# The Southern African Development Community Today

SADC Today, Vol 10 No. 4 February 2008

INSIDE...

4


| | |
|---|---|
| POLICY | 3 |
| AFRICA | 4 |
| ENERGY | 5-8 |
| FLOODS | 9 |
| BUSINESS | 10 |
| EVENTS | 11 |
| HISTORY TODAY | 12 |


## Energy in southern Africa

**AS THE** demand for electricity in southern Africa surpasses generation capacity, massive short-term projects costing US$8 billion need to be fast tracked over the next two years. Electricity shortages have severely affected several SADC Member States leading to scheduled and, in some cases, unscheduled power cuts. *See special review, page 5.* ❐

# 2008 SADC Year of Free Trade

by Munetsi Madakufamba

**THE YEAR** 2008 is a milestone for the SADC region with the official launch of the Free Trade Area, and a target of 85 percent of all product lines trading at zero tariffs.

The tariff phase-down has been done on a step-by-step basis with each schedule taking effect every January since 2001. Thus, as of January 2008, the 85 percent target was deemed effective.

The remaining 15 percent, constituting sensitive products, will have tariff barriers removed from 2008 to 2012.

While the agreed tariff phase-down took effect in January, the official launch of the SADC Free Trade Area will be in August, coinciding with the annual Summit of Heads of State and Government.

South Africa, which takes over the rotating SADC chair in August, is preparing to host the Summit.

Progress on the Free Trade Area was discussed at a number of SADC meetings during 2007 with positive reports on the preparedness of the regional body and its Member States.

The most recent was the Extra Ordinary Council in November in the Zambian capital Lusaka, which "noted with satisfaction that, the region is indeed ready to launch the SADC Free Trade Area in 2008 as per the set milestones."

Since 2000, the 14-member regional bloc has been implementing the SADC Trade Protocol, which provides the framework for deeper economic integration. It is hoped that come August, all parties to the Trade Protocol would have complied.

However, not all SADC Member States are members of the Free Trade Area as Angola and the Democratic Republic of Congo are currently not applying the Trade Protocol, and have asked for more time.

To qualify for duty free access, traders would have to produce a certificate of origin to customs officials which guarantees that the goods indeed originate from within the SADC region. This is based on a detailed list of product-specific rules of origin.

*continued on page 2*

# 2008 The Year of SADC Free Trade

*continued from page 1*

Concerns have been raised by the business community about the need to decentralise the certification process so as to reduce transaction costs. Exporters would not want to travel far from their operational bases for them to have their SADC Certificate of Origin endorsed by the relevant authority.

Moreover, with all its good intentions, the current certification process does not suit small traders or the multitude of informal cross-border traders precisely due to the quantities that they deal in. It simply would not make economic sense for most such traders to run between suppliers and relevant authorities for certification where small quantities are involved.

The main purpose of adopting rules of origin in a Free Trade Area is to ensure that the benefits of participating in the trading zone do not extend to non-members. In theory, however, the significance of rules of origin on goods traded in a particular sub-region falls away as its members move towards a common external tariff, that is, in higher levels of economic integration such as a Customs Union.

In the case of SADC, the Free Trade Area is a step towards higher levels of economic integration which are to be achieved on an incremental basis, leading to a Customs Union in 2010, a Common Market in 2015 and Monetary Union in 2018.

Meanwhile, media reports in the region during the first weeks of 2008 have expressed guarded optimism about the coming into effect of the SADC Free Trade Area.

Noting that most goods produced in the region can now enter Member States free of customs duties, the South African Broadcasting Corporation (SABC) added a note of concern about the potential skewed distribution of benefits accruing from the intra-regional trade.

SABC reported that "… some SADC states are concerned that South Africa will benefit the most as it is the region's economic powerhouse and exports more than it imports from SADC countries."

South Africa accounts for about two-thirds of the region's total Gross Domestic Product (GDP), according to available SADC statistics.

However, to minimise the potential negative impacts arising from the tariff phase-down, SADC has opted for an arrangement that is based on a variable geometry model, taking into account the asymmetrical level of development in Member States.

The model is such that countries in the Southern African Customs Union - Botswana, Lesotho, Namibia, South Africa and Swaziland - are liberalising faster, followed by Mauritius and Zimbabwe, while the rest follow.

The Mozambique news agency, AIM, reported that the country is implementing the relevant changes in line with the Trade Protocol, and quoted a government minister allaying fears that Mozambique would be swamped with South African imports to the detriment of local industries.

António Fernando, the Minister of Industry and Trade was quoted by AIM as saying "the country can only gain from integration, since the suppression of customs barriers will make goods much cheaper, stimulating greater production and consumption."

While the liberalisation of trade often leads to a wider choice for consumers and sometimes greater competitiveness of local industries, it does not always lead to lower prices as experienced during past World Bank/International Monetary Fund-sponsored economic reform programmes.

Reporting that Zimbabwe has aligned its import tariffs in line with the SADC Trade Protocol, The Herald quoted local experts expressing optimism on the development.

"The secondary industry is set to benefit from the trickling-in of raw materials and would mean containing or even reducing inflation given the availability of stable and affordable prices of basic commodities," the Zimbabwean daily quoted a local economist.

"Competition is of importance in business but the impending rivalry is regarded as unfair for the local manufacturing industry since we are not operating on equal terms," cautioned another member of the business community.

Analysts say that, as SADC progresses towards higher levels of economic integration, in particular the Customs Union, the question of overlapping membership becomes more pertinent.

This is because World Trade Organisation rules do not allow a Member State to belong to more than one Customs Union.

Yet some SADC Member States belong to regional economic communities that already have or plan to have Customs Unions. These include the Common Market for Eastern and Southern Africa (COMESA) and the East African Community.

The challenges of overlapping memberships were a major impediment to progress during negotiations on Economic Partnership Agreement (EPA) between regions in the African, Pacific and Caribbean (ACP) group and the European Union (EU), which officially ended in June.

EPAs were to be concluded by December 2007 but with the substance of the overall economic agreement between Africa and the EU having failed to see the light of day during the December Summit in Lisbon, Portugal, the fate of EPAs remains unclear. ❐

## SADC Economic Integration Targets by 2015

| 2008 | 2010 | 2015 |
|---|---|---|
| Free Trade Area completed **(Tariff & non-tariff barriers removed on 85% of goods*)** | Customs Union established **(Common external tariff on third countries)** | Common Market achieved **(Free movement of all factors of production, common trade policy on third countries)** |

*Excludes sensitive products whose tariffs fall away by 2012. Examples include:

| | |
|---|---|
| Sugar | Chemicals and plastics |
| Textiles and clothing | Dairy products |
| Motor vehicles | Footwear |

# SADC International Consultative Conference on Poverty and Development

**SADC WILL** host a regional conference on poverty and development to raise awareness on the regional dimensions of poverty and to develop programmes that generate pro-poor growth.

