained international recognition, and baskets are now exported to many countries around the world.

An annual basket exhibition at the National Museum brings the year's best baskets to Gaborone. Visitors to rural areas have the opportunity to purchase basketware directly from the producers.

#### Pottery

Few households in Botswana still use traditional pots as receptacles to hold water, and only a small number of rural women still make traditional pottery, mostly to sell. However, the tradition is showing signs of recovery as the tourist market grows. Modern ceramics are produced at several small cottage industries such as those in Gabane, and Thamaga, both near Gaborone.

Unusual, good quality, hand-woven tapestries, carpets, bed covers, jackets and coats are all made from karakul wool. All use locally inspired designs and patterns. Oodi Weavers near Gaborone has gained an international reputation for its fine work.

### Woodcarving

Woodcarving has been used traditionally in the production of the traditional items such as tools, bowls or cups, spoons, all made out of grained wood of the mophane tree. Elsewhere, animal figures may be carved by individuals living in the rural areas, and then brought to the towns to be sold. Artists are now using Mophane wood to produce jewellery as well as animal and people figurines.

#### Bone carving

Bone carvers in Botswana produce elegant, finely crafted jewellery and small statuettes, which interestingly make cattle bones to have the look and feel of real ivory.

#### Leatherwork

Botswana's best-known leather factory is located in Pilane village, 20km east of the capital city, Gaborone. High quality sandals, bags and cases are made, and then marketed in the major towns. Ostrich and buffalo skin items are imported from neighbouring southern African countries and sold in the curio and craft shops around the country.

#### Skin Tanning

This is done throughout Botswana, both commercially and non-commercially. Tanned skins, usually of domestic animals such as goats, are still used as floor mats or sleeping mats, both in rural and urban households. The skins of wild animals, generally, but not exclusively, tanned commercially, can be bought in the major towns and cities.

#### Jewellery

Jewellery made of ostrich-egg and other beads, ceramics, stones and malachite are produced in several local cottage industries, and sold in urban areas of the country.

#### Art

There are many local artists. Paintings are sold in curio shops across the country, but most artists prefer to stage exhibitions at the National Museum, or at their private homes. The National Museum in Gaborone has an annual art competition for all schools in the country, the results of which are usually quite interesting.

The museum also has an annual National Art Exhibition in which all artists living and working in Botswana are invited to participate. The National Museum also hosts exhibitions from artists outside Botswana.



### **IMPORTANT CONTACTS**

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# Botswana's Infrastucture Development Supports Regional and Continental Integration

Botswana has embarked on a number of infrastructure projects aimed at improving the standard and quality of life for its citizens through sustainable socio-economic development, with extended benefits to the region. The projects link several sectors and impact on regional integration in southern Africa as they involve multiple SADC countries. The projects are aligned with the SADC Spatial Development Initiatives — a strategy that seeks to connect industries in landlocked countries such as Botswana to seaports, as well as to develop regional trade and transport corridors with vibrant infrastructure including roads and rail. Two key programmes prioritised by Botswana for implementation over the next few years involve the North-South Corridor (NSC) and the Trans Kalahari Corridor. The projects are being coordinated by Botswana's Ministry of Transport and Communications.

#### NORTH-SOUTH CORRIDOR

The North-South Corridor (NSC) aims to unlock the economic potential of landlocked countries in southern and eastern Africa. The corridor links the port of Durban in South Africa to the Copperbelt in Zambia, extending to the Democratic Republic of Congo (DRC) and has spurs linking the port of Dar es Salaam in the United Republic of Tanzania. A total of eight countries are involved in the NSC — Botswana, DRC, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe.

### Kazungula Bridge Project

The Kazungula Bridge is a multi-national project on the NSC within the SADC region and is part of a corridor-long infrastructure improvement programme. The project's development objective is to improve the efficiency of transit traffic through the Kazungula border to facilitate increased trade activities and global competitiveness of Zambia and Botswana, improve regional connectivity of the NSC and contribute to integration of the economies of SADC countries. The project scope includes a bridge linking Botswana and Zambia over the Zambezi River to replace the existing ferry, and the construction of a new One Stop Border Post at Kazungula. The new bridge is expected to be capable of supporting the construction of a future railway line. The benefits of the project include:

- increased traffic throughput;
- reduced border transit time;
- improved procedures on trade facilitation;
- improved border management operations, and consequently,
- reduced time-based transport and trade cost.

The Kazungula Bridge Project is being implemented jointly by the governments of Botswana and Zambia through a 50/50 funding agreement and is planned to take four years for completion, from December 2014 to December 2018. The project is expected to create about 400 jobs during the construction phase which are to be shared 50/50 between Botswana and Zambia.

Once the project is completed, it will facilitate trade by improving the movement of traffic, and it is anticipated that the inclusion of the rail component will allow for more efficient and cost-effective transportation of cargo and people. The railway component will shorten the distance from South Africa to the central SADC region.

The project has been divided into three packages for easier implementation:

- Construction of Bridge, Railway and Approach Ramps;
- Construction of One Stop Border Post on Botswana side; and
- One Stop Border Post on Zambia side.

#### COMESA-EAC-SADC Tripartite Projects

Preparation of feasibility studies, detailed engineering design and tender documents for the five selected road sections in Botswana, Malawi and Zimbabwe are also already underway. These projects are being implemented under the COMESA-EAC-SADC Tripartite arrangements, with the client being the Common Market for Eastern and Southern Africa (COMESA) while the financier is the African Development Bank (AfDB). The specific projects of the selected road sections in Botswana are as follows:

- Procurement of consultancy services for the preparation of feasibility studies, detailed engineering designs and tender documents for the rehabilitation of the 64 km Pandamatenga
   Nata Road Section; and
- Procurement of consultancy services for Preparation of feasibility studies, detailed engineering designs and tender documents for the 111 km
   Palapye-Martins Drift Road Section.





Evaluation of technical and financial proposals for the preparation of feasibility studies, detailed engineering designs and tender documents for the projects was conducted in Lusaka, Zambia in April and May 2015. Contract negotiations were held in June 2015 with the aim of awarding the tender. The two road sections, once designed, would await funding for rehabilitation as they have exceeded their lifespan.

# Tonota-Francistown Road Project

The government of Botswana is funding this project that entails upgrading of 30km of the Tonota-Francistown road to a dual carriageway, the expansion of the Shashe, Budumatau, Tati and Tholodi Bridges as well as the construction of the **Thapama Interchange** in Francistown. Overall progress is at 79.6 percent with 22km and 12.8km of surface road opened to traffic on the North and South bound carriageways, respectively. This has improved the movement of traffic between Tonota, Tati Siding and Francistown, especially during peak hours as most people commute from Tonota and Tati Siding to Francistown.

### Thapama Interchange

The construction of the Thapama Interchange in Francistown commenced in April 2015 and is expected to be completed in August 2016. This will alleviate the problem of traffic congestion at the Thapama circle, especially during peak hours.

#### Sefophe–Martins Drift Road Project

The Sefophe-Martins Drift Road project of 120km entails resealing and reconstruction of different road sections. The 120km road has been divided into three sections of 40km each and awarded as three different contracts. The contracts, which involve asphalt overlay and rehabilitation of the failed sections, are at different stages of construction – Section A (24 percent), Section B (49 percent) and Section C (35 percent). The entire road is expected to be completed by May 2016.

#### TRANS KALAHARI CORRIDOR

The Trans Kalahari Corridor (TKC) is a paved highway corridor that provides a direct route from Walvis Bay and Windhoek in central Namibia, through Botswana, to Johannesburg and Pretoria in the Gauteng province of South Africa.

The basis for this corridor development is threefold: Regional integration; Economic development; and Bridging the infrastructure gap. The Corridor is the result of an institutional arrangement between Botswana, Namibia and South Africa, which culminated in the signing of a Memorandum of Understanding in November 2003 and the establishment of the Secretariat in Windhoek, Namibia in 2007. The key objectives of the TKC are:

- Transit and trade facilitation;
- Growth in corridor traffic and business; and
- Reduction in transit time and cost.

The TKC continues to offer substantial reliability gains for time-sensitive cargo compared to alternatives because of the measures put in place along the corridor. Member States benefit from the route as trade barriers are being addressed and business opportunities identified along the corridor. To this end, a number of studies have been carried out along the TKC. These include the identification and promotion of logistics-related business development, as well as a feasibility study for establishment of truck stops. Sites have been identified in all three countries for business development and truck stops such as Kang in Botswana.

The corridor has benefited investors in Botswana and trade in general through:

- Providing an alternative trade route between Namibia and South Africa going through Botswana as it is shorter than competing alternatives;
- Harmonised border documents such as a Single Administrative Document (SAD 500);
- Extended border operating hours at Mamuno Border Gate;
- Improved safety and security after the fencing of sections of the route; and
- Reduction in transit time and cost.

The following are some of the achievements realized along the corridor to date:

- Completion of the fencing of some sections of the TKC on the Botswana side to improve safety;
- Reduction of border clearance time if all required documentation is in order;
- Harmonisation of the border operating hours and the axle load limits;
- Adoption of common transit procedures;
- Adoption of streamlined and harmonised customs procedures and implementation of a SAD 500; and,
- Increased commercial and passenger traffic for growth in cargo volumes.

Botswana is a landlocked country and the development of the TKC has resulted in Botswana being landlinked, with access to the seaport of Walvis Bay in Namibia and Maputo in Mozambique.



# SADC SECRETARIAT DIRECTORATES AND UNITS

# INFRASTRUCTURE AND SERVICES

### **INTRODUCTION**

Strategic infrastructure development contributes to the key objectives of SADC, which are sustained economic growth and development, poverty reduction, deepening regional integration and stimulating industrialisation. Regional cross-border infrastructure has the potential to facilitate intra-regional trade and investment, unlock the economic potential of regional and national economies, and address the spatial development and geo-political limitations of landlocked countries.

During the period under review, the Directorate of Infrastructure and Services continued to focus on programmes aimed at transforming the region into an integrated economy by promoting the provision of adequate, interconnected and efficient regional infrastructure. The directorate continued to focus on facilitating regional integration and sustainable development through the deployment of infrastructure, enabling universal access to infrastructure and services in the region.

### Framework for Infrastructure Development

The Regional Infrastructure Development Master Plan (RIDMP) 2012-2027 is the region's framework for infrastructure development and coordination, approved by Summit in 2012 in Maputo, Mozambique. The Master Plan provides the strategic framework that guides the development of seamless and cost-effective transboundary infrastructure and outlines priority hard and soft infrastructure needs for the region. The strategic framework, known as Infrastructure Vision 2027, is anchored on six pillars – Energy, Transport, Information Communication Technologies, Meteorology, Trans-Boundary Water Resources and Tourism (Trans-Frontier Conservation Areas), which constitute the SADC Regional Infrastructure Development Programme.

In August 2014, Heads of State and Government signed the SADC Declaration on the Development of Regional Infrastructure, which underpins the commitment of Member States to implement the regional infrastructure programme. The Secretariat, Member States and regional institutions are vigorously pursuing implementation of the RIDMP in response to the impending infrastructure challenges.

Since the adoption of the Master Plan, the Secretariat is pursuing a robust strategy to eliminate blockages and unlock SADC's regional socio-economic potential. The strategy includes the establishment of a solid foundation of harmonised policies and regulations, human resource capacity development, and a concerted effort to engender public awareness and commitment to these goals.

# Project Preparation under the SADC RIDMP

The concerted efforts to market investment opportunities presented by the RIDMP are beginning to pay-off. This, and the preceding financial year, have been characterised by consultations with various partners and funding agencies to secure project preparation and investment finance. Partners are responding positively to the need for project preparation finance by availing funding facilities and/or committing to capacity building for project preparation.

The German Development Bank KfW supported establishment of the Regional Fund for Water Infrastructure and Basic Sanitation worth €10 million, for which the Development Bank of Southern Africa (DBSA) was the fund manager. The Agency Agreement was concluded and signed in May 2014. Similarly, the World Bank has extended support through a US\$20 million facility to strengthen project management capacity in the energy sector by funding the establishment of a Project Acceleration Unit (PAU) at the Southern African Power Pool (SAPP) Coordination Centre to package bankable projects in the region, which includes the recruitment of advisors and funding for the project preparatory works for SAPP's priority projects. The UK Department for International Development (DFID), through its specialised agency the Climate Resilient Infrastructure Development Facility (CRIDF), has availed funding for water infrastructure development and related studies amounting to US\$32 million.

# SADC Project Preparation Development Facility

The SADC Project Preparation Development Facility (PPDF) was launched in November 2013 and has begun accepting projects for preparation. The PPDF received seed funding from the EU and KfW, and the Secretariat is engaging other partners to attract more investment. The first indicative priority list, which identified four projects for early review under the PPDF, was accepted in August 2014. The next indicative pipeline of projects earmarked for due diligence/appraisal under the PPDF has a total of eight projects – three energy, one water and four transport.

# NEPAD Infrastructure Project Preparation Facility

To achieve the ambitious objectives set out in the Programme for Infrastructure Development in Africa (PIDA), the Dakar Financing Summit (DFS) was convened to accelerate the implementation of high-impact infrastructure projects. Sixteen projects were identified for early preparation within the DFS framework, as the PIDA Accelerated Programme.

The Accelerated Programme includes two programmes from SADC, and those are the Beira and Nacala transport corridors. A scoping exercise has been initiated and consultations are ongoing with stakeholders. In addition, the African Union-NEPAD Planning and Coordinating Agency (NPCA) and the SADC Secretariat have concluded a Memorandum of Understanding to firm up their partnership and facilitate the roll-out of the common infrastructure programme.

# European Union 11th EDF Regional Indicative Programme

Consultations have been made by the EU and the Eastern African, Southern African and Indian Ocean Regional Economic Communities (RECs) for the development of the Regional Indicative Programme (RIP) 2014-2020. On the infrastructure side, the RIP will finance projects mainly in the transport and energy sectors but also water and ICT. The approved RIP constitutes a first indicative pool of hard infrastructure projects and soft measures to prepare and finance as a priority, based on discussions between the RECs and the EU. There are 10 hard infrastructure projects in the RIP (five energy and five transport) for the First Year Indicative Programme.

#### **ENERGY**

In line with its core objective of facilitating the provision of reliable, sufficient and sustainable energy at the lowest possible cost as a means for economic and social development towards the eradication of poverty, the sector continued to coordinate and implement the Power Sector Development Roadmap which aims to address electricity shortfalls in the region.

# Status of Power Demand and Supply in the Region

By February 2015, the region had an installed generation capacity of 58,608 megawatts (MW) and available capacity of 52,589MW against a demand of 482,160MW, inclusive of peak demand, suppressed demand and reserves. This gives a generation capacity shortfall of 8,247MW, which includes a shortfall in reserves. During 2014, the region commissioned generation capacity amounting to 1,999 MW from the following sources: Angola (150MW), South Africa (1,654MW) and Zambia (195MW) through rehabilitation and new projects. About 78 percent of that capacity was from Independent Power Producers (IPPs), generated mainly from renewable energy resources, mainly from solar, wind and hydropower technologies, especially in South Africa.

The region plans to install 2,748MW in 2015, in the Democratic Republic of Congo (430MW), Mozambique (205MW), South Africa (1,828 MW), United Republic of Tanzania (150MW) and Zambia (135MW). More than 70 percent of the planned capacity is from renewable energy-based power plants in those Member States while the remainder will be generated from a coal-fired plant (Medupi) in South Africa. It is also expected that 780MW of the planned generation capacity will come from gas-fired power plants, which indicates increased utilisation of this source of energy in the region. Plans are at an advanced stage within the framework of the RIDMP to accelerate imple-

mentation of the three key projects to interconnect Angola, Malawi and Tanzania to the regional grid.

It is expected that the region will have sufficient installed generation capacity reserves after 2018 if all projects are commissioned as planned. The generation reserve margin will reach 13.1 percent in 2017 and 15.9 percent in 2018 against a best practice reserve margin of 15 percent. A total of approximately 24,067MW of new generation capacity is expected to be commissioned between 2015 and 2019, of which three percent will be renewable energy (wind and solar).

The region has been implementing a number of Demand Side Management (DSM) programmes, which include the replacement of incandescent bulbs with Compact Fluorescent Lamps (CFLs), installation of solar water heaters, improvement of commercial lighting and hot water load control. Approximately 4,561MW savings were achieved from DSM initiatives from 2010 to 2014, with a bulk of the savings (3,461MW) emanating from the CFL programme and commercial lighting (700MW). It is envisaged that the region will save 6,000MW by 2018 if the DSM programme is implemented according to plan. Member States are expected to provide the necessary policy support to implement the programme, including banning of incandescent light bulbs.

