SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

TOWARDS A COMMON FUTURE

SADC

annual report
2002-2003

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

ANNUAL REPORT

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Abbreviations

ACP	African, Caribbean and Pacific
ARD	Agricultural Research for Development
AGOA	African Growth Opportunity Act
AMCOW	African Ministerial Council on Water
ANHSN	Animal Health Surveillance Network
AU	African Union
AWTF	Africa Water Task Force
BLNS	Botswana, Lesotho, Namibia and Swaziland
BPC	Botswana Power Corporation
CAADP	Comprehensive Africa Agriculture Development Programme
CESPAM	Centre of Specialisation in Public Administration and Management
CGIAR	Consultative Group on International Agricultural Research
CISNA	Committee on Insurance, Securities and Non-Banking Financial Authorities
COMESA	Common Market for Eastern and Southern Africa
DANIDA	Danish International Development Agency
DDP	Dams and Development Project
DBSA	Development Bank of Southern Africa
DFID	Department For International Development
DFIs	Development Finance Institutions
DRC	Democratic Republic of Congo
DWAF	Department of Water Affairs and Forestry
DMC	Drought Monitoring Centre
EEZ	Exclusive Economic Zone
EC	European Commission
ECOWAS	Economic Community of West African States
EFA	Education For All
ELMS	Environment and Land Management Sector
EPAs	Economic Partnership Agreements
EPSI	Education Policy Support Initiative
ENDU	Epidemiological Network on Drug Use
EU	European Union
Ex-FAR	Former Rwanda Armed Forces
FANR	Food, Agriculture and Natural Resources
FAO	Food and Agriculture Organization
FANGR	Farm Animal Genetic Resources
FARA	Forum for Agricultural Research in Africa
FDI	Foreign Direct Investment
G7	Group of 7
GE	Genetic Engineering
GIS	Geographic Information Systems
GDP	Growth Domestic Product
GMO	Genetically Modified Organism
GSP	General Systems of Preference
GWP	Global Water Partnership
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
IARC	International Agricultural Resources Centre
ICD	Inter-Congolese Dialogue
ICM	Integrated Committee of Ministers
ICT	Information and Communication Technology
ILO	International Labour Organisation
I&S	Infrastructure and Services

IDA	International Development Association
IMF	International Monetary Fund
IWMI	Inter-Water Management Institute
IWRM	Integrated Water Resources and Management
JICA	Japan International Cooperation Agency
LDCs	Least Developed Countries
LIMCOM	Limpopo River Basin Commission
MMTZ	Malawi, Mozambique, Tanzania and Zambia
MoE	Ministries of Education
MoU	Memorandum of Understanding
MPSU	Monitoring, Performance and Surveillance Unit
NARS	National Agricultural Research Systems
NEPAD	New Partnership for Africa's Development
NGO	Non Governmental Organisations
NTBs	Non-Tariff Barriers
OAU	Organization of African Unity
ODA	Overseas Development Assistance
ODL	Open and Distance Learning
OFDA	Office for Foreign Disaster Assistance
OHS	Occupational Health and Safety
OIE	Office International des Epizootics
ORASECOM	Orange-Senqu River Basin Commission
PPP	Purchasing Parity Power
RETOSA	Regional Tourism Organisation of Southern Africa
RISDP	Regional Indicative Strategic Development Plan
RPTC	Regional Peacekeeping Training Centre
RRSU	Regional Remote Sensing Unit
RSAP	Regional Strategic Action Plan
RWPC	Regional Women Parliamentarians Caucus
S&HD&SP	Social and Human Development & Special Programs
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAPOOL	SADC News Agencies Pool
SAPOA	Southern African Postal Operator's Association
SAPP	Southern African Power Pool
SARDC	Southern African Research and Documentation Centre
SARPCCO	Southern African Regional Police Chiefs Co-operation Organisation
SATCC	Southern African Transport and Communications Commission
SENDU	SADC Epidemiological Network on Drug Use
SIDA	Swedish International Development Agency
SIPO	Strategic Indicative Plan of the Organ
SMEs	Small and Medium Enterprises
SPA	SADC Program of Action
SPDCP	SADC Regional Drug Control Programme
SSA	Sub-Saharan Africa
SQAM	Standards, Quality Assurance and Metrology
TADs	Trans-boundary Animal Diseases
TIFI	Trade, Industry, Finance and Investment
TNF	Trade Negotiation Forum
UACC	Upper Air Control Centre
UN	United Nations
UNDP	United Nations Development Program

UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHMAS	United Nations Humanitarian Mine Action Services
UNHCR	United Nations High Commission for Refugees
UNITA	United Movement for the Total Independence of Angola
UXOs	Un-Exploded Ordinances
WID SAA	Women In Development Southern African Awareness
WTO	World Trade Organization
WSCU	Water Sector Coordinating Unit
WSRG	Water Sector Reference Group
WSSD	World Summit on Sustainable Development
ZACPLAN	Zambezi River Basin Action Plan
ZAMCOM	Zambezi River Basin Commission
ZAR	South African Rand
ZESA	Zimbabwe Electricity Supply Authority
ZRA	Zambezi River Authority

FOREWORD BY SADC EXECUTIVE SECRETARY

The 2002-03 SADC Annual Report has been prepared against the backdrop of major positive developments for our region. The approval of the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO) was a major milestone in the development of SADC. Both documents provide strategic direction with respect to SADC programmes and activities which have been aligned with the priorities of the organization. The Restructuring of SADC Institutions is almost complete with all the Directorates (Trade, Industry, Finance and Investment; Food, Agriculture and Natural Resources; Infrastructure and Services; and Social and Human Development and Special Programmes) established and fully operational. At the national level, appropriate institutional mechanisms have been set up in the form of SADC National Committees (SNCs) for the implementation of the RISDP and SIPO.

This year's Report is divided into five parts. The first part provides an overview of the global, continental and regional economic developments. The importance of the Regional Indicative Strategic Development Plan and the Strategic Indicative Plan for the Organ is covered in the second part. The third part focuses on the developments in main areas of regional co-operation and integration and covers trade, industry, finance and investment; infrastructure and services; food agriculture and natural resources; and social and human development as well as the critical role of the SADC National Committees. The SNCs have now a broader mandate than the phased out SADC Sector Co-ordinating Units as they have to deal in an inclusive manner with issues that fall within the four core areas of regional integration as opposed to sectoral issues. Equally important are the cross-cutting areas of regional integration, notably gender and development; HIV and AIDS; science and technology; information and communication technologies which are dealt with in the fourth section. Part Five is dedicated to the way forward particularly, with the implementation of the RISDP and SIPO.

Based on the economic performance of the SADC region, the report provides policy recommendations for accelerated economic growth and poverty reduction. It draws a lot from the RISDP and SIPO which aim at deeper integration through a set of priority intervention areas over the next fifteen years bearing in mind the Millenium Development Goals and the need to promote peace, security and stability in the SADC region.

The period 2002-2003 has laid down a solid foundation for SADC to move forward with its integration agenda. The role of each key player has been defined and the time frame provided for the attainment of strategic goals and targets. The issue of capacity constraint at the national and regional levels, however, continues to pose a serious challenge and needs to be addressed to allow for the smooth implementation of the agreed plan of action in the short, medium and long term perspective.

We hope that as we forge ahead with the implementation of our plan of action, we will continue to enlist the support of all national and regional stakeholders as well as international support.

Prega Ramsamy
Executive Secretary

CORPORATE PROFILE

The Southern African Development Community (SADC) has been in existence since 1980, when is was formed as a loose alliance of nine majority-ruled States in Southern Africa known as the Southern African Development Coordination Conference (SADCC), with the main aim of coordinating development projects in order to lessen economic dependence on the then apartheid South Africa. The founding Member States are: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

SADCC was formed in Lusaka, Zambia on April 1, 1980, following the adoption of the Lusaka Declaration - Southern Africa: Towards Economic Liberation.

The transformation of the organization from a Coordinating Conference into a Development Community (SADC) took place on August 17, 1992 in Windhoek, Namibia when the Declaration and Treaty was signed at the Summit of Heads of State and Government thereby giving the organization a legal character.

The Member States are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

SADC headquarters are in Gaborone, Botswana.

THE SADC VISION

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

EXECUTIVE SUMMARY

Part I: Overview

1.1. During the period 2002/3 the global economy was still under strong effects of the events that shook the world economy on September 11, 2001, negatively affecting prospects for growth of the African Economies for the period under analysis. With the exception of Southern Africa, growth rates declined in all sub-regions of the continent in 2002.

1.2. However, most SADC economies experienced high inflation rates and macroeconomic instability due to increases in oil prices and in some cases the effects of natural disasters such as droughts and floods.

1.3. The human development situation in the region remained a key challenge and is compounded by the HIV and AIDS pandemic, malaria and other communicable diseases as well as by cycles of drought and floods.

1.4. The African economy is expected to grow by over 4 per cent if weather conditions and non-oil commodity prices improve. Such a growth prospect should be strengthened by higher flows of FDI, particularly into the SADC region. SADC Member States need to deepen and consolidate political and economic reforms as well as strive to implement the RISDP and the SIPO.

Part II: Strategic Planning and SADC Long-term Development Strategies-The Regional Indicative Strategic Development Plan (RISDP) and the SADC Indicative Plan of the Organ (SIPO)

The RISDP

2.1. In August 2003, in Dar-Es-Salaam, United Republic of Tanzania, the SADC Council of Ministers approved the RISDP. The RISDP is a 15-year strategy aimed at providing strategic direction with respect to SADC programmes and activities and to align them with priorities of the Organization in order to achieve SADC long-term goals.

2.2. The RISDP is structured in seven Chapters, with Chapter One giving the SADC framework for integration. Chapter Two focuses on socio-economic situation in SADC, Chapter Three reviews the existing social and economic policies, Chapter Four outlines the priority intervention areas, Chapter Five discusses sustainable financing of the RISDP, Chapter Six explores the implementation and coordination mechanisms and Chapter Seven is devoted to the monitoring and evaluation mechanisms.