The conference will provide a platform for SADC, International Cooperating Partners (ICPs), civil society and the private sector to engage in policy dialogue, forge consensus and review progress of the SADC economic integration agenda with a view to focus on poverty eradication and sustainable development.

The conference will be held from 18-20 April 2008 in Mauritius, with the theme, "Regional Economic Integration: A Strategy for Poverty Eradication towards Sustainable Development."

The conference is expected to develop consensus on a regional poverty-reduction strategy and produce an action plan to guide the region on creating the conditions necessary to eradicate poverty and achieve the Millennium Development Goals (MDGs).

Expected outputs from the conference include increased commitment towards achievement of the MDGs; and development of a Regional Poverty Reduction Strategy Framework based on SADC's Regional Indicative Strategic Development Plan (RISDP) and national poverty reduction strategies.

The conference is expected to produce a regional poverty reduction monitoring and evaluation framework, and to accelerate collaboration by Member States and ICPs in implementing the RISDP and the Strategic Indicative Plan of the Organ on Defence, Politics and Security Cooperation (SIPO).

It is intended to raise awareness among ICPs of the efforts being made in the SADC region to eradicate poverty, and encourage them to commit additional resources for regional economic reforms and the integration agenda.

The decision to hold the conference was taken at the Summit of Heads of State and Government in August 2006 in Maseru, Lesotho, following a proposal by Mauritius.

The objectives of the SADC Conference on Poverty and Development are to:

- maintain the momentum for the region to continue striving to achieve the MDGs;
- discuss the regional dimensions of poverty and their linkages with national poverty-reduction strategies;
- establish the interdependence between poverty eradication strategies and trade opening policies;
- forge consensus on the key elements of a regional poverty reduction and economic integration strategy with the stakeholders, namely the SADC governments, private sector and civil society;
- develop an action plan/roadmap on poverty and development, outlining a series of specific tasks and actions in the short, medium and long terms;
- remobilise the international community, in particular the developed countries, to live up to their commitments with regard to increasing the levels of development aid, including aid for trade;
- secure resources, both at regional and international levels, to meet economic and social adjustment costs and implement regional poverty-oriented programmes/projects; and
- lay the foundations for a new global partnership for SADC to achieve the MDG targets.

Poverty remains one of the major challenges facing the SADC region.

About 40 percent of the population lives in abject poverty as reflected by poor regional social indicators such as high levels of malnutrition, illiteracy, unemployment, underemployment, declining life expectancy and unsatisfactory access to basic services and infrastructure to sustain basic human capacities.

In deciding to hold a conference on poverty and development in such a context, the Maseru Summit reaffirmed that SADC's main strategy for poverty eradication is regional economic integration.

The SADC Treaty (1992) asserts that regional integration will be pursued as a vehicle for accelerating economic growth, eradicating poverty and achieving sustainable development.

The Maseru Summit further noted that the RISDP accords top priority to poverty eradication and is the vehicle through which the region can achieve the MDGs.

The RISDP is SADC's 15-year development blueprint and has a target to halve the proportion of poverty in line with Goal 1 of the MDGs, by 2015.

It is widely acknowledged that the starting point for the fight against poverty is the implementation of economic policy reforms geared to removing constraints to business development and deeper integration into the regional and global economy.

This will enable higher levels of trade and investment flows leading to new income-generating activities and higher economic growth that will create more resources for developing social integration projects targeting the poor.

Integration into the regional and global economy will, however, imply important transformations in the national and social structures.

It will be accompanied by two major kinds of adjustment costs: economic adjustment costs as the production and human resources adjust to new demands, and social adjustment costs as the economic transformation is accompanied by changing employment and income distribution patterns that may impact on vulnerable groups. ❐

## Consultations on SADC gender protocol

**THE SADC** Gender Unit is preparing a plan for consultations throughout the region on the draft gender protocol to enable the involvement of all stakeholders.

The draft Protocol on Gender and Development is under review after the 2007 Summit of Heads of State and Government referred it back to SADC ministers responsible for gender to allow for further national consultations.

Consultations will be undertaken in the first half of 2008 so that the protocol can be finalised and submitted to Summit in August.

The immediate action to be taken by the SADC Gender Unit is to finalise the roadmap for national activities, including specific activities that will be undertaken, what partnerships will be entered into, and which stakeholders to consult, as well as setting timeframes for all the activities to be undertaken to ensure sufficiently wide consultations.

The key stakeholders to be involved from the beginning of the process include SADC senior officials, officials from ministries of justice, foreign affairs, finance, members of parliament, and development partners. ❐

# African unity and industrial development the focus of 10th African Union Assembly


President Jakaya Kikwete
Chairperson, African Union

**THE AFRICAN** Union has accelerated plans for unification through establishment of a high-level group of heads of state and government, under the leadership of President Jakaya Kikwete of the United Republic of Tanzania, who is the new AU chairperson.

The high-level group, made up of Kikwete and President John Kufuor of Ghana as the outgoing AU chairperson, includes 10 other leaders, two from each of the five regions of Africa.

This group was established at the 10th Ordinary Session of the African Union Assembly of Heads of State and Government held in Addis Ababa, Ethiopia, at the end of January.

The high-level group is mandated to study the issues that have hampered progress, identified by a ministerial committee that presented its report to the Assembly. The new higher level committee is expected to present recommendations on a union government to their colleagues at the next AU Assembly, set for Cairo in July.

The areas of divergence recall the original debates at the founding Summit of the Organisation of African Unity (OAU) in May 1963 when President Kwame Nkrumah of Ghana wanted immediate unification of the few countries that were independent, in a pan-African government.

President Julius Nyerere of Tanzania was equally eloquent in advocating a "brick-by-brick" approach, starting with the pursuance of political independence for the remaining countries under colonial rule or apartheid, including the whole of southern Africa.

It is ironic that the two leaders who handed over the torch in January as incoming and outgoing chairperson of the AU, represent the same two countries.

The new debates arose after the completion of political independence with the end of the apartheid government in South Africa in 1994, thus the achievement of political independence by the OAU and the subsequent establishment of the African Union.

The protagonists this time are the Libyan President, Col. Muammar Gaddafi, insisting on immediate transformation to a United States of Africa, while southern Africa advocates strengthening the Regional Economic Communities (RECs) as building blocks.

While the AU is agreed on the movement towards a union government, there are different views on the timing and model of governance.

There are four areas of divergence, focusing essentially on whether to move rapidly to political unity of the continent, or to strengthen regional economic development first, as building blocks.

The timing of the establishment of a union government has two schools of thought. One is the gradual approach from the bottom up, advocated by eastern and southern Africa, based on the RECs and taking time to build regional economies.