The Southern African Power Pool (SAPP) Coordination Centre continues to coordinate intercon-

nectivity of power transmission networks in the region. Out of the 12 mainland SADC Member States, nine are already interconnected through 132 kilovolt (kV) to 400kV transmission lines and their power utilities are operating members to the power pool. In this regard, developments are at an advanced stage to connect Angola, Malawi and Tanzania to the regional power system.

#### **Energy Access and Renewable Energy**

The promotion of new and renewable sources of energy continues to be a priority for SADC, and the region participates in the UN Sustainable Energy for All (SE4ALL) initiative whose principal objective is to achieve universal energy ac-





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cess by 2030 through: ensuring access to modern energy services; doubling the rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix. A number of Member States are now developing national action plans using the SE4ALL African Response programme championed by NEPAD and the African Union Commission.

As part of the SE4ALL initiative, the Secretariat, through assistance from the United Nations Industrial Development Organisation (UNIDO), the Austrian Government and the EU Energy Initiative, completed a study on the feasibility of establishing a SADC Centre for Renewable Energy and Energy Efficiency (SACREEE). The SADC Secretariat has evaluated Member States' proposals to host the centre and the final decision will be made by the committee of SADC Energy Ministers at their next meeting to be held during 2015. The Secretariat is also finalising the SADC Renewable Energy Strategy and Action Plan.

# **Electricity Regulation**

As part of the framework to strengthen the regional energy regulatory framework, 12 out of the 15 Member States have introduced regulatory oversight in the form of energy or electricity regulatory authorities. Of these, four are specific electricity regulators, six are general energy regulators and two are multi-sector (energy/water) regulators. The remaining three Member States (Botswana, Democratic Republic of Congo and Mauritius) are at various stages of sector reform and are yet to establish energy regulatory bodies.

In addition, the SADC Secretariat is planning to transform the Regional Energy Regulators Association (RERA) into Regional Energy Regulation Agency. In this regard, RERA has embarked on a number of initiatives to enhance its capacity to lead the strengthening of an enabling regulatory environment to attract investment into the energy sector of the region. These include a two-year technical assistance support programme worth US\$280,000 from the International Renewable Energy Agency (IRENA) to enhance its capacity to nurture an enabling regulatory environment to attract renewable energy investment; three regional initiatives — Independent Power Producers (IPP) and Investment Market Framework; production of RERA Tariffs Publication; and strengthening of RERA's regional regulatory capacity - supported by the US Bureau of Energy and Resources.

The SADC Council of Ministers has made notable commitments regarding the need to move towards cost-reflective electricity tariffs in the region since 2004. Significant progress has been made towards cost-reflective tariffs, as follows:

- Madagascar, Seychelles, Swaziland and Zambia have put in place tariffs that are able to attract new investment and efficient use of electricity;
- Botswana, Lesotho, Madagascar, Mauritius, Namibia, South Africa, Swaziland and Zambia have determined overall cost-reflective levels of tariffs;
- Lesotho, Mauritius, Namibia, South Africa, Seychelles, Swaziland and Zambia have determined cost-reflective levels of generation, transmission and distribution tariffs;
- ♦ Member States that have set a target for achieving cost-reflective tariff levels are Angola (2016), Botswana, Namibia (2018), Seychelles, Swaziland (2016) and Zambia (2016);
- Angola, Mozambique, Namibia, Seychelles, Swaziland and Zambia have approved/agreed plans to achieve the targets.

While Member States are being encouraged to implement cost-reflective tariffs to ensure the viability of the power supply industry, they also need to implement innovative pro-poor electrification support strategies, including tariff structures that allow for a minimum level of service as part of energy access initiatives.

# INFORMATION COMMUNICATION TECHNOLOGY

The ICT sector continued to focus on the overall goal of guiding SADC to become a knowledge-based society by 2027 and to assist Member States to maximize the benefits of the digital revolution to facilitate economic growth, social development and regional integration. The long-term objective is to ensure access to affordable, modern, efficient, reliable high quality and fully integrated ICT services to all users within the SADC region.

As a result of the increased demand for ICT services, the region has accelerated the roll-out of ICT infrastructure, which, in turn, has made ICT services more accessible and affordable to all sectors of the economy. This is further supported by the adoption of effective legal and regulatory frameworks that enhance the enabling environment to attract and support investor confidence in the sector.

# SADC Roadmap for Digital Broadcasting Migration

Member States have achieved significant milestones on digital broadcasting migration with support from the SADC Digital Terrestrial Television (DTT) Project Management Office (PMO) established in June 2013. Notably, 96 percent of SADC Mem-



ber States have established national task forces/committees; 89 percent have developed DTT migration policies; 100 percent have adopted DTT standards; and 89 percent have enacted DTT regulations. Implementation roll-out is at 59 percent and consumer awareness and campaigns is at 46 percent.

Despite the progress made in the implementation of the SADC Roadmap, Member States are lagging behind in consumer awareness and campaigns. The Guidelines on Consumer Protection and Awareness on Digital Broadcasting Migration have been developed, approved and implemented as of June 2014. Noting the DTT migration challenges, the SADC ICT Ministers in their extraordinary meeting convened in March 2014 in South Africa adopted a Resolution on DTT Migration intended to highlight their commitment and the support required to implement sustainable broadcasting platforms in the region by the International Telecommunications Union (ITU) analogue switchover deadline of 17 June 2015 so as to ensure that the maximum benefit and opportunities are derived for SADC citizens.

# SADC Home and Away Roaming

The Ministers responsible for ICT took a decision in November 2014 in Mangochi, Malawi, to change from implementing the SADC Home and Away Roaming (SHAR) Project through the Roam Like A Local (RLAL) principle, to using the Roam Like At Home (RLAH) principle to facilitate reduction of international roaming of voice, messaging and data rates within the region. RLAH implies that the prices a subscriber faces when roaming in a foreign country are the same as, or similar to, the subscriber's home prices. A number of SADC mobile network operators have started to offer RLAH plans or variants of it.

The SHAR is being implemented in three phases that resulted in the reduction of international roaming tariffs to cost-based prices by setting price caps as from 1 January 2015. Phase I focuses on transparency, consumer awareness and an empowerment programme of action. The process involves information and data collection to effectively put in place Phase II of the programme.

Phase II implements retail and wholesale tariff glide paths effective from 1 January 2015, by setting price caps (ceilings) for both the retail and wholesale prices on international roaming charges. The existing retail international roaming price will be reduced in roughly three equal steps via price caps following the retail tariff glide path to approach the RLAH price over a period of three years. The wholesale tariff reductions will follow the same scheme.

Phase III is the progressive retail tariff glide path which will be effective from 1 January 2018, reducing the RLAH price in three steps via price caps to approach cost-based international roaming tariffs over a period of three years. After the reductions are implemented, it will be cheaper for consumers in the SADC region to communicate; it will also facilitate socio-economic development in the region and contribute to more affordable broadband

access. This initiative complements the broadband infrastructure programme which will be rolled out as part of the RIDMP.

# National and Regional Internet Exchange Points

The SADC region is part of the African Internet Exchange System (AXIS) initiative facilitated by the AU Commission to keep Africa's Internet traffic local to the continent through the establishment of National Internet Exchange Points (NIXPs), Regional Internet Exchange Points (RIXPs) and Regional Internet Carriers (RICs) in Africa. NIXPs and RIXPs are ICT infrastructure initiatives that aim to contribute towards reducing the cost of transiting internet traffic and hence the cost of doing business in the region. Most SADC Member States have established at least one NIXP and plans to grow NIXPs into RIXPs are underway. This programme will continue during the 2015/16 financial year.

# SADC Harmonised Cyber Security Legal Framework

Significant progress has been made in the area of improving cyber security in the region, and at least eight SADC Member States have transposed the three SADC harmonised cyber security model laws — e-Commerce/e-Transaction Model Law; Data Protection Model Law; and Cyber Crime Model Law. These laws are in line with the AU Convention on Cyber Security.

### TRANSPORT SECTOR

The region continues to pursue initiatives aimed at addressing challenges arising from the lack of availability and access to cost effective and efficient transport networks necessary to strengthen intra-SADC trade. The objective is to provide adequate, integrated, safe and efficient infrastructure and services in roads, railways, civil aviation, maritime and inland waterways services.

# Aviation/Air Transport

# Establishment of the SADC Aviation Safety Organisation (SASO)

Swaziland and the SADC Secretariat have signed the Memorandum of Understanding on establishment of the Interim SASO Secretariat and the Host Agreement. The Interim SASO Secretariat was launched in May 2015 in Mbabane, Swaziland.

# Surface Transport

# Harmonisation of Vehicle Overload Controls and Vehicle Regulations and Standards

The Tripartite Vehicle Load Management Strategy and Implementation Plan was adopted and the Tripartite Draft Vehicle Load Management (VLM) MOU was updated. A study to define a Tripartite Regional Weigh-





bridge Location Plan was launched in March 2015 and a study to define the Tripartite Transport Registers and Information Platform (TRIPS) system architecture, institutional model and related policy, legal and regulatory frameworks was launched in January 2015, of which the Inception Report has been validated.

# SADC Corridors Development

The SADC programme to develop transport corridors as a means to facilitate trade and economic liberalisation continued during the course of the year. This is done within the context of the Corri-

dors Strategy which focuses on Instruments, Institutions and Infrastructure.

The conclusion of legal instruments for a number of corridors in previous years provided a foundation for corridor institutions to be established and paved the way for joint infrastructure development. These included Memoranda of Understanding for the Trans Kalahari Corridor, Walvis Bay-Ndola-Lubumbashi (WB-N-L formerly known as Trans Caprivi Corridor), Central Transport,

Beira, Nacala, and Mtwara corridors; as well as Constitution of the Dar es Salaam Corridor and Memorandum and Articles of Association for the Maputo Corridor.

Similarly, corridor management institutions are already fully functional on the Trans Kalahari, Maputo, Dar es Salaam and Central Transport corridors while interim or transitional institutional arrangements are in place on the Trans Cunene and WB-N-L corridors where the Walvis Bay Corridor Group is providing oversight and coordination. However, in addition to these, the Maputo institutional model is under review, with the objective of strengthening the role of public sector institutions and to formally include Swaziland.

A key element of the Corridor Transport and Logistics Infrastructure Programme is the development of One Stop Border Posts (OSBP), which is implemented with the objective to reduce transaction costs for crossing a border. The OSBP is a concept for border management efficiency improvement which entails joint control and management of border crossing activities by agents of the adjoining countries, using shared facilities, systems and streamlined procedures.

North South Corridor. Construction of the Kazungula Bridge, which includes a fixed road and rail bridge to replace the ferry, OSBP facilities on both sides in addition to the trade and transport facilitation, is ongoing on the North South Corridor (NSC). The construction started in 2015 and it is projected to take four years to complete. Several road sections on the NSC are undergoing project preparation and procurement for construction under the coordination of the Tripartite Project Preparation and Implementation Unit (PPIU).

Western Cluster Corridors. Angola has completed rehabilitation and modernisation of all railway infrastructures with state-of-the-art equipment along Namibe, Lobito and Malange corridors. The project also includes new lines to integrate the rail network domestically and to interconnect with all neighbouring countries. Even though the Lobito Port and Benguela railway line are ready for international traffic, traffic is hindered by the need to rehabilitate the DRC section between Kolwezi and Dilolo near the border post between Angola and DRC.

A feasibility study for the upgrading and construction of roads along the Lobito (Benguela) Corridor was completed. Construction is underway on both sides of the Zambia/DRC Copperbelt to Benguela and Lobito ports, including alternative direct routing from North Western Zambia to Angola. Botswana and Zimbabwe have started construction of dry ports at Walvis Bay.

Botswana and Namibia are conducting a feasibility study on the Trans Kalahari Railway and options to connect Botswana by rail to Namibia and South Africa based on the premise of transportation of export coal from Botswana coalfields. Governance instruments have been signed and a project office has been established in Windhoek, Namibia.

Eastern Cluster Corridors. Upgrading of infrastructure to cater for the need to evacuate coal from the Zambezi coalfields (Moatize) includes rehabilitation of the Sena railway line on the Beira Corridor, construction of rail link between the Zambezi coalfields and the Port of Nacala, dredging and modernisation of the Beira port as well as modernisation and expansion of the Port of Nacala. Construction of the Moatize-Nacala rail link is expected to be completed by the end of 2015.

The feasibility study for the construction of a heavy-haul railway line from the Botswana coalfield in the south, through Zimbabwe, to a new deep-sea coal terminal at Ponta Techobanine south of Maputo is still ongoing. Rehabilitation, expansion and modernisation of the Maputo, Beira and Dar es Salaam ports are ongoing and various elements of port infrastructure and services have been placed under concessions.

#### METEOROLOGY SECTOR

The meteorology sector continued to focus on its objective of ensuring the generation and dissemination of timely and credible meteorological and climate information and products to stakeholders. This is intended to support planning for socio-economic development, weather-related disaster risk reduction, and the rational use, conservation and protection of natural resources.

# Provision of Weather and Climate Monitoring Services

The Meteorology sector, through the SADC Climate Services Centre (CSC) continued to deliver reliable climate information, products and services for socio-economic development through the Southern Africa Regional Climate Outlook Forum (SARCOF). SARCOF products and subsequent updates from CSC enable better planning for climate-driven disasters.

Strengthening of National Meteorological Services Support to National Meteorological Services (NMSs) in the form of strengthening the capacity of national climate experts continued through implementation of the Institutional Support to African Climate Institution Project (ISACIP) and the African Monitoring of the Environment for Sustainable Development (AMESD) Project, which is a forerunner to Monitoring of Environment for Security in Africa (MESA). Initiatives to improve weather and climate monitoring have continued during the period. These include installation of automatic hydrologic and weather stations in Member States and renovation of the Early Warning System laboratory at the CSC. In addition, a new climate forecasting tool was developed, adopted and disseminated to Member States.

# Compliance to Certification for Safety of Air Navigation by Member States

In terms of the International Civil Aviation Organization (ICAO) for ISO 9001: 2008 Certification for Safety of Air Navigation, two more Member States have complied with ISO 90001 on Quality Management Systems for Aeronautical Services, raising the number of compliant Member States to eight out of 15.

In line with the decision of the SADC Ministers responsible for Meteorology, and in the context of the Revised RISDP, focus is now on strengthening of the SADC CSC to adequately equip it to provide essential climate services which contribute to improved disaster risk management in the region, and help to ensure Member States are better prepared for weather- and climate-induced disasters, which constitute 90 percent of natural disasters; and for the conservation and protection of natural resources.

# Lessons from Partnerships with other Regional and International Climate Centres

The CSC continues to maintain partnerships with research scientists, universities, national, regional and international climate centres worldwide, United Nations Agencies including World Meteorological Organization, International Strategy for Disaster Risk Reduction and representative user-community institutions. These partnerships have made it possible for the CSC to carry out programme activities. There is also a programme to sensitize parliamentarians on the role of climate in sustainable development, through roving workshops. This has improved the mainstreaming of climate information and prediction services for multisectoral socio-economic activities.

#### WATER SECTOR

As the SADC economy is largely agriculture-based, the importance of effective water management cannot be over-emphasised. Southern Africa's food production has often been adversely affected by floods and droughts, particularly over the last two decades. Most of the economies of SADC countries are overly dependent on rain-fed agriculture. Southern Africa, like the rest of Sub-

Saharan Africa, needs to invest in the management and development of water resources, including irrigation infrastructure technologies and efficient use of limited water resources. The water sector facilitates the development of a framework for sustainable, efficient and effective shared watercourses planning and management, through development of strategic water infrastructure and promotion of good water governance in the region.

The sector pursues this objective in response to the productivity challenges, and to contribute towards growth, poverty reduction and equity. To realise this objective, the water sector develops and implements 5-Year Regional Strategic Action Plans, which are delivered through the Integrated Water Resources Management (IWRM) approach. Implementation of the third Regional Strategic Action Plan (RSAP III) 2011-2015 will come to an end in December 2015 and a mid-term review of RSAP III was undertaken during 2014.

# Regional Strategic Action Plan on Integrated Water Resources Management (IWRM)

The fourth Regional Strategic Action Plan (RSAP IV) is being developed using the outcome of the RSAP III Mid Term Review and evaluation of the implementation of the Protocol on Shared Watercourses and consultations with Member States.

