SOUTHERN AFRICA TODAY

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Review of 2010

Region creeps towards energy security

SOUTHERN AFRICA is steadily emerging from the energy shortages that have persisted for the past four years, and 2010 marked another milestone with new initiatives gradually adding power to the regional pool and security of supply is now set to be restored in the next three to four years.

The Southern African Power Pool (SAPP) has projected to commission just under 1000 megawatts(MW) in 2010 with the power expected to come from planned rehabilitation and new projects in Angola (60 MW), Botswana (160 MW), Democratic Republic of Congo (160 MW), South Africa (591 MW) and Zambia (15 MW).

A total of 2,187 MW of new electricity was commissioned in the previous year against a target of 2,400 MW.

Between 2010 and 2015, SAPP expects to commission more projects adding 20,700 MW of electricity to the regional grid, allowing the region to match supply and demand.

If the current recovery trend is followed and all short-term energy generation projects are implemented as per plans, then southern Africa should enjoy the desired surplus power generation capacity from 2013/14. Another significant milestone for SADC during 2010 was the celebration of 30 years since its formation with the objective of better regional cohesion.

To commemorate 30 years of unity and cooperation as a region, SADC Heads of State and Government approved the establishment of a Regional Poverty Observatory (RPO), a historic decision that acknowledges the severity of poverty levels in the region, but also indicates a determination to address the challenge with a clear focus.

The RPO is expected to strengthen the monitoring, measurement and analysis of implementation of regional integration targets at both national and regional levels, and encourage learning from best practices at national, regional and international levels, making poverty reduction more results-oriented.

continued on page 2...

Review of 2010
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continued from page 1...

While accepting the disappointment of failing to launch a Customs Union in 2010 as planned, the leaders adopted a comprehensive work programme with concrete actions and timelines aimed at consolidating economic integration.

The leaders endorsed the decision of the Ministerial Task Force on Regional Economic Integration to appoint a high-level expert group with a mandate to consolidate and refine technical work done to date in order to reach common understanding of the parameters, benchmarks and timelines of a model customs union and its implementation modalities.

A report will be submitted to the Task Force before December 2011.

To ensure that SADC's economic integration is maintained and deepened, SADC aims to transform the Free Trade Area (FTA), launched in 2008, into a Customs Union by 2011, a Common Market by 2015 and a Monetary Union in 2018.

All SADC Member States are members of the FTA, with the exception of Angola and the DRC who requested time to rebuild their economies following decades of armed conflict. The two are expected to join the FTA soon.

The year also saw SADC, the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) moving a step closer to the establishment of an enlarged FTA encompassing 26 countries in east and southern Africa by 2012.

Chairperson of the Tripartite Taskforce, which is spearheading the implementation process, Ambassador Juma Mwapachu, said a draft plan of action on the FTA approved at the end of 2009 by the three secretariats would be adopted at the forthcoming Tripartite Summit of the Heads of State and Government expected in early 2011.

COMESA and SADC have already endorsed a roadmap as the framework document for consultations and negotiations on the Tripartite FTA. The EAC is expected to back the action plan at its summit set for later this year.

The creation of a grand FTA with a combined population of some 570 million people and a Gross Domestic Product of US$625 billion would open borders to literally half of the continent, spanning the entire southern and eastern regions of Africa, from Cape to Cairo.

Another major development in SADC during 2010 was the opening in May of the new Unity Bridge linking Mozambique and Tanzania.

This is the only land crossing over the Ruvuma river between northern Mozambique and southern Tanzania.

Initiated 35 years ago by the then presidents of the two countries, the late Samora Machel and Mwalimu Julius Nyerere respectively, the bridge became a reality on 12 May 2010.

The Unity Bridge is expected to boost development, not only in the riparian regions of Mtwara in Tanzania and Cabo Delgado in Mozambique, but also in the rest of SADC as it is an important component of the Mtwara development corridor. The bridge was built entirely by Mozambique and Tanzania, using their own resources.

2010 was also a watershed year for southern Africa in sports – the year South Africa became the first African country to host the FIFA World Cup and put up a world-class performance that altered stereotypes about the continent's ability to stage major international events.

After six years of sustained hard work and intense global scrutiny of their ability to deliver, South Africa's nine host cities produced 10 World Cup stadiums matching and even exceeding international standards.

Gleaming, fully complete, along with perfectly manicured pitches and world-class technology, South Africa's 10 football "cathedrals" were testimony to the country's (and the continent's) ability to produce the goods, whatever the circumstances.

The World Cup was a catalyst for important infrastructural developments in SADC Member States which used the tournament to position southern Africa as a tourism destination and unlock the positive brand value of the region.

Through the Boundless Southern Africa initiative, nine SADC Member States jointly marketed seven Trans Frontier Conservation Areas (TFCAs) throughout the region – uniting African nations as viable and worthy collective tourist destinations.

The initiative was born in 2005 when tourism and environment ministers from Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe endorsed a TFCA development strategy for 2010 and beyond.

The infrastructural offshoots from the World Cup included refurbishment and modernisation of airports in the host South Africa and neighbouring countries such as Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe.

These included a US$75-million modernisation and expansion programme at the Maputo International Airport which was funded by the Chinese Export Import Bank and undertaken by China's Anhui Foreign Economic Construction Corporation.

The SADC region also benefited from massive investment in road refurbishments and construction of new hotels. These are all important investments in building the future capacity of the tourism sector.

The year also witnessed a commitment by Member States to implement the SADC Universal Visa (UNIVISA), with the launch of a pilot project coinciding with the World Cup.

Five Member States volunteered to spearhead the implementation of the UNIVISA – Botswana, Mozambique, Namibia, Swaziland and Zimbabwe.

The FIFA World Cup united African perspectives, becoming a rallying point for cooperation in the region and the rest of the continent.

It brought to the fore the spirit of *ubuntu* as Africans celebrated the achievements of fellow Africans – both on and off the field of play.

On the political front, Mauritius held parliamentary elections during the year in which Prime Minister Navichandra Ramgoolam was re-elected for another five years. His coalition won the 5 May parliamentary elections with two-thirds majority.

Elections in the United Republic of Tanzania on 31 October were won by the ruling Chama Cha Mapinduzi (CCM) party led by President Jakaya Kikwete.

Elections are expected in 2011 in the Democratic Republic of Congo, Madagascar, Seychelles, Zambia and Zimbabwe. ❒

SADC strives for energy efficiency

THE SADC energy roadmap adopted in 2008 has significantly accelerated the region's recovery from the crippling power shortages that had affected socio-economic growth.

With some of Africa's fastest expanding economies, the southern African region ran out of surplus generation capacity in 2007 as characterized by load shedding in most Member States.

However, an array of initiatives put together by energy ministers has seen SADC slowly beginning to address its power needs.

These initiatives include increasing the uptake of renewable energy sources such as wind and solar, as well as creating regional energy linkages and implementing agreed short-term power generation projects.

For example, the Southern African Power Pool (SAPP) commissioned a total of 2,187 megawatts (MW) of new electricity in 2009 against a target of 2,400 MW.

Most of the power came from renewable energy sources such as the Democratic Republic of Congo's SNEL, which weighed in with 55 MW from the rehabilitation of Inga 1 hydroelectric plant. Zambia's ZESCO added 30 MW from Kariba North hydro rehabilitation.