The other school of thought, comprising mostly west African states and Libya, is for a top-down approach starting with the formation of a union government and election of its leader as a matter of urgency, to replace the current AU Commission.

The latter group wants a union president in place with a small cabinet to cover trade, defence and foreign policy; and expansion of the cabinet up to 2015.

In addition to timing, the other sticking point is the model of governance to adopt: a federal model like the United States of America; a coalition of states cooperating in specific areas with clearly defined state sovereignty, similar to the European Union; or a gradual approach that will eventually lead to one continental government.

While this complex issue of the form and timing of African governance was again deferred to committee, the discussions during the three-day Summit were based on the theme of "Industrial Development of Africa," with emphasis on the need to strengthen national economies by engaging in economic co-operation partnerships.

Other issues addressed included peace resolution and security, climate change, and the role of the youths in African development.

Tanzania's President Kikwete, elected as the new AU chairperson, pledged to work hard in changing Africa's current image as a continent stereotyped for civil wars, political turbulence and instability.

"There is a lot of bad news coming from Africa, despite the continent's enormous resources. It is my hope that we can turn things around. This is the major challenge ahead of us," Kikwete said.

"Time has come for us to bring about development on the continent. We (African nations) must forge closer unity and have a common voice in dealing with the prevailing unfair global trading and financial framework."

The selection of Kikwete was anticipated as the rotating presidency had to be taken by an east African nation. ❒

## New AU commissioners

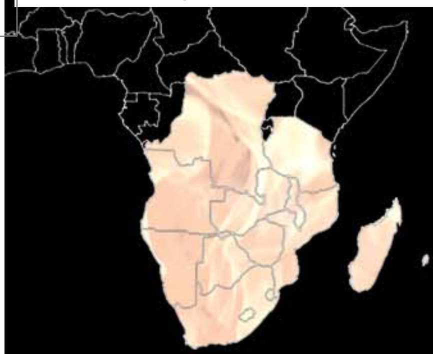
**THE FORMER** foreign minister of Gabon, Jean Ping, has been appointed as the new chairperson of the AU Commission to replace Alpha Omar Konare, whose term has expired.

Seven commissioners out of the eight portfolios of the AU Commission were appointed at the recent AU Assembly. The two commissioners from southern Africa were reappointed:

- Economic Affairs, Dr. Maxwell Mkwezalamba (Malawi); and
- Social Affairs, Adv. Bience Philomina Gawanas (Namibia).

The AU Commission also elected nine new members of its Peace and Security Council (PSC): Burundi, Chad, Rwanda, Uganda, Tunisia, Swaziland, Benin, Burkina Faso and Mali.

The new council was urged to prioritise the protection of civilians and in particular, women and girls in Sudan, Somalia, and the DRC. ❒



# ENERGY IN SOUTHERN AFRICA

## SADC adds power to regional network

by Joseph Ngwawi

THE SADC region will spend about US$7.9 billion over the next two years to boost power supplies while a further US$32 billion is earmarked for longer-term electricity generation projects.

SADC energy ministers resolved at a meeting in Harare, Zimbabwe, in 2007 that Member States should undertake short-term generation projects that will add 6,700 megawatts (MW) of power to the regional network.

The short-term projects will cost US$7.88 billion and should be ready by 2010, according to the ministers.

The regional network is administered by the Southern African Power Pool (SAPP) Coordination Centre in Harare.

"The regional generation surplus is expected to increase by 5,000MW from generation projects in progress by 2010," the energy ministers said in a statement.

The SADC region was projected to run out of surplus generation capacity in 2007. Current installed capacity in the region is 53,000MW but the dependable capacity is only about 41,000MW, the ministers said.

The region's electricity generation capacity has not increased in tandem with the growth in demand for power occasioned by the rapid expansion of the regional economy.

Power demand growth has averaged three percent a year over the past decade, spurned on by economic expansion of around five percent.

Since 2004, SAPP members have commissioned rehabilitation projects that have contributed 1,810 MW to the regional grid.

"The regional energy shortfall is currently 1,000MW, without a reserve margin of 4,000MW," the ministers revealed, adding that the shortfall is expected to be reduced to zero through the implementation of short-term projects over the next two years.

A number of long-term generation projects are also lined up, some of which will be ready by 2020.

"The SAPP members shall undertake long-term generation projects, which shall add 32,000 MW to the SAPP network at a cost of US$32 billion," the energy ministers said.

The region's flagship long-term project is the Western Corridor Power Project (WESTCOR), a giant five-country initiative that will exploit the environmentally friendly, renewable, hydroelectric energy of the Inga rapids site in the Democratic Republic of Congo (DRC).

The energy ministers acknowledged the "likely contribution of WESTCOR as a renewable large-scale hydroelectric power generation, power transmission and broadband telecommunications project."

The project will add about 3,500MW to the regional power grid and will result in the development of associated telecommunications and transmission infrastructure in the western part of SADC at an estimated cost of US$7 billion.

The WESTCOR project is a joint venture involving the power utilities of Angola, Botswana, DRC, Namibia and South Africa.

SAPP has 12 member countries represented by their respective power utilities, although three of these countries - Angola, Malawi and the United Republic of Tanzania - are accorded non-operating member status as they are not connected to the regional electricity grid.

The island states of Mauritius and Madagascar are not members of SAPP.

A Revised Inter-Governmental MOU was signed in 2006 and the Revised Inter-Utility MOU in 2007. The SAPP has transmission projects that aim to connect Angola, Malawi and the United Republic of Tanzania and to bring on board private investors to widen supply of electricity.

The revision of the IGMOU and the IUMOU was meant to recognise other new developments in the region such as the restructuring of SADC and its institutions, particularly the dissolution of the electricity sub-committee. ❐

# To end power shortages Southern Africa has to "run while

by Munetsi Madakufamba

As Southern Africa enters its second year of crippling energy shortages as accurately predicted by the Southern African Power Pool about a decade ago, massive short-term projects of close to US$8 billion must be fast tracked over the next two years.

Electricity shortages have in recent weeks severely affected several SADC Member States leading to scheduled and, in some cases, unscheduled power cuts.

From last year, load shedding has been introduced in countries such as Namibia, South Africa, Zambia and Zimbabwe.

Faced by mounting pressure from industry and domestic consumers, South Africa's power utility Eskom announced mid-January that it would discontinue electricity exports to neighbouring countries to meet local demand, although a significant amount of its supply is drawn from neighbouring countries, especially Mozambique.

*The Sunday Independent* quoted Andrew Etzinger, Eskom's chief of demand side management as saying South Africa's electricity reserves had dropped during the past year from seven percent to minus 17 percent due to a decline in generation performance. Etzinger said it would take at least another seven years before the situation could get back to normal.