# Permanent Secretariats for Three River Basin Organisations established/strengthened

The Zambezi Watercourse Commission (ZAMCOM) has been established with a full staff complement and it is hosted by the government of Zimbabwe in Harare. The Limpopo Watercourse Commission (LIMCOM) Permanent Secretariat was officially launched by the four Water Ministers for the River Basin in Maputo, Mozambique in July 2014. The recruitment of the Executive Secretary for LIMCOM is now at an advanced stage. Angola and Namibia have signed the Agreement to establish the Cuvelai Commission (CUVECOM) for the Cuvelai River Basin and the SADC Secretariat is facilitating resource mobilisation to establish the CUVECOM Secretariat.

### Water Infrastructure Projects

Community development plans have been developed for the IWRM pilot projects in Botswana, Lesotho, Mozambique, Namibia and South Africa. The four Member States have endorsed their plans while Namibia is reviewing its plan and construction of the hard infrastructure water supply and sanitation and crossborder pilot projects has commenced.

The Draft Pre-Feasibility Study report for the Lomahasha/Namaacha Cross-Border Water Supply Project was produced in October 2014. Under the Kunene Water supply and sanitation project between Angola and Namibia, all contracts were signed by all the parties in March 2015 except for the Chan-





nelling Agreement between SADC and Permanent Joint Technical Committee (PJTC) for the implementation of the Caleque-Oshakati Canal Replacement Study, which is awaiting final signature by Angola.

### **Groundwater Management and Development**

A US\$10.2-million grant has been signed between SADC and the World Bank – Global Environment Fund (GEF) and Cooperation in International Waters in Africa (CIWA) – together with the Project Financing and Implementation Agreements (Grant Agreement, Subsidiary Agreement and the Project Agreements for the Groundwater Management Project) to support the region in the management and development of groundwater resources.

# Support for Disaster Risk Reduction

A Baseline Assessment of the SADC Region on Disaster Risk Reduction (DRR) preparedness for flood risk management, Regional Flood Hazard/Risk Mapping and Implementation Plan for DRR activities for flood risk management in selected transboundary river flooding hot spots has been completed under the SADC HYCOS project implemented jointly by the Meteorological and Water Divisions through the CSC.

### **TOURISM SECTOR**

Tourism continues to be a significant contributor to the regional economy and plays a critical role in the alleviation of poverty. The vision and programme for developing the tourism sector through Transfrontier Conservation Areas (TFCAs) is well espoused in the RIDMP. The contribution of the tourism sector in the regional economy is guided by the objective of marketing the SADC region as a single-multifaceted tourism destination and using tourism as a vehicle for socio-economic development. Priority intervention areas in the sector include focus on sustainable tourism development and facilitating the ease of movement for tourists. The regional tourism development programme is coordinated by the Regional Tourism Organisation of Southern Africa (RETOSA).

The SADC Summit of Heads of State and Government endorsed the development and implementation of a common regional visa, deemed the UNIVISA, in 1998. The purpose of the common UNIVISA is to ease the barriers caused by the need for tourists visiting southern Africa to apply for separate visas for each country, each with its own visa regime. Member States acknowledged that this acts as a deterrent for multicountry travel across the region.

The launch of the Kavango-Zambezi (KAZA) TFCA Pilot UNIVISA programme in November 2014 marked a significant milestone. The programme involves six Member States, five of which are in the KAZA TFCA. Significant progress has been made by Zam-

bia and Zimbabwe, while the other pilot Member States can learn from these two countries to overcome some of the difficulties related to implementation of the programme. The progress made by Zambia and Zimbabwe builds on the success of the common visa regime established by both countries during the hosting of the 2013 UN World Tourism Organisation General Assembly. Subsequently, both countries have implemented a common visa in close cooperation with the KAZA TFCA and RETOSA, with support from the World Bank and the German Development Bank KfW.

So far this pilot has been successful and it is anticipated that a common visa can be established among all five KAZA TFCA countries. By eliminating the need for tourists to obtain multiple visas, cross-border travel will become seamless, easier and less costly. This will provide a major boost to tourism within the world's largest TFCA to the benefit of the entire SADC region. The lessons learned and successes achieved from these pilots will be used to inform the development of the full UNI-VISA programme for the region and help Member States to make notable commitments towards full implementation.

By undertaking the UNIVISA initiative, the region will become a more competitive tourism destination. The added convenience and reduced costs will encourage more visitation and longer stays, thereby increasing tourist arrivals and receipts. This will undoubtedly broaden the economic benefits of tourism to the region, countries and local communities.

RETOSA has initiated targeted measures to facilitate sustainable tourism development by creating tourism platforms for the development of young people, women in tourism and community-based tourism in southern Africa. These are the Women in Tourism Forum, Youth in Tourism Forum and the Sustainable Tourism Forum. These platforms are meant to facilitate employment creation and poverty alleviation by capacitating youth, women and local communities with the necessary skills to adopt and apply different sustainable tourism principles and business models.

As a means to tap into the expanding global tourism market, RETOSA is, in line with the Tourism Growth and Development Strategy, making concerted efforts to target emerging tourism source markets. In this regard, RETOSA undertook a market survey to inform the formulation of a marketing and promotional strategy for the Asian market with key focus on Japan. The survey was conducted over a period of eight months, from June 2014 to January 2015 supported by the Japan International Cooperation Agency (JICA). Statistics indicate that a total of 17,470,000 Japanese travelled abroad in 2013 and only 41,099 less than 0.3 percent – visited southern Africa. The outcome of the survey will be used to formulate policy advice for Member States which could be used to inform and guide the development of the abundant tourism attraction points which have the potential to offer diverse attractions catering to the needs of various tourist categories.

THE MANDATE of the Trade, Industry, Finance and Investment (TIFI) Directorate is to coordinate the SADC agenda aimed at facilitating trade and financial liberalization, competitive and diversified industrial development, macroeconomic stability and convergence as well as increased investment into the SADC region for deeper regional integration and poverty eradication. TIFI carries out its mandate guided by the following key result areas:

- Diversification and expansion of competitive productive sectors in the region;
- Enhancement of intra- and extra-SADC trade through market integration, trade facilitation and customs cooperation, as well as conclusion and implementation of international trade agreements;
- Enhancement of regional financial and monetary cooperation and facilitation of regional development finance mobilization;
- Promotion of a conducive intra-SADC and Foreign Direct Investment (FDI) environment covering tax coordination and other related matters;
- Achievement and sustenance of macroeconomic stability and convergence; and
- Enhancement of quality and competitiveness of goods and services through regional regulatory support frameworks for trade, industry and investment and for consumer and environmental protection.

These intervention areas are critical in the stimulation of growth and development of the SADC economies at both Member State and regional levels. TIFI coordinates the following regional programmes:

#### **TRADE**

On the basis of the SADC Protocol on Trade, which has been under implementation since 2000, the Trade Programme seeks to enhance intra-SADC trade, and trade with the rest of the world, through goods and services market integration. The SADC Free Trade Area (FTA) was attained in 2008 and current focus is on consolidation of the SADC FTA with the following as main action areas:

- Addressing outstanding tariff phase down commitments:
- ♦ Removal of non-tariff barriers;
- Facilitating accession to the Protocol by the remaining Member States;
- ♦ Resolving problems relating to rules of origin;
- Customs and trade facilitation matters;
- Standards, quality and technical regulatory matters;
- ♦ Supply side constraints; and
- Liberalization of trade in services.

Addressing these issues would make the FTA work better and yield the expected benefits mainly to the private sector doing business across the region and the SADC community at large.

Part of integrating the SADC markets entails progressive liberalisation of trade in services which is provided for in the Protocol on Trade in Services, which was signed in August 2012. Trade in Services is important for most of the SADC economies, generating 57 percent of the Gross Domestic Product (GDP), and an efficient service industry is particularly important for competitiveness in the productive sector. Negotiations are ongoing to liberalize in the first phase, trade in the six priority sectors of communication, construction, energy, finance, tourism and transport. The negotiation process commenced in 2012 and was completed in April 2015.

The regional competition policy programme aims at promoting fair competition and ensuring that anti-competitive practices are not obstacles to trade liberalisation and economic efficiency in the region. A SADC Declaration on Regional Cooperation in

Competition Policy is in place to facilitate cooperation in the enforcement of Member States' respective competition laws and address cross border restrictive business practices. The focus area is now on the following:

- Capacity building including assistance in the preparation and implementation of competition law to Member States, which do not yet have these laws in place;
- Foster case specific cooperation among competition agencies, particularly on cross border cases on mergers, cartels, and other anti-competitive business practices; and
- Strengthening of appropriate methods, approaches and platforms for exchanging information on competition cases.

An added dimension to the Trade Programme is the cooperation between the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and SADC to establish a Tripartite FTA covering 27 countries in eastern and southern Africa. The creation of an enlarged market will, among other things, boost intra-regional trade and economic development, and help address some of the challenges of overlapping memberships in eastern and southern Africa as most countries in the Tripartite Agreement belong to more than one Regional Economic Community (REC).

The negotiations for the establishment of the Tripartite FTA were launched by the Second Tripartite Summit held in June 2011 in Johannesburg, South Africa, with a Roadmap to conclude the negotiations by June 2014. The Third Summit Tripartite FTA held in June 2015 in Sharm El Sheik Egypt launched the "Grand" FTA. However a lot of work still needs to be done to conclude all outstanding areas of the negotiations, including on Rules of Origin and tariff negotiations and on the industrial and infrastructural development pillars. Progress in the Tripartite FTA agenda is particularly important for the continental integration agenda which foresees the launch of the Continental FTA by 2017. Negotiations to launch the Continental FTA began in June 2015.

CMA CGM

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The agenda of the Customs Programme seeks to support regional integration by facilitating the development of efficient customs and trade facilitation systems and procedures among the customs administrations in the region. This entails cooperation among customs administrations for the simplification and harmonisation of customs laws and procedures, modernisation of customs systems and operations and ensuring capacity in the SADC Customs administrations.

**CUSTOMS** 

During the year under review, National Customs Business Forums were established in three countries namely Namibia, Seychelles and Zambia, whose ob-

jective is to facilitate dialogue between customs administrations and stakeholders, in particular, the private sector, both at regional and national levels. Such an engagement is beneficial as it contributes towards trade facilitation and compliance with customs procedures.

To respond to the concerns regarding inefficiencies at borders, which include long waiting and clearance times at major commercial borders, and the need to align regional customs operations to international best practice, the region has committed to addressing quick wins

such as extending and aligning border operating hours at border posts. A number of customs related non-tariff barriers (NTBs) were also resolved during the year, resulting in the reduction of both the reported and outstanding NTBs.

Eleven Member States have so far acceded to the Revised Kyoto Convention, which is an international benchmark for modern customs laws and procedures. A "Train the Trainer" programme, whose objective is to build capacity within the SADC customs administrations, ensuring that they have a common understanding and interpretation of the customs rules and procedures as well as the provisions of the SADC Protocol on Trade was also implemented. The training programme is being conducted in collaboration with the World Customs Organization.

#### **INDUSTRIAL PRODUCTIVE COMPETITIVENESS**

"SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable, Economic and Social Development through Beneficiation and Value Addition" was the Summit theme endorsed by the Heads of State and Government in August 2014. To take this forward, industrialisation has been prioritized in the region's integration agenda and the SADC Regional Industrialisation Strategy and Roadmap (2015 – 2063) was developed. The Strategy and Roadmap were approved by the Extra-ordinary Summit held in Harare, Zimbabwe in April 2015.

The Strategy seeks to facilitate major economic and technological transformation at national and regional levels, accelerate the growth momentum and enhance the comparative and competitive advantages of the economies of the region. It is anchored on the following three pillars:

- Industrialisation as a champion of economic and technological transformation;
- Competitiveness as an active process to move from comparative advantage to competitive advantage and regional integration; and
- Geography as the context for industrial development and economic prosperity.

To implement the Strategy and Roadmap, a detailed and costed Action Plan will be developed and submitted to Council in March 2016. An appropriate framework will be designed and established within a comprehensive and consolidated organisational structure to support the implementation of the Strategy. The Institutional Framework must aim at enhancing the capacity of the Secretariat to deliver on the Strategy.

Studies on the mineral and pharmaceutical sectors have been commissioned, among others to identify the potential, as well as bottlenecks and constraints, for the development of regional value chains in the sectors. The pharmaceutical sector study will examine the feasibility and modalities for regional manufacturing of medicines and commodities.

Ensuring availability of skills is key to the development or expansion of the productive sector. In this regard, a study to assess skills gaps in the mineral sector is being undertaken to formulate the development of a database of education and training service providers in the minerals sector and a SADC mining skills forecasting model. All these segments of work will be completed in the 2015-2016 financial year.

# STANDARDISATION, QUALITY ASSURANCE, ACCREDITATION AND METROLOGY

The Standardization, Quality Assurance, Accreditation and Metrology (SQAM) programme is responsible for facilitation of trade through harmonization of standards based on international practice, ensuring that the region's approaches to dealing with Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT) are aligned with WTO norms and do not result in the creation of non-tariff barriers to trade.

During the year under review, initiatives included engagement with stakeholders from the business and private sector on issues relating to quality infrastructure development as well as SPS measures. In this regard, 70 participants were sensitized on the importance of implementing harmonized SPS measures to maintain existing and access new markets.

Capacity building for SPS regulatory agencies to enhance implementation of reporting obligation of SPS measures for improved safe trade in food and agro-products was conducted. In addition to this, a study on the identification of phytosanitary measures hindering intra-regional trade in plants and plant products was conducted. This resulted in the drafting of harmonised phytosanitary import regulations for 19 fresh horticultural fruits, including citrus, avocado, apple, watermelon, pineapple, and banana.

Business associations and chambers of commerce were introduced to the elements and inter-linkages of quality infrastructure, the difference between voluntary standards and technical regulations, and the difference between product and system certification in the quest to foster improved competitiveness. An accreditation toolkit for Conformity Assessment Bodies (CABs) was developed by the SADC Cooperation in Accreditation Service (SADCAS), and launched at the annual Technical Barriers to Trade meetings in March 2015 in Kinshasa, DRC. The toolkit is intended to serve as a guideline for CABs in seeking accreditation.

SADCAS is now in its 7<sup>th</sup> year of operation as a multi-economy accreditation body. By 31 March 2015, SADCAS had issued 48 certificates to 36 accredited facilities in eight SADC Member States and received 43 accreditation applications from eight SADC Member States and two from non-SADC countries, namely Liberia and Ghana, which are at the various stages of processing. A further 23 that expressed interest in accreditation are being handled. At the same time, SADCAS had undertaken 87 training courses in 11 SADC Member States namely Botswana (15), DRC (12), Malawi (2), Mozambique (3), Namibia (13), Seychelles (3), South Africa (3), Swaziland (4), Tanzania (11), Zambia (7), and Zimbabwe (14) with over 1300 conformity assessment bodies' staff being trained on the key accreditation standards. SADCAS business is growing, not only in terms of field and scope of accreditation, but also in terms of geographical coverage.

Great progress has been made towards international recognition of its accreditation certificates, with SADCAS successfully undergoing a joint pre peer evaluation by the International Laboratory Accreditation Cooperation (ILAC) and the African Cooperation in Accreditation (AFRAC) in June 2014. SADCAS underwent the peer evaluation in May 2015. SADCAS is therefore, well on course towards signatory status and aims to achieve the said status in the 2015/16 financial year which will enhance the credibility of SADCAS services while at the same time facilitating the intra and inter regional trade integration agenda.

In the short to medium term, the SQAM Programme, in its quest to eliminate barriers to trade, encourage productive competitiveness and support industrialisation, will continue to focus on strengthening the capacity of critical quality infrastructure and sanitary and phytosanitary agencies for international recognition. While basic structures, in terms of national standards bodies, measurement institutions and conformity assessment bodies are available, it remains important for SADC's trading partners to have trust in the quality of the products and commodities produced in the region, hence the need to continue to capacitate existing systems for accreditation in order to attain international recognition. In addition, harmonisation of technical regulations and sanitary and phytosanitary measures and

private sector engagement will continue to play an important role in identifying specific challenges requiring attention in different areas of operation.

#### **ECONOMIC PARTNERSHIP AGREEMENT**

The Economic Partnership Agreement (EPA) programme is responsible for coordinating EPA negotiations between seven SADC Member States (Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland) and the European Union (EU). The other six SADC countries—DRC, Madagascar, Malawi, Mauritius, Zambia and Zimbabwe – are negotiating the EPAs with the EU as part of other regional groups, namely Central Africa or Eastern and Southern

Africa. The objective by the seven SADC Member States is to sign and implement a WTO compatible agreement and to enhance trade with the EU. On 15 July 2014, a SADC EPA was initialled, signalling the end of negotiations on the Goods Chapter. However, Angola did not initial the Agreement as they participated as an observer, and can negotiate their terms of joining the EPA at the time when they are ready.