The SIPO

2.3. The SIPO guides SADC activities in the area of politics, democracy, peace and security. It focuses practical undertaking in four key areas namely: (i) politics which emphasizes the need for strengthening good governance, respect for the rule of law, human and peoples' rights; (ii) defence that is guided by the principles enshrined in the SADC Mutual Defence Pact and is intended to serve as a shield and dissuasive factor; and (iii) state and public security that is concerned with the safety of people and property. SIPO also covers cross-cutting issues such as HIV and AIDS and Drug Abuse. SIPO is the operationalisation of the Protocol on Politics, Defence and Security Cooperation.

Part III: Developments in Main Areas of Regional Cooperation and Integration

3.1. In implementing SADC **Trade Protocol**, Member States continued to phase down tariffs as agreed in the Protocol. Intra-regional trade in sugar and clothes has increased following implementation of specific agreements – quota systems into SACU market, on these two sensitive products.

3.2.   On the **Finance and Investment** area, the main priority continued to be the development of the regional protocol to facilitate harmonization and integration in this key area of economic integration.

3.3.   In the area of **energy**, considerable efforts have been made to harmonize frameworks applicable to energy sector investors, financiers and operators to promote and facilitate the sector's development.

3.4.   The SADC **Tourism Protocol** came into force in November 2002 and, among other things, it will facilitate and accelerate the establishment of common SADC visa – UNIVISA, which is currently under consideration by Member States.

3.5.   In the area of **Transport, Communications and Meteorology** progress was made during 2002/3 in the areas of regulations and standards harmonization.

3.6.   In March 2003, a successful SADC Communications Forum was held, in Maputo, Mozambique whose objective was to expose the attractive SADC investment climate in the field of telecommunications to the investors.

3.7.   In the reporting period the region was, once again, affected by drought, which resulted in severe food shortages affecting approximately 15 million people in five Member States. The regional food security situation is expected to have improved during the 2003/2004 consumption years, due to both, improved rainfall and a number of measures undertaken by Member States to boost food production.

3.8.   In the area of **peace and security,** a number of activities and achievements can also be identified. These include the approval of the SIPO by Summit in August 2003 in Dar Es Salaam, United Republic of Tanzania and the ratification by the majority of Member States of the Protocol on Politics, Defence and Security.

3.9.   In the context of restructuring **SADC National Committees (SNCs)**, were created to spearhead and coordinate Member States participation in regional cooperation and integration activities. During the 2002/2003 a regional workshop to exchange experiences amongst Member States was   held and made important recommendations on the functioning of these Committees.

Part IV: Cross Cutting Areas of Regional Cooperation

4.1.   The **Gender and Development** programme has continued to constitute a key priority in SADC activities. The main tasks undertaken during 2002/2003 include gender mainstreaming at institutional level, capacity building and networking.

4.2.   SADC has multiplied its efforts in combating the **HIV and AIDS** pandemic. Amongst the most important activities, SADC Heads of State and Government met in Maseru, Lesotho on July 4, 2003, in an extraordinary Summit to discuss regional strategies. The Heads of State and Government adopted and signed the Maseru Declaration on the Fight against AIDS and HIV in the SADC Region.

4.3.   Cooperation and coordination activities are underway in the areas of science and technology, environment and sustainable development, ICT, and private sector development.

Part V: Way Ahead

5.1.   After the approval of the RISDP and the SIPO by the SADC Council of Ministers and endorsement by SADC Heads of State and Government, in Dar es Salaam, United Republic of Tanzania, the main challenge and opportunity facing SADC is now the operationalisation and implementation of this 15-year regional development strategy. A process of developing medium and short-tem business plans as well as the medium term expenditure framework is underway both at the SADC Secretariat and in Member States.

PART I

OVERVIEW

1.1. The Global Economy

Two years after the tragic events, which shook the world economy on September 11, 2001, the world economy is increasingly showing signs of recovery. During the first quarter of 2002, the G7 economies were growing at an average rate of 0.8 percent, which compared favourably to the 0.2 percent growth rate of the last quarter of 2001.

However, prospects for sound recovery of the global economy still remain slim in view of the slow pace of recovery by the major developed economies. Despite deliberate intervention policies and measures, the US economy recently experienced declines in equity prices in all major financial markets, and in business and consumer confidence. This raises fears of double-dip recession after the short-lived recovery.

Japan's real GDP fell to 0.7 percent in 2002. This occurred despite strong export performance in the first half of 2002. The weak domestic demand in Japan has compounded this situation, raising fears that global demand and prices of export commodities from developing countries will fall. This situation is attributed to structural problems in the Japanese economy, particularly those related to the banking sector.

Real GDP growth in the Euro area was only 0.7 percent in 2002 [OECD, 2003] and was expected to reach only 1.9 in 2003. The economy of the United Kingdom did not perform much better than that of the Euro area either, as it only grew by 1.5 percent and is projected to grow by 2.2 percent in 2003.

These developments in the advanced economies, in particular in the Euro area, will negatively affect prospects for growth of African economies and may undermine the recovery in commodity prices recorded since the beginning of 2002.

1.2. The African Economy

Despite their relatively weak linkages to the global economy, African economies slowed down in 2002 due to sluggish recovery of the global economy. Real GDP growth rate declined by 1.2 percent to reach 3.1 percent in 2002, comparing negatively to the 4.3 percent achieved in 2001.

With the exception of Southern Africa, growth rates declined in all the Sub-regions of the continent in 2002 as compared to the previous year. This decline was 3 percent in the North, 0.4 percent in the West, 0.5 in the East and by 1.5 percent in the Centre.

Besides the negative effects of the slowdown of the global economy, the poor performance of most African economies has been attributed to country-specific factors, particularly those in the domains of economic and political governance. The decline in the average real GDP growth rate of East Africa has been linked mainly to the political crisis in Madagascar, which had a negative growth rate of −10 percent in 2002. Other economies in the same region, namely United Republic of Tanzania, Kenya and Uganda maintained a stable economic performance. Mauritius in turn was heavily affected by the crisis in Madagascar because of its level of investment in that country.

West Africa experienced a similar situation as East Africa. A significant economic downturn in this sub-region was linked to specific events in Cote d'Ivoire and Nigeria. Economic growth in Cote d'Ivoire which was close to zero in 2002 was expected to be negative in 2003. Nigeria's economic growth was negative in 2002, mainly due to falling oil revenues associated with the country's OPEC quotas. Developments in these two countries are expected to adversely affect growth prospects in Mali and Burkina Faso for 2003.

The North African Sub-region was the most affected part of the Continent by the September 11, 2001 events. In particular, the tourism industry in Egypt, Morocco and Tunisia

experienced a sharp decline in the number of tourist arrivals. The volatile political situation in the Middle East is also believed to impact negatively in the economies of the North African states, particularly Egypt. In this Sub-region only Algeria managed some improvements in its economic performance, notwithstanding the huge structural problems facing its economy. It is projected that 2003 will record slight improvements in the economic performance of the sub-region.

With the exception of Gabon, the Central sub-region performed reasonably well in 2002 due to positive orientation of the oil market during that year. The settlement of political and military confrontation in the DRC contributed to significant improvements in the sub-region's economic performance. Positive growth rate has been recorded in this country after six years of economic decline.

The African economy in general continues to be substantially influenced by oil prices that put the continent in a contradictory dynamic. On one side, the high oil prices contribute to growth in the oil exporting countries while at the same time causing price increases which then result in macroeconomic instability, higher inflation and tighter foreign exchange constraints in the forty-two oil importing countries.

The African economy has also continued to suffer from lack of diversification and rigid production systems, which make the economy vulnerable to external shocks.

UNECA and OECD analysis of the African economies shows that only 5 out of the 53 African countries achieved the 7 percent growth rate in 2002 required for the LDCs to meet the Millennium Development Goals. These developments underscore the need for greater

efforts to improve macroeconomic policies management and political and corporate governance. In parallel to African countries own efforts developed countries should honour their pledges made in various fora, (particularly at Monterrey in 2002), to increase ODA to LDCs.

1.3. Economic and Human development in Southern Africa

Economic Developments

In the Year 2002, SADC economies accelerated to a 3.2 per cent growth rate, despite a slow down both in the African and in the global economies experienced in the last two years. This growth rate compares positively to 2.7 per cent achieved in 2001 and makes Southern

Fig. 1: Growth Rates in SADC, 1999 - 2002
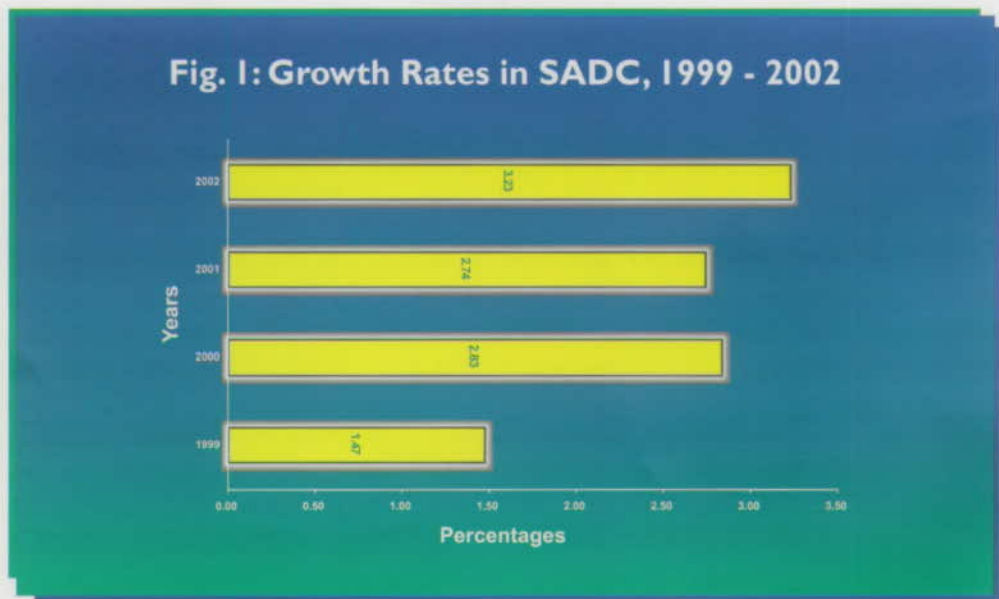
Source: SADC Statistics, 2003

Africa the only region on the Continent to have accelerated in growth.