"The fact is in this country, for a long time we have had a surplus of electricity at a cheap price – far cheaper than in other industrial nations. So it has made sense for the giant investors, whose plant needs massive amounts of electricity, to invest here," Etzinger told the South African weekly.

"All that's happened now is that we have to manage the resource differently. It is simply going to cost investors more – this does not mean that they have to halt their future projects," he added.

South African industrialists say the power shortages have cost them billions of rands, especially the mines and smelters which consume most of the country's electricity.

Neighbouring countries such as Botswana, Namibia and Swaziland, which relied on South Africa for their energy supplies, have had to turn to other sources in the region.

Swaziland, which imports 80 percent of its electricity from South Africa, is currently in talks with Mozambique; while Namibia and Zimbabwe have put in place a power-sharing deal that involves Nambian investment of US$40million in the refurbishment of the Hwange power station.

In a major development for the southern African region, Mozambique recently took over ownership of the giant Cahora Bassa Dam and the hydroelectric power company from former colonial power, Portugal.

SADC member states agreed last year to fast track short-term generation projects, which will add 6,700 megawatts (MW) by 2010 to the regional power grid at a cost of US$7.88 billion.

SAPP, which administers the regional power network, predicted that beginning 2007, the combined power generation reserve capacity in the region would be lower than the peak demand.

In response, SADC Member States have initiated a number of short, medium to long term generation projects as well as some rehabilitation projects that will guarantee the region the much needed energy security.

Current installed capacity in the region is 53,000 MW of which dependable capacity is only about 41,000 MW against demand of 42,000 MW.

The region requires a reserve margin of 10 percent if its economies are to operate smoothly.

With some of Africa's fastest growing economies, SADC's electricity generation capacity has not increased in tandem with the growth in demand.

Available statistics show that power growth demand in the region has averaged three percent a year over the past decade on the back of economic expansion of around five percent.

With the region having already run out of surplus capacity, SAPP says the problem would likely be overcome by 2010 if planned projects are implemented and commissioned on schedule.

Energy security becomes more pertinent given that the SADC Free Trade Area, which takes effect this year, is set to spur even more growth in the region. SADC would also be seeking to enhance its preparedness ahead of the 2010 Soccer World Cup.

If the current situation is to be brought under control, southern African countries may need to take heed of a famous statement by the visionary *Mwalimu* Julius Nyerere.

## SAPP Road Map

SAPP, which manages the Southern African energy grid connecting most of the landlocked SADC Member States, has developed a roadmap which seeks to address current challenges.

The SAPP roadmap seeks to boost southern Africa's electricity generation capacity, with almost 50 short and long term projects underway or planned for future development.

The long term generation projects alone are expected to add 32,000 MW to the regional grid at a cost of US$32 billion.

The plan is to double the region's generation capacity over the next 20 years through new plants and transmission inter-connectors.

Once implemented, the current short term projects are expected to clear the current 1,000 MW shortfall while creating a regional generation surplus of 5,000 MW or 10 percent by 2013.

The major proposed power plants include the Inga III in the Democratic Republic of Congo (DRC) with a capacity of 3,500 MW, the Kudu Gas Plant in Namibia with a capacity of 800 MW and the Kafue Lower with a capacity of 600 MW.

Not
cor inte
in DRC
ward t
Reg
facilitat
sources
ment th
The
strengt
gas res
ploratio

## What is SAPP?

THE SOUTHERN African Power Pool (SAPP) was created in August 1995 at the SADC summit held in Kempton Park, South Africa, when member governments of SADC (excluding Mauritius) signed an inter-Governmental Memorandum of Understanding for the formation of an electricity power pool in the region.

The ministers responsible for energy in the SADC region signed the Revised Inter-Governmental Memorandum of Understanding on 23 February 2006.

The creation of SAPP confirmed the region's commitment to expanding electricity trade, reducing energy costs and providing greater supply stability for the region's 12 national utilities:

- Botswana Power Corporation (BPC);
- Electriçidade de Moçambique (EDM);
- Angola's Empresa Nacional de Electriçidade (ENE);
- Electricity Supply Commission of Malawi (Escom);
- South Africa's Eskom;

# hile others walk”

Notable inter-connectors include the Westcor inter-connector extending from the Inga III in DRC to Angola, Namibia, Botswana and onward to South Africa.

Regional energy cooperation also seeks to facilitate the development of other energy resources such as biomass and biofuels, to augment the power sector capacity.

There is also potential for the region to strengthen self-sufficiency in petroleum and gas resources by undertaking joint regional exploration and development. *sardc.net* ❐

- Lesotho Electricity Corporation (LEC);
- Namibia's NamPower;
- Swaziland Electricity Board (SEB);
- Societe Nationale d'Electricite (SNEL) of DRC;
- Tanzania Electricity Supply Company (Tanesco);
- Zimbabwe Electricity Supply Authority (ZESA); and
- Zambia Electricity Supply Corporation (ZESCO).

The SAPP is governed by four agreements:

- **Inter Governmental Memorandum of Understanding** which enabled the establishment of SAPP;
- **Inter-Utility Memorandum of Understanding,** which established SAPP's basic management and operating principles;
- **Agreement Between Operating Members** which established the specific rules of operation and pricing; and
- **Operating Guidelines,** which provide standards and operating guidelines. ❐

*Mwalimu* once said of the continent’s development, “Africa must run while others walk.” That is perhaps what southern Africa needs to avoid dampening investor confidence generated by the Free Trade Area and the 2010 World Cup.