TANESCO of Tanzania, which is not yet connected to the regional power grid, generated an additional 45 MW from Tegeta Gas for national use,

Between 2010 and 2015, SAPP expects to commission more projects that would add about 20,700 MW of electricity to the regional grid, allowing the region to match supply and demand. *(See table)*

	Country	REHABILATION AND NEW PROJECTS						
		2010	2011	2012	2013	2014	2015	TOTAL
1	Angola	60	150	-	260	260		730
2	Botswana	160		600	300	-		1,060
3	DRC	160	-	215	-	160		535
4	Lesotho		-	25		-	110	135
5	Malawi			-	64		100	164
6	Mozambique		-		-	1,050	700	1,750
7	Namibia		20	83	103	1,200		1,406
8	South Africa	591	601	1,088	3,983	3,322	2,246	11,831
9	Swaziland			-			300	300
10	Tanzania		160		740	-		900
11	Zambia	15	30	360		120	34	559
12	Zimbabwe		150			300	900	1,350
	TOTAL	986	1,111	2,371	5,450	6,412	4,390	20,720

SAPP is a 12-member regional body that coordinates the planning, generation, transmission and marketing of electricity on behalf of utilities in SADC Member States.

Institutional re-organization and strengthening has also allowed the region to collectively work towards creating a conducive environment that would make SADC an attractive investment destination for energy projects.

Most member utilities are on course to adopt cost-reflective tariffs to levels that justify private capital injections while at the same time ensuring that low income households continue to access electricity at affordable charges.

Implementation of the Biomass Energy Conversation (ProBEC) programme has also played a role in reducing over-reliance on electricity, thus allowing the region to save on power.

ProBEC has contributed towards the reduction of poverty and enabling poor rural and urban populations to fulfil their energy needs in a socially and environmentally sustainable manner.

According to available data, about 80 percent of the SADC population relies on biomass such as woodfuel and farm residue for cooking and heating.

The historic launch of the competitive regional power trading system in September 2009 has also boosted the pooling of electricity across the region.

More countries are now able to trade electricity among themselves, ensuring that any surplus energy in one Member State is available to another.

As of September 2010, more than 1,290 MW hours had been traded on the Day Ahead Market (DAM) trading platform.

It is hoped that if the current recovery trend is followed and all short-term energy generation projects are implemented as per agreed plans, southern Africa would enjoy the desired surplus power generation capacity in 2013/14.

Such a situation would have ripple effects on the economy as energy is one of the critical factors that promote socio-economic growth. ❐

SADC reviews Tribunal's mandate

THE SADC Secretariat has commissioned a study to review the role, responsibilities and terms of reference of the SADC Tribunal whose functions were suspended by the Heads of State and Government at their summit in Namibia in August following queries on its legitimacy and mandate.

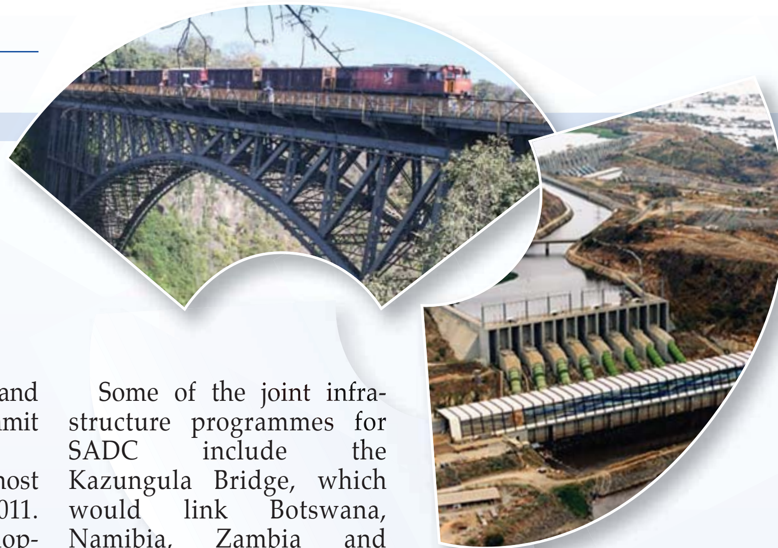
The secretariat is looking for a consultant who would make recommendations to SADC Ministers of Justice and Attorneys-General who are leading the review of the Tribunal's operations.

The study will cover the Tribunal's jurisdiction with regard to issues and persons as well as the interface between community law and national laws.

The study should clarify the power of the Tribunal to review decisions of domestic courts and the specific areas that should fall under the Tribunal's jurisdiction, the role of the Tribunal in guiding domestic courts on the application of community law, and the effect of its decisions on domestic law.

This comes after Zimbabwe pointed out that the Tribunal was passing judgments that undermined individual members' constitutions and were outside its mandate.

Zimbabwe's former commercial farmers had tried to use the Tribunal to reverse the country's land reform programme on the grounds that the farm redistribution exercise violated the SADC Treaty by discriminating against sections of the community on the basis of race. ❐



SADC infrastructure master plan to be launched in 2011

SADC IS planning to launch a Regional Infrastructure Development Master Plan next year in another major step towards deeper integration.

The master plan is part of the broader regional infrastructure development agenda for SADC that aims to strengthen infrastructure development in the region.

In the foreword to a report on SADC Infrastructure Development Status, the previous SADC chairperson, President Joseph Kabila of the Democratic Republic of Congo, said considerable progress has been made in drafting the plan.

He said the SADC Secretariat, tasked by regional leaders to prepare the master plan in close consultation with Member States, has made a strong commitment to deliver the plan to the next SADC Summit for adoption.

"The study to develop the SADC Regional Infrastructure Development Master Plan is at an advanced stage and we shall have the opportunity to consider and adopt it at the next Summit next year," Kabila said.

Angola is expected to host the SADC Summit in 2011. SADC initiated the development of an infrastructure master plan in 2007 at its summit in Lusaka, Zambia.

Leaders directed the Secretariat to develop the regional master plan in realization of the slow pace of implementing agreed infrastructure goals.

Some of the joint infrastructure programmes for SADC include the Kazungula Bridge, which would link Botswana, Namibia, Zambia and Zimbabwe; the proposed Zimbabwe-Zambia-Botswana-Namibia power transmission line which links the four respective countries, dubbed ZiZaBoNa; and the Benguela railway line between Angola and Zambia.

Other projects are along development corridors such as the Dar es Salaam Corridor, Shire-Zambezi Waterway, Walvis Bay Corridor and the Trans-Caprivi Corridor. ❐

Chirundu One Stop Border Post a success

ZAMBIA AND Zimbabwe have been honoured by NEPAD for successfully implementing the Chirundu One Stop Border Post concept.

According to the citation of NEPAD Transport and Infrastructure Project of Excellence Award for Transport and Trade Facilitation, Zambia and Zimbabwe were honoured for "innovation and trade facilitation for the successful implementation of the Chirundu One Stop Border Post as an example of promoting the NEPAD vision of regional integration and co-operation."

The Chirundu One Stop border post between Zambia and Zimbabwe was formally opened for business in November 2009.

SADC had selected Chirundu for the pilot phase of the one-stop border initiative that aims to facilitate trade and more efficient movement of goods and people among the 15-member regional bloc.

Under the one-stop border post scheme, travellers are cleared just once for passage into another country in contrast with the current situation prevailing at other border posts where travellers have to be sanctioned on both sides of the border.

The New Partnership for Africa's Development (NEPAD) is the development coordination arm of the African Union. ❐

Tanzania to build new hydropower plant

THE UNITED Republic of Tanzania has signed an energy deal with a Russian-based company to produce 222 megawatts (MW) of hydroelectricity, nearly a quarter of the country's daily demand of 897 MW.

Energy and Minerals permanent secretary, David Jairo said the Rumakali Hydropower Project will be implemented in Iringa region for the medium term of 2013 and 2018 under the newly launched Tanzanian power master plan.