Fast growing economies in the region include Angola, Mozambique, the United Republic of Tanzania with GDP growth rates of 13,8 per cent, 8 per cent and 6,2 per cent, respectively. Improvements in GDP growth rate of the SADC economies are attributed, amongst other things, to dividends associated with peace, increased oil output (in Angola), and improved management of macroeconomic policies in most SADC Member States. Improved performance in the largest economy in the

region - South Africa also contributes to more economic stability in the SADC region.

However, the performance of SADC economies is adversely affected by oil and other primary commodity prices. Most if not all SADC economies are induced to macroeconomic instability by high inflation rates and tighter foreign exchange constraints motivated by higher oil prices. Prices in at least six SADC countries were also affected by natural disasters, namely droughts and floods.

Political instability also continued to impact negatively on the growth rate of the region. Countries affected by conflict invariably exhibited lower – if not negative GDP growth

by means of deepening and consolidating economic reforms for sustainable development.

Human and Social Development

Despite considerable measures undertaken by SADC Member States to reduce poverty and improve human development in the region, the challenges in this area remain quite enormous. The reduction in poverty achieved so far through poverty reduction strategies is not in pace with the minimum needs as reflected in the MDGs. The regional growth rate of 3.2 percent, achieved in 2002, is far short of the target growth rate of 7 percent required for poor countries to halve poverty by the year 2015. In fact, the MDGs will not be achieved in most SADC Member States unless resource and capacity constraints are addressed urgently.

Fig 2: Inflation in SADC, 2002

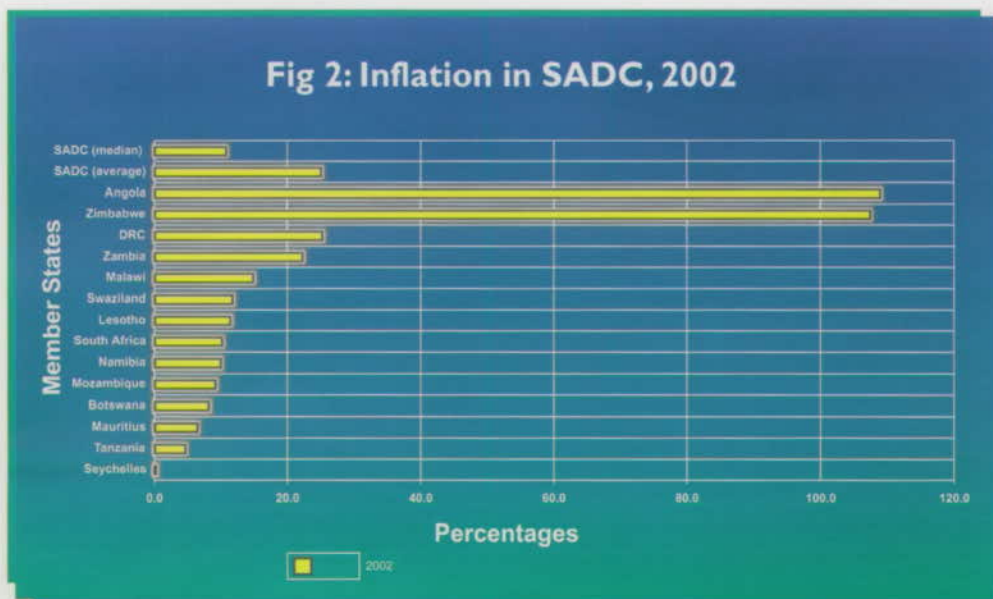Source: SADC Statistics, 2003

Poverty in the SADC region is aggravated by cycles of drought and floods, insecurity and conflicts and by the HIV and AIDS pandemic, as well as other communicable diseases such as malaria. SADC continues to be one of the most affected regions by the HIV and AIDS pandemic. In 2001, half of SADC Member States were estimated to have over 20 per cent of their population living with HIV and AIDS of which 4 had rates above 30 per cent.

rates, high inflation rates and higher rates of people's impoverishment.

Sectoral performance of the SADC economies remains weak in the face of challenges presented by global competition. This weakness is structural in nature but is compounded by low investment in infrastructure, and in new plants and equipment, in technology and in skills development. Services, the most dynamic sector in the modern economies has had very limited impact in the overall development of SADC economies, mainly due to its concentration in the urban areas.

In summary, SADC economies need to continue striving for diversification and more dynamic production systems. This can only be achieved

In 2002, cycles of drought and floods generated an acute humanitarian crisis in the region affecting over 15.2 million people, mainly in Angola, Lesotho, Malawi, Mozambique, Swaziland, Zambia, and Zimbabwe. Insecurity and conflict in some parts of the sub-region of SADC also continue to adversely affect millions of people in the region.

The debt relief measures adopted by a number of SADC Member states within the HIPC

initiative, though positive, continue to be undermined by structural weaknesses of the low-income countries, which may force some of them to slip back into the debt trap.

1.4. Regional Outlook and Policy Recommendations

The United Nations Economic Commission for Africa (UNECA), projects the African economy to grow by 4.2 percent if weather conditions and non-oil commodity prices improve. If the current trend in SADC economic growth is maintained, this projection is achievable in the SADC region.

Despite the marginal position of the African continent in the global context, trends in inflows of FDI in the SADC region suggest that in 2003, the SADC region will continue to be a significant destination of FDI. This will strengthen the growth prospects of the region.

This projection, however, could be affected negatively by uncertainties in geo-politics, difficulties in global financial markets, insecurity and conflict and threats posed by diseases such as HIV and AIDS and malaria and other communicable diseases.

To accelerate economic growth, SADC Member States should individually intensify their efforts to implement comprehensive economic and social reforms within the NEPAD development framework, pursuing poverty reduction oriented policies, addressing good governance issues (political and corporate), rehabilitating infrastructure and addressing production capacity constraints. SADC should, further improve linkages with regional and global marketing networks and maximise the opportunities brought about by international economic partnerships and agreements (such as AGOA and the Cotonou Agreement between the EU and ACP countries), by ICT and gender mainstreaming.

At the regional level, the implementation of the RISDP is the most daunting challenge. SADC will strive to implement the priority activities in the main intervention areas, namely trade liberalisation and economic development, food security, infrastructure and services for poverty eradication and social and human development, in order to achieve the targets set in the RISDP.

PART II

STRATEGIC PLANING AND SADC LONG-TERM DEVELOPMENT STRATEGIES: THE REGIONAL INDICATIVE STRATEGIC DEVELOPMENT PLAN (RISDP) AND STRATEGIC INDICATIVE PLAN FOR THE ORGAN (SIPO)

In approving the program to review the operations of SADC Institutions, (in March 2001, in Windhoek, Namibia), the Heads of State and Government also decided that a Regional Indicative Strategic Development Plan (RISDP) and Indicative Strategic Plan for the Organ (SIPO) should be developed. The aim of both Plans is to provide strategic direction with respect to SADC programmes and activities, and to align the priorities of the organization with the policies and strategies for achieving its long-term goals.

Following extensive consultations which involved SADC Member States, the private sector, civil society, academic and research institutions, and other relevant stakeholders, the first RISDP and SIPO were developed. These were approved by SADC Council of Ministers and endorsed by the Heads of State and Government at their meetings of August 2003, in Dar-Es-Salaam, United Republic of Tanzania. The purpose, goals and main contents of the RISDP and SIPO are summarized below.

2.1. The RISDP

The RISDP is a 15 year indicative and strategic policy document, which provides strategic direction with respect to SADC programmes and activities. To that effect, it aligns the strategic objectives and priorities of SADC with the policies and strategies for achieving its long-term goals. The RISDP is indicative in nature, merely outlining the necessary conditions that should be realised towards achieving those goals. In order to facilitate monitoring and measurement of progress, it sets targets and timeframes for goals in the various fields of co-operation.

The purpose of the RISDP is to deepen regional integration in SADC. It provides SADC Member States with a consistent and comprehensive programme of long-term economic and social policies. It also provides the Secretariat and other SADC institutions with a clear view of SADC's approved economic and social policies and priorities.

The RISDP re-affirms the commitment of SADC Member States to good political, economic and corporate governance entrenched in a culture of democracy, full participation by civil society, transparency and respect for the rule of law. In this context, the African Union's NEPAD Programme is embraced as a credible and relevant continental framework, and the RISDP as SADC's regional expression and vehicle for achieving the ideals contained therein. The RISDP emphasises that good political, economic and corporate governance are prerequisites for sustainable socio-economic development, and that SADC's quest for poverty eradication and deeper levels of integration will not be realised if these are not in place. The following highlights summarise the RISDP:

2.2. Contents of the RISDP

After the introductory Chapter on the scope and purpose of the RISDP, **Chapter Two** analyses recent economic, human and social trends. It notes that the economic situation in SADC improved in the 1990s, but is still unsatisfactory, with several countries experiencing low and decreasing levels of per capita gross national product, low growth rates of gross domestic product, relatively high budget deficits and interest rates, relatively low savings and investment rates and high external debt burdens, all of which have contributed to high levels of poverty. The challenge for the region is to create an environment that is conducive to the attainment of high and sustained rates of equitable economic growth and poverty reduction by overcoming the constraints of underdevelopment and dependence on primary sectors of production, improving macroeconomic conditions and maintaining a conducive climate for increasing savings and investment.

With respect to human and social trends, the level of human development improved in some SADC Member States between the middle and the late 1990s. However, on account of a widespread decline in life expectancy at birth, decreases in real per capita incomes and due to setbacks in school enrolment rates, the level of human development declined in the majority of Member States over the same period. The region is thus haunted by relatively high levels of income poverty, high and in some cases rising levels of HIV and AIDS infection rates, rising levels of illiteracy in some countries, and shortages of critical human skills in key areas, among other challenges.

Chapter Three analyses and evaluates current policies and strategies in the various areas of regional co-operation and integration. The thrust of these sectoral policies and strategies has been found to be broadly consistent with SADC's strategic priorities. However, these policies and strategies have not been very effective n addressing the strategic priorities, and their impact on regional integration and development has been limited. The RISDP has identified gaps and challenges in the current policies and strategies, and used them to re-orient those policies and strategies.