Since August 2014, parties have been engaged in legal scrubbing of the text. Initialling of the EPA afforded the SADC EPA Member States an opportunity for extension of market access to the EU pending the legal scrubbing process. In keeping with that, the Market Access Regulation (MAR) 1528 of 2007 for the SADC EPA States has been extended to 1 October 2016.

Substantial progress has been achieved in cleaning up the text, with just a few outstanding issues that need to be resolved. These issues include scope of the Agreement as well as customs duties between SADC EPA States, mainly on market access between the EU and the Southern African Customs Union (SACU). There is need for a common understanding among the parties where re-alignment of the Trade and Development Cooperation Agreement between South Africa and the EU in relation to the EPA. This is because negotiations of the EPA, has resulted in the introduction of new product lines.

Once the legal scrubbing exercise is finalised, translation of the agreement into all the working languages of the EU will follow leading to signing, ratification and implementation. It is anticipated that the EU SADC EPA will be signed in 2016, in time before the withdrawal of the market access accorded under the Market Access Regulation 1528/2007 which has been extended until 1 October 2016.

#### FINANCE AND INVESTMENT

The Finance and Investment programme is responsible for the development, strengthening and deepening of the financial and capital markets, attainment of deeper





monetary cooperation, and facilitation of intra-SADC investment and foreign direct investment through an improved investment climate.

A SADC Integrated Regional Electronic Settlement System (SIRESS) was developed and launched in July 2013 and piloted in the four Common Monetary Area countries, namely Lesotho, Namibia, South Africa and Swaziland. Since then, SIRESS has been rolled out to five other Member States, with Malawi, Mauritius, Tanzania, Zambia and Zimbabwe having now joined the system. The system will ensure a secure and harmonised settlement of cross border payment transactions. As at end of April 2015, SIRESS achieved a major milestone reaching 1,000,000,000,000,000 South African rands (ZAR 1 trillion) in settlement value since going live on 22 July 2013.

The Project Preparation Development Facility (PPDF) is now operational and has approved the first project to the tune of US\$4 million. The PPDF grant will be used to carry out a scoping study for the preparation of the Mozambique-Zimbabwe-South Africa (MoZiSa) Transmission Project. The MoZiSa project is being supported by the respective utilities of the three countries - Electricicade de Moçambique (EDM), Eskom of South Africa and the Zimbabwe Electricity Supply Authority (ZESA). The Southern African Power Pool (SAPP), which coordinates the planning, generation, transmission and marketing of electricity in southern Africa on behalf of member state utilities will spearhead and coordinate the implementation process of scoping study. The PPFS is jointly funded by the Development Bank of Southern Africa and Agence Française de Développement.

Work is ongoing to finalise outstanding issues on the SADC Regional Development Fund (SRDF). A consultancy is to be commissioned. The SADC Investment Policy Framework (IPF) is currently under development as part of the Regional Action Program on Investment. The regional programme has the objective to develop and enhance the investment environment in the region. The IPF is aimed at harmonising investment policies/regimes in order to improve the investment climate in the region, working with selected four pillars of Tax Incentives, Infrastructure Investment, FDI Restriction and Legal Protection. This exercise is expected to be completed by December 2015. Investment regime Database provides detailed investment regimes of the Member States. It is constantly being updated so that potential investors are able to access the latest information pertaining to each Member State. So far, a total of 12 Member States have fully updated database.

A peer-to-peer learning mechanism for sharing best practices and capacity building for investment promotion agencies was developed and is being implemented. Under this initiative capacity building for 31 senior officers (from 13 Member States) was conducted in March 2015 in South Africa. In the short to medium term, focus will generally be on harmonizing and strengthening the financial sector. In particular, FIP implementation will aim at finalizing

development of frameworks in the areas of investment, development finance, tax coordination and payment systems

# MACROECONOMIC CONVERGENCE

The Macroeconomic Convergence (MEC) Programme is designed to facilitate macroeconomic convergence in the SADC region, and hence catapult regional economic integration. SADC Member States have committed to a Macroeconomic Convergence programme which seeks to limit inflation to low and stable levels; maintaining a prudent fiscal stance based on the avoidance of large budget deficits, and low levels of public and publicly guaranteed debt to gross domestic product.

For 2014, a total of 11 Member States (Botswana, DRC, Lesotho, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania and Zimbabwe) met the inflation target range of three to seven percent. Four Member States (Angola, Madagascar, Malawi and Zambia) performed above the target range for inflation, with Malawi being way out at 23.8 percent. The authorities in Malawi are cognizant of this state of affairs and are employing measures to stabilize prices, largely by not issuing new domestic and foreign debt instruments, and restricting Central Bank credit to government.

With respect to fiscal balance, eight Member States (Botswana, DRC, Lesotho, Madagascar, Mauritius, Seychelles, Swaziland and Zimbabwe) achieved a deficit of less than three percent, which is the MEC programme target, with Botswana, DRC, Seychelles and Swaziland recording budget surplus. As in previous years, the best performance was recorded with regard to public debt where all Member States, except for Seychelles and Malawi, met the target of maintaining public debt of less than 60 percent of GDP in 2014.

On balance, there has been progress in terms of achieving the regional targets, particularly for inflation which has been a problematic area in past years. The region is on a promising path to macroeconomic convergence with concerted efforts being made to maintain a stable macroeconomic environment through adopting prudent macroeconomic policies. Macroeconomic prospects for the short to medium term seem good despite downward risks emanating from the uneven recovery of the global economy and declining commodity prices. Three Member States' economies, namely DRC, Mozambique and Tanzania are expected to grow by more than the regional target of seven percent in 2015. All Member States, except for Angola, Malawi and Zambia, are expected to achieve the regional inflation target range of three to seven percent in 2015. As for fiscal deficit, only six Member States (Botswana, DRC, Lesotho, Madagascar, Seychelles and Zimbabwe) are expected to achieve the regional target of three percent in 2015. Public and publicly guaranteed debt is expected to maintain its good performance record with all Member States, except for Seychelles, expected to meet the regional target of 60 percent of GDP.

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# FOOD, AGRICULTURE AND NATURAL RESOURCES

THE MAIN objectives of the Food, Agriculture and Natural Resources (FANR) Directorate are to develop, promote, coordinate and facilitate harmonisation of agricultural policies and programmes in the SADC region in line with the priorities of the RISDP. The mandate of the directorate is geared towards increasing agricultural and natural resources production and productivity, and in turn promoting trade and ensuring that food security and sustainable economic development are achieved in the region.

#### **Intermediate Outcomes**

The implementation of FANR mandate is realized through the attainment of several intermediate outcomes:

- Increased production, productivity and competitiveness of crops, livestock, forestry, fisheries and wildlife to support trade, industry and food security in the region;
- ◆ Increased market access for agricultural products (crops, livestock and natural resources);
- Enhanced sustainable management of natural resources (fisheries, forestry and wildlife) in the region;
- ★ Enhanced sustainable management of the environment for socio-economic development in the region;
- ◆ Reduced social and economic vulnerability in the context of food and nutrition security; and
- ◆ Enhanced conservation and utilisation of plant and animal genetic resources to improve agricultural production and maintenance of species diversity for present and future generations.

#### **Policy Frameworks**

The FANR Directorate is guided by a number of policy frameworks including:

- ♦ Regional Agricultural Policy (RAP);
- Protocol on Forestry;
- ♦ Protocol on Fisheries;
- Protocol on Wildlife Conservation and Law Enforcement; and,
- ♦ Protocol on Environment.

#### REGIONAL AGRICULTURAL POLICY

Following the approval of the Regional Agricultural Policy by Ministers of Agriculture and Food Security in 2013, the policy was endorsed by Council during its meeting in August 2014. The RAP provides the overarching policy framework for the directorate and contributes to Industrial Development and Market Integration. The RAP aims to promote collaborative actions that stimulate competitive production and trade of agriculture-based products while ensuring sustainable

utilization of natural resources and effective protection of the environment at the regional and national levels.

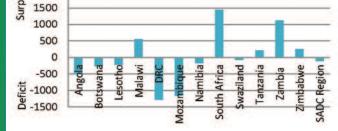
The RAP Investment Plan. For each intermediate outcome, a number of programmes and strategies are being developed from current and new initiatives in order to address the above specific objectives. These programmes and strategies constitute the RAP Investment Plan which is being prepared with the support and collaboration of the Food and Agriculture Organisation (FAO) of the United Nations (UN) through a Technical Cooperation Programme and the Multi-Donor Trust Fund managed by the World Bank. It is expected that the RAP Investment Plan will be finalised by the end of the 2015/16 financial year. Member States are in the process of identifying their funding needs to-

wards the development of national CAADP Compacts as well as National Agricultural Investment Plans (NAIPS) in alignment with the RAP and the RAP Investment Plan.

The Regional CAADP Compact. A draft Regional Comprehensive Africa Agricultural Development Programme (CAADP) Compact, which is a high-level multi-partner agreement that defines actions, commitments, partnerships and alliances that will guide cooperation in the agricultural development of SADC, has also been developed. It is expected to be signed by the end of the 2015/16 financial year following further consultations.

#### REGIONAL FOOD SECURITY MONITORING

Monitoring of the food security in the region continued during the 2014/15 marketing year which ended in March 2015. In terms of cereal production, the region experienced an overall deficit of 0.116 million tonnes as illustrated by the Graph. However, this can be considered as a major improvement when comparing with the 2013/14 marketing year which had an overall cereal deficit of 4.7 million tonnes. Individual countries which indicated an overall cereal surplus during the 2014/2015 are Malawi, South Africa, Tanzania, Zambia and Zimbabwe. The recent assessment showed a regional maize surplus of 4.27 million tonnes while the other main cereals (wheat, rice, sorghum and millet) were all in deficit. Exportable maize surpluses were available in Malawi, South Africa, Tanzania and Zambia.



Overall Cereal Deficit/Surplus for 2014/15 in Thousand Metric Tonnes

Member States Early Warning System for Food Security, 2014 Balance sheet data not available for other Member States.

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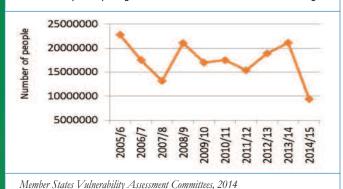
Production of Non-cereal Food Crops

Production of non-cereal crops such as cassava, sweet potatoes and plantains continued to increase especially in Angola, DRC, Malawi, Mozambique, Tanzania and Zambia. These crops are increasingly becoming the main food sources in these countries.

# Humanitarian Food and Non-Food Requirements

In spite of the generally improved food supply and availability in the SADC region, the number of people requiring humanitarian assistance (food and other nonfood) on a yearly basis remains high, as indicated in the Graph showing Trends. This is a manifestation of chronic vulnerability and low resilience to shocks by many low income households. Chronic vulnerability and low resilience is also demonstrated by the high levels of chronic malnutrition leading to high levels (above 30%) of stunted growth in the region.

Trends in People Requiring Humanitarian Assistance in the SADC Region



# Prospects for the 2015/16 Food Security Situation

Although production figures for Member States were not available as of early May 2015, qualitative assessments based on the 2014/15 rainfall season and crop development indicate that a reduced crop production is expected in Angola, Botswana, Lesotho, Malawi, Madagascar, Namibia, Zambia and Zimbabwe. South Africa which normally produces about 40 percent of the maize in the region has estimated a maize decrease of 33 percent. The expected decreases in all countries are a result of a combination of late and erratic rains received in a number of areas and drought conditions in others. Food insecurity is expected to rise and Member States should urgently put in place plans to import food as early as possible.

# **FOOD SECURITY**

# Food and Nutrition Security Strategy

The FANR together with Social and Human Development and Special Programmes (SHD&SP) Directorate developed the Food and Nutrition Security Strategy (FNSS). The strategy was approved at the joint meeting of the Ministers of Agriculture and Food Security and Ministers of Health and HIV and AIDS in July 2014 in Lilongwe, Malawi. The FNSS was subsequently endorsed by Council and adopted by Summit in August 2014 in Victoria Falls, Zimbabwe. The overall goal of the strategy is to reduce food and nutrition insecurity in the region by 2025 through promoting availability of food by increasing productivity as well as improving access and utilisation of nutritious, healthy, diverse and safe food for consumption among others. The FNSS will be implemented as part of the Regional Agriculture Policy Investment Plan.

#### Harmonised Seed Regulatory System

Currently, 11 Member States are party to the MOU on SADC Harmonised Seed Regulatory System, with Angola, Madagascar, Seychelles and Zimbabwe yet to accede. To operationalize the system, the Secretariat facilitated the development of the Draft Plant Breeders Rights (PBR) and the Draft Charter for the establishment of the Seed Centre. These two instruments were approved by Ministers of Agriculture and Food Security in July 2013 in Maputo, Mozambique and later considered by the Ministers of Justice/Attorney Generals in August 2014 in Kinshasa, Democratic Republic of Congo who recommended that further work be done on the legal instruments. The legal documents are being finalized.

### SADC Variety Release System

The SADC Secretariat in collaboration with Member States and other partners launched the SADC Variety Release System in November 2014. The System came into force in June 2013. The SADC Variety Release System operationalises the SADC Harmonised Seed Regulatory System. The purpose of the SADC Variety Release System is to make it easier and cheaper for new and existing varieties to move across borders and gain access to all SADC countries.

This in turn will stimulate trade in seeds, make more varieties of seed available, encourage more com-



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panies to invest in seed business in SADC countries, and thus increase the choices available to farmers. Training of Member States on the use of the electronic collaborative to process applications for regional seed variety release has been conducted prior to the launch.

Following the launch, breeders including seed companies and national agriculture research institutions from SADC Member States have been submitting applications for qualifying varieties to be listed under the SADC Harmonised Seed Regulatory System. To date seven companies have been registered. Under the system, all non-genetically modified varieties that have undergone the rigor of performance testing and have been released in at least two SADC Member States qualify to be registered.

# Agreement on Strategy for the Surveillance and Control of Asian Fruit Fly

The Secretariat signed a Technical Cooperation Programme (TCP) agreement to receive support of US\$444,000 from FAO to coordinate the control of Asian Fruit Fly (*Bactrocerainvadens*) in the region. The Asian Fruit Fly presents a major challenge to horticultural development in the SADC region. A whole range of plants are hosts to this invasive species which causes severe damage to fruits and vegetables and can act as a barrier to trade.

Following the signing of the TCP, a training of trainers' workshop for all Member States on fruit fly control strategies was conducted in collaboration with International Centre of Insect Physiology and Ecology in Nairobi, Kenya in March and April 2015. Currently laboratory equipment and traps to kick start the surveillance in Botswana, Namibia, Zambia and Zimbabwe have been procured and delivered to those countries.

#### Livestock Development

# Strategies and Programmes for the Development of Livestock

One of the major challenges facing the livestock sector in the region is the Foot and Mouth Disease (FMD). Livestock products from areas affected by FMD have up till now not been accepted for trade especially for export even when the animals slaughtered are FMD free. This is a non-tariff barrier to trade as the products from FMD free animals pose no risk when consumed. The situation has brought about the concept of Commodity Based Trade (CBT). The FANR Directorate facilitated the regional adoption of the value chain concept in beef production as demonstrated by the Millennium Challenge Account project implemented by Namibia. The move followed a quantitative risk assessment conducted on the beef value chain in the Zambezi region which showed that overall risk from FMD could be reduced to a level objectively shown to be negligible. The CBT system will eventually assist the region to increase trade in beef even from areas that maybe prone to FMD.



# Surveillance and Control of Transboundary Animal Diseases Strategies

Bovine Spongiform Encephalopathy (BSE) has been a major technical barrier affecting trade of livestock from SADC. In tackling this issue, Secretariat has continued to work on improving access to regional and international markets through strengthening of the region's capacity to conform to international requirements in order to increase exports while complying with consumer food safety. To this effect, the Central Veterinary Laboratories of Tanzania and Zambia were upgraded under the SADC Transboundary Animal Diseases project with laboratory equipment and are making good progress to attain accreditation for tests of certain transboundary animal diseases.