He said the investor would be allowed to start production upon completion of the project even before the deadline of 2018.

According to the reviewed electricity law, foreign investors are allowed to produce and sell power to the Tanzania Electricity Supply Company (TANESCO) or later sell their plants to the government.

"We are proud of the Russian energy investment as it will help us meet our daily electricity demand which keeps increasing," he said.

Jairo said TANESCO is currently able to produce 793 MW, however statistics show that demand for electricity in the country continues to increase, hence the need to boost production.

Power from the Rumakali project will be connected to nearby villages that are currently not connected to the national grid. *Allafrica.com* ❐

SADC-EAC- COMESA to form single business council

THREE OF Africa's regional economic communities are planning to set up a single business council to coordinate the trade activities in 26 Member States.

This is in line with the Tripartite Agreement signed by the leaders of SADC, the Common Market for Eastern and Southern Africa (COMESA), and the East African Community (EAC) at their inaugural summit held in Kampala, Uganda in 2008.

At that historic tripartite summit, COMESA, SADC and EAC agreed on a number of programmes to harmonize trade arrangements among themselves to promote the smooth movement of goods, people and services across the three regional communities.

With the proposed launch of the enlarged Free Trade Area now fast approaching, the communities have seen the need to establish a single business council to coordinate trade activities in the region so that the implementation of the FTA is a success.

COMESA Secretary-General, Sindiso Ngwenya, said a single business council would play a crucial role in informing trade and investment policies to governments, both at the national and regional level, thereby promoting stakeholders participation.

"COMESA-SADC-EAC are in the process of establishing a single Tripartite Secretariat to work full time on this important regional agenda," Ngwenya told a COMESA Business Forum, adding that the existing three business councils should also "move speedily and decisively to establish one business council."

"The creation of a single business council will send a strong message to our governments that the time is now and not tomorrow for a harmonious merger of institutions that promote regional integration."

"I am afraid that if this is not done the evolution of our economies and societies will be dictated to and crafted by those who are strategic and decisive in this global village."

He urged the three communities to continue to trade more among themselves, saying intra-regional trade has substantially increased in the past few years. ❒

Chipata-Mchinji railway line opens for business

THE HISTORIC launch of the Chipata-Mchinji railway line will provide the shortest route to the port of Nacala on the Indian Ocean, boosting trade in Malawi, Mozambique and Zambia , and the entire southern African region.

Linking eastern Zambia to Malawi, the Chipata-Mchinji railway would join Nacala railway in Mozambique, leading to the Nacala port.

The Nacala port is one of the three ports in Mozambique that has a natural deep water harbour, allowing unrestricted access to vessels of all sizes.

Zambian President Rupiah Banda said the new line, which was commissioned in August, would provide an opportunity for the three countries to deepen integration as well as boost trade in the region.

Chipata-Mchinji railway line to boost trade in SADC

"Although it has taken this long, we are happy that we have reached this stage. Our dream has been realised. It makes it cheaper for us to bring in goods from Asia. It is the shortest route to the sea."

He urged the community to take good care of the railway, saying any vandalism would have an adverse impact on the economy of the three countries.

His Malawian counterpart, Bingu wa Mutharika concurred and said the private sector should partner the government in ensuring the railway line is a major success.

"The business community should respond to the political will shown and take advantage of the facility," he said.

Mozambican Transport and Infrastructure Minister Paulo Zucula, who stood in for President Armando Guebuza, hailed the development as a major step towards deeper regional integration.

The Chipata-Mchinji rail was first initiated in the early 1970s as a bilateral project between Zambia and Malawi. Construction work started in 1982, only to stall for several decades due to lack of funds. Availability of funds saw the construction of the railway resume in 2006.

The railway is expected to create employment for locals and promote the smooth movement of goods and people across the SADC region. The line would also have ripple effects on other economic sectors and bring down the price of most basic commodities.

The construction of the Chipata-Mchinji railway line meets the objective of Africa's three regional economic communities, namely COMESA, EAC and SADC, who have agreed on a programme of action to build sound infrastructure to strengthen integration. ❒





SADC moves towards macroeconomic convergence

MACROECONOMIC CONVERGENCE is key to regional integration in SADC and Member States are determined to meet the set targets, although this could take longer than planned.

During the 31st meeting of the Committee of Central Bank Governors in SADC held in Harare in October, Zimbabwe's Central Bank Governor, Gideon Gono, said significant progress has been made towards convergence envisaged by the Finance and Investment Protocol signed in August 2008.

He said most Member States had managed to reduce inflation to single-digit levels, cut current account and budget deficits, and public debt to sustainable levels.

Positive developments across the region on the inflation front have benefited from the implementation of prudent fiscal and monetary policies.

"However, governors are aware that some of the macroeconomic convergence targets may not be attainable against the backdrop of adverse external shocks," Gono said.

The SADC Central Bank Governors underscored the need for more work to be done before the region becomes a single and vibrant financial market that is able to compete in a global economy.

Gono said macroeconomic stability and convergence in the region is a pre-condition for the ultimate launch of the Monetary Union as well as a vibrant regional financial market.

His South African counterpart, Gill Marcus, urged member states to work towards reviewing their legislation so that the harmonization of monetary, investment and foreign exchange policies is successful.

"We still have to agree on the anchor currency. We also need to look at the whole of the economic infrastructure and the political environment," she said, adding that a single currency could have a negative impact if there is huge divergence between economies.

Marcus said southern Africa has the capacity to address these challenges if Member States continued to work together and learn from the current global economic crisis. ❒

Angola unveils public investment plan 2011-12

ANGOLA HAS launched a Public Investment Programme for 2011 and 2012, comprising about 2,000 projects valued at more than US$16 billion.

The programme, which seeks to prioritise the promotion of human development and eradication of extreme poverty, was unveiled by the Angolan Cabinet Council in October.

It involves the implementation of projects that promote recovery and expansion of basic infrastructure, scientific and technological development, as well as efficacy and efficiency of the public administration and the judicial system.

It also proposes the creation of an institutional environment that ensures the consolidation of democracy, the expansion of the public-private initiative and strengthening of the country's financial system.

The programme also pays a special attention to district projects aimed at fighting poverty and promotion of rural development, including the allocation of 45 percent of the available resources to the rehabilitation of education and health and 35 percent to the construction and rehabilitation of roads.

The Cabinet authorised the Ministry of Planning to conclude a US$141 million loan agreement with the World Bank to improve access to social and economic services. *Angop* ❒

China expands business ties with Namibia

BUSINESS TIES between Namibia and China are expanding amid revelations that trade between the two countries had grown eight-fold in the six years to 2009.

Two-way trade between China and Namibia stood at US$600 million last year compared to the US$75 million in imports and exports recorded in 2003.

"Trade volumes between our two countries have improved significantly and bilateral cooperation in areas such as our economies, trade, education, military and health is on the rise," Namibia's Information and Broadcasting Minister Joel Kaapanda said.

The total volume of trade between the two countries for the first half of this year stood at US$371 million, an increase of about 20 percent over the corresponding period in 2009. Kaapanda said there was a need to take effective measures to promote bilateral cooperation in mining, agriculture and tourism.

He noted that Namibia would soon sign an animal health agreement with China which would allow Namibian agricultural products such as beef and fish to enter the lucrative Chinese market. ❒

Tourism boost for Angola

TOURISM IS emerging as one of Angola's major employers, with more than 134,000 new jobs created by the country's hospitality sector during 2009.

According to the Hospitality and Tourism Market of Angola, the 2009 figure was more than 300 percent of the estimated 31,900 jobs that were generated by the industry in 2008.