In light of the identified gaps and challenges, **Chapter Four** focuses on a number of priority intervention areas, of both cross-sectoral and sectoral nature, that are critical for the achievement of SADC's objectives, in particular in promoting deeper regional integration; integrating SADC into the world economy; promoting equitable and balanced development; eradicating poverty; and promoting gender equality. The selected priority intervention areas, their goals, specific areas of focus and strategies are briefly summarised below. The targets and time frames can be found in the matrix appended to the RISDP.

The RISDP accords top priority to **poverty eradication**. Its aim is to promote sustainable and equitable economic growth and socio-economic development. As a cross cutting issue, poverty eradication is covered in all focus areas, strategies and targets of the RISDP.

For the **HIV and AIDS** priority intervention area, the goal is to decrease the number of HIV and AIDS infected and affected individuals and families in the SADC region so that HIV and

AIDS is no longer a threat to public health and to socio-economic development. The intervention focuses on the incidence of HIV and AIDS infection, the socio-economic impact of HIV and AIDS, the policy and legislative frameworks and resources for the HIV and AIDS multi-sectoral response in SADC. The main strategy is to promote the re-allocation of responsibilities for planning, coordination, implementation, monitoring and evaluation of the SADC response across all its sectors.

In the priority area of **gender equality and development**, the goal is to facilitate the achievement of substantive equality between women and men in the SADC region. This is to be done through mainstreaming gender into all national and regional policies, programmes and activities, and the adoption of positive measures to accelerate progress in this regard. Specific interventions and policies focus on gender policy and institutional frameworks, women's human and legal rights, gender mainstreaming, access to and control of resources, and access to key political and decision-making positions.

The RISDP recognises the importance of **science and technology** in economic development and increasing the competitiveness of the region. The goal of this priority intervention area is to develop and strengthen national systems of innovation in order to provide scientific and technological solutions for sustainable socio-economic development, regional integration and poverty eradication. The strategies for achieving this goal include developing legal and policy frameworks, promoting regional co-operation in Science and Technology, and developing instruments for promoting collaboration in Science and Technology within the SADC region and beyond.

The RISDP also recognises the importance of information as a resource and a tool for development. The **information and communications technology** revolution, characterised by the high level of development and use of computers in all aspects of life, is recognised as a key factor for regional integration and development, globalisation and modernization.

The RISDP considers **Environment and Sustainable Development** as a vehicle for

equitable and sustainable use of the environment and natural resources for the benefit of present and future generations. As a cross-sectoral intervention area, Environment and Sustainable Development will present opportunities for the region to advance its programme of action in environment and natural resources management. It will foster harmonisation of and compliance to environmental policies, standards and guidelines by pursuing the strategic objectives outlined in the RISDP.

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

As a priority intervention area, the **statistics programme** aims at providing relevant, timely, accurate and comparable statistical information for planning, policy formulation, implementation, monitoring and evaluation of SADC integration activities. The strategies for achieving this goal focus on developing a legal framework for regional co-operation in statistics; harmonization of statistical information; collating, processing and disseminating official statistics; developing indicators for monitoring and evaluating regional integration; and building capacity for national and regional statistical systems.

The RISDP focuses on promoting **trade, economic liberalisation and development** as a means of facilitating trade and financial liberalization, competitive and diversified industrial development and increased investment through the establishment of a SADC Common Market. In order to attain this goal, SADC will need to accelerate and complete the formation of a Free Trade Area; begin negotiations for the establishment of a customs union, which will be followed by a common market; enhance competitiveness through industrial development and increased productivity in all sectors; harmonize policies, legal and regulatory frameworks for the free movement of factors of production; and implement policies to attain macroeconomic stability and build policy credibility.

The RISDP emphasises co-operation in **infrastructure** in order to ensure the availability of a sufficient, integrated, efficient and cost-effective infrastructure that will support and sustain regional economic development, trade, investment, agriculture and contribute towards poverty eradication. The strategies for achieving this goal include: the Electricity Sub-sector, promoting power pooling through the extension of grid interconnections; and consolidating the transformation of the Southern African Power Pool (SAPP) from a co-operative to a competitive power pool; for the Petroleum and Gas Sub-sector, promoting joint exploration and development of resources; and co-operation in joint procurement of petroleum products; for Tourism, co-operation in marketing and promotion; and attracting investment; for Transport and Communications, reducing capital, maintenance and operating costs; and policy harmonisation and liberalisation of markets in all forms of transport; and, lastly, for Water, establishing and strengthening shared watercourse systems: and promoting the development of water infrastructure.

The RISDP also emphasises co-operation in **sustainable food security** which aims at achieving lasting access to safe and adequate food at all times and to ensure an active and healthy lifestyle by all people. The focus of the RISDP is to improve food availability, access to food, and nutritional value of food, while minimizing food losses; improving forecasting, prevention, mitigation and recovery from adverse effects of natural disasters; and improving the institutional framework. The RISDP has formulated strategies for attaining the above sustainable food security goal and objectives, which include: increasing crop and livestock production, productivity and profitability; promoting irrigation and appropriate agricultural production

technologies; promoting trade in food and non-food agricultural products; promoting rural non-farm income generating activities, entrepreneurship development, and effective food storage and preservation technologies; improving the quality of processing, packaging, labelling and preparation of food; broadening and strengthening the early warning system; and developing Protocols for Food Security, Agriculture, and the Environment.

In the **human and social development** priority intervention area, the goal is to contribute to the reduction of human poverty and to improve the availability of educated, skilled, healthy, flexible, culturally responsive, productive and efficient human resources for the promotion of SADC's equitable growth, deeper integration and ensure SADC's competitiveness in the global economy. In pursuit of this goal, the RISDP focuses on the development of positive values, attitudes, and practices; and on increasing the utilization of human capabilities. The proposed strategies include the coordination, harmonization and engendering of education, training, health, nutrition, employment and labour policies; the harmonization of policies for employment creation and income generation; and establishment of exchange programmes and mechanisms for key stakeholders.

Chapter Five concentrates on resource mobilisation. It argues that successful implementation of the RISDP requires a major commitment of substantial financial resources. The availability of these resources is critical for the achievement of RISDP objectives. These resources will be an important determinant of the success of the RISDP in achieving its integration and development objectives. In terms of financing its coordination function, SADC relies on contributions from Member States and grants from International Co-operating Partners. Increases in both sources of funding are essential.

Until now, Member States have been making equal contributions to SADC institutions. From April 2003, their contributions will take into account the relative level of their Gross Domestic Product, which is seen to be a more equitable and sustainable approach. In order to improve the financial capacity of SADC further, Member States are exploring the potential for developing self-financing

mechanisms for the organisation. In order to increase the resources for financing development, governments will also need to improve the management of their revenue and expenditure to generate savings, improve the functional use and effective application of foreign aid, and pursue effective debt relief strategies with creditors to release more resources. They will also need to change and improve the policy environment to stimulate private capital inflows, local savings, and private sector participation through public-private partnerships, debt, equity funds, venture capital, and credit guarantee insurance facilities.

Chapter Six asserts that successful implementation of the RISDP will also require an appropriate institutional framework. The RISDP envisages that at the political level, the Council of Ministers through the Integrated Committee of Ministers (ICM), will provide policy direction and oversight to implementation. At the operational level, management and coordination of the RISDP will primarily be the responsibility of the Secretariat. The implementation of particular programmes will involve some or all of the following structures: the Secretariat, Technical Advisory Committees and Sub-committees, Programme Steering Committees, participating Member States and SADC National Committees. The challenge will be to ensure that these structures have the requisite human and financial capacity. International Co-operating Partners, Implementing Agents and Contractors will also be involved. Since implementation should involve a wide range of stakeholders, the participation of women, the private sector and civil society will be emphasised. The RISDP makes proposals for strengthening the role of these key stakeholders and enhancing their participation in implementing it.

Chapter Seven identifies the mechanism for monitoring the implementation of the RISDP. The Summit will exercise continuous oversight using progress reports from the Secretariat. At the technical level, the Secretariat will coordinate and monitor implementation through an integrated monitoring system. Within Member States, SADC National Committees will coordinate and monitor implementation at the national level providing regular feedback to the Secretariat. In addition, a Stakeholders Forum will review and contribute to annual progress

and evaluation reports before the ICM, the Council and the Summit consider them. All these structures will be involved in evaluation on a regular basis. To complement this internal process, an in-depth, independent evaluation of the RISDP will be conducted as and when necessary.

2.3. The SIPO

The SIPO provides the general guidelines for the operationalization of the Protocol on Politics, Defence and Security Cooperation. Apart from spelling out specific activities, in accordance with the Protocol's objectives, and the strategies for their realization, SIPO also provides the institutional framework for the day-to-day implementation of the Organ's objectives. It is divided into four major sectors: political, defence, state security and public security. It provides the analysis and challenges of the four sectors, the objectives of the Organ on the four sectors as well as the strategies and specific activities to be implemented in order to realize the objectives of the Organ.

PART III

DEVELOPMENTS IN MAIN AREAS OF REGIONAL COOPERATION AND INTEGRATION

3.1. Trade, Industry, Finance and Investment

3.1.1 Trade for Development

As the process of globalisation deepens, it facilitates greater integration for the SADC region. It boosts trade, improves competitiveness, information exchange, enhances governance and improves the social development of the populace. It has been observed that globally, intra-regional trade as a percentage of total trade has been growing steadily. For example between 1980-89, it increased from 51% to 59% in Europe and from 33% to 37% in East Asia. To date over 60% of world trade takes place in regional blocs. In Africa, intra-regional trade accounted for 6% in 1990 which increased to 10% in 1999. SADC trade with the rest of the world shows a steady increase although the overall balance of trade has been decreasing.

The key driver for development and deeper integration within SADC over the next 15 years will be intra-regional trade. The SADC Trade Protocol, which was signed in 1996 and came into force in 2000, is a cornerstone of the SADC program for regional trade liberalization and industrial development. Given that trade, industry and investment are intrinsically interrelated, the general policy thrust is the creation of a more positive investment-enabling environment. Eleven Member States have been implementing the protocol since September 2000, in particular the phased reduction of tariff barriers. Angola acceded to the Protocol in March 2003, and is in the process of preparing its tariff phase down for consideration by other Member States. It is anticipated that the Angolan tariff phase down may be ready for implementation in early 2004.