# Agricultural Information Management System (AIMS)

# Operationalisation of the Regional Early Warning and Vulnerability Assessment Systems

The FANR Directorate continued to strengthen national and regional vulnerability analysis systems in Member States through setting up new National Early Warning Units and new National Vulnerability Assessment Committees (NVACs) as well as supporting the existing ones. During the year under review, all the 13 Member States with NVACs conducted livelihoods vulnerability assessments that provided information for decision making in food security and other policies.

Reports on the regional food security situation have been included in documents for Ministerial, Council and Summit meetings to support informed decision on food and nutrition. The reports provided the rationale and justification for the development of the Regional Food and Nutrition Security Strategy which Summit adopted in August 2014.



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Further, the FANR Directorate facilitated capacity building in Member States by training 140 officers from NVACs. This was done in collaboration with centres of Excellence coordinated by the University of KwaZulu Natal in South Africa and its partners University of Zimbabwe, Sokoine University in Tanzania, University of Namibia and University of Malawi.

# ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

# Protocol on Environment for Sustainable Development

Council, at its meeting in Victoria Falls, Zimbabwe in August 2014, approved the Protocol on Environment for Sustainable Development. The Protocol will facilitate harmonisation of policies, strategies and legal frameworks to enhance regional integration in the thematic areas of environment. Presently a total of nine out of the 15 SADC Member States have signed the Protocol. Efforts are underway to expedite ratification of the Protocol.

# Strategies and Programmes for Mainstreaming Environment and Awareness Creation

#### **Green Economy Strategy Developed**

The Regional Green Economy Strategy for Sustainable Development was developed in 2014 and will be presented to Member States for validation in 2015. The strategy is expected to promote inclusive and sustainable growth as well as creation of employment in the SADC region.

# Interventions for Climate Change Adaptation and Mitigation

Interventions for Climate Change Adaptation and Mitigation under the UNFCCC Tripartite Climate Change Programme were developed and implemented. The FANR Directorate collected baseline

> data from four Member States out of the targeted five. This data will be used to identify gaps, set priorities, targets and refine indicators under the Monitoring and Evaluation framework for the Tripartite Climate Change Programme.

> In readiness for COP 21, Secretariat re-engaged the national climate change focal points to take stock of progress made by Member States in developing Intended Nationally Determined Contributions (INDCs). These will outline what actions each country intends to take towards reducing greenhouse gas emissions and adapt to climate change impacts and what support the country needs or will provide

to address climate change. The INDCs will form part of the global agreement to be finalized at COP 21 in Paris, France in December 2015.

#### Video Documentary

In collaboration with the Government of the Republic of Botswana, the FANR Directorate produced a video on Climate Smart Agriculture (CSA) best practices and success stories targeting rural small holder farming communities in Botswana. The Setswana version of the documentary was broadcast on Botswana National Television. Plans are underway to produce similar video documentaries for other Member States.

# Natural Resource Management

#### **Fisheries Protocol**

During the period under review, the draft SADC Aquaculture Strategy and draft Aquatic Animal Health Strategy were developed. Some of the specific objectives of the Aquaculture Strategy are to:

- increase the current levels of annual production of aquaculture in the SADC region while ensuring environmental sustainability; and
- promote the responsible, equitable and sustainable development of aquaculture in order to improve food, income and nutrition security in the SADC region.

The Aquaculture Health Strategy operationalises the SADC Protocol on Fisheries particularly the area involving monitoring and exchange of information on diseases and the spread of diseases of relevance to cultured aquatic species. The Technical Committee on Fisheries, at their meeting held in April 2015, adopted the strategies and recommended them for submission to Ministers responsible for Natural Resources for consideration and approval subject to incorporation of comments. The strategies will be finalised during June-August 2015.

#### **Protocol on Forestry**

The FANR Directorate implemented a pilot Monitoring, Reporting and Verification (MRV) project in five SADC Member States namely: Botswana, Malawi, Mozambique, Namibia and Zambia. The project was implemented as a component of the SADC Support Programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+). As part of the pilot activities, field measurements for carbon were undertaken in Botswana, Malawi, Namibia and Zambia and a methodology for measuring, reporting and verification of carbon emissions was developed. In Mozambique, only training was completed while fieldwork was suspended due to security concerns from land mines. The project ended in February 2015. Meanwhile a new initiative, the SADC/JICA Project on Sustainable Forest Management amounting to US\$6.4m has been approved by Council and implementation is expected to commence in June 2015.



The College of African Wildlife Management (MWEKA) in collaboration with the Southern African Wildlife College, Olmotonyi Forestry Training Institute and Working on Fire developed a SADC Regional Integrated Fire Management Training Programme. A pilot training was conducted at MWEKA in March 2015. The training was supported by the GIZ/SADC Project on Trans-boundary Use and Protection of Natural Resources (TUPNR). Under the same project a Regional Training Programme on REDD+ was developed and pilot training took place in April 2015 for a selected number of participants from the SADC region.

# Protocol on Wildlife Conservation and Law Enforcement

To curb poaching in the region, the FANR Directorate in collaboration with Member States and other partners developed a Regional Anti-Poaching Strategy. A validation workshop to review and finalise the strategy is being planned in 2015. To improve the infrastructure and capacity for the management of wildlife in the region, an agreement on Wildlife Training has been finalised for the operationalisation of the EUR10 million project committed by the Federal Government of Germany for training Wildlife Rangers and to strengthen institutions for wildlife training including building and upgrading training facilities as well as offering scholarships. The project was expected to commence in June 2015.

#### Transfrontier Conservation Areas (TFCAS)

During the period under review, SADC Regional Best Practices Guidelines for TFCAs Development and Tourism Concessions were developed in 2014. The guidelines were endorsed by Technical Committee on Wildlife for use by Member States and other regional stakeholders. These will be submitted to Ministers responsible for Environment and Natural Resources for noting in September 2015. The Guidelines are aimed at integrating the latest global thinking and best practice in conservation of nature considering the role that the natural environment plays in securing societal wellbeing, economic resilience and disaster risk reduction. On the other hand, Guidelines for Tourism Concessions in TFCAs aim to provide guidance for tourism concessions in TFCAs within the region whilst ensuring that both conservation and development objectives of regional TFCAs are met, including rural development and community participation.

# Plant Genetic Resource Centre

# Conservation and Utilisation of Plant Genetic Resources

SADC Secretariat through the Regional Gene Bank continued to monitor seed viability for the conserved collections and taking inventory of some material to update the database for the Gene Bank. Secretariat has also continued to collect and document indige-

nous knowledge of plant genetic resource conservation and sustainable utilisation. A total of 300 accessions were planted in the year for multiplication and rejuvenation at the SADC Plant Genetic Resource Centre (SPGRC) farm in Lusaka, Zambia. All Member States have signed and domesticated the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

# Conservation of Underutilised Plants and Wild Crop Relatives

Secretariat continued to coordinate on-farm conservation in Member States. Seed samples of various landraces were distributed to farmers for multiplication and sharing for on-farm conservation activities in eight countries. Development of checklists aimed at strengthening the utilisation of 'Crop Wild Relatives' in plant breeding programmes is in progress in Mauritius, South Africa and Zambia.

#### Genetic Erosion of Edible Orchids Assessed

SADC Secretariat in collaboration with the Zambian National Plant Genetic Resource Centre (NPGRC) conducted an assessment of genetic erosion of Orchids and Munkoyo (*Rhynchosia*) in marshy areas of central and northern provinces of Zambia. Results indicated that some communities gather wild edible plants such as orchids (*Herbanaria*, *Satyrium*, *Disa*) and (*Rhynchosia*) for their livelihood and that the economic value of these plants was very high.

### Development of National Strategies for Plant Genetic Resources

The SADC Secretariat supported the National Strategies for Plant Genetic Resources for Food and Agriculture in six Member States. SPGRC staff were trained in crop pre-breeding techniques, acquisition and replacement of plant germplasm conservation equipment and facilities, and in development of national strategies for conservation and sustainable utilisation of plant genetic resources for food and agriculture. During the period under review, the documentation of knowledge management information on plant genetic resources was strengthened. The SADC Secretariat updated a web-based documentation and information system in 2014.



# SOCIAL AND HUMAN DEVELOPMENT AND SPECIAL PROGRAMMES

IN LINE with the Revised RISDP, the Directorate is one of the special programmes of regional dimension that is catalytic for the attainment of sustainable industrial development, trade integration and financial cooperation, improved and integrated regional infrastructure and improved peace and security in the region. The Directorate is mandated to enhance human capabilities for socio-economic development, reduce vulnerability, eradicate poverty and by so doing improve the quality of lives of the region. The Social and Human Development and Special Programmes cluster covers four main areas:

- ♦ Education and Skills Development;
- Health and Pharmaceuticals;
- ♦ Employment and Labour;
- Orphans, Youth Development and Empowerment; as well as
- Cross-cutting issues HIV and AIDS, and Science, Technology and Innovation.

#### **EDUCATION AND SKILLS DEVELOPMENT**

The Directorate completed implementation of the SADC Open and Distance Learning (SADC ODL) capacity-building project in 2014. This has effectively strengthened and increased visibility of the utilisation of the ODL to improve access to quality education and skills development. An ODL project evaluation and exit strategy has been developed for approval by SADC Ministers of Education and Training. Through the project the following was achieved:

- Purchase and installation of ICT equipment and video conferencing to facilitate interconnectivity in training between the SADC ODL centres of specialisations in Botswana, Lesotho, Malawi, Mozambique, Zambia and Zimbabwe;
- Equipping the two SADC ODL centres of specialisation in Malawi and Tanzania with teaching and learning facilities such as a standby generator and bus to effectively continue delivering training to capacitate ODL practitioners in the region; and
- The ODL information, education and communication material was printed and delivered and will contribute to popularize ODL in Member States, and enhance its visibility.

# Phase Two of SADC Care and Support for Teaching and Learning

The Programme on Care and Support for Teaching and Learning (CSTL) is to mitigate the impact of HIV and AIDS in the education sector as part of the multisectoral response to HIV and AIDS. The aim of the programme is to ensure that children and youth in SADC realize their rights to education, safety and protection; and provide the needed care and support, through an expanded and strengthened education sec-

tor response. This is intended to support every learner by paving means of accessing quality education, particularly for the most vulnerable.

In this regard, a CSTL Regional Policy Framework has been finalised and will be submitted to SADC Ministers of Education and Training planned for September 2015. The aim of this regional policy framework is to guide the development of care and support for teaching and learning in the education sector, and also strengthen and harmonise policies across the Member States to promote sustainable education.

### **Education Management and Information**

Training of Education Management and Information Staff in all SADC Member States on how to integrate core indicators for monitoring HIV into their annual school census and school-based surveys was approved by SADC Ministers of Education and Training in 2013. This will facilitate harmonisation of monitoring and evaluating the education sector's response to HIV and AIDS, sexual and reproductive health of young people regionally and globally. These indicators are now being incorporated into national surveys and census frameworks and all countries will report on HIV and AIDS in the Education Sector from 2015.

### **HIV AND AIDS UNIT**

The major goal of this priority area is to achieve zero HIV infections and deaths from AIDS, stigma and discrimination, including a decrease in the number of affected individuals and families in the region so that HIV and AIDS ceases to be a threat to public health and to the socio-economic development prospects of Member States. Supported by funding from Member States, SIDA and the Global Fund, the following achievements were realized under their main areas of focus of the HIV and Aids Programme.

# Policy Harmonization and Development

Ministers responsible for Health and HIV and AIDS approved the following documents:

- Minimum Standards for the Integration of Sexual and Reproductive;
- Health and HIV in the SADC Region Code of Conduct and Action Plan on TB in the Mining Sector;
- Framework of Action on Sustainable financing for Health and HIV and AIDS SADC HIV and AIDS;
- Mainstreaming Core indicators SADC Advocacy Strategy for HIV and AIDS, TB and STIs;
- 2015-2018 SADC Guidelines for Social Behaviour Change Communication for HIV and AIDS, TB and STIs; and
- ♦ SADC 2014 HIV and AIDS Epidemic Report.

# Resource Mobilisation

As resource mobilisation is becoming increasingly critical for the HIV and AIDS response, the region is looking forward to establishing internal mechanisms for a sustained health and HIV and AIDS financing system. The SADC HIV and AIDS Fund is one of the established strategies to strengthen HIV and AIDS interventions in Member States. For the first round of implementation of the Fund, 12 projects were funded using a total amount of US\$6.6 million. Ministers responsible for Health and HIV and AIDS approved 10 projects amounting to about US\$4.5 million to be implemented during the second round of the fund. In addition, a total amount of about US\$11.6 million was mobilised from the Global Fund to Fight AIDS, Tuberculosis and Malaria for the implementation of the second phase of the SADC HIV Cross Border Initiative.

### Partnership and Coordination

The SADC Secretariat is facilitating sharing of information and best practices between Member States and Regional/International stakeholders. At the 20<sup>th</sup> International HIV Conference held in Melbourne, Australia on 20-25 July 2014, the Secretariat promoted the visibility of the SADC regional response to HIV and AIDS at a global level. This was done through displaying the work of SADC at an exhibition booth and convening a satellite session under the theme, "One SADC, One Vision, One Way: Walking the Talk". The satellite session demonstrated that political will, strong partnerships and financial support (especially domestic funding) are key ingredients for an accelerated and high impact response to HIV and AIDS.

### Monitoring and Evaluation

The 2014 HIV and AIDS Epidemic Report described the progress made by Member States in the implementation of HIV and AIDS interventions in the region. Although tremendous progress has been made in the reduction of the new infections and the increase of the rate of antiretroviral treatment, a lot still needs to be done to fully address the challenges posed by HIV and AIDS in the region.

# ORPHANS, YOUTH DEVELOPMENT AND EMPOWERMENT

The young proportion of the population continues to grow with over 75 percent of the region's population below the age of 35 years, while 19 million children below the age of 17 years are orphans. Many of the Orphans and Vulnerable Children (OVC) in the region become vulnerable youth, and mothers and fathers who are likely to have vulnerable children of their own, thus reinforcing a cycle of poverty and vulnerability. Member States continued to make progress to implement the recommended SADC minimum package of

services required to ensure optimum development and wellbeing of the region's millions of OVC.

The following achievements were recorded:

- Approval of the SADC Strategy and Business Plan 2015-2020 on Youth Empowerment and Participation for Sustainable Development by Ministers responsible for Youth;
- Development of a Draft Declaration on Youth Development and Empowerment for consideration by Summit in August 2015; and
- Incorporation of issues concerning vulnerable children and youth in the SADC Food and Nutrition Strategy 2015-2020 and in standards for integrating sexual and reproductive health and HIV and AIDS interventions.

These developments mark a renewed focus aimed at transforming the region's youthful population into empowered, highly productive and responsible citizens who can accelerate socio-economic

growth and development in the region. More resources are required at Secretariat and Member State level to coordinate and support child and youth development.



The following are achievements aimed at fostering cooperation and promoting the development, transfer and mastery of science, technology and innovation in order to support all programmes that are expected to promote sustainable and equitable socio-economic growth as well as eradication of poverty in the region:

- ♦ A draft SADC Cyber-Infrastructure Framework has been developed;
- Consultation and nomination of Member States and National Focal points to implement the SADC Research and Innovation Management Project aimed to strengthen regional capacities in research and innovation management at universities, research centres and institutions;
- Revision of the Draft Charter on Women in Science, Engineering and Technology to be submitted to Ministers responsible for Science, Technology and Innovation (STI) planned for September 2015;
- Finalisation of Draft Climate Change Strategy and Draft STI Climate Change Implementation Framework and Plan; and
- Development of recommendations to support the formulating of national and regional systems of innovation with the Southern African Innovation for submission to Ministers of Science, Technology and Innovation in their next meeting.



Mandate of the Gender Unit

The mandate of the SADC Gender Unit is to facilitate, coordinate, monitor and evaluate the implementation of the SADC Protocol on Gender and Development, SADC Declaration on Gender and Development, the Addendum on the Prevention and Eradication of Violence Against Women and Children, the Regional Indicative Strategic Development Plan (RISDP), as well as other various regional and global gender instruments that SADC Member States are party to.

GENDER AND DEVELOPMENT

The SADC Gender Unit spearheads regional initiatives to ensure that a gender perspective permeates the entire SADC Programme of Action and Community Building Initiative. It also promotes the achievement of gender targets that SADC Member States have committed to at both the regional and international levels.

The overall objective of the Gender Unit 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 that regard.

The effective implementation of the SADC Gender Programme is hindered by challenges related to limited funding.