An estimated 104,000 of the new tourism jobs created in 2009 were based in the capital Luanda, while the Kuando Kubango, Moxico and Bie provinces also saw more individuals working in the industry. ❒

China tops FDI inflows to SADC

SOUTHERN AFRICA continues to strengthen its profile as an investment destination, attracting major inflows in the mining, agriculture, telecommunications and manufacturing sectors during 2010.

As in several previous years, the People's Republic of China was the leader in terms of Foreign Direct Investment (FDI) into the SADC region, including signature of a new US$79 million agreement with Angola to supply equipment for the rehabilitation of the Benguela Railway (CFB).

Under the contract between the CFB board and the Chinese Machinery Equipment Import and Export Corporation (CMEIEC), the Chinese provided train engines, rail wagons and trucks to be used to resuscitate the Benguela line.

Southern Africa's cooperation with China got a further boost in August when President Jacob Zuma of South Africa and Chinese President Hu Jintao signed the Beijing Declaration during Zuma's state visit to Beijing.

The declaration outlined 38 cooperation agreements between the two countries, ranging from political dialogue, trade, investment, mineral exploration and agriculture to joint efforts in the global arena, such as at the United Nations and the Forum on China-Africa Cooperation.

Chinese and South African companies signed more than a dozen agreements covering investments in railways, power transmission, construction, mining, insurance, telecoms and nuclear power.

"China, in this spirit, will encourage its enterprises to increase investment in South Africa's manufacturing industry and promote the creation of value-adding activities in close proximity to the source of raw materials," the declaration reads.

Under the agreement, companies from both countries would be encouraged to explore co-operative opportunities in infrastructure construction projects such as roads, railways, ports, power generation, airports and housing.

The two governments agreed to create conditions supportive of co-operation between Chinese and South African energy companies while also considering third-party involvement in electricity, nuclear energy, energy efficiency and energy infrastructure projects.

Other Chinese investments in SADC included some US$37 million injected by China's Jinchuan Group to revive a Zambian nickel mine which had closed in 2009 due to poor international mineral prices.

The mine is located in Mazabuka, south of Lusaka, and was previously run by Australia-based Albidon which halted operations in the face of plummeting nickel prices and the global financial crisis.

It currently produces 900,000 metric tonnes of nickel concentrates per year but has set a target of 1.2 million tonnes per year by 2012.

A group of Chinese businesspeople announced in August that they intended to invest US$13 billion in a number of projects in Mozambique over the next five years. The projects include an industrial park and a car assembly plant.

The Mozambican government and the Chinese investors signed two memoranda of understanding (MoU) which lay the basis for the implementation of these projects.

Brazilian mining giant Vale also expressed interest in exploiting phosphate deposits in the northern Mozambican province of Nampula.

Vale plans to submit a project for a viability study to the government. The study will begin in 2011 but the mining of phosphates is not expected to start until 2014.

The Brazilian firm is already involved in a major coal mining project at Moatize, in the western province of Tete. The open cast coal mine in Moatize should begin production next year. Chinese companies have been involved in construction of the railway to rehabilitate access to the Moatize coal deposits.

Namibia also reported "noteworthy" investment in uranium mining activities, citing the Langer Heinrich and Tjrekkopje mines.

"These investments have created hundreds of direct and indirect jobs for Namibians and brought about new business opportunities through the procurement of goods and services from local suppliers," President Hifikepunye Pohamba said during a State of the Nation address.

Zimbabwe announced in April that it had signed a US$400 million agreement with China's Sinohydro to expand its Kariba hydroelectricity plant at a time when power cuts are threatening to derail the country's economic recovery prospects.

Noah Gwariro, the managing director of the Zimbabwe Power Company – the generation arm of state utility Zimbabwe Electricity Supply Authority (ZESA) – said Sinohydro would add two 150 megawatt (MW) units at Kariba.

China is expanding investments into southern Africa at a time when other traditional sources of FDI are holding back citing the impact of the global financial crisis. The Chinese economy was largely unaffected by the global economic downturn of the last two years. ❐

Energy Policy Brief No. 3, December 2010

Improving tariff viability in SADC: Challenges and opportunities for regional utilities

1.0 Introduction

SADC has embarked on a programme for the past four years to commission new or rehabilitate existing projects to improve its energy needs. The target is to generate more electricity so the region achieves the desired collective 10 percent surplus power generation capacity by 2013 that is necessary to guarantee system reliability.

The challenge gets even more complex given that the region is chasing a moving target, with demand expanding by between 2,200 and 2,500 MW a year.

The situation is compounded by the slow pace of migration and mechanism towards cost-reflective tariffs by most Member States. SADC Energy Ministers adopted the principle of cost reflective tariffs as far back as 2004 and reaffirmed that decision at a meeting in April 2007. However, the implementation mechanism and timeframe has not been clarified, and this has not been presented for public debate.

Although significant progress has been made by the Regional Electricity Regulators Association of Southern Africa (RERA) in designing scenarios to make tariffs more viable, most SADC countries are yet to fully adopt the recommendations as various issues still have to be taken into consideration, including the affordability of energy to less privileged citizens but also planning for the phasing in of higher tariff regimes rather than sudden application which can be disruptive and increase inflationary pressures.

2.0 Situational Analysis

Evidence has mounted of low tariffs negatively affecting southern Africa, and consensus has increasingly emerged about the severity and likely impact of this problem. Existing SADC energy tariffs do not provide the right signals for new investment and energy conservation, efficiency and substitution practices by consumers.

A survey conducted by RERA with support from the Southern Africa Global Competitiveness Hub (USAID Trade Hub) in 2009 showed that the region's energy sector is not self-sustaining. Electricity tariffs within the SADC region range from 2.7 US cents per kilowatt hour (kWh) to 12.5 USc/kWh.

In some cases, the cost of generating the electricity is higher than what the utilities are charging. For example, hydroelectricity generation – which is the second most common method of producing power in the region after coal – costs between 6 and 8 USc to produce a kWh while it costs an average 7.5 USc to make a kWh of electricity at any of the coal-fired power stations.

Currently Angola and the United Republic of Tanzania have the highest tariffs in the region, at 12.5USc/kWh and 12USc/kWh respectively. Zambia has the lowest electricity tariffs at 2.7USc/kWh followed by the Seychelles (3.2USc/kWh) and South Africa (3.7USc/kWh).

RERA is working with the SADC Secretariat and the Southern African Power Pool (SAPP) to produce an Annual SADC Electricity Tariffs and Selected Performance Indicators and the first edition of the publication is due to be launched by the end of 2010.

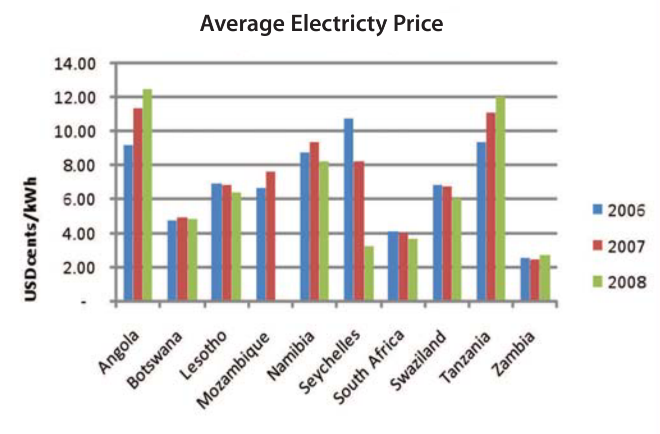
This flagship regional publication will serve as an essential information aid on regional trends pertaining to electricity supply industry tariffs and selected performance indicators for governments, regulators, utilities, non-governmental organizations, academia, investors and other interested parties.