SADC is in the third year of the implementation of the Trade Protocol, which is one of the most important legal instruments that are catalytic to deeper regional integration. Eleven countries have so far been implementing the Protocol through their tariff reduction schedules and special agreements for some sectors.

By 2001, when all the eleven countries were implementing the Protocol, about 47% of goods traded in the region were at zero tariffs. The Protocol envisages the achievement of a Free Trade Area by 2008, when over 85% of all goods traded will be at zero tariffs.

Trade in sugar had originally been classified as sensitive and a special agreement was negotiated. Sugar is a sensitive product even worldwide hence its market price remains distorted. The open world market price for sugar is lower than the price exporters obtain from preferential markets such as that provided for under the EU-ACP Agreements and the US General Systems of Preferences (GSP). The implementation of the agreement is proceeding smoothly with the Non-SACU sugar producers managing to meet their allocated quotas. During the last season, about 58 000 tones of sugar were exported to SACU countries. It is expected that in the current season, due to some Member States having been affected by drought, about 45 800 tones with be exported into the SACU market.

The area of clothing and textiles is another where opportunities are being opened up under this new trade regime. Trade in clothing and textiles is based on a two-stage substantial transformation rule of origin. However, Malawi, Mozambique, United Republic of Tanzania and Zambia have been allowed by the SACU group to access the SACU market under a one-stage transformation rule subject to quotas. The agreement is valid for 5 years, and quotas are based on current production capacity. This dispensation has been under implementation for over a year. Exports in textiles and clothing from these countries have increased substantially to the extent that they have requested for the adjustment of the quotas upwards. For the other countries, which should have met the two-stage transformation, accelerated tariff reduction has been agreed to in principle. SACU countries have already put their offer on the table. The other Member States are expected to table their offers during the second half of the year. The Textiles and Clothing Committee monitors the implementation of the agreement with the assistance of the Secretariat.

Export competitiveness is not determined by the cost of production alone but by compliance with internationally acceptable standards, quality, accreditation and meteorology as well as testing requirements. SADC has already gone a long way in harmonizing standards in the region. However, in order to enforce the application of the harmonised standards, there is need for a legal and regulatory framework that is also linked to technical regulations including sanitary and phytosanitary measures. A policy, legal and regulatory framework is being developed, which will take into account the implementation of the World Trade Organisation (WTO) Agreement on Technical Barriers to Trade.

As far as trade in services is concerned, a legal framework will be adopted that will facilitate the liberalization of services in the region and ensure compliance with international commitments made by SADC Member States at the WTO level. During the period under review SADC Member States had identified the service areas for negotiation. These areas include transport and communication, tourism, financial services, construction and energy. Background studies have been undertaken and negotiating templates have been prepared. Preparations are underway to commence the negotiations.

One of the key challenges SADC faces in the process of trade liberalization is the treatment of informal cross-border trade, which has grown steadily over the last few years. The informal trade, in which women are the main actors, is viewed as having a potential to transform the lives of many social groups in the region, if the necessary facilitatory mechanisms were put in place.

3.1.2 Industry and Mining

Trade liberalisation puts pressure on industry and there is a danger of closure of uncompetitive industry. The industrial sector, therefore, needs to withstand the challenges of globalisation, which range from competitiveness to industrial and product diversification, productivity, technology transfer and research and development. This can only be achieved with an overall improvement in productivity and competitiveness combined with a diversified and balanced industrial growth in a wider, well-linked economic space that

allows for the efficient and effective use of factors of production on the basis of increased value addition. The new industrial strategies and policies need to encourage the participation of women in the development of small and medium scale enterprises and promote the use of information and communications technology. SADC should pay particular attention to investment promotion, entrepreneurship development and ensuring that the manufactured products meet internationally recognised standards and quality in order to compete favourably in the global economy.

Nine of the 14 Member States of SADC are mining countries. Mining represents about 60% of the region's foreign exchange earnings and accounts for 10% of GDP and 5% of employment. The SADC region produces significant quantities of major metals and minerals. It contributes about 53% of vanadium, 49% of platinum, 40% of chromite, 36% of gold, 50.1% of diamonds and 20% of cobalt to the world production. There is potential for investment and wealth creation in mining, and it is attractive to foreign investors. Unlike manufacturing, it has less foreign exchange risks and is less competition sensitive. The other advantage of mining is that it attracts long-term investment. However, the region has been experiencing incidences of illegal mining and trade in diamonds and gemstones. With respect to diamonds, the Kimberly process that certifies the source of diamonds has already started making an impact in dissuading illegal mining and trade in diamonds. With respect to gemstones, SADC is working on improving the legal and regulatory framework that governs the production and sale of gemstones in order to do away with illegal mining and sale of gemstones.

One of the key functions of the Directorate of Trade, Industry, Finance and Investment is to promote the development of mining and beneficiation of mineral resources through the implementation of the Protocol on Mining. The implementation of this Protocol focuses on priority themes of harmonization (policies and standards) information, skills development, value addition, Research and Development (R&D) and Small and Medium Enterprises (SMEs) development.

The volatile nature of mineral prices remains a major challenge for the industry but this could

LUANDA

Chairperson of SADC Council of Ministers and Angola's Minister for Planning, Honourable Dr. Ana Dias Lourenco chairing the Luanda Council meeting in September 2002.

SADC Council and Summit meetings are normally high profile events that attract media attention from the region and abroad. The media contingent is seen here covering the Luanda meetings in September/October 2002.

Sharing a light moment during the otherwise hectic Council/Summit meetings are the SADC Deputy Executive Secretary, Mr. Albert Muchanga (right) and SADC Chief Director, Dr. Themba Mhlongo (left).

For these hardworking SADC technocrats, business can also mean thrashing out issues as they move from one meeting room to the other (from left) are SADC National Contact Persons: Mr. Andrew Ndishishi (Namibia), Dr. Renato Matusse (Mozambique), Mr. Bernard Sande (Malawi), and Mrs. Abigail Shonhiwa (Zimbabwe).

DAR ES SALAAM

Briefing the media in Dar es Salaam are from left: Mr. Joao Caholo (Supervisor of the Directorate for Infrastructure and Services); Mrs. Margaret Nyirenda (Supervisor of the Directorate for Food, Agriculture and Natural Resources); and Ms. Esther Kanaimba (Public Relations Officer).
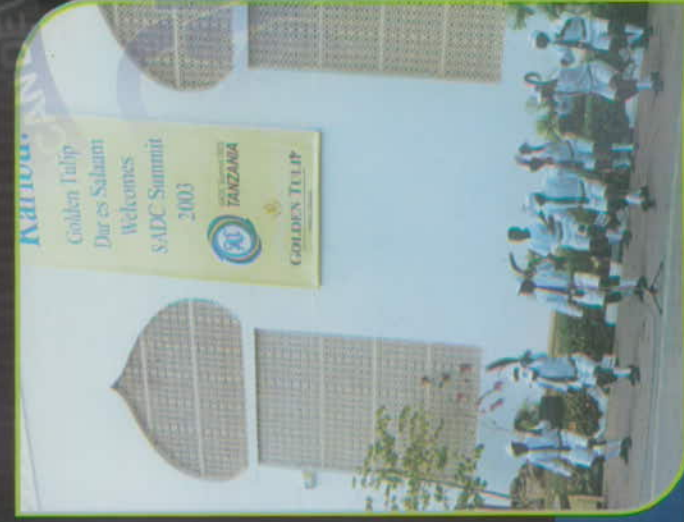
Briefing the media in Dar es Salaam are from left: Mrs. Pretronilla Ndebele (SADC Information Officer); Mr. Fudzai Pamacheche (Supervisor of the Directorate for Trade, Industry, Finance and Investment); and Mr. Simeon Ileta (Principal Information Officer - Tanzania Information Services).

Briefing the media in Dar es Salaam are from left: Dr. Johnny Strijdom (Senior Officer - the Illicit Drug Control Programme); Mr. Stephen Sianga (Supervisor of the Directorate for Social and Human Development and Special Programmes).

The message ''Karibu'' (Welcome) on the wall aptly sums up the atmosphere as dancers in the foreground welcomed delegates to the Summit.

LUANDA

Ministers, delegates and guests at the official opening of the SADC Summit of Heads of State and Government in Luanda, Angola in September 2002.

DAR ES SALAAM

Changing of the guard. President Jose Eduardo dos Santos of the Republic of Angola passing the SADC's Chairpersonship to President Benjamin Mkapa of the United Republic of Tanzania.

The official opening of the Summit featured the announcement of the winners of the 2003 SADC Secondary Schools Essay Competition and the 2003 SADC Media Awards ceremony. Shown here are finalists of the two competitions posing for a group photograph.

SADC First Ladies are a regular feature of the Summit, complete with their own parallel meeting, which issued a Declaration at the Dar es Salaam Summit. From left are First Ladies: Mrs. Ana Paula dos Santos (Angola); Mrs. Anna Mkapa (United Republic of Tanzania); and Mrs. Barbara Mogae (Botswana)

DAR ES SALAAM

President dos Santos of Angola awarding a first prize certificate to Nthabeleng Mokesepane of Lesotho for the best essay on the illicit drugs production, trafficking and abuse in the SADC region.

The Executive Secretary of SADC, Dr. Prega Ramsamy at a pre-Summit media briefing in Dar es Salaam. He is flanked by the SADC Information Officer, Mrs. Peronilla Ndebele (left) and the United Republic of Tanzania's SADC National Media Coordinator, Mr. Charles Rajabu.

SADC Heads of State and Government pose for a group photograph at the end of the official opening ceremony of the meeting in August 2003 in Dar es Salaam.

The acting head of the Gender Unit at the Secretariat, Mrs. Christine Warioba (left), with SADC Public Relations Officer, Ms. Esther Kanaimba briefing the media in Dar es Salaam.

be overcome by focusing more on value addition that would bring in more foreign exchange than that derived from export of ore.