Power pooling is at the core of regional socio-economic development. ❐

## Status of the generation projects in the Southern African Power Pool

| Country | Project Name | Capacity [MW] | Project Description | Expected Date | Expected Project Cost USD [million] |
|---|---|---|---|---|---|
| Angola | Benguela | 83 | Gas Turbine Project. | 2007 | - |
| | Capanda Phase 2 | 260 | Development of the hydro-power station at Capanda. | 2007 | 344 |
| | Gove | 60 | Rehabilitation of the dam and installation of the power station. | 2010 | 180 |
| Botswana | Morupule Expansion | 600 | Expansion of the existing coal-fired plant. | 2010 | 900 |
| DRC | Inga 2 | 800 | Refurbishment of Inga hydro-electric project. | 2007 | 452 |
| | Inga 1 | 110 | Refurbishment | 2007 | 78 |
| | Nseke | 62 | Starting project | 2009 | 56 |
| | Koni | 42 | Refurbishment | 2008 | 15 |
| | Mwadingusha | 12 | Refurbishment | 2010 | 30 |
| | Zongo | 75 | Starting project | 2010 | 6 |
| | Nzilo | 27 | Refurbishment | 2009 | 28 |
| | Sanga | 8 | Refurbishment | 2010 | 6 |
| Malawi | Tedzani 1&2 | 40 | Rehabilitation | 2007 | 17 |
| | Kaphichira Phase-2 | 64 | New hydro-plant | 2009 | 50 |
| Mozambique | Mavuzi and Chicamba Projects | 34 | Long-term rehabilitation Projects | 2009 | 30 |
| Namibia | Kudu | 800 | Construction of the power station | 2010 | 640 |
| South Africa | Camden | 1140 | Rehabilitation | 2008 | 848 |
| | Grootvlei | 1140 | Rehabilitation | 2010 | 777 |
| | Komati | 909 | Rehabilitation | 2010 | 987 |
| | Arnot | 120 | Upgrading | 2007 | 63 |
| | Ankerlig OCGT | 600 | Upgrading | 2007 | 240 |
| | Gourikwa | 450 | Upgrading | 2007 | 180 |
| Swaziland | Maguga | 20 | Starting Project | 2007 | - |
| Tanzania | Ubungo | 60 | Starting Project | 2007 | - |
| | Kinyeredzi | 200 | Construction of gas powered project. | 2007-9 | 190 |
| Zambia | Kafue Gorge | 90 | Upgrading | 2008 | 50 |
| | Kariba North Bank | 120 | Upgrading | 2009 | 60 |
| | Kariba North Bank Extension | 360 | Construction of a hydro-electric power station. | 2009 | 300 |
| | Itezhi-Tezhi | 120 | Construction | 2010 | 142 |
| Zimbabwe | Hwange Rehabilitation | 400 | Implementation in progress. | 2008 | 40 |
| | Kariba South Extension | 300 | Expansion of Kariba power station | 2010 | 300 |
| | Hwange Expansion | 600 | Expansion of existing generation station | 2010 | 600 |
| | Mini-hydro Generation | 120 | Construction of mini-hydro-power stations | 2009 | - |

KEY

New Short and Long Term Generation Projects

Rehabilitation Projects

The table deals with the rehabilitation, short-term generation projects and long-term generation projects up to 2010. Due to the current power shortages faced in the SADC region, the table provides the projects that are underway, but not those beyond 2010.

Source Southern African Power Pool

# Namibia reaps benefits of regional energy cooperation

NAMIBIA STARTED receiving 40 megawatts of power from Zimbabwe's Hwange Power Station in January as part of a multi-million-dollar deal signed in 2007 between NamPower and Zimbabwe Electricity Supply Authority (Zesa).

The power started flowing on 3 January following the completion of the refurbishment of the Hwange Power Station in north-western Zimbabwe.

Last year NamPower signed a US$40 million power purchase agreement with Zesa under which it extended a loan to the power utility to resuscitate four units at Hwange Power Station.

NamPower is responsible for funding equipment procurement and labour costs while ZESA caters for local costs. Under the agreement Namibia would receive 150 megawatts from the coal-fired power station.

NamPower managing director, Paulinus Shilamba said the power purchase agreement with Zimbabwe was a timely arrangement for a country that has previously solely relied on South Africa for electricity imports.

South Africa's power utility, Eskom, has since the beginning of the year struggled to meet both domestic and regional demand.

Shilamba said the 40 megawatts would cushion Namibia when Eskom fails to supply the required amount of power.

Electricity from Hwange Power Station is being routed to Namibia through South Africa until NamPower's Caprivi Link Interconnector is operational.

The Namibian economy was severely crippled by the shortage of power in South Africa over the past three years, including an incident two years ago when Eskom's Koeberg Power Station was damaged and had to be shut down for several months.

Namibia has been forced to activate its old power stations in Walvis Bay and Windhoek to avert serious electricity shortages during the past three years. However, the output from the two power stations remains insufficient to meet domestic demand.

The south-west African country has in recent years pursued alternative sources of power such as Mozambique's Cahora Bassa as well as Zambia and Zimbabwe.

The government is also focusing on major projects such as the Kudu gas-to-power project, the Lower Kunene hydropower scheme and the Caprivi Link interconnector into Zambia.

NamPower last year announced plans involving Botswana, Namibia, Zambia and Zimbabwe to link Hwange Power Station to Victoria Falls via Botswana and Namibia.

The project, known as Zizabona, will complete the link and create a corridor for power import and export to the four countries.

"Zizabona will create the alternative route for power import from neighbouring countries," NamPower spokesperson, John Kaimu said. ❐

## Countries turn to bio-diesel as volatility hits international oil market

Bio-diesel field in South Africa

SADC Member States are turning to bio-diesel as volatility rocks the international oil market.

Zimbabwe, Mozambique and South Africa have led the search for alternative sources of fuel to cushion their economies from the wild swings in international oil prices.

Zimbabwe pioneered Africa's commercial bio-diesel production when it launched the continent's first bio-fuels plant in the capital, Harare.

The plant uses seeds from the fuel-rich jatropha shrub and is expected to produce about 100 million litres of bio-diesel at full throttle.

Mozambique's state-owned petroleum company, Petromoc, has also announced plans to implement a US$550-million bio-fuels project expected to produce up to 226 million litres of fuel and create about 800 jobs.

The plant will use sugar cane and jatropha which will be planted on about 74,000 hectares of land as part of the joint project with Cofamosa, which represents 200 Mozambican and South African farmers.

In addition to domestic consumption, Mozambique also hopes to export biofuels to fellow SADC Member States and other African countries.

South Africa has also been exploring prospects of full-scale bio-diesel production amid indications that world oil prices could continue to rise.

International fuel prices have hovered around US$90 per barrel since peaking at US$100 at the beginning of the year. ❐

## Botswana uranium

An international mining company has announced initial results of prospects containing 20 million pounds of uranium, giving further impetus to the opening of the first-ever uranium mine in Botswana.

The prospects, which form part of the larger Letlhakane project in the northeast of the country, come from a resource covering an area of approximately six kms by three kms, and extends from the surface to a depth of 45 metres.

The company, A-Cap Resources, announced last year that it had discovered new uranium deposits in Serule and intended to fast-track the exploration programme in Botswana on the back of positive drilling results. It encountered high-grade uranium mineralisation of up to 10,000 parts per million in a new zone on the eastern edge of the Mokobaesi prospect.

Uranium, which is used in nuclear weapons manufacturing and as an alternative source of energy, is currently in huge demand the world over. Due to its increased demand which outstrips supply by a wide margin, prices of the mineral has rose sharply from about $10 per lb in 2002 to over $100 per lb at present.

With world net electricity consumption expected to nearly double over the next two decades, some 30 new nuclear reactors are being built with expansion fastest in developing Asia, including China and India.