MAJOR ACHIEVEMENTS AND DEVELOPMENT

# Gender Mainstreaming of SADC Policies/ Strategies

During the year under review, a gender perspective has been integrated into sectoral policy documents and strategies, notably the SADC Organ's Early Warning Indicators; Regional Agricultural Policy; SADC Food and Nutrition Security Strategy; Draft Youth Empowerment Strategy; and the Climate Change Strategy, among others.

# SADC Handbook on Mainstreaming Gender in the Water Sector

This was developed in collaboration with the Water Division, through a GIZ-funded project on mainstreaming gender in transboundary water resources management. The Handbook provides mainstreaming tools to enable the practical, day-to-day application of gender mainstreaming in the water sector; capacitate non-gender experts in the water sector to ensure that water projects are gender-responsive; address the gender-specific constraints that women and men face; and ensure their equal participation throughout a project cycle, so as to ensure equal access to project benefits.

# SADC Gender Budgeting Guidelines

The Guidelines have been finalised and translated into all SADC working languages, and await Council approval in August 2015 before printing and dissemination.

# Gender Mainstreaming Capacity Building Workshops

The workshops were conducted in Malawi (38 participants) and Mauritius (39 participants). The capacity-building exercise:

- enhanced the skills of participants to identify gender inequalities and measures to address them;
- strengthened the participants' skills and knowledge on gender mainstreaming and gender-responsive budgeting and motivating at budget hearing sessions; and,
- provided an opportunity for the participants to share information, experiences and effective practices on gender mainstreaming at a policy level.

#### International Women's Day

International Women's Day is commemorated on 8 March every year since 1977 when the United Nations General Assembly adopted a resolution inviting Member States to proclaim a UN Day for Women's Rights and International Peace. The 2015 commemoration was held on 13 March with the theme "Empowering Women, Empowering Humanity: Picture It". The commemoration featured gender sensitisation sessions, and a panel discussion involving two high schools in Gaborone on the importance of educating the boy and girl children. The event also showcased the journey of women in business aimed at demonstrating that it is possible for women to excel in the business sector.

### Women in Politics and Decision Making **Positions**

During the period under review, progress has been monitored in terms of women representation in politics and decision-making positions, as shown in the Table.

Mauritius and Zambia are the only Member States with a woman Vice President while Namibia has a woman Prime Minister and Deputy Prime Minister. At Cabinet level, the number of women Ministers remains very low in most Member States.



Women in Politics and Decision Making 2015									
Member States	Parliament			Ministers			Deputy Ministers		
	Total Seats	Women Seats	% Women	Total	No. Women	% Women	Total	No. Women	% Women
Angola	220	81	36.8	35	8	23	54*	9	16.6
Botswana	62	5	8	16	3	18.7	8	1	12.5
DRC	500	52	10.8	36	3	8.3	-	3	-
Lesotho	120	31	26	34	7	21	6	2	33
Madagascar	151	31	20.5	30	6	20	-	-	-
Malawi	193	32	16.7	18	3	16.6	2	0	0
Mauritius	69	8	11.6	25	3	12	0	0	0
Mozambique	250	81	32.4	22	5	22.7	20	9	45
Namibia	104	48	46	26	7	27	32	15	47
Seychelles	32	14	43.8	13	3	23	-	-	-
South Africa	400	166	41.5	35	14	42.9	37	17	45.9
Swaziland	65	10	15.3	20	4	25	-	-	-
Tanzania	350	126	36	29	10	34	25	5	20
Zambia	158	17	10	20	4	25	38	6	15.8
Zimbabwe	270	85	31.5	28	3	10.7	28	5	17.8

<sup>\*</sup>Secretaries of State

Member States and Inter-Parliamentary Union (IPU)

Significant progress has been made in the Legislature, with women Speakers of Parliament/National Assembly in Botswana, Lesotho, Madagascar, Mauritius, Mozambique, South Africa and United Republic of Tanzania; and women Deputy Speakers of Parliament/National Assembly in Angola, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe. The Deputy Chairperson of the National Council in Namibia is a woman; South Africa has a woman Chair of the National Council of Provinces; and Zimbabwe has a woman President of the Senate.

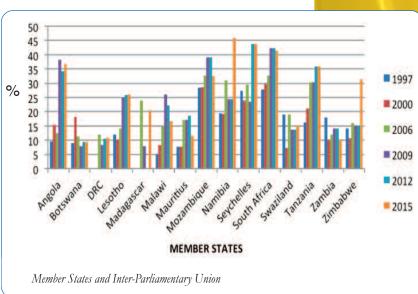
The trend of women in Parliament is generally consistent and moving upward over the years in eight of the Member States — Angola, Lesotho, Mozambique, Namibia, Seychelles, South Africa, Tanzania and Zimbabwe, as reflected in the graph.

Only three Member States have reached above 40 percent women representation in Parliament — Namibia 46%, Seychelles 43%, South Africa 41.5%. Others above 30 percent women representation in Parliament are Angola 36.8%, Tanzania 36%, Mozambique 32.4% and Zimbabwe 31.5%.

### Meeting of SADC Ministers of Gender/ Women's Affairs

The meeting of Ministers was held in Harare, Zimbabwe, on 29 May 2015, with 13 of the 15 Member States in attendance. This was preceded by a meeting of Senior Officials on 27-28 May 2015. Ministers received progress updates on the implementation of the Gender Programme of Work, specifically on the roadmap to review the targets contained in the SADC Protocol on Gender and Development. The

### Trend of Women in Parliament in SADC Member States 1997–2015





review will be aligned to the Post 2015 Sustainable Development Goals, the African Union Agenda 2063 and other relevant regional, continental and international instruments.

### Situational Assessments on GBV

Situational assessments on Gender Based Violence (GBV) were conducted in Lesotho, Namibia, Swaziland and Zimbabwe in conjunction with the United Nations Office on Drugs and Crime (UNODC). The key findings from the assessments are grouped into immediate, medium and long-term recommenda-

tions for implementation under the following thematic areas: Access to Justice, Victim Support and Empowerment, Prevention, Capacity Building, Coordination and Data Management.

Resources have been mobilised to implement the immediate recommendations in the current financial year (2015/16), including the improvement in coordination, translation and simplification of legislative texts; establishment of GBV Fora; developing and intensifying national sensitisation campaigns on GBV; capacity building; improving victim support services; and reaching out to perpetrators of GBV.



Progress in Developing National Anti-TIP Legislation						
Country	Full Title of TIP Act (and year of enactment)	Progress with Legislation Development				
Angola	Penal Code Lei sobre a Criminalização das Infracções subjacentesão Branqueamento de Capitais, Lei 3/2014 [Law on Criminalisation of underlying Offences to Money Laundering]	Implementation of law in progress				
Botswana	The Anti-Human Trafficking Act, No.32 of 2014	Implementation of law in progress				
Democratic Republic of Congo	No specific Trafficking in Persons Act yet	Loi N° 09/001 du janvier 2009 portant protection de l'enfant [Child Protection Code, Law 09/001] includes a chapter on Child Trafficking				
Lesotho	Anti-Trafficking in Persons Act, No. 1 of 2011	Implementation of law in progress				
Madagascar	Anti-Trafficking Law No. 38 of 2007 LOI N° 2007-038 du 14 janvier 2008; LOI N° 2014-040 du 20 janvier 2015 (amendment)	Implementation of law in progress				
Malawi	Trafficking in Persons Bill No.3 of 2015 passed by Parliament in February 2015	Law awaits gazetting by Minister				
Mauritius	Combating of Trafficking in Persons Act, No. 2 of 2009	Implementation of law in progress				
Mozambique	Trafficking in Persons Law No. 6 of 2008	Implementation of law in progress				
Namibia	No specific Trafficking in Persons Act yet	Draft Bill at an advanced stage				
Seychelles	Prohibition of Trafficking in Persons Act, No. 9 of 2014	Implementation of law in progress				
South Africa	Prevention and Combating of Trafficking in Persons Act, No. 7 of 2013	Implementation of law in progress				
Swaziland	The People Trafficking and People Smuggling (Prohibition) Act, No. 7 of 2009	Implementation of law in progress				
United Republic of Tanzania	The Anti-Trafficking in Persons Act, No. 6 of 2008	Implementation of law in progress				
Zambia	The Anti-Human Trafficking Act, No. 11 of 2008	Implementation of law in progress				
Zimbabwe	Trafficking in Persons Act, No. 4 of 2014	Implementation of law in progress				

Legislation on Trafficking in Persons. Thirteen SADC Member States have specific Trafficking in Persons (TIP) legislation while only one Member State has a draft Bill on TIP, as shown in the Table. Five Member States have received direct support on legislation and policy development and implementation during the period under review, and consultative engagements were held with relevant departments (including legal drafters) in SADC Member States that do not have legislation.

During the period under review, Malawi and Zimbabwe enacted their laws on trafficking in persons, while Lesotho and Seychelles launched their National Anti-Trafficking in Persons Strategic Framework and Action Plans. The Kingdom of Lesotho was also supported to embark on a study visit to the Republic of South Africa to share experiences on the development of Implementing Regulations in support of the TIP legislation.

Trafficking in Persons Database. The Secretariat, in conjunction with the UNODC, established a regional database on trafficking in persons. The database aims to facilitate data collection and centralised management of data on the crime of trafficking in persons in the SADC Region. The process commenced with a pilot phase involving Lesotho, South Africa and Swaziland. An inception meeting of national focal persons for the pilot countries was held in May 2014, with a follow-up meeting and training on the system in October 2014 with 15 participants from the pilot countries. Based on the experiences from the pilot phase, the system was further refined.

The Regional Trafficking in Persons Data Collection and Database Management Training was conducted in February 2015 where about 30 TIP focal persons and information technology experts from Member States were introduced and trained on the use of the regional database. Thirteen Member States were supported with start-up equipment (laptops), while a server was installed at the Secretariat to host the regional database. This will be linked to the national databases in all the Member States after deployment to all Member States has been completed.

### Regional Research on Trafficking in Persons.

The Secretariat contracted a consultant to conduct research on trafficking in persons in the SADC Region. The research has the following objectives:

 Provide the SADC Secretariat with up-to-date statistics on the scope and trends of the region and highlight the effective practices in combating trafficking in persons;

- ◆ Identify the stakeholders in the SADC Region and analyse their respective capacities to combat the crime so as to inform interventions for capacity strengthening and retention;
- ◆ Facilitate a coordinated approach to preventing and combating the crime in the region.

The draft report was subjected to a regional validation process which identified some data gaps. The researcher is in the process of filling the gaps, and the report will go through a second and final val-

idation process before it is printed and disseminated.

Training of Law Enforcement Officers on Trafficking in Persons. The Secretariat, in collaboration with the Southern African Regional Police Chiefs Cooperation Organisation (SARPCCO), conducted a regional training for law enforcement officers on TIP. The training was guided by the following objectives:

- → To build the capacity of law enforcement officers to effectively combat trafficking in persons;
- → To equip law enforcement officers to conduct training at national level;
- ◆ To enhance law enforcements officers' skills and expertise on TIP investigations; and
- → To share experiences and cases on dealing with trafficking in Member States through presentations of existing methods and case studies.

The key recommendation of the regional training was the need to support and cascade country level training of law enforcement and immigration/border control in order to strengthen capacity at Member State level to effectively combat Trafficking in Persons.

# MAJOR ACTIVITIES PLANNED AFTER AUGUST 2015

Major activities planned after August 2015, include the validation process towards finalisation of the Draft Regional Multidimensional Women's Economic Empowerment Programme. With regard to the achievement of gender parity target by 2015, a Regional Information and Experience Sharing Conference will be organised to assess progress made on the achievement of gender parity. The Secretariat will finalise the regional research on trafficking in persons; link Member States' databases on trafficking in persons to the regional database; review the 10 Year SADC Strategic Plan of Action on Combating Trafficking in Persons, especially Women and Children (2009-2019); and finalise the development of training curriculum and information, education and communication materials on trafficking in persons.



# ORGAN ON POLITICS, DEFENCE AND SECURITY COOPERATION

THE DIRECTORATE of the Organ on Politics, Defence and Security Cooperation is established in line with the Protocol on Politics, Defence and Security Cooperation, and is mandated to facilitate the promotion of peace and security in the region. The Organ Directorate has been discharging its mandate, guided by the Regional Indicative Strategic Development Plan (RISDP) and the revised Strategic Indicative Plan of the Organ (SIPO II), which provides for the Organ's five key sectors:

- ♦ Defence:
- ♦ Politics:
- Police:
- ◆ Public Security, and,
- ♦ State Security.

# CONFLICT RESOLUTION AND ENHANCING DEMOCRACY IN THE REGION

During the 2014-2015 financial year, the political situation in the region remained relatively stable. However, political challenges in the Kingdom of Lesotholed to the deployment of the SADC Observer Mission during the gen-

eral elections in February 2015, which contributed to the restoration of political stability in the country.

The implementation of the Nairobi Declaration has resulted in peace and security now prevailing in eastern Democratic Republic of Congo (DRC). The Allied Democratic Force (ADF) movement was neutralised, and about 200 M23 combat-

ants are now participating in the Voluntary Disarmament, Demobilisation, Repatriation, Reintegration and Reinsertion (DDRRR) process. The overall political situation in the country is relatively calm and stable, although the socio-economic situation is yet to be improved.

As part of the process of consolidation and enhancement of democracy and democratic institutions as well as governance in the region, the following Member States held democratic elections during the 2014/15 period. These are Botswana, Mozambique, Mauritius, Namibia, Zambia and Lesotho. All the six general elections were judged to have been conducted in adherence to the SADC Principles and Guidelines Governing Democratic Elections. This consistency emphasises the core principle of adherence to democratic practices and the rule of law. The SADC Electoral Advisory Council played a critical role by undertaking goodwill missions prior to the elections to assess the preparations by Member States and their readiness for holding elections.

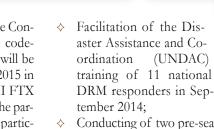
#### PEACE SUPPORT OPERATIONS

The launch of the SADC Standby Force (then Brigade) in Lusaka, Zambia in August 2007 was a milestone in working towards the attainment of the SADC Vision of a Shared Future in an environment of peace, security and stability; and regional cooperation and integration based on equity, mutual benefit and solidarity. The establishment of the SADC Standby Force marked an indication of political will to carry out Peacekeeping Operations within the SADC region and beyond.









 Conducting of two pre-season consultative planning workshops for Member States in October and November 2014 for contingency planning; and

Deployment of a SADC disaster response team to the Malawi floods in February 2015.

In addition, a joint meeting of SADC Ministers responsible for DRM and Finance was held in Harare, Zimbabwe, in June 2015 to discuss both short-term measures to assist Member States currently affected by drought or floods during the current season; and long-term regional measures for disaster risk reduction, preparedness and response.

The regional DRM programme is supported by the EU Regional Political Cooperation Programme to:

 Strengthen regional coordination capacity in the implementation of regional DRM programmes and activities;

The SADC region will soon host the Continental Field Training Exercise (FTX) codenamed Amani Africa II (AA II) which will be conducted in October and November 2015 in Lohatlha, South Africa. Amani Africa II FTX is sponsored by the African Union and the participating countries, and will attract the participation of most of the five regions with Standby forces in the continent. Amani Africa Cycle is one of the main tools to support the development of the African Standby Force (ASF) and evaluating its state of readiness towards the achievement of Full Operational Capacity (FOC).

The overall objective of the Exercise is to validate the capacity of the AU to mandate and employ a Rapid Deployment Capability (RDC) of the ASF as a start-up operation (Scenario 6), and to run a full multidimensional peace support operation (Scenario 5).

#### DISASTER RISK MANAGEMENT

The SADC Disaster Risk Management (DRM) Programme provides overall coordination in the implementation of the transboundary DRM programmes and activities on disaster prevention, mitigation, preparedness, response and recovery, as articulated in the SIPO II and RISDP. During the reporting period, the SADC region was affected by:

- Floods, mainly in Malawi, Mozambique and Madagascar, with significant loss of lives, destruction of property and infrastructure, and disruption of livelihoods and economic activity; and,
- Continuing drought in Botswana, Namibia, southern Angola, and parts of South Africa, Zimbabwe, and southern Mozambique, resulting in reduced food harvests and severe water shortages.

Disaster preparedness and response measures undertaken during the reporting period included:



- Development of regional and national information management systems to enhance early warning systems; and
- Development of a regional DRM response strategy for strengthening DRM preparedness and response, and humanitarian assistance.