3.1.3 Finance and Investment

SADC Member States are developing memoranda of understanding as consensus-building tools for the development of a protocol on finance and investment, which will facilitate cooperation, harmonization and integration in this critical area of economic integration. In support of this strategic direction, they are implementing policies that encourage movement towards regional macroeconomic stability and convergence through prudent fiscal and monetary policies; provide a framework for co-operation in the area of finance; promote the development of sound investment policies and to enhance savings; facilitate and stimulate investment flows and technology transfer and innovation in the region.

By signing a Memorandum of Understanding (MOU) on Macroeconomic Convergence, SADC Member States committed themselves to achieve and maintain macroeconomic stability. All countries should converge on stability-oriented economic policies, which include restricting inflation to low and stable levels, maintaining a prudent fiscal stance that eschews large fiscal deficits, and high debt servicing ratios, and minimizing market distortions. A macroeconomic surveillance mechanism will be established to monitor the move towards convergence on selected indicators. The selected indicators are:

- The rate of inflation in each Member State;
- The ratio of the budget deficit to GDP;
- The Nominal Value of public and publicly guaranteed debt as a ratio of GDP;
- The balance and structure of the (external) current account.

Targets for the macroeconomic indicators have been set in the context of the Regional Indicative Strategic Development Plan. A peer review mechanism as provided for by article 6 of the MOU, where the Ministers of Finance and Investment and Central Bank Governors would evaluate and monitor the annual convergence programmes submitted by each Member State is being set up. A special Monitoring, Performance and Surveillance Unit (MPSU) will be established in the Secretariat

to spearhead the monitoring and review process that feeds in to the Ministers and Central Bank Governors Peer Review Panel. The MPSU will also submit a performance assessment report to Ministers of Finance and Central Bank Governors.

Given the high level of competition for investment the developing world is subjected to, SADC cannot afford to remain behind. Developing a coherent and attractive investment framework for the entire SADC region is key to attract greater quantities and better quality investment in order to generate more wealth and become a viable large market that can sustain high economic growth and reduce poverty. Foreign Direct Investment still plays a central role in the region, hence efforts are being made to ensure that national investment legislation, codes or guidelines that facilitate investment in the region are enacted, as well as policies that promote free movement of capital within SADC. Member States are being encouraged to accede to international conventions on the protection and guarantee of investments. A Memorandum of Understanding on Investment is being developed to market the region as a viable and safe investment destination.

Between 1995 and 2001, the SADC economies experienced a mixed response to attracting Foreign Direct Investment. According to the World Development Indicators Database, World Bank, 2003, the net inflows into SADC show that in 1995 the region received US $2 566 million, which declined to US$ 1 932 million in 1996, and then increased to US$ 5 226 million in 1997. There was a decline to US$ 3 401 million in 1998 followed by an increase to US$5237 in 1999. In 2000 the net inflows declined again to US$2 893, followed by a substantial increase of US$ 10 387 in 2001. Angola and South Africa take up the largest share of Foreign Direct Investment in SADC. In Angola, most of the investments are in the oil industry.

The role of domestic investment cannot be underplayed, as it sets the stage for Foreign Direct Investment. The critical element in this is the mobilization of domestic capital for investment. In this respect, the Network of Development Finance Institutions (DFIs) has been created to co-operate in cross-border financing of projects and to mobilize resources

from other sources for financing development projects in the region. This is being done in the context of a Memorandum of Understanding signed by the DFIs. SADC is also in the process of establishing a Regional Development Fund that will assist in financing regional projects.

Although, the investment climate in the region has improved over the last few years, there are a number of risk factors, which investors continue to identify. Some of these risk factors that tend to drive away potential investors relate to regulatory uncertainty and foreign exchange instability, macroeconomic instability, civil strife and the perception that any African country is politically and socially unstable.

While substantial work has been done to improve the banking and financial services in the region, it remains a big challenge to attract investment. In some countries the banking and financial services have not adopted information and communication technology, which has become the key to development. In some cases, lack of ICT and systems complementarity among regional banks is a further blockage to trade and investment as this affects transfer flows, payments and settlements. SADC will need to engage in training and capacity building to promote ICT in the provision of financial services.

3.2. Infrastructure and Services

3.2.1 Energy

There are many challenges and opportunities in the Southern African Energy Sector due to the wide disparity in energy access between rural and urban areas. The region is richly endowed with human, natural, agricultural and mineral resources. However, the majority of the population still relies on wood fuel, whose inefficient utilization contributes to environmental degradation. Almost 75% of the population of the region has no access to electricity, which hampers socio-economic development.

The challenge is to provide electricity to rural areas as a basic fundamental human right, to alleviate poverty through increased access to commercial and modern energy technologies, including renewables, promote more efficient

use of traditional fuels and support private investments in the Energy Sector. NEPAD (the New Partnership for Africa's Development) makes it very clear that, to attract foreign capital, African countries will have to assure foreign investors that private property rights will be respected. This ambitious development plan for Africa, which SADC has adhered to, proposes to bridge the most glaring gaps in continental infrastructure, with a heavy emphasis on boosting human resources, but also focusing on information and communication, energy, transport and water sanitation. The Plan describes a series of target projects in these areas for which it will require extensive capital, both domestic and foreign.

The SADC Energy Sector offers a wide variety of investment opportunities existing in the region. Considerable efforts are being made to harmonise frameworks applicable to energy sector investors, financiers and operators to facilitate and promote the Sector's development, improve its general performance, efficiency and energy services provision to the region. Policy, legal, regulatory and institutional changes are taking place, aimed at attracting investment, particularly investment from the private sector.

3.2.2. Tourism

Tourism is the fastest growing industry internationally, and within the SADC region it has grown into one of the most vibrant economic activity of our time. On account of its socio cultural and economic dynamics, it constitutes an excellent instrument for promoting economic development, understanding and goodwill amongst the people of the SADC region. The past half a century has been marked foremost by its tremendous expansion, and the development of tourism is also characterized by its geographical spread with notable diversification of destinations taking place.

In 2001, International tourism receipts amounted to 463 billion United States dollars worldwide, with half collected by Europe and Africa collecting 2.5% of the receipts. International tourism slowly recovered in several regions of the world in 2002 recording 715 million global tourist arrivals and registering an annual growth of 3.1% compared to year 2001. The preliminary 2002 results show a

change in the world tourism map, Europe remaining firmly in the first place, while Asia and the Pacific claimed the number two spot from the Americas. The international arrivals to African and Middle Eastern destinations continue to grow above the world average.

Southern Africa's Tourism arrivals reached 12.8 million in 2002, a growth of 6.5% over the 2001 figure despite challenges that faced the industry worldwide. Africa experienced a 4.6% increase in international arrivals in 2001. South Africa remains the most favored destination, despite the 1.5% decrease in arrivals. The countries that enjoyed the largest growth in 2001 are Namibia, United Republic of Tanzania and Nigeria. In the SADC region there were a few bright sports in 2001, with tourist arrivals to Lesotho up 11,7% in Namibia up by 14% and Mauritius by 20% compared to year 2000.

A number of developments within the region have given a positive improvement to the tourism sector. For example the end of the hostilities in Angola and the signing of the peace accord in the Democratic Republic of the Congo have assisted in improving the overall image of the region.

Airline capacities from Europe and Asia increased substantially during the year. This has encouraged tour operators in the source markets to expand their packages to the region.

Since 2001, the tourism industry has been severely affected by terrorist activities in different parts of the world, a weak international economy, the SARS epidemic, and a number of other regional conflicts and disasters. After almost two years of adverse conditions, optimism is growing that the industry has turned the bend and is slowly recovering. Taking all the challenges into account, we can be certain that tourism is on the way to recovery and back to the trends predicted in the WTO's Tourism 2020 Vision which forecasts that international arrivals are expected to reach over 1 billion by the year 2010 and 1.56 billion by 2020. As regards Africa, international arrivals will more than double to reach 47 million in 2010 and 77 million in 2020 with an average annual growth rate of 5.5% higher than the world average of 4.1%. Africa's market share is expected to reach 5% in 2020.

The SADC region has the potential to develop

a unique collective destination that encompasses the various tourism products. Despite this huge potential the SADC share of tourists is still low and needs to be improved. There is need to facilitate intra-regional travel and the movement of international tourists in the region in order to increase the market share and revenue of the region in world tourism. Given the potential of growth of the tourism sector in the SADC region and the exigency of tourists who are demanding more and more quality services, training of employees at all levels in the travel and tourism industry is now crucial. A number of developments have taken place at the regional level with a view to increase the flow of tourists into the SADC region.

The Tourism Protocol, a landmark document for the development of tourism in the SADC region, came into force on 26 November, 2002, and most of its programmes are currently under implementation.

Based on the Tourism Protocol preliminary reports on the UNIVISA, i.e. a common tourist visa for the SADC region have been produced and detailed analysis and study on the issue still needs to be carried out.

A revised specific programme of activities to further tourism development in Sub-Saharan Africa has been prepared by the World Tourism Organisation (WTO). Various training seminars and statistical projects have been packaged for WTO assistance under the special programme for Sub-Saharan Africa for the 2002-2003 programme. SADC Member States have shown interest to host or have hosted the seminars. South Africa hosted a training seminar for tourism officials and Seychelles hosted Sub-regional workshop on Tourism Statistics and the Elaboration of a Tourism Satellite Account. Tourism has not had the recognition, nor the popular and political support it merits given its size, its sustainable growth and its tremendous capacity to create jobs, the Tourism Satellite Accounts should help remedy the situation by gauging the impact of tourism on national economies and on world economy using hard facts and figures that are internationally comparable and just as reliable as data produced by other economic sectors.

Progress has been made with regard to the Okavango Upper Zambezi Spatial Tourism

Development, which was officially launched at the World Summit on Sustainable Development in South Africa in 2002. The OUZIT project is now officially part of the WSSD process. A SADC country tourism market assessment and an OUZIT business plan have been produced.

In 2002, Council approved that RETOSA should be allowed in principle to operate under the principle of subsidiarity, taking into account the relevant Council decision on its operations and source of funding. RETOSA has prepared a corporate plan, which indicates its structure and financial sustainability for submission to the Review Committee and Council of Ministers.