A-Cap Resources has operations in Botswana, Australia and China. ❐



Energy in Southern Africa is produced with support from the Norwegian Ministry of Foreign Affairs

## Learning to live with floods -

# Early warning and communication vital

by Bayano Valy

**"WITH THE** floods we learn not only how to deal with the land, the water and the grass, but also how to think of the use of physical space for economic growth, and reorganise the community in terms of the challenges and opportunities that arise…"

Speaking at Mozambique's Eduardo Mondlane University in 2001, the late Dr José Negrão told his audience that the country had to learn to live with the floods.

This was instructive because the previous year Mozambique had suffered its worst floods since the mid-1970s.

Fast-forward to 2008.

Fresh floods have hit southern African countries throughout the Zambezi River basin. Angola, Malawi, Mozambique, Zambia and Zimbabwe are the most affected thus far.

Following forecasts of above normal rainfall by the Southern African Climate Outlook Forum last year, governments made contingency plans to offset and mitigate the impacts of the possible floods, in line with SADC recommendations.

The SADC Secretariat has been in the forefront of plans to establish an improved communications and early warning system in the region.

SADC Executive Secretary Tomáz Salomão told reporters in the Mozambican capital, Maputo, that it is important for countries upstream and downstream of major regional rivers to exchange information in order to plan joint action as agreed in the SADC Revised Protocol on Shared Watercourses.

Salomão said that in planning for development, SADC countries must put into place mechanisms designed to tackle natural disasters, which encompass mitigation activities such as rescue operations and assistance to the victims.

The Executive Secretary was heading a SADC mission travelling through the five countries to learn firsthand of the impacts of the floods.

He said that countries have strengthened their disaster preparedness mechanisms, and that most of the populations living along river banks have been rescued and placed in safer places.

A more effective early warning response and better cooperation between regional governments has led to a dramatically reduced death toll in the flooding that has hit the region this season.

Although this season has brought some of the "heaviest rains in living memory" in most countries in the region, the death toll and damage to infrastructure and property has been vastly reduced compared to previous seasons.

Mozambique has been praised by the international community for its preparedness, rooted in its previous harsh experiences. As a downstream country which suffers most from flooding, Mozambique has managed the 2008 floods without declaring an emergency, a sign that it is possible to live with the floods.

The SADC Council of Ministers meeting at the end of February is expected to approve a draft recommendation to Heads of State and Government to ensure that each country's efforts are complemented by the Secretariat activities to attract financial institutions into backing them. ❐

## SADC region on high alert as more flooding is forecast

**SOUTHERN AFRICA** has been warned to brace for more and heavier rains as the peak of the rainfall season approaches. The rainfall season in most of southern Africa stretches from October to March with a peak in late February. A forecast for the period January to March 2008 issued by the SADC Drought Monitoring Centre warns of heavy rainfall across most parts of mainland SADC and Madagascar. Mauritius is expected to receive normal to above normal rainfall during the same period. ❐

## Regional meteorological association planned

**NATIONAL METEOROLOGICAL** service departments in the region are driving a process to establish a Meteorological Association of Southern Africa.

The process has been adopted by SADC and currently includes 10 of the 14 Member States with four others still consulting at national level.

Climate expert and director of the Zimbabwe Meteorological Services Department, Amos Makarau commended the decision by regional meteorological departments to establish the association which will be responsible for issuing regional climate forecasts.

The association will also look at issues of climate variability and climate change in southern Africa.

"Many climate models are indicating that the region will be drier but we are constantly experiencing floods so this association will be of great value to the study of climate change and variability with important implications for planning in the region," said Makarau.

This season's floods have been attributed to the La Niña phenomenon which is characterised by a cooling of sea surface temperatures in the equatorial Pacific Ocean and has significant impacts on rainfall patterns in the whole world, causing very heavy rains in southern Africa.

"Unlike the El Niño effect which is more periodical, occurring every four to five years, La Niña events are less frequent, irregular and when they occur their impacts can be quite significant" said Makarau.

The efforts by the region's meteorological experts resonate with efforts at the global level to improve the ability to forecast changes in climate and cope with extreme weather patterns. ❐

## Improve climate prediction capabilities

**DELEGATES GATHERED** at the UN World Meteorological Organisation (WMO) meeting in Geneva in early February stressed the importance for governments and scientists to improve climate prediction capabilities to save lives and protect economies.

The three-day meeting sought to prepare for the third World Climate Conference, to be held next year in Switzerland. The previous conferences have been major events:

- the first, in 1979, led to the creation of the UN Intergovernmental Panel on Climate Change in 1988; and
- the second, in 1990, helped to generate momentum towards the establishment of the UN Framework Convention on Climate Change in 1992.

The 2009 conference will focus on climate prediction and its impact on decision-making. ❐

# New impetus to regional infrastructure development

**SADC HAS** committed to embark on radical measures to strengthen infrastructure development and speed up the process of implementing its regional integration programme.

At their Summit last year in Zambia, SADC leaders expressed concern at the slow pace of implementing goals and targets to achieve regional integration and eradicate poverty.

Summit directed the SADC Secretariat to work out the details of a regional Master Plan for Infrastructure Development in close cooperation with Member States.

The SADC Chairperson, President Levy Mwanawasa of Zambia said regional integration is hampered by inadequate infrastructure in the key sectors of energy, transport, communication, water and tourism.

The leaders noted that Member States lack financial capacity to rehabilitate regional infrastructure and fund new projects, despite the region being well placed to receive long-term investment necessary for infrastructure development given the peaceful environment.

The Summit called for financial support from the private sector and the international community to complement regional efforts.

Efficient and effective trans-boundary infrastructure facilities in all key service sectors including assured energy security is vital if southern Africa is to deepen regional integration and improve access for the benefit of its 240 million citizens, thereby reducing poverty. ❐

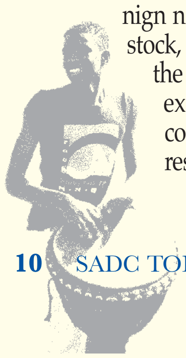
## SA to get 20 percent more gas from Mozambique

**THE SOUTH** African energy giant, Sasol - the world's biggest producer of commercial scale synthetic fuel from coal - in partnership with the South African and Mozambican governments, is to invest US$600,000 to build a gas compression station at Komatipoort to increase the supply of gas from Mozambique to South Africa by 20 percent by the end of 2009.

The move is meant to boost power energy supply into South Africa in the wake of the current electricity shortage. Construction will start in the second half of this year.

The additional gas will be used by South Africa in the first phase of a government electricity expansion project to increase capacity to 20 percent over the next eight years, according to Sasol.

Sasol said 75 percent of the additional synfuels capacity would use environmentally more benign natural gas as feedstock, while the rest of the feedstock for the expansion would come from fine-coal reserves. ❐



## Tanzania signs US$112 million deal with World Bank for power supply

**THE UNITED** Republic of Tanzania has signed loan and grant agreements with the World Bank worth US$111.5 million to support transmission and distribution capacities of the Tanzania Electricity Supply Company (Tanesco) in order to improve the quality and efficiency provision of electricity.