The Programme is also providing support to Member States to harmonise the newly adopted Sendai Framework for Disaster Risk Reduction (2015-2030) with existing regional and national DRM frameworks and programmes

#### **COOPERATION AND PARTNERSHIP**

SADC Secretariat has nurtured a good working relationship with International Cooperating Partners (ICPs) such as the European

Union (EU), GIZ and the UN agencies, and EU is the largest funding partner. The AU Commission (AUC) is an integrated part of the SADC peace and security agenda, as are other regional bodies and RECs such as COMESA, EAC, and the International Conference on the Great Lakes Region (ICGLR). Under the SADC-EU RIP, under EDF10, the EU provides a funding of E17.6

million to support SADC regional political cooperation. The programme runs until 2017 and focuses on:

- Capacitating the SADC Secretariat to support elections and governance;
- Conflict prevention and resolution;

- ♦ Disaster Risk Reduction; and,
- Combating trafficking in persons.

The programme also provides capacity for the Organ Directorate to coordinate effective implementation. With this support, the SADC Secretariat was able to facilitate the deployment of SADC Electoral Observer Missions (SEOM) to all Member States that held elections, and also facilitated mediation missions, follow-up peace agreements in DRC, deployment of Observer Mission to Lesotho. Among other activities, meetings were convened and field coordination missions organised for Member States affected by floods. Member States were also assisted to strengthen capacities to address and share best practices on trafficking in persons.

The Contribution Agreement on African Peace and Security Architecture (APSA) Support Programme (SP) between the AUC and European Commission provides EUR4.3 million to the Secretariat for supporting its peace and security activities over a period of four years from 1 May 2011 to 31 July 2015. These funds support capacity building for the Regional Early Warning Centre (REWC), the SADC Standby Force (SADC SF) and programme management. The APSA SP has facilitated the alignment and implementation of SADC Organ protocols with similar instruments at the continental level through the African Union (AU).

In October/ November 2015, the SADC region will host the African Standby Force (ASF) exercise codenamed Amani Africa II (AAII) which will confirm the ASF full operational capability. The APSA SP has also supported the Secretariat's participation in monitoring the eastern DRC situation, including the Joint Verification Mechanism with the ICGLR. The APSA SP also supported the SADC Observation Mission activities in Lesotho.

#### PLANNED ORGAN ACTIVITIES

In the 2015-2016 Financial Year, the Organ Directorate intends to pursue the following:

- Finalising development of the Draft Strategy to Combat Illegal Migration, Smuggling of Migrants and Trafficking in Persons;
- Operationalising the Protocol against Corruption;
- Development of the Counter-Terrorism Strategy and Action Plan;
- Finalising the modalities to pilot the UNI-VISA; and,
- Operationalising the SADC Standby Force.





## POLICY, PLANNING, AND RESOURCE MOBILISATION

#### MANDATE OF DIRECTORATE

The main mandate of the Policy, Planning, and Resource Mobilisation (PPRM) Directorate is to coordinate strategy and policy development, planning, monitoring and evaluation; provide regional statistics; mobilise resources for development; and ensure coordination with other Regional Economic Communities (RECs) and the African Union.

#### REVISED RISDP 2015-2020

The submission of a Draft Revised RISDP 2015-2020 to Council at its meeting in August 2014 in Victoria Falls, Zimbabwe was a key achievement of the previous year. Council noted that the SADC priorities for regional cooperation and integration as outlined in the original RISDP and streamlined in 2007 remained relevant and have been re-organised in the draft Revised RISDP 2015-2020 as follows:

- ◆ Priority A Industrial Development and Market Integration. This includes – Sustainable industrial development, productive competitiveness and supply-side capacity; Free movement of goods and services; Stability oriented macroeconomic convergence; Financial market integration and monetary cooperation; Intra-regional investment and foreign direct investment; and Deepened regional integration.
- Priority B Infrastructure in Support of Regional Integration. Energy, transport, tourism, ICT, meteorology and water.
- Priority C Peace and Security Cooperation as a pre-requisite for achieving the Regional Integration Agenda.
- ◆ Priority D Special Programmes of Regional Dimension. Education and Human Resource Development; Health, HIV and AIDS and other diseases of public health importance; Employment and Labour; Food and Nutrition Security; Transboundary Natural Resources; Environment; Statistics; Private Sector; Gender Equality; and Science, Technology and Innovation, and Research and Development.

Based on the direction given by Summit in August 2014, the Committee of Ministers of Trade, assisted by the Secretariat, reviewed Priority A, particularly the sequencing of targeted outputs for Industrial Development and Trade Liberalisation in order to ensure that, at the cur-



rent stage of integration in SADC, industrialisation is prioritised. The Revised RISDP 2015-2020 and its Implementation Framework were approved and endorsed by the Extra-Ordinary Summit in April 2015 in Harare, Zimbabwe. Further, the Secretariat and all clusters of regional cooperation and integration developed the Implementation Framework and Indicative Costs for the Revised RISDP 2015-2020.

#### SADC-ICP COOPERATION PROGRAMME

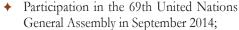
The Secretariat continued to advocate for SADC priority programmes through consultations with International Cooperating Partners (ICPs). Highlights were:

- SADC-Japan High Level Policy Dialogue held in October 2014 and technical consultations in March 2015;
- Participation in the Third India-African RECs in August 2014 and the SADC/India bilateral consultations held on the margins of this meeting;









- ♦ SADC/ICP Dialogue Platform Meeting held in December 2014 to share main priorities for regional integration and priority areas for ICP support;
- Policy and technical consultations with Germany, USAID, and the World Bank;
- → Bilateral consultations between SADC and Russia held in Russia in February 2015 where a draft MOU on Cooperation was developed and follow-up consultations were held in Botswana in March 2015. The draft MOU will be finalised in the 2015/2016 financial year.

Contribution Agreement for the Trade-related Facility (TrF) was signed by

the EU and the Secretariat in 2014. This development completed the programming of the 10th EDF RIP. Programming of the 11th EDF was facilitated through consultations with Member States and the SADC Sub-Regional Indicative.

dicative Programme (RIP) submitted to the EU in 2014. The text of the RIP was finalised in December 2014 as part of the outcomes of the Second High Level Committee (HLC) meeting. The Joint RIP for Southern Africa, Eastern Africa and Indian Ocean was signed in June 2015.



#### **STATISTICS**

The SADC Statistical Year Book 2012 was produced and launched during the 34th SADC Summit in August 2014 to promote the use of regional statistics for SADC and Member States and to facilitate decision-making. In March 2015, the SADC Statistical Year Book 2013 was also published and distributed to Member States and other stakeholders. The SADC Secretariat has continued to compute the SADC Harmonised Consumer Price Indices (HCPI) on a monthly basis, distributed through a news release and the SADC website – www.sadc.int.

#### RESULTS-BASED MANAGEMENT

The Secretariat continues to operationalise the SADC Policy on Strategy Development, Planning, Monitoring, and Evaluation (SPME), which was approved by the SADC Council of Ministers in February 2012. Capacity-building workshops were organised to enhance the quality of planning, monitoring and evaluation that is results oriented. Guidelines on planning and budgeting as well as a Planning and Budgeting Module of the SADC Integrated Management System were produced and operational for the past two years. Protocol Monitoring Guidelines were also produced.





## **BUDGET AND FINANCE**

IN ACCORDANCE with Article 29 (External Audit), the Executive Secretary is required to facilitate an external audit on annual financial statements of the SADC Secretariat prior to the submission to Council for approval. In line with this requirement, the Executive Secretary has submitted the 2014/15 financial statements of the Secretariat for the year ended 31 March 2015. For the first time, the financial statements of the SADC Secretariat have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). In 2013/14 and prior years, the financial statements were prepared in accordance with International Accounting and Financial Reporting Standards (IAS/IFRS).

## ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

The adoption of IPSAS represents a best practice in international accounting practice for the public sector. The Secretariat adopted IPSAS in accordance with a decision of Council of August 2012.

The adoption of IPSAS required a holistic review of the business processes of the SADC Secretariat and management of significant organization-wide change initiatives, involving both internal and external stakeholders. Specifically, the Secretariat formulated and adopted new accounting policies and plans to implement a number of system changes and reporting tools to capture new and improved management information.

Other required adjustments in structure and staffing will be informed by the forthcoming alignment of the Secretariat's organisational structure with the Revised RISDP and the SIPO as well as ensuring adherence to financial and administrative regulations, standing orders and rules for the management of the affairs of SADC.

Budget and Finance acknowledge the input and support availed by George Higgins, Willem Smit & Alexi Colyvas as independent consultants in the process of adoption of IPSAS. Their contribution is valuable in the short-term to assist Management, Audit Committee, SADC Board of Auditors and Council to make sure that the Secretariat's draft financial statements are IPSAS-compliant. In the long-term, the consultants' input will contribute towards establishment of an appropriate capacity to sustain IPSAS compliance.

As IPSAS standards evolve over time, the Secretariat will monitor those changes to ensure that it continues to comply with, and benefit from, international best practice, which will require future investments.

## Highlights of key changes to the financial statements of the SADC Secretariat

Reporting standards and the conversion to IPSAS have resulted in changes to accounting policies and in particular the measurement



and recognition of revenue and impairment of assets reported in the financial statements.

Revenue now comprises of two separate standards. These are Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions. Most of the revenue earned by the SADC Secretariat in the form of contributions by Member State and International Cooperating Partners is classified as Non-Exchange Revenue. IPSAS 23 requires that each contractual arrangement or other binding arrangements are analysed to determine when the Secretariat can recognise revenue in terms of the agreements, that is whether any stipulated conditions need to be met.

The Secretariat also receives revenue from charges on institutional overheads, sale of assets and investment services. Those are referred to as Exchange Transactions, and revenue is recorded when the goods or services have been delivered by Secretariat.

Previously the impairment of non-monetary assets was considered in terms of cash flow, but with the introduction of IPSAS 21, it is recognised that non-monetary assets in the public sector are utilised to deliver a service and not for a commercial return. Thus, the way in which the Secretariat considers impairment for assets has changed in terms of indicators as well as calculations of value in use.

The Secretariat has elected to comply with IPSAS 24, although it does not currently make its budget publicly available. Therefore, the Secretariat will be presenting actual expenditure against the Council-approved budget. The financial statements of the Secretariat under IPSAS now comprise five statements:



- Financial performance;
- ♦ Financial position;
- Changes in net assets;
- Cash flow; and
- Comparison of budget and actual amounts.

The Secretariat budget continues to be presented on a modified cash basis. As the accounting basis for the budget differs from the accrual basis applied to the financial statements, reconciliation between budget expenditure, which include revenue and capital expenditure amounts, and accounting expenditure, is provided.

#### **RESULTS FOR THE YEAR**

Article 26 (Funds) stipulate that the funds of SADC shall consist of contributions of Member States, income from SADC enterprises and receipts from regional and non-regional sources. These funds are appropriated under Article 28, as follows:

- The budget of SADC shall be funded by financial contributions made by Member States, and such other sources as may be determined by the Council;
- Member States shall contribute to the budget of SADC based upon a formula agreed upon by the Summit;
- The Executive Secretary shall cause to be prepared, estimates of revenue and expenditure for the Secretariat, and submit them to the Council, not less than three months before the beginning of the financial year; and,
- The Council shall approve the estimates of revenue and expenditure before the beginning of the financial year.

The operating surplus before exceptional contributions for 2014/15 increased to US\$7,112,871 from US\$2,225,511 in 2013/14. Taking into account the exceptional contributions of US\$3,231,067, the surplus increases to US\$10,343,938. The exceptional contributions arise from removal of conditions on dormant Member States' special funds by Council in August 2014. The above operating surplus incorporates the following:

#### CONTRIBUTIONS

- ◆ Member States -- Increase of 3.8% from 2013/14 contributions of US\$34.1 million to US\$35.4 million in 2014/15, reflecting increasing requirements to sustain operations at the SADC Secretariat;
- ◆ International Cooperating Partners --Decrease of 17% from 2013/14 contribution of US\$38.9 million to US\$32.2 million in 2014/15, reflecting the expiry of a num-

ber of grants. These have not been replaced, as the Secretariat transfers financial accountability of funds implemented at Member States to the implementing entities;

- Other significant contributions in the year, comprise of:
  - Removal of conditions on dormant Member States' special funds by Council in August 2014, an amount of US\$3,231,067 has been transferred to Reserve Funds through the current year's contributions.
  - Revenue arising on:
    - provision of institutional services increased in 2014/15 to US\$1,395,473 against US\$17,016 in 2013/14, attributed to coming onstream of SADC-EU Contribution Agreements; and
    - o deposits increased to US\$36,849 in 2014/15 against US\$45 in 2013/14.

#### **EXPENDITURE**

- ◆ Expenditure of SADC Secretariat in 2014/15 was US\$61.9 million, a reduction of 14.1% from US\$72.1 million in 2013/14 financial year.
- ◆ Considering that the mandate of SADC Secretariat is to facilitate and coordinate strategic planning, policy advisory and advocacy, mobilisation of resources and technical support to Member States and other implementing partners, the largest expense item in 2014/15 was staff costs of US\$17.7 million, or 28.6 %.
- ◆ Programme expenditure was US\$35.7 million in 2014/15 whereas US\$44.7 million was recorded in 2013/14, funded as follows:
  - **Member States:** Expenditure of US\$3.9 million in 2014/15, whereas US\$5.9 million was recorded in 2013/14; and
  - ICP: Expenditure of US\$31.0 million, whereas US\$38.8 million was recorded in 2013/14.

## Budget Utilisation Assessment for 2014/15 Financial Year

Secretariat's total budgetary appropriations of US\$87.4million (adjusted budget to US\$77.0 million) towards its activities have been utilised as follows:

- Member States funds: US\$31.2 million spent from adjusted budgetary appropriations of US\$36.9 million, i.e. utilisation rate of 84%;
- ICPs: US\$32.1 million spent from adjusted budgetary appropriations of US\$40.0 million, i.e. utilisation rate of 80%;
- The above expenditure of US\$63.3 million gives an overall utilisation rate of 82% on adjusted budget.

#### **ACCOUNTABILITY**

#### Governance

Governance of the SADC Secretariat has several facets:

- Governing bodies and governance committees, that is, the Summit; the Organ Summit and Ministerial Committee of the Organ; SADC Council of Ministers; Sectoral and Cluster Ministerial Committees; and,
- Finance Committee and Audit Committee.

The Audit Committee is facilitated by the Internal and External Auditors. External Audit of the Secretariat is conducted through SADC Board of Auditors, which comprise three Auditors' General of Member States. Mechanisms are also in place to allow for involvement of partners and beneficiaries in the implementation of SADC work programme. These are in the form of joint engagements, as well as steering committees. Assurance that all the resources, including financial resources, entrusted to Secretariat have been managed effectively and efficiently to achieve the expected results is embedded in the way in which the Secretariat exercises stewardship over those resources.

#### Risk Management

The Secretariat has implemented a sound system of internal controls, which include:

- Setting the tone of internal controls by the Management Team;
- Implementation of Delegations Register;
- Finalising Strategic and Operational Risk Registers and their use in monitoring the implementation of operational plans;
- Strengthening annual operational planning, monitoring and control;
- Aligning of individual performance contracts to operational plans; and,
- Holistic implementation of recommendations from internal and external auditors, as well as control issues raised by other evaluators.

The risk management policies of the Secretariat with relation to treasury operations aim to minimize potential adverse effects on the resources available to the Secretariat to fund its work programme.

#### **PROSPECTS**

While the overall position has remained positive in 2014/15, adjustments are expected to take place, reflecting the operationalisation of the revised RISDP, as well as ensuring that funds implemented in Member States are directly transferred and accounted for in Member States. These adjustments will relate to:

- Aligning work programme of the Secretariat with the revised RISDP priorities for 2015-2020, as well as available resources;
- Strengthening the capacity, systems and processes for planning at national and regional levels;
- Clarifying the roles of the Secretariat and other stakeholders in the implementation of the RISDP. This will be achieved by developing a legal instrument that clarifies and delineates the functions and roles of the Member States and national bodies, the Secretariat, and other regional implementing agencies.

Limited resources from Member States and development partners should be prioritised based on core implementation responsibilities of the Secretariat. This requires that the Secretariat should transfer implementation responsibilities to Member States. This increases institutional costs, without impacting on improving the effectiveness and efficiency of the Secretariat.

Adherence to RISDP implementation responsibilities has been recognised in the RISDP as key issue, which should be addressed by SADC through robust instruments.

The Secretariat continues to engage development partners to adopt aid delivery mechanisms modelled on the 2002 Paris Declaration, which will reduce proliferation of multiple policies, rules, regulations, systems and processes, resulting in improved institutional effectiveness and efficiency. These engagements have started but are expected to take some time before a way forward is agreed.