NEPAD represents an important gateway for the development of Tourism projects that would be in line with the overall NEPAD initiative. The SADC Secretariat in collaboration with NEPAD and other sub-regional bodies is working on identifying key 'anchor projects at the national and regional level, developing a regional marketing strategy, and on developing research capacity in tourism.

3.2.3. Transport, Communications and Meterology

I) Priority Interventions During 2002/2003

The priority interventions for the division were focused on the implementation of the SADC Protocol on Transport, Communications and Meteorology as follows:

- Development of guidelines to assist Member States in the implementation of specific reforms in the transport, communications and meteorology sectors in accordance with the requirements of the Protocol;
- On e-readiness, to provide continued advice to Member States on priority areas of action for bridging the digital divide in the SADC region and facilitating the implementation of strategies aimed at improving the e-readiness status of the Member States;
- Encouraging the formation of sub-sector associations and liaising with the sub-sectoral associations in service development strategies and customer responsive delivery.

II) Achievements during 2002/2003

The following achievements were made during the period 2002/2003:

a) Development of Guidelines

Model Legislative Provisions, Model Policies and Guidelines are intended for use by the Member States as guidelines in the preparation of national legislation and policies for reforming the transport, communications and meteorology sectors in conformity to the Protocol. During 2002/2003, a number of guidelines were finalized, which include:

- SADC Guidelines on Universal Access and Universal Service;
- SADC Guidelines on Licensing of Telecommunications services;
- SADC Guidelines on Wholesale Pricing of Communications services; and
- SADC Guidelines on Fair Competition in the Communications sector;
- SADC Standards for Roads and Bridges;

The following are still under preparation and are yet to be finalized:

- Competition Rules for Air Transport Industry;
- SADC Guidelines for Low Volume Sealed Roads;
- Guidelines on developing a Communications Numbering Plan; and
- Guidelines on the development of a legal framework for e-Commerce.

b) SADC Communications Investor's Forum

A successful SADC Communications Investor's Forum was held on 10 – 11 March 2003, in Maputo, Mozambique. The objectives of the Forum were:

- To bring together the governments, policy makers, private and public operators, consumers, financiers, donors and other stakeholders from the region and worldwide in order to examine the progress made in the communications sector to date, and to identify the requirements and options for accelerating change in support of the broad goal of turning SADC into an information-based economy.

- To sell SADC as an attractive investment destination in the field of communications, especially telecommunications and also present the private sector with commercially viable investment opportunities.

c) Regional Associations

Functional secretariats were established for the Southern African Postal Operators Association (SAPOA) and the Southern African Telecommunications Association based in South Africa and Mozambique, respectively.

3.2.4. Water

The SADC Region is characterized by a large number of shared water sources, which form boundaries in some instances between two countries, or cut across two or more countries. There are about fifteen such shared river basins in the region, and in some cases eight Member States share one such basin as is the case in the Zambezi. The occurrence of water however, varies from one area to the next and from one time to the other (i.e. temporal and special variations). The northwestern and central parts of the region (Angola, DRC, Zambia and Malawi), for instance is wetter than the southwestern parts of the region covering the countries of Botswana, Namibia and South Africa.

In the reporting period, the region was overall affected by drought which led to 15 million people in six of the SADC Member States face serious food shortages. Rain fed Agriculture in most cases, has suffered a great deal with the late onset of rains to allow good cultivation and insufficient water to sustain the crops once planted. The water resources situation in a large number of the Member States therefore, has been below normal and this has affected, agricultural production, but also domestic water supplies, hydropower generation and other water dependant developments.

Through studies that were carried out in the region to determine the water supply situation, it is still very apparent that there remain many people without access to water of adequate quantity and quality. These studies show that on average, about 60% of people in the rural areas still lack access and about 40% in the urban areas are still worse off. The directorate is currently developing a regional water supply and sanitation programme, which is aimed at assisting Member States in achieving their targets in water supply and sanitation.

A number of positive developments have occurred within the current reporting period, which affect the regional outlook especially at institutional and policy levels. At the continental level, a policy development in the form of the establishment of the African Ministerial Council on Water (AMCOW), is worth noting, as it offers the opportunity for water issues to be raised at a high level on the development agenda of SADC Member States as well as Africa as a whole. The forum recognizes the vital role played by the sub-regional economic communities and is closely linked to the African Union and the NEPAD programme. The AMCOW has been very instrumental in the establishment of an African Water Facility, which is a sector-wide basket funding to be managed by an African Institution.

At the international level, water was elevated to the highest part of the development agenda at the World Summit on Sustainable Development, which took place in Johannesburg South Africa in August/September 2002. The International Forum on Water in Kyoto, Japan, further complemented this in March 2003. At both occasions very important targets were further confirmed to reduce the current disparities in the water supply and sanitation services to the people of the world especially the poor.

3.3 Food Agriculture and Natural Resources

3.3.1 Regional Food Security and Crop Development

In 2002/2003 marketing season the region suffered from a humanitarian crisis arising from severe food shortages. By March 2003, 15.2 million people required food aid amounting to about 2 million tonnes. The food shortages were mostly as a result of two consecutive years of droughts and floods aggravated by a general reduction in resource allocation to the sector and the HIV and AIDS pandemic, which increased the vulnerability of affected families.

As a response to the crisis, SADC and the UN Agencies launched an Appeal for US$611 million for food and non-food assistance. The food

assistance included direct provision of food items, school feeding and supplementary feeding for vulnerable groups, while the non-food assistance included agricultural recovery inputs, health and sanitation. These efforts enabled the region to avert a major humanitarian catastrophe.

The regional food security situation for the 2003/2004 consumption years has improved. This has been due to improved rainfall received in a number of Member States and commendable outcomes of measures that were taken by Member States to boost food production including the following:

- Sensitisation of the public on the importance of agriculture;
- The provision of subsidized inputs to targeted vulnerable groups;
- Cost sharing by government and farmers;
- Initiation of public-private partnerships;
- Commodity cross substitution;
- Winter cropping; and,
- Cross border trade.

The regional cereal production rose from 21.55 million tonnes in 2001/2002 to the revised estimate of 22.93 million tonnes in 2002/3, which is an increase of 6 percent. This production is also 3 percent above a five-year average. Total cereal surpluses are expected from South Africa and to some extent Zambia.

Substantial increases were recorded in Malawi (26%), Zambia (89%) and Zimbabwe (68%), which, were among the six countries affected by the humanitarian crisis in 2002/2003. Improved cereal production is also expected in Angola (30%) and Namibia (38%). The increase in output was mainly in maize production, which stood at 18.42 million metric tonnes, an increase of about 13 percent over 2001/2002. South Africa estimates a surplus in maize production of about 2.35 million metric tonnes.

Notwithstanding the above-mentioned improvements, the region is still expecting a cereal shortfall of around 2.65 million tonnes. This deficit is in wheat, rice, sorghum/millet, which are, estimated at 1.62 million tonnes, 537,000 tonnes and 640, 000 tonnes respectively.

The Angola, DRC, Malawi, Mozambique, Tanzania and Zambia are cassava-growing countries in the region, and together they annually produce an estimated 30 million tonnes of fresh cassava, which is about the nutritional equivalent of 12.5 million tonnes of maize. In the light of the importance of cassava in the food security in these Member States, it is included in their individual food balance sheets. Other important tubers produced in the region are potatoes (2.3 million tonnes) and sweet potatoes (1.0 million tonnes). These are important alternative food crops, which are cross substitutes for the main staples in all Member States.

3.3.2 Seed Supply Situation

The region has sufficient supply of all seeds, particularly South Africa, Zambia and Malawi, which have adequate supplies of both hybrid and open pollinated maize seeds. In addition, South Africa has adequate supplies of maize seeds for exports to the region. However, some Member States are forecasting deficits. Zimbabwe in particular, expects large deficits of nearly all seeds including 40,000 tonnes of hybrid maize seed, 1,300 tonnes of sorghum seeds, 1,120 tonnes of millet and 2,000 tonnes of groundnuts.

SADC has taken additional measures for recovery and ensuring long-term regional food security, the Secretariat has initiated and developed several programmes aligned to NEPAD's Comprehensive Africa Agriculture Development Programme (CAADP) and SADC RISDP priority intervention areas. The programmes were approved by the ICM in July 2003. These projects are as follows:

i) Establishment of the Regional Strategic Food Reserve Facility

This programme aims at preventing and preparing SADC for future emergencies in a manner that will minimize disruptions of longer-term agricultural growth and development. The Strategic Food Reserve Facility will be established at an estimated cost of US$200 million over a three-year period.

ii) Irrigation Development and Water Management

This programme aims at reducing the dependency on rain-fed agricultural production and improving food security in the region. It is

a long-term programme that is estimated to cost around US$500 million in phase one for a period of five (5) years. It will mostly target smallholder farmers.

iii) Promoting Agriculture Trade, and Food Safety

This programme aims at increasing intra-regional trade, the outcome of which is expected to be improvement of agricultural growth, rural incomes and the reduction of poverty. The estimated cost of this programme over a five-year period is estimated to be about US$10 million.

3.3.3 Livestock

During the period under review, Foot and Mouth Disease (FMD) was reported in Botswana, Malawi, Mozambique, United Republic of Tanzania and Zimbabwe and other TADs continue to be a serious concern in the region. Zimbabwe in particular is suffering from the re-occurrence of secondary FMD outbreaks which, in order to be controlled and contained, emergency measures have to be undertaken.

About 10 million doses of FMD vaccine are urgently required to stop the spread of Foot and Mouth Disease in the region. This was disclosed by an audit carried out by the World Organisation for Animal Health (OIE) in the affected countries and those at high risk in May 2003. Zimbabwe has, however, indicated additional requirements of about 25 million doses, which will cost about US$25 million in terms of vaccine purchases and equipment for an organized campaign.

Malawi and Zambia have also indicated emergency requirements to control the spread of FMD and Contagious Bovine Pleuropneumonia (CBPP). South Africa has so far contributed Rand12.0 million (US$1.5 million) to address the situation while earlier on this year, Botswana also provided Zimbabwe with about 500 000 doses of vaccine.