The improvements will be done by supporting the upgrading of investments in the power transmission and distribution system, supporting grid access expansion, and the provision of technical advisory services to support commercial and institutional capacity development to improve the power utility's revenue and reduce losses.

The permanent secretary in the Treasury, Gray Mgonja, said the government believes that Tanesco will be in a better position to improve its finances and implement its strategic plans as a result of this funding.

"We all know that energy is a necessary infrastructure for realisation of any economic development," said Mgonja. *(APA)* ❐

## DRC signs oil exploration agreement with Brazilian firm

**A PRIVATE** Brazilian company has signed an agreement with the DRC government to assess the oil potential of the country's central basin.

Under the agreement, High Resolution Technology (HRT) will subdivide the basin into exploitation blocks, build up an oil data base and create a petroleum laboratory in the central basin. The data will be used by the DRC government to determine the size of reserves in the region before inviting explorers.

An oil-producing country since 1975, DRC has three oil basins: the coastal basin (west) which ensures the present oil production of the country of around 25,000 barrels a day; the central basin; and the Tanganyika Graben (east).

Last year, DRC signed joint exploitation agreements for the oil in the coastal basin with Angola, and in Lake Albert with Uganda. ❐

## Mozambique, Malawi to build cross-border oil pipeline

**MOZAMBIQUE HAS** awarded a contract to build an oil pipeline between the city of Beira, and Nsanje in Malawi.

A brief statement from the energy ministry says the contract was signed with a Qatar-based company in January. The project, to be completed over 36 months, includes pipeline and storage facilities to increase the country's oil reserves from 10 to 90 days supply.

"Fuel is currently transported from Beira in tanker trucks, which travel through Tanzania, and this project aims to reduce the cost of importing fuel to Malawi."

Malawi is also following with interest the recently approved $5 billion Nacala refinery project, which is expected to serve the regional market.

Construction and operation of this ambitious refinery will be the responsibility of a US oil company from Texas, together with three South African and one Mozambican investors.

The refinery will have a production capacity of 100,000 barrels per day of several types of fuel such as gasoline, lighting oil, aircraft fuel, and others. ❐

THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY TODAY
SADC Today, Vol 10 No 4 February 2008

**SADC TODAY** is produced as a reference source of activities and opportunities in the Southern African Development Community, and a guide for decision-makers at all levels of national and regional development. Articles may be reproduced freely in the media and elsewhere, with attribution.

EDITOR
Munetsi Madakufamba

EDITORIAL COMMITTEE
Bayano Valy, Tomas Vieira Mario, Mukundi Mutasa,
Alfred Gumbwa, Clever Mafuta, Tigere Chagutah
Phyllis Johnson, Shiela Chikulo, Emmanuella Matorofa, Richard Nyamanhindi

EDITORIAL ADVISOR
Head of Corporate Communications Unit, SADC
Leefa Penehupifo Martin

SADC TODAY is published six times a year by the Southern African Research and Documentation Centre (SARDC) for the SADC Secretariat in Gaborone, Botswana, as a reliable, knowledge source on the Southern African Development Community. The contents consider the Millennium Development Goals (MDGs) and the New Partnership for Africa's Development (NEPAD) as integral to the region's development.



SADC TODAY welcomes contributions from individuals and organisations within the SADC region in the form of articles, photographs, news items and comments, and also relevant articles from outside the region. A standard fee is paid for articles, photos and illustrations used in the publication. The publishers reserve the right to select or reject items, and to edit to fit the space available. The contents do not necessarily reflect the official positions or opinions of SADC or SARDC.

**Subscribe today**

SADC TODAY is available through an annual subscription fee. For six issues a year, the fee is US$75 for outside Africa, US$55 for the rest of Africa and US$45 for SADC. Your subscription will enable you to receive the newsletter by airmail or email. For more details on subscriptions, please contact the Editor.

SADC TODAY is published in English, Portuguese and French and is available electronically at www.sadc.int www.sardc.net.

DESIGN & LAYOUT
Tonely Ngwenya

PHOTOS & ILLUSTRATIONS
p1 Takura Chamuka SARDC;
p4 Copyright, Daily Times Tanzania; p5 Eskom;
p6-7 NamPower; p8 Copyright BioDiesel Stock;
p9 ZACPRO; p12 CDFF

ORIGINATION & PRINT
DS Print Media, Johannesburg

Correspondence should be addressed to:
The Editor, SADC TODAY
SARDC, 15 Downie Avenue, Belgravia, Harare, Zimbabwe
Tel 263 4 791141 Fax 263 4 791271
sadctoday@sardc.net

or

SADC HOJE
SARDC, Rua D. Afonso Henriques, 141, Maputo, Moçambique
Tel 258 1 490831 Fax 258 1 491178
sardc@maputo.sardc.net

Information 21 Websites
www.sadc.int www.sardc.net www.ips.org www.saba.co.za

SADC Today is supported by the Southern Africa Trust

Thanks to the following airlines for assisting with distribution of SADC Today:
Air Botswana, Linhas Aeresde Moçambique, Air Namibia, South African Airways,
Air Mauritius, TAAG Angolan Airlines, Zambian Airways and Air Zimbabwe

## EVENTS DIARY 2008

| | |
|---|---|
| January/February<br>31- 2 Feb Ethiopia | **Africa Union Summit**<br>10th Ordinary Session of the Assembly of Heads of State and Government from the AU's 53 member countries. The summit agenda focused on "Industrial Development of Africa." |
| February<br>15-17, Algeria | **African Energy Ministers Conference**<br>The African Union Commission and the People's Democratic Republic of Algeria will jointly organise and host the Conference of African Ministers responsible for Energy in Algiers. The official launch of the African Energy Commission (AFREC) will be held during the meeting, given that the AFREC has obtained the required signatures from AU member States for its ratification. |
| 27-29 Zambia | **SADC Council of Ministers**<br>Ministers from each of the member state sit in Council, usually from the ministries of foreign affairs, economic development, planning or finance. The council is responsible for supervising and monitoring the functions and development of SADC, and ensuring that policies are properly implemented, as well as making recommendations to Summit |
| March<br>3- 7 Ethiopia | **Science with Africa Conference**<br>Organised by United Nations Economic Commission for Africa (UNECA) and Intelligence in Science (ISC), this meeting will bring together African and international scientists seeking to promote and enhance the role of science and technology in the continent's development. |
| 10-12 South Africa | **International Conference on Integrated Water Resources Management**<br>The event is aimed at sharing the experiences and lessons of developing countries on Integrated Water Resources Management (IWRM). The conference provides an opportunity for dialogue between developing and developed countries on IWRM implementation that can shape new concepts or adapt existing ones. |
| 10-14 Ghana | **2nd Global Summit on HIV and AIDS, Traditional Medicine and Indigenous Knowledge**<br>The symposium will serve as a forum to identify traditional medicines and practices in the management of HIV and AIDS, and to promote respect for traditional healing practices. |
| April<br>18-20 Mauritius | **SADC Consultative Conference on Poverty and Development**<br>Under the theme "Regional Economic Integration: A Strategy for Poverty Eradication Towards Sustainable Development" the conference will adopt a multi-stakeholder approach to allow for strategic dialogue that recognises the necessity of regional multi-dimensional strategies and approaches to tackle poverty. The two key outputs Member States expect from this conference are the adoption of a SADC Regional Poverty Reduction Framework (RPRF) and the establishment of a SADC Poverty Observatory. |
| May<br>14-15 Mozambique | **Annual Meeting of the African Development Bank**<br>Mozambique will this year host the 43rd Annual Meeting of the Board of Governors of the African Development Bank (ADB) and the 34th Annual Meeting of the Board of Governors of the African Development Fund (ADF) under the theme "Fostering shared growth: urbanization, inequality and poverty." These meetings are the most important gathering of finance and development experts in Africa. |