New Power Supply Options (expressed in 2008 values)

Power source	Generation tariff (US cents/kWh)
Gas (peaking)	22.0
Integrated Gas Combined Cycle	10.5
Nuclear	10.0
Coal (conventional)	7.5
Combined Cycle Gas Turbine	7.2
Hydro	6-8

Note (i) This shows generation costs only (ii) Average retail tariffs range: 2.7-12.5 USc/kWh

Source RERA



Note: Figures for Zimbabwe are not included due to currency distortions during the period covered by the RERA report. Source RERA

3.0 Major challenges and opportunities

Moving towards cost-reflective pricing for electricity across the region is only one aspect of reform, but it is a crucial step in ensuring the sustainability of national utilities and in attracting private investment to a sector in need of new capacity.

A delicate balancing act is needed to ensure that any new viable tariffs are explained to consumers (individual and corporate), are introduced according to a phase-in plan, and do not exclude vulnerable communities. This calls for regional policies that allow for minimum level of supply and communication plans, while guaranteeing pro-poor and anti-inflationary electrification support mechanisms.

Policy cooperation at the regional level is required to facilitate a smooth transition towards cost-reflective tariffs and enjoy the benefits this offers in terms of ensuring a conducive investment environment to boost generation capacity. Such cooperation should address three urgent challenges:

• Control of electricity tariffs by governments has caused problems regarding supply of power in most countries. SADC policymakers must address the challenge of developing elaborate national energy pricing policies and strategies that include cost-reflectivity as one of the major objectives, and how to combine these into a common regional policy and strategy, in collaboration with industry. The Tariff Publication being developed by RERA is an important first step towards achieving this objective and should be introduced to consumers through an appropriate communications strategy and plan with public debate, to generate public awareness and avoid consumer resistance, as there is dual impact on individuals, both from direct tariffs and the knock-on effect of manufacturing costs.

• Differences in energy use patterns across Member States pose a challenge for policymakers and regulators. A closer look at energy sales per customer category reveals the different electricity consumption patterns in the Member States. In most SADC countries large power users (customers who are on maximum demand metering) consume more than half the total energy. In Lesotho this pattern seems quite extreme, with very little residential and commercial consumption in relation to large power users while the situation is quite different in the United Republic of Tanzania where almost half the energy is consumed by residential users. These differences in consumption patterns pose a challenge to the development of a common strategy on cost-reflective energy tariffs. The considerations of Member States where energy consumption is by residential users would, therefore, be different from those countries where the bulk of the electricity is consumed by large power users such as mines and industrial companies, although in all cases the knock-on effect of pricing of goods and services must be incorporated into phase-in planning.

• Most SADC countries determine tariff levels only for retail (i.e. end-consumer price levels). Very few countries have tariff levels across the value chain from generation transmission and transmission to distribution and/or retail. This failure to break down costs is another challenge that policy makers would need to overcome in determining the real cost-reflective tariffs and how to introduce them. Subsidies on electricity are usually cross-subsidisation amongst customer categories. Although a number of countries claim that no subsidies exist in their tariffs, there will always be some level of cross-subsidisation among customer categories.

SADC Member States are also encouraged to adopt feed-in tariffs to encourage use of renewable energy technologies. Renewable Energy Feed In Tariffs (REFIT) are often used to encourage the use of new energy technologies such as wind power, biomass, hydropower, geothermal power and solar photovoltaics.

This type of tariff is also used if there is a shortage of energy, in order to get renewable energy sources on board within shorter timeframes. South Africa has recently approved REFIT tariffs and Namibia has also initiated a study on the possible use of tariffs for renewable energy sources.

Greater cooperation is required in addressing the question of inflation containment within SADC. Overall inflation rates in the SADC countries tend to be high, largely as a result of strong domestic demand and high food prices, although most member states have met the agreed SADC targets for single-digit inflation. RERA and national utilities must ensure that tariff increases are planned and introduced in a manner that does not hamper these targets by fuelling inflation.

4.0 Conclusion and Recommendations

4.1 Conclusion

Cost-reflective electricity tariffs are needed in the SADC region in order to meet regional energy targets, but must be planned and introduced wisely over an appropriate timeframe and in collaboration with consumers, so as not to fuel inflation and hamper other regional economic targets. Care must be taken with phase-in of tariffs and the knock-on effect on prices so as not to increase the incidence of poverty in the region. With an expanding economy, the region requires massive investments in energy infrastructure to reverse a shortfall in power generation, however this must be discussed in a transparent and public manner, with some protection for residential consumers.

4.2 Policy recommendations

• Policymakers should develop a common regional policy and strategy on tariff structures that guarantees a minimum level of supply while introducing anti-inflationary electrification support mechanisms that consider the needs of individual consumers, and avoid increasing poverty in the region.

• National regulators should be empowered to determine electricity tariffs within agreed parameters of consumer protection and anti-inflation.

• Serious consideration should be given to subsidies for power utilities to ensure improved generation capacity.

• SADC Member States should consider adopting renewable energy feed-in tariffs to encourage the use of green technologies. ❐

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Towards energy self-sufficiency in SADC

SADC MEMBER States are scaling up efforts to improve energy self-sufficiency by embarking on various initiatives to increase the availability of power in member states. In this issue, SADC Today highlights some of these initiatives.

Partners pledge support for Mozambique's energy sector

INTERNATIONAL COOPERATING partners have pledged to provide US$530 million to fund short- and medium-term electricity generation projects in response to a request from the Mozambique government .

The Swedish ambassador to Mozambique, Torvald Akesson said negotiations for the release of the funds are at an advanced stage.

Energy Minister Salvador Namburete said Mozambique has invested about 3.6 billion meticais (approx. US$100 million) a year between 2005 and 2009 to improve access to electricity.

During that period, a further 40 of Mozambique's 128 district capitals were linked to the national electricity grid, bringing the number of Mozambicans with electricity in their homes to about four million, according to Namburete.

New large scale electricity generation projects are in the pipeline, including the Mpanda Nkua dam on the Zambezi, about 60 kilometres downstream from the existing dam at Cahora Bassa, and the coal-fired power stations at Moatize and Benga in Tete province.

Mpanda Nkua has received the go-ahead from the government and negotiations are underway for a concession contract and for a contract to purchase the power it will produce.

The total value of all ongoing energy projects is about US$620 million, mainly financed through foreign grants and soft loans. ❐

Solar park planned for South Africa

SOUTH AFRICA has announced plans to set up a R150 billion (about US$22 billion) solar park as the country intensifies efforts to move towards renewable energy sources and improve self-sufficiency.

Government spokesperson Themba Maseko said the proposed solar park is expected to generate 5,000 megawatts of power and construction could start in 2012, depending on investor response.

A feasibility study by South Africa's Department of Energy and the Clinton Climate Initiative based in the US has identified Upington in the semi-arid Northern Cape region as a potential site for the project.

"As soon as the feasibility study is completed it would be presented to an investors' conference to test the appetite of investors to actually support an initiative of this nature," Maseko said.

South Africa is increasingly turning towards renewable energy sources to help plug a chronic power shortage and decrease its dependence on the coal-fired power stations that provide most of its electricity.

State-owned power utility Eskom wants to move into renewable energy and tap cleaner coal technologies to reduce its carbon footprint.

With the help of a World Bank loan, Eskom is developing a 100MW concentrated solar power plant estimated to cost about R7 billion (about US$1 billion), also in the Northern Cape region.