**THE 20**<sup>TH</sup> meeting of the Regional Adjudication Committee on the SADC Media Awards was held on 22-26 June 2015 in Victoria Falls, Zimbabwe. Launched in 1996, the main objective of the annual SADC Media Awards is to promote regional integration through information dissemination as well as to promote journalism excellence in the region.

The members of the adjudication committee came from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe to screen a total of 30 entries received from all categories – Radio; Television; Print; and Photojournalism. These included entries for the thematic SADC Water Media Award.

The SADC Water Media Award is supported by the SADC Water Sector and aims to raise awareness on regional water issues while encouraging journalists to write about Integrated Water Resources Management (IWRM).

#### PRINT

#### Kazungula Bridge boosts integration

**Mr. Puso Kedidimetse**, a reporter with the *Botswana Daily News*, won the Print category for his entry which featured an indepth analysis of the economic benefits of the Kazungula Bridge construction.

#### **RADIO**

#### Annual kulamba ceremony

Mr Winston Mwale, a seasoned radio personality from Malawi won a media award for his Radio entry, a feature on the annual *kulamba* ceremony which unites the Chewas in Malawi, Zambia and Mozambique. The piece showcases the diversity of the Chewa traditions and cultures and how this has encouraged unity of purpose.

#### **TELEVISION**

Regional mine workers owed money in South Africa

**Mr. Dennis Tshetlhane and Mr.Sam Msibi**, a presenter and producer duo from South Africa, won the Television category for their entry on the story of mine workers from the SADC region who are owed money by the provident funds in South Africa.

#### **PHOTOJOURNALISM**

#### Nkaya-Kachaso railway line

**Mr. Julius Bonex Binali** from Malawi won the Photojournalism award for his entry on the Nkaya-Kachaso railway line connecting Malawi and Mozambique. The new railway is expected to boost trade in the SADC region.

The winners of the 2015 SADC Media Awards each won a prize of US\$2,000, which will be presented together with certificates during the official opening ceremony of the 35th Summit of Heads of State and Government in Gaborone, Botswana in August 2015. The SADC Media Awards competition takes place each year yearly in the four categories of print, radio, and television and photo journalism. The competition is open to all journalists who are SADC nationals.

## SADC SECONDARY SCHOOLS ESSAY COMPETITION 2015

**THE SADC** Secondary Schools Essay Competition has become a permanent fixture on the education calendar of secondary schools in the SADC region. Secondary school youths in all SADC Member States were invited to participate in the 2015 SADC Secondary School Essay Competition by submitting entries of between 1000 and 2000 words. Entries were received from all SADC Member States except DRC, Malawi, Madagascar and Seychelles.

Educational experts from three SADC Member States (Botswana, Mauritius and Swaziland) adjudicated the regional entries in a tightly contested competition and awarded prizes the top three regional winners.

## SADC SECONDARY SCHOOLS ESSAY COMPETITION 2015

TOPIC – SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition. Discuss how this would result in Sustainable Economic Development.

#### WINNERS

1st Prize of US\$1500

Ms NonduduzoNdwandwe Etjendlovu High School in Swaziland

2nd Prize of US\$1000 Ms ZvikomboreroPrudence Mavura Murambinda 'B' Secondary School in Zimbabwe

3rd Prize of US\$750

Ms Imbelani Matibe

Thengwe High School in South Africa

The winners will be presented with their prizes and certificates during the opening ceremony of the 35th Ordinary Summit of SADC Heads of State and Government in Gaborone, Botswana in August 2015. The certificates for regional winners number four to 10 will be given to the respective SADC National Contact Points. All certificates are signed by the SADC Executive Secretary.

The expert judges were Ms Rorata Modupe from Botswana, Mr. Naraindra Kumar Dabee from Mauritius, and Ms Martha Shongwe from Swaziland. They recommended that all SADC countries should encourage participation in the competition, noting with concern that some entrants do not know the number or names of SADC Member States. A Council decision last year urged SADC National Contact Points and SADC National Media Coordinators to widely publicise the Essay Competition and the Media Awards, and facilitate the flow of SADC information to ensure that potential contestants have information that will enable them to compete fairly.

The 2015 annual SADC Secondary School Essay Competition was the 17<sup>th</sup> since its inception. The competition was established to raise awareness among the youth in the SADC region and sensitise young learners about the origins of SADC, its development, objectives and activities.

### SADC MEDIA AWARD WINNER FOR PRINT CATEGORY

## Kazungula Bridge to boost integration

by Puso Kedidimetse

Kgosi Morgan Makhanga of Kazungula in the Chobe District is an elated individual and he cannot hide this fact.

Not that the traditional leader has won a jackpot lottery. No! Neither has he been promoted to a higher post. He is elated simply because the problems that have troubled his small village because of the ferry bridge will soon be forgotten.

The expected construction of road and rail bridges across the Zambezi River into Zambia will definitely solve the myriad of problems that have been associated with the age long breakdown-prone ferry bridge. It will also bring the much needed jobs in his area of jurisdiction where unemployment is rife.

Finally, Kgosi Makhanga will get some sleep and worry little about what could be happening under the cover of darkness at the ferry station as many haulage trucks lodge overnight or more before crossing into the Zambian side.

However, he is alive to the fact that during the construction phase, social problems will continue to be the order of the day, owing to the influx of construction workers who will descend on the village for the Kazungula Bridge project.

The ground breaking is expected to take place very soon and the traditional leader knows what he is talking about when he quickly says sex work, which is rife in the village, is a result of long truck delays, particularly when the ferry is not working.

"Malwapa a tsile go thubega," (families are going to break up), he says, adding that it normally happens when projects of this magnitude take place anywhere in the country.

He is not in any way being pessimistic or antiprogress as he knows that developments have both negative and positive consequences. Long-term, he knows that the bridge project will benefit both the village and the country significantly.

Before the ferry, he explains that most people accessed Zambia through the Zimbabwean border; previously, he adds, a boat had been used to transport cattle belonging to the Colonial Development Corporation (CDC) to Zambia.

Equally excited about the project is Malawian truck driver, Mr Rex Gangu; he says the bridge will come as a blessing.

Since 1990, Mr Gangu has used the Kazungula Border ferry for delivering goods in DRC from South Africa; he says he has always heard stories about the bridge construction but to no avail.

"The service is faster when both ferries are working, but if one of them breaks down, we can stay here for up to four days," he grieves, adding that they lose in terms of earnings because they get paid per trip. The other downside is that thieves also break into their trucks while they are queuing overnight, stealing diesel and groceries.

Mr Patrick Mutizwa, another truck driver, picks the story up as he says the bridge is very much welcome, particularly because there is no safe and secure truck stop at the border, where they can park for a fee if need be.

The construction of the Kazungula Bridge by Botswana and Zambia will see the end of a long a chequered history of the Kazungula ferry.

Kazungula ferry is a form of transportation primarily used to carry passengers and their goods, as well as vehicles and cargo to cross a body of water, especially over a relatively short distance as a regular service.

The ferry bridge has been in operation since 1979, directly serving traffic between Zambia and Botswana, and this will indeed mark the end of an era.

For business people, the construction of the bridge will come as a relief, especially during the rainy season when the ferry's operation presents challenges for trucks to cross the river. At such times, the ferry becomes slower and moves fewer vehicles in a day than normal.

Ferry accidents have also been a common occurrence in Kazungula owing to overloading of trucks. Two ferries, belonging to both countries, are currently in use to cross the river and it sometimes takes transporters over two weeks when one of them has broken down, to navigate the river, impacting negatively on trade.

According to the African Development Bank Group, the key road and rail bridge crossing over the Zambezi River is a key trade route linking the port of Durban in South Africa to the inland countries of Botswana, Zambia, Zimbabwe, Malawi, DRC, Mozambique and up to Dar es Salaam in Tanzania.

The Kazungula Bridge, a multinational project on the North South Corridor (NSC) in the SADC region is part of the corridor-long infrastructure improvement programme intended to boost regional integration.

The NSC serves the economies of these eight countries. The project scope includes the building of a bridge linking Botswana and Zambia over the Zambezi River to replace the existing ferry and includes one-stop border post facilities at Kazungula.



Once complete, the bridge is expected to result in a number of economic spinoffs such as reduced border transit time, improved procedures on trade facilitation, improved border management operations, and consequently, increased traffic throughput and reduced time-based transport and trade cost.

This project, it is anticipated, will directly benefit populations and businesses engaged in mining, agricultural and service sectors, which contribute 60-80 per cent of the region's GDP, according to the project appraisal report of October 2011. The benefits, it notes, will be through increased opportunities for intra-and extra-regional trade activities, integration of the economies served by the corridor and the creation of jobs.

The estimated total project cost is approximately US\$259.3 million funded through a co-financing arrangement with the Japanese International Cooperation Agency (JICA), African Development Bank and EU-Africa Infrastructure Trust Fund grant.

The project implementation is expected to be five years. The economies of SADC, of which Botswana and Zambia are major players, contribute nearly 40 per cent of the GDP of Sub-Sahara Africa equivalent to US\$340 billion (2007 figures).

Regional infrastructure projects, AfDB notes, promote regional integration and fuel regional trade and growth. As such, the African Development Bank, whose relationship with Botswana dates back to 1972, has played a crucial role in this project.

According to the AfDB website, as of October 2012, the bank had financed 50 operations (41 loan projects, seven institutional support operations, and two studies) valued at US\$2.1 billion primarily in the areas of infrastructure in Botswana.

Infrastructure financing, according to the website, continues to be afforded a very high priority by the AfDB and the aim is to target high-impact projects and programs that will create an enabling environment for private sector investment.

The basic need of export dependent economies like Botswana is connectivity to markets. Easing access to regional and international trade partners by reducing uncertainties and high transport costs and border delays, particularly for landlocked countries such as Botswana and Zambia, is an essential need and the project's underlying rationale.

With regional integration top of the SADC agenda, the construction of the Kazungula Bridge has been touted as one of the ways of eliminating barriers to trade which many Southern African countries are According to the World Bank, these states' unique physical, economic and political geography pose many challenges to economic development, hence regional infrastructure perspectives make sense.

Through the Kazungula Bridge project, Botswana and Zambia are thinking regionally by focusing on international transportation corridors that provide access to markets. Also, the two countries will be able to reduce costs and pool scarce technical and managerial skills in the execution of the project.

Botswana's economy and population is small, with costly connective infrastructure to some regional trading partners. As such, regional integration offers the means to overcome these obstacles and to be competitive.

Further, many of SADC's small economies are recognising that collaborative actions and regional approaches are critical to achieving their development goals, hence the importance of joint regional infrastructure projects. In addition, small economies such as Botswana and Zambia often find it difficult to fund large fixed costs infrastructure, making a regional approach attractive.

The Africa Competitiveness Report 2013 also identifies regional integration as a key vehicle for helping Africa to raise competitiveness, however, the report also spells out challenges such as poor transport infrastructure which limited intra-Africa trade.

Also, non-transparent border administration, particularly import-export procedures and limited use of information communication technologies are some of the barriers to trade it identifies.

SADC infrastructure deficit, especially bad roads, poor infrastructure connectivity, time delays and costs created by weakness in trade facilitation and poor regulation handicap private business and trade. Hence, the enhancement of trade-related infrastructure between Botswana and Zambia is of vital importance.

Botswana and 14 other African countries are land-locked. For example, for Botswana, the distance between Gaborone, the capital city and the nearest port of Durban is 933kms. Alternative ports are even farther with Walvis Bay in Namibia being 1396 kms away.

For independent economist and policy advisor, Ms Ita Mannathoko, the Kazungula Bridge when complete will facilitate trade by the business sector between Botswana and SADC countries and beyond SADC to the north.



## SADC ANTHEM English

SADC, SADC, DAWN OF OUR CERTAINTY
SADC, SADC, DAWN OF A BETTER FUTURE AND HOPE FOR REGIONAL
AND UNIVERSAL INTEGRATION TOWARDS OUR PEOPLE'S UNITY AND
HARMONY

CRADLE OF HUMANITY, CRADLE OF OUR ANCESTORS
LET US PRAISE WITH JOY THE REALIZATION OF OUR HOPES AND
RAISE THE BANNER OF SOLIDARITY
SADC, SADC, SADC
DAWN OF OUR CERTAINTY.

#### HYMNE DE LA SADC French

SADC, SADC, AUBE DE NOS CERTITUDES SADC, SADC, AUBE D'UN AVENIR MEILLEUR ESPOIR D'INTEGRATION RE-GIONALE ET UNIVERSELLE POUR L'UNITE ET L'HARMONIE ENTRE NOS PEUPLES

BERCEAU DE L'HUMANITE,
BERCEAU DE NOS ANCETRES CELEBRONS AVEC JOIE LA REALISATION
DE NOS ESPOIRS LEVONS HAUT LE DRAPEAU DE LA SOLIDARITE
SADC, SADC, SADC
AUBE DE NOS CERTITUDES.

## HINO DA SADC Portuguese

SADC, SADC, AURORA DA NOSSA CERTEZA SADC, SADC, DE UM FUTURO MELHOR E DE ESPERANÇA DE INTE-GRAÇÃO REGIONAL E UNIVERSAL RUMO À HARMONIA E UNIDADE DOS POVOS

BERÇO DA HUMANIDADE,
BERÇO DOS NOSSOS ANTEPASSADOS JUN'TOS CAN'TEMOS ALEGRES, A
CONCRETIZAÇÃO DA NOSSA ESPERANÇA ERGUENDO A BANDEIRA DA
SOLIDARIEDADE
SADC, SADC, SADC
AURORA DA NOSSA CERTEZA.

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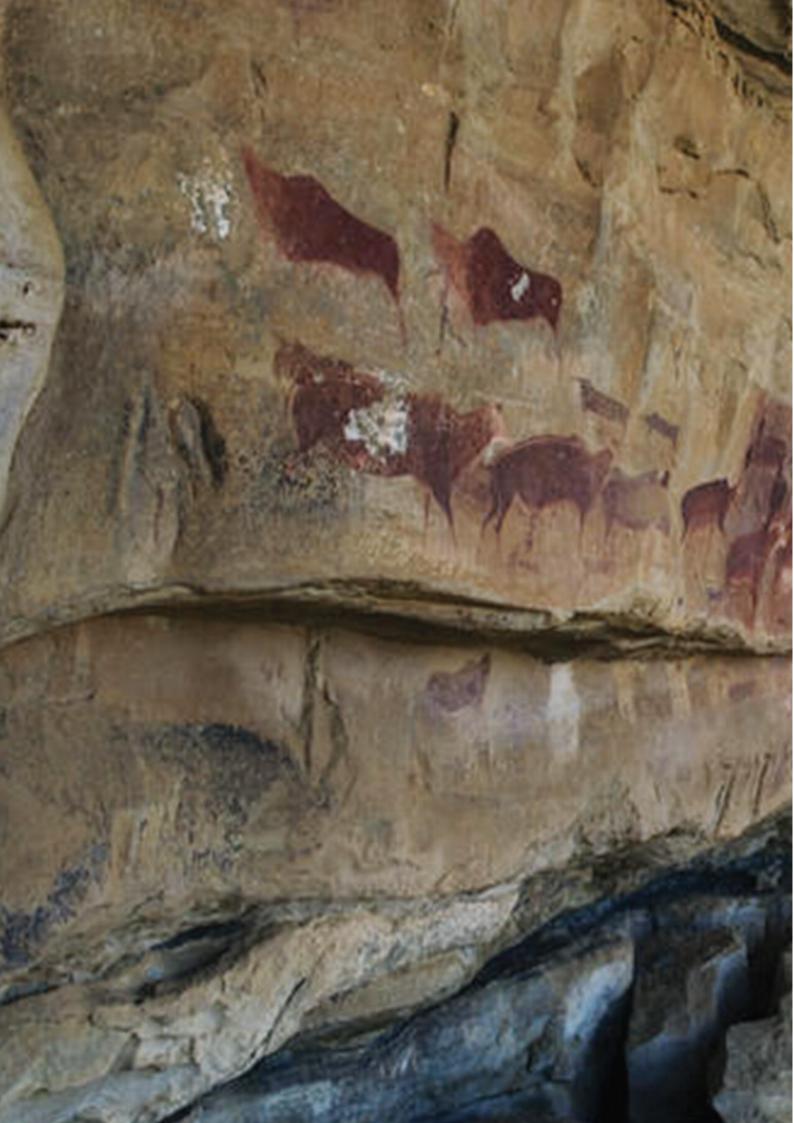
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