# 32 years 1975 - 2007

## Ownership of Cahora Bassa dam "a second independence to Mozambique"

**IN A** major development for the southern African region, the ownership of the Cahora Bassa dam on the Zambezi river was finally transferred from the former colonial power, Portugal, into Mozambican hands late last year at a ceremony witnessed by seven regional leaders.

This transaction offers some economic independence as well as control of one of the major sources of electricity in southern Africa.

Mozambican President Armando Guebuza said the transfer of ownership marks "a second independence to Mozambique."

Guebuza said that after all the debts have been repaid, Cahora Bassa would bring the country benefits that would contribute significantly to the balance of payments, reduction of the budget deficit, and improvement of the country's finances.

Obviously elated when he spoke at the handover ceremony in the village of Songo, in the central province of Tete, Guebuza said, "Mozambicans have won an important battle towards their well-being."

The agreement means that Mozambique is now in charge of a major development project located on its soil but over which it has had no control since independence more than 30 years ago, due to contractual obligations with Portugal.

Cahora Bassa was constructed in the 1960s by a consortium of South African, Italian, and German investors headed by the Anglo American Trust.

Since construction ended in 1974, during Mozambique's transition to independence, Portugal has retained control of the dam. The ownership structure gave Portugal 82 percent of shares in the state-run Hidroeléctrica de Cahora Bassa (HCB).

When HCB initiated operations in 1975, the new Mozambican government and its Portuguese counterpart had an understanding that the shares would be transferred as soon as the debt incurred in building the dam was paid off, then estimated at a period of three years.

Previous attempts to transfer ownership have faltered on the complexity of the negotiations, changes of government in Portugal, and the 16-year civil war in Mozambique which resulted in serious damage to the transmission infrastructure when the former rebel movement Renamo destroyed hundreds of pylons carrying power to South Africa.

This meant that HCB remained unprofitable as it could not sell power to its main client, the South African utility company, Eskom. No sales meant further debts for HCB and the Portuguese state ended up claiming that the company owed to its treasury more than US$2 billion. Mozambique could not be held responsible for this debt and hence the new arrangement.

Mozambique and Portugal eventually signed a Memorandum of Understanding in 2005 to substantially alter the ownership structure of HCB, but implementation was blocked when the European Union decided to investigate the deal to verify whether EU rules had been complied with by Portugal.

The delay in implementing the MoU caused "public impatience, expressed by citizens, by the media, by political parties and civil society organisations, as well as by friends of Mozambique and its people," Guebuza said.

He added that the negotiations had been complex but there was always a belief that an agreement would not only strengthen relations between Mozambique and Portugal, but that "its conclusion would be irreversible."

Portuguese Prime Minister José Socrates had said the agreement was "closing the final chapter of the history of the past, and opening the first chapter of the history of the future."

Guebuza agreed, saying that the agreement marks a new era in relations and "removes from our soil the final redoubt, the landmark of 500 years of foreign domination."

**THE NEW** arrangement gives Mozambique 85 percent of HCB as the majority shareholder while Portugal will retain 15 percent. The final cost was US$950 million, paid as compensation for the post civil-war reconstruction and maintenance of the dam.

A sum of US$250 million was paid in 2006 with funds from the state budget, while US$700 million was borrowed from the Canadian consortium, Calyon, and the Portuguese bank, BPI, with the loan to be repaid from future earnings.

Cahora Bassa contributes significantly to Mozambique's GDP, earning about US$150 million per year from power sales.

The dam has an installed capacity of 2,075 MW and its economic significance reaches far beyond the borders of Mozambique, as one of the main suppliers to the Southern African Power Pool.

HCB is currently selling 1,100 Mw of power to South Africa and 450 MW to Zimbabwe, but the tariffs are very different due to the historical agreements between Portugal and South Africa. Other neighbouring countries are also seeking power imports from Mozambique.

### Public Holidays in SADC
### February - April 2008

| | | |
|---|---|---|
| 1 February | Abolition of Slavery | Mauritius |
| 3 February | Heroes Day | Mozambique |
| 4 February | National Armed Struggle Day | Angola |
| 16 February | Maha Shivaratree | Mauritius |
| 3 March | Martyrs Day | Malawi |
| 8 March | International Women's Day | Angola, Madagascar |
| 11 March | Moshoeshoe's Day | Lesotho |
| 12 March | National Day | Mauritius |
| 12 March | Youth Day | Zambia |
| 21 March | Independence Day | Namibia |
| 21 March | Human Rights Day | South Africa |
| 21 March | Good Friday | All except DRC, Madagascar, Mauritius, Mozambique |
| 21 March | Maulid Day* | Tanzania |
| 22 March | Public Holiday | Botswana |
| 22 March | Holy Saturday | Zambia |
| 22 March | Easter Saturday | Zimbabwe |
| 23 March | Easter Day | Namibia |
| 24 March | Easter Monday | All except DRC, Madagascar, Mauritius, Mozambique |
| 24 March | Family Day | South Africa |
| 29 March | Commemoration of the 1947 Rebellion | Madagascar |
| 4 April | Peace and National Reconciliation Day | Angola |
| 7 April | Women's Day | Mozambique |
| 7 April | Sheik Abeid Amani Karume Day | Tanzania |
| 18 April | Independence Day | Zimbabwe |
| 19 April | King's Birthday | Swaziland |
| 25 April | National Flag Day | Swaziland |
| 26 April | Union Celebrations | Tanzania |
| 27 April | Freedom Day | South Africa |

* Depends on sighting of the new moon