The Eskom plant could form part of the proposed giant solar park that would also create jobs in the region. ❐

Tanzania targets increase in power access by 2030

THE UNITED Republic of Tanzania plans to invest about US$20 billion in the energy sector over the next 20 years as part of a power master plan that will see a big jump in the number of households having reliable access to electricity.

The power system master plan, launched by the Ministry of Energy and Minerals in September, targets an increase in annual household power access from the current 60,000 homes per year to 100,000 by 2030.

"Under the government's plan, the percentage of households with connection to electricity would go up from 14 percent at present to 21 percent in 2030," said David Jairo, permanent secretary in the Ministry of Energy and Minerals.

He said that the country's target was to reach 75 percent electrification by 2033.

"With annual population growth at 2.8 per cent, adding 100,000 connections every year, would mean attaining only 21 percent electrification by 2030. But to achieve the government's 2033 goal, will need 485,000 connections yearly," Jairo said.

Hydropower contributes about 56 percent of the United Republic of Tanzania's power supply but the generation is often vulnerable to weather conditions. The country has often been subjected to power shedding when water levels at dams feeding hydropower stations drop.

Other sources of electricity in the country include diesel-fired thermal generators and natural gas to electricity plants. There are also plans to generate electricity from coal and uranium in the near future. ❐

Africa to remain steadfast in its position at COP 16

by Egline Tauya

AFRICA HAS reaffirmed its common negotiating position for the climate change talks scheduled for Cancun, Mexico in early December.

The negotiating position centres on increased finance from the industrialized nations, as well as technology transfer and capacity building for adaptation and risk management.

Speaking at the 7th African Development Forum (ADF VII) held in October, the DRC Minister of Environment, Nature Conservation and Tourism, Jose Endundo, said Africa should remain steadfast in its position on climate change.

Endundo said Africa is not a big contributor to global warming and, therefore, has no reason to soften its position in the climate talks.

A consensus statement was reached at the ADF VII in which the African leaders welcomed the endorsement of the common continental negotiating position on climate change and pledged to clearly articulate this position, speaking with one voice.

The forum also called on northern countries not to just make climate change assistance pledges but to make good on the promises made.

In the Copenhagen Accord in 2009, the industrialized northern countries agreed to a financial commitment in which they would provide the South with US$30 billion in compensation for climate change between 2010 and 2012, and thereafter US$100 billion annually by 2020.

Africa, however, wants an approach in which developing countries will also be beneficiaries of technology transfer, capacity building and funding of US$200 billion a year by 2020.

Africa is also insisting on the need for the northern countries to cut emissions to at least 40 percent below the 1990 levels by 2020, as they are by far the biggest contributors to global warming through greenhouse gas emissions.

The continent wants deeper cuts by northern countries to reach at least 80 percent below 1990 levels by 2050.

Deforestation contributes to climate change in southern Africa.

A former President of Botswana, Festus Mogae, said that while developing countries generally have the same climate interests, Africa has specific issues that should be pushed separately, hence the need to speak as a continent. "We must speak as Africa, not as the Group of 77," he said.

Africa is mainly concerned with adaptation while other developing countries, such as China, are focussed on technology transfer during the negotiations.

The ADF VII statement noted the establishment of initiatives such as the Climate Information for Development in Africa (ClimDev-Africa) programme and the launch of the Africa Green Fund.

The former is a joint initiative supported by United Kingdom, Sweden and Norway, aimed at guiding the effective integration of climate information and services into development planning, while ensuring the mainstreaming of climate considerations into policies and programmes directed at achieving the Millennium Development Goals and sustainable development in Africa.

The Africa Green Fund, which was due to be launched by the Common Market for Eastern and Southern Africa (COMESA) in November, is the channel through which development partners will support the continent as part of the allocation of climate change funds.

The objective of the Green Fund is for Africa to invest into low carbon projects such as renewable energy, energy efficiency, fuel-switching technologies, reduced emissions from degradation and deforestation and other land use programmes for the benefit of member states.

The ADF VII forum agreed to strengthen the capacity of the Conference of African Heads of State and Government on Climate Change to mobilize political commitment and provide political leadership in regional and international climate change processes by providing it with reliable and timely information and policy advice on climate change.

The stakeholders have agreed to work towards African-led research and knowledge, and a stronger regulatory framework to build the capacities of non-state actors and creation of an enabling environment for the private sector so that it can support low-carbon development.

The forum agreed that African countries should put more effort into climate risk management, including monitoring, assessment, early warning and disaster risk reduction.

Efforts will also be made on science, technology and innovation capacity-building for adaptation and mitigation, and for the provision of climate data, official statistics and geographic information.

The ADF consensus statement is expected to feed into relevant international dialogue towards the 16th session of the Conference of Parties (COP 16) to the UN Framework Convention on Climate Change to be held from 29 November to 10 December 2010. ❐

Madagascar sets election dates

POLITICAL PARTIES in Madagascar have signed an agreement to hold presidential and parliamentary elections early next year in a bid to find a lasting solution to the challenges facing the island nation.

Signatories to the agreement included representatives of ousted President Marc Ravalomanana, opposition leader Andy Rajoelina who is currently the unelected President, and two other former presidents, Didier Ratsiraka and Albert Zafy.

According to the deal, parliamentary polls would be held in March 2011 while presidential elections would be held in May the same year.

The signatory political parties are expected to determine candidates for the post of prime minister.

Madagascar has been in a political turmoil for more than a decade. This turmoil re-emerged in March 2009 after Rajoelina seized power from Ravalomanana in a public demonstration backed by the military.

A number of regional and international organizations such as SADC, the African Union and the UN responded to this development by imposing sanctions or suspending Madagascar from their membership.

Joint mediation efforts led by SADC have been ongoing.

Political unrest has caused instability in Madagascar.

For example, a deal was reached in August last year to form a transitional government that would oversee the holding of fresh elections within 15 months.

However, implementation of that agreement continued to be a challenge, hence the country could not meet its 2010 deadline to hold elections.

Expectations are high that the country would now fully implement its agreement so ensure political stability.

Former Mozambican President Joaquim Chissano is the mediator in the SADC-led Madagascar negotiations.

He was appointed at the by SADC leaders in June last year following the collapse of AU- and UN-sponsored talks. ❐

New electoral commission for DRC

A NEW electoral body, the Independent National Electoral Commission (CENI), will manage the forthcoming polls in the Democratic Republic of Congo scheduled for 2011 and 2013.

CENI will be made up of seven members – four from the ruling party and three from the opposition – and replaces the Independent Electoral Commission (CEI) which was dissolved this year as part of reforms to ensure free and fair elections in the country.

DRC goes to the polls in 2011 to choose a new president and members of parliament. Lower level elections will be held in 2013.

At least three presidential candidates have confirmed their participation. These are the incumbent President Joseph Kabila as well as Etienne Tshisekedi of the Democratic Union for the Social Progress and former Speaker of parliament Vial Kamerhe.

No women candidates have so far announced their intention to stand for the presidency. In the last elections held in 2006, three women candidates contested the presidency.

Like all other SADC Member States, the DRC aims to achieve 50 percent women's representation in parliament and decision-making positions by 2015.

However, at the current rate and with one more election remaining before the 2015 deadline, the DRC might fail to achieve the desired target unless strategic decisions are taken towards affirmative action. ❐

SADC, UN to boost cooperation on peace and security issues

SADC AND the United Nations have signed an agreement to work together on conflict prevention, mediation and elections in the region.

The Framework for Cooperation aims to strengthen and draw upon both organizations' capacities, including SADC's knowledge and understanding of the region and the mediation, peacemaking and peace-building experience of the UN's Department of Political Affairs (DPA).

It will include a two-way exchange of experiences with mediation and the provision of training and support in mediation as well as DPA support to strengthen SADC's electoral capacity.

The agreement underlines the important links between elections and peace, with the two organizations seeking ultimately to "jointly contribute to the promotion and consolidation of peace and security in the southern Africa sub-region."

DPA has deployed a team to SADC's headquarters in Gaborone, Botswana, to implement the agreement.

SADC Executive Secretary Tomáz Augusto Salomão signed on behalf of the region while Under-Secretary General for Political Affairs Lynn Pascoe represented the UN. Pascoe described the agreement as "the first step towards a very valuable partnership." ❐

CCM wins Tanzanian general elections

THE RULING Chama Cha Mapinduzi (CCM) and its presidential candidate, Jakaya Mrisho Kikwete, won the fourth multi-party elections held in the United Republic of Tanzania on 31 October.

Final results published by the National Electoral Commission showed the CCM winning with 74.9 percent of the vote in the parliamentary elections while President Kikwete garnered 61.1 percent of the vote against 26.3 percent for his nearest rival, Dr Willibrod Slaa of the Chadema party.

CCM won 188 out of a possible 239 of the seats for parliament and a majority for local councillors in the capital Dar es Salaam.

The main opposition, Chadema won 23 seats on the Union elections while the other opposition parties only managed to win in 28 constituencies.

The ruling party candidate in Tanzania's semi-autonomous Zanzibar islands, Ali Mohamed Shein, won the local presidency there.

Shein was declared the winner of the closely contested polls after winning 50.1 percent of the vote against 49.1 percent for opposition candidate Seif Sharif Hamad of the Civic United Forum (CUF).

The two vowed to work together in a power-sharing government adopted in a July referendum to end recurrent election violence on the islands.

Under the system, Hamad will be the first vice-president while the CCM will name a second vice president.

An Indian Ocean archipelago, Zanzibar merged with Tanganyika in 1964 to form the United Republic of Tanzania but maintains its own president and government within the union.

The presidential and parliamentary election in the Union and in Zanzibar was Tanzania's fourth since the reintroduction of multi-party politics in 1992.

More than 19 million registered voters were eligible to cast ballots for the president and members of the Tanzanian parliament, the *Bunge*.

Pre-election opinion polls had given Kikwete a wide margin over his rivals but his victory was much narrower than the 80 percent sweep to power five years ago.

More than 18 political parties took part in the elections that have ushered in new members of parliament expected to be in office for the next five years.

The Tanzanian parliament, the *Bunge,* which was increased to 323 members in 2005, is made up of 232 members that are elected while the remainder is appointed.

President Amani Abeid Karume looks on as his successor Ali Mohamed Shein, takes oath of office.

Under the country's Constitution, there are 75 seats guaranteed for women, representing an additional 30 percent of the figure of elected seats.

Ten members are appointed by the Union president, and five seats are occupied by members of the Zanzibar House of Representatives. The remaining two seats are reserved for the Attorney General and the Speaker of Parliament.

The 75 women members are appointed by the NEC drawn from lists submitted by the parties in parliament, and based on the number of votes won by the parties represented in parliament. ❐

SADC observers praise Tanzanian polls

THE SOUTHERN African Development Community (SADC) Election Observer Mission (SEOM) has praised the conduct of elections in the United Republic of Tanzania, saying the process was conducted in a "free and transparent" manner.

SEOM commended some "best democratic practices" in the Tanzanian electoral system, which included tolerance among political stakeholders, civic education by the police in promoting peace during the elections, and the introduction of the Elections Expenses Act to regulate party funding.

The SADC observer team also commended Tanzania for increasing the number of polling stations and their accessibility, using translucent ballot boxes, promulgation of the Political Parties Code of Conduct, use of photographic voters register, and introduction of Voters Interaction System (VIS) which enables voters to check their information in the database by way of short message service (SMS) on their mobile phones.

"The SEOM noted with satisfaction the way the people of the United Republic of Tanzania exercised their franchise by voting in a free and transparent manner in choosing their leaders," said Zambian Foreign Minister, Kabinga Pande, who was the leader of the SADC observer team.

He said the SEOM was encouraged by the transparent and professional conduct of the polls by the National Electoral Commission of Tanzania "despite some challenges which were addressed as the election progressed".

The mission urged all political parties and individuals to respect the will of the people and accept the outcome of the process, and reminded that all concerns should be addressed in line with the laws of the country.

SADC noted with concern the use of hate language by some candidates and that some of the stakeholders were not conversant with the provisions of the Tanzanian Constitution and the electoral laws.

It urged political leaders to adhere to the electoral code of conduct and called for the NEC to undertake a comprehensive voter education and training of electoral staff. ❐

Toward 2015

Mixed progress for southern Africa on MDGs and other targets

SADC MEMBER States have recorded uneven progress in the march towards the Millennium Development Goals (MDGs) for 2015, with some countries reporting notable achievements while others cite a combination of economic and political problems for their failure to meet the human and social development targets.

With just five years left before the deadline to achieve the MDGs, only a handful of SADC Member States reported during a three-day UN Summit of Heads of State and Government held in New York in September that they are on target to meeting the goals.

While remarkable progress has been recorded in some countries since the UN Millennium Summit in 2000 which endorsed the MDGs, most SADC Member States are still not on track to meet the desired targets.

The eight goals, comprising 18 specific targets, were adopted by UN member states as part of the Millennium Declaration.

The MDGs aim to reduce poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health and combat HIV and AIDS, malaria and other diseases.

Others are to ensure environmental sustainability and develop a global partnership for development including stimulating trade and other private sector interventions.

The President of Malawi, Bingu wa Mutharika, who is the African Union chairperson, said his country is “making continuous progress” in achieving all the goals by 2015.

“Malawi is confident that we shall meet all the eight MDGs in varying degrees. This is largely because Malawi has fully embraced the MDGs in the Malawi Growth and Development Strategy (MGDS),” Mutharika said.

He said that five of the MDGs would “definitely be achieved” – eradicating extreme poverty; reducing infant mortality; combating HIV and AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a global partnership for development.

More concerted effort is required to achieve the others on universal primary education, reducing gender inequality and reducing maternal mortality.

The Seychelles government also said it is close to meeting all its MDG targets, with significant progress in the provision of free healthcare to all its citizens, promoting gender equity and equality, environmental protection, universal education and poverty reduction.

“We have informed the UN and the UNDP that we are working towards new targets, the MDG+, which have among its main aims to ensure a very high level of education, more women in key positions in government and ensure better health for our environment,” said President James Michel.

The Vice President of Botswana, Mompati Merafhe, said his country is “well-placed” to meet the 2015 MDGs deadline, thanks to a roadmap adopted by the government which aims at attaining prosperity for all by 2016.

“Our commitment to the Millennium Development Goals has been amplified in our current National Development Plan, which runs from 2010 to 2016, a year just after the target date of the MDGs,” Merafhe said.

However, other SADC countries reported mixed progress in meeting the MDGs.

Zimbabwe reported that its efforts to meet the MDG targets are being hindered by Western sanctions. President Robert Mugabe said Zimbabwe would be able to meet its targets if it has financial resources at its disposal and with constructive partnerships with the international community.

"Despite our best efforts, we fell short of our targets because of the illegal and debilitating sanctions imposed on the country, and, consequently, the incidence of poverty in Zimbabwe remains high,” Mugabe said.

Mixed progress was also reported in Mozambique, Zambia, South Africa, Namibia and the United Republic of Tanzania.

One area of concern is the target on promoting gender equality and women’s empowerment.

Although all SADC member states reported progress toward MDGs target of equality of access and enrolment in primary education by girls and boys, the majority of SADC states are nowhere near SADC’s own regional target of ensuring at least 50 percent women’s representation in politics and decision-making positions.

South Africa ranks highest in the region in representation of women in Parliament with 45 percent, and is third in the global ranking, surpassed only by Rwanda at 56 percent and Sweden 47 percent.

Angola saw a great improvement in gender representation in parliamentary elections in 2008 when the number of women increased to 81, almost 37 percent of the 220 seats in the National Assembly.

Angola is now among the top three in the region, behind South Africa at 45 percent and Mozambique 37 percent, and ahead of Namibia 31 percent and Tanzania just over 30 percent. ❐

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EVENTS DIARY 2010

December 1 Global	**World AIDS Day** On December 1 each year SADC joins the rest of the world in commemorating World AIDS Day. The theme for this year is "Universal Access and Human Rights".
29 Nov -10 Dec, Mexico	**COP16 Summit on Climate Change** The 16th UN Conference of the Parties (COP16) convenes in Cancun, Mexico to discuss solutions to the rise in global average air and ocean temperatures, widespread melting of snow and ice, and rising sea level due to increased emissions of greenhouse gases such as carbon dioxide.
1-2, Tunisia	**Public Private Partnership Africa** The meeting is expected to focus on how African governments and the private sector can jointly tackle infrastructure development in sectors such as energy, transport, telecomms and water.
January 17-20, United Arab Emirates	**World Future Energy Summit** The summit aims to find practical and sustainable solutions to the energy, security and climate change challenges facing the global community.
25-26, South Africa	**Carbon Markets and Climate Finance Africa 2011** Africa has not benefited greatly from the carbon market. The conference seeks to aid in the achievement of this goal by examining the issues key to the successful creation, implementation and exploitation of carbon projects in Africa.
26-30, Switzerland	**World Economic Forum** The annual meeting provides a platform for various stakeholders to shape the global agenda and catalyze solutions at the start of each year. 2011 theme is "Shared Norms for the New Reality".
30-31, Ethiopia	**16th Ordinary Session of the African Union Summit** Heads of State and Government will gather for the 16th Ordinary Session of the African Union, preceded by the usual technical meetings and Council of Ministers. The theme of the Summit is "Accelerating Youth Empowerment for Sustainable Development".
February 21-25, Kenya	**Global Ministerial Environment Forum** The forum provides an opportunity for ministers responsible for environment to discuss issues that promote sustainable management of the environment.
TBA	**SADC Council of Ministers** SADC Council of Ministers meets twice a year to review progress in implementation of various programmes on regional development, integration and trade among Member States.
TBA, Zimbabwe	**36th SAPP Meeting** The meeting is expected to review the power situation in the region. SAPP is made up of 12 electricity utilities in the SADC region.
TBA	**India-Africa Summit** The summit to be attended by Heads of State and Government provides an opportunity for Africa and India to strengthen relations in various socio-economic sectors. An African country is expected to host the summit that rorates between India and Africa. India hosted the inaugural summit in 2008.

50 years…. 4 January 1961

Angola, DRC remember liberation roots

JANUARY 4 is celebrated as Martyrs Day in Angola and the Democratic Republic of Congo (DRC).

Angola's Parliament voted in 1996 to commemorate the anniversary of the 4 January 1961 killing of cotton plantation workers by the Portuguese armed forces as the "Colonial Repression Martyrs Day".

On this day, thousands of cotton pickers were killed at Baixa de Kassanje in northern Malanje province by the Portuguese colonial forces following an uprising in which they demanded better working conditions and salaries.

Portuguese settlers in Angola reacted to this and other uprisings with extreme retribution. It has been estimated that as many as 40,000 Angolans died as a result of the 1961 uprisings.

Known as the "Independence Martyrs Day" in the DRC, the day commemorates the mass action on that day in 1959 which sounded the end of Belgian colonialism in the Congo.

"Immediate independence", the slogan of the Kinshasa protesters, soon became a non-negotiable demand of the national independence movement all over the country.

The revolt marked the beginning of a new and truly revolutionary phase in the movement – the phase of the radicalisation of the struggle.

The Kinshasa revolt was spontaneous, with the urban masses taking their own initiative to make the slogan "immediate independence" a reality. The entire course of Congolese history was changed by this event.

Shocked by the action of their presumably happy subjects, the Belgian colonial masters had no choice but to accept the idea of a negotiated independence.

CAHORA BASSA – "With money from the past we are going to build the future"

THE GIANT Cahora Bassa dam on the Zambezi river in Mozambique's Tete province was built by the colonial power, Portugal, and apartheid South Africa to provide cheap electricity to South Africa, and was opened in 1974, just as Mozambique entered the transition to independence.

The Portuguese state owned 82 percent of HCB, while Mozambique held only 18 percent, and Portuguese directors were a majority on the board for more than 30 years thereafter.

Mozambique took control of Cahora Bassa three years ago, in November 2007, when it purchased 67 percent of the shares in Hidroeléctrica de Cahora Bassa (HCB) from Portugal, for a price of US$ 700 million.

The government of Mozambique held a total of 85 percent of the shares in HCB until March 2010 when the Portuguese government agreed to sell the remaining 15 percent shares. Half are being sold to the Mozambique government and half to a Portuguese company that specializes in renewable energy. At the conclusion of this sale, Mozambique will own 92.5 percent of the shares in HCB.

Of the purchase price for the HCB shares, the Portuguese government held back US$124 million to set up the Investment Support Fund, which will also be used to develop alternative energy projects based on renewable sources.

"With money from the past, we are going to build the future," said the Portuguese prime minister, José Socrates.

The dam, which created a huge artificial lake that is 270 km long and 30 km wide, currently generates 2075 MW of electricity which it supplies to Eskom South Africa (65%), ZESA Zimbabwe (19%) and EDM Mozambique (15%).

Less than 1% is supplied to the Southern African Power Pool (SAPP) and Botswana, as the transmission lines from the dam run directly to South Africa, except for the line built to Bindura in Zimbabwe. Transmission lines total 3635 km.

The project plans for the dam include expansion of the generation capacity from the current South Bank power plant to a possible future plant on the North Bank.

The Vision of HCB is to be "the largest producer of renewable and high quality energy in southern Africa, and an economic and social pillar of development in Mozambique."

PUBLIC HOLIDAYS IN SADC

December 2010 – February 2011

8 December	Immaculate Conception	Seychelles
9 December	Independence and Republic Day	Tanzania
10 December	Human Rights Day	Namibia
16 December	Day of Reconciliation	South Africa
22 December	National Unity Day	Zimbabwe
25 December	Christmas Day	SADC
	Family Day	Mozambique
26 December	Family Day	Namibia
	Day of Goodwill	South Africa
	Boxing Day	Botswana, Lesotho, Swaziland, Tanzania, Zimbabwe
1 January	New Year's Day	SADC
4 January	Martyrs Day	Angola, DRC
12 January	Zanzibar Revolution Day	Tanzania
15 January	Chilembwe Day	Malawi
30 January	Taipoosam Cavadee	Mauritius
1 February	Abolition of Slavery Day	Mauritius
3 February	Heroes Day	Mozambique
4 February	National Armed Struggle Day	Angola
5 February	Carnival Day	Angola
12 February	Maha Shivaratree	Mauritius
14 February	Chinese Spring Festival	Mauritius