The SADC Secretariat in collaboration with the National Veterinary Administrations has prepared a Technical Dossier for the Control of Foot and Mouth Disease in the next three years comprising of the following activities: -

- Support for the formulation of the regional Foot and Mouth Disease control policy;
- Mass vaccinations along the borders;
- Livestock identification and movement control;
- Surveillance and reporting; and
- Overall coordination and harmonisation of policy measures.

Resources are needed to undertake both these and long term measures to eliminate FMD from the region. The SADC Secretariat has been mandated to mobilise resources from within and outside the region and coordinate a Regional FMD Campaign, while individual Member States are encouraged to commit more national resources to combat FMD and other TADs.

3.3.4. Wildlife

Wildlife is one of the natural resources of the SADC region with great potential, and SADC countries have identified 12,26% of their total surface area as wildlife protected areas.

The region has a Protocol on Wildlife Conservation and Law Enforcement, which was signed by the SADC Heads of State and Government in 1999 in Maputo, Mozambique. This Protocol is aimed at establishing common approaches to the conservation and sustainable use of wildlife resources and assist with effective enforcement of laws governing those resources. It has been ratified by seven SADC Member States and now requires only two more ratifications before entering into force.

During the period under review, the FANR Directorate has developed an implementation strategy that provides comprehensive tasks for implementation of the Protocol on Wildlife. It includes the timeframe and responsibilities for each task, where Member states are the major players.

The FANR Directorate has also developed a Memorandum of Understanding between SADC and Peace Park Foundation (PPF) on the collaboration in the establishment and development of the Transfrontier Conservation Areas (TFCAs). The MoU aims at facilitating the planning and implementation of activities in TFCAs. The TFCAs are protected areas that cut across boundaries of two or more countries.

To-date, twenty-two (22) existing and potential Transfrontier conservation sites within the region covering over 470 000 km^2 have been identified by the Peace Parks Foundation in recognition of the impact they could have on the development of the region.

The Directorate also participated at the CITES COP 12 with Member States, which was successfully held in Santiago, Chile in November 2002. At this conference, South Africa, Botswana and Namibia were allowed to sell limited ivory to selected countries.

3.3.5 Forestry

The SADC region has a broad range of forest and forest ecosystem types, ranging from planted forests, semi-arid and arid savannahs and desert scrublands, to miombos, mountain and tropical rain forests. This vast and diverse forest ecosystem supports an enormous biological diversity and necessitates a vast knowledge of forest ecosystem dynamics.

Export trade in indigenous timber is between US$5-10 million in SADC countries.

The market for forest products is large and growing in the region. These include timber and non-timber products such as medicinal plants, indigenous fruits, mushroom, and handcrafts.

During the year, the FANR Directorate finalised the development of the Forestry Protocol, which was approved and signed by Summit in October 2002. The Protocol aims at conservation and sustainable management of the region's forests. The Protocol emphasizes the principle of developing appropriate forestry industry and trade within the SADC region, the establishment of appropriate programmes and agreements to promote interstate co-operation and integrated management of trans-boundary forests and protected areas.

The Directorate has also finalized a new project proposal on the Domestication of Indigenous Fruit Trees in collaboration with Member States. The goal of the project is to improve rural livelihoods through the conservation and sustainable utilisation (i.e. domestication, genetic improvement and commercialisation) of selected indigenous fruit trees in the semi-arid areas. The project, which will cost US$7.73

million will cover all Member States and have the immediate objectives of improving germplasm for the sustainable production, utilization and marketing of selected indigenous fruit species to resource poor communities.

3.3.6. Fisheries

The estimated fish catch for the period under review was about 2,200 million tonnes. The West Coast (Namibia, South Africa and Angola) accounts for 79% of the total catches while the East Coast (Mauritius, Mozambique Seychelles and Tanzania) associated with the inland countries account for 21%. About 75% of the total landings are from marine waters and 25% are from inland waters.

During the year under review, the fisheries sector employed approximately 1.7 million inhabitants of SADC region, which means that 5.5 million people were dependent on fisheries. Seventy percent of the people directly employed in fisheries were working in inland fisheries while 30% are in marine fisheries.

The average per capita fish consumption in the SADC region was about 8 kg/year. There is a wide variation in per capita consumption among Member States. The lowest per capita is in Zimbabwe, estimated at only 2 kg/year and the highest is in Seychelles, and estimated at 60 kg/year.

In 2003/04 season, the SADC region exported about 221,000 tonnes of fish valued at US$3 624 million. Regarding fish imports, the region spent US$328 million or 0.7% of the total imports.

Cooperation in Fisheries is guided by the Protocol on Fisheries (POF), which was signed by SADC Heads of State and Government in August 2001, and currently ratified by 8 Member States namely: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, and United Republic of Tanzania. The Protocol on fisheries is to promote the responsible use of the living aquatic resources to enhance food security and human health, safeguard the livelihood systems of fishing communities, generate economic opportunities for nationals in the region and to ensure that future generations benefit from these resources.

3.3.7. Environment and Land Management

The SADC region with a total land area of about 9.06 million Km^2 is richly endowed with a wide range of natural resources. The resources include agricultural and pastoral lands, forests, wildlife resources, water resources, a variety of mineral resources and human resources. These resources are increasingly under threat due to a number of human activities and are getting degraded. The region also faces pollution, waste management and other forms of environmental problems.

A NEPAD Task Team comprising Angola, Lesotho, Malawi, Mozambique, South Africa and Zimbabwe was established to facilitate the participation of SADC in the elaboration of NEPAD specific project proposals on environment. Although, the Task Force has not yet met, the former SADC Environment Coordinating Unit participated in the formulation of the Action Plan of the Environment Initiative of NEPAD which was endorsed by the African Ministerial Conference on Environment in June 2003, and later approved by the AU Summit in July 2003, in Mozambique.

The 2002 World Summit on Sustainable Development (WSSD) which was held in Johannesburg, South Africa from 26th August to 4th September 2002 discussed issues on water and sanitation, sustainable energy, health, agriculture productivity and biodiversity conservation and management. Also discussed were cross cutting issues of poverty and sustainable production and consumption. The Plan of Implementation of the World Summit on Sustainable Development, reaffirms world commitment to the principles of Agenda 21 and the attainment the of Millennium Development Goals. SADC will formulate a regional plan of action for the implementation of the Summit outcomes. SADC Member States are at different stages of formulating their National Action Plans or incorporating the Summit outcomes in their development plans.

A draft proposal for the Establishment of a Regional Land Reform Technical Support Facility (RLRTSF) has been produced with four main components; Land Reform and Policy Support, Information and Communication, Research Studies and Capacity Building components and is proposed to be part of FANR. The facility will support and facilitate efforts of Member States to implement land reform policies that will address fundamental issues of food security and poverty reduction.

3.3.8. Research and Training

In 2002/2003, the SADC Agricultural Research and Training continues to review the regional research priorities from time to time in view of programmes in challenges and opportunities that are encountered from time to time. Major activities during the year under review include the following:

i) Harmonisation of Biotechnology legislation

The emergence of new advances in science particularly Genetic Engineering (GE) offers new opportunities and challenges to increase agricultural production. However, GE also brings challenges and concerns about safety of using Genetically Modified Organisms (GMOs) and protection of the environment. The current constraints are lack of legislation and a harmonized position on these issues. In this regard, the SADC Council of Ministers directed the SADC Secretariat to create an Advisory Committee on Biotechnology and Biosafety to safeguard Member States against potential risks in the following areas; Food Safety, Animal Health and Welfare, Public Health, Impact on Genetic Resources, Ethical Issues, Trade related issues and Consumer concerns. The SADC Secretariat has developed recommendations on how to deal with biotechnology and Biosafety.

ii) Development of the Challenge Programme

In August 2002, the Forum for Agricultural Research in Africa (FARA) submitted a concept note regarding a possible Challenge Programme ("Improving Livelihoods and Natural Resources Management in Sub-Saharan Africa") to the Consultative Group on International Agricultural Research (CGIAR)". The Interim Science Council of the CGIAR has considered this concept note positively and FARA has been requested to formulate a more elaborate proposal in cooperation with the 3 SROs (ASARECA, CORAF, SADC), the International Agriculture Resources Centre (IARCs) and the Advanced Research Institutions (ARIs) involved in the Sub-Saharan region.

The SSA-CP is part of the resource mobilisation process for the hunger and poverty targets of the Millennium Development Goals and NEPAD. The SSA-CP will provide added value to the on-going agenda for agricultural research for development in Africa by providing a framework for resource allocation and prioritisation with the objective of achieving greater coherence, efficiency and impact through the application of the principles of Integrated Natural Resource Management. The draft SSA-CP was presented and discussed during the 2nd General Assembly of FARA in Dakar (19-20 May 2003).

3.4. Social and Human Development

The SADC region continued to attach top priority to human development during the year under review. The human development situation, as measured through the Human Development Index (HDI), which incorporates life expectancy at birth, combined gross enrolment ratios at all levels of education, adult literacy, and real per capita income, did not change significantly. Although most Member States maintained their ranking of being in the medium human development category, with an index value of 0.500 – 0.799, on average the SADC region experienced a decline in its HDI. The decline was attributed to a fall in all the key variables of the human development index, with real per capita income and life expectancy at birth accounting for the largest decline. The reduction in life expectancy is largely due to the impact of the HIV and AIDS pandemic, whilst the low economic growth was the major contributory factor to the drop in the real per capita income.

The unsatisfactory state of social and human development in the SADC region was further reflected in the high levels of poverty, which was evident in the low levels of income and high levels of human deprivation. About 50 percent of the population in the SADC region subsists below the international poverty line of US$2 per day. In terms of human poverty, about 30 percent of the population in SADC are affected. This is reflected in the poor indicators on life expectancy, adult illiteracy rate, access to safe water, access to health services and under-weight children under five years.

The problem of poverty was further aggravated by the drought situation that hit the region as manifested in the food crisis, in which about 15 million people were threatened with starvation in the region. Poverty in the SADC region is particularly acute among various vulnerable groups such as households headed by old people and child-headed households, that are now on the increase due to the impact of the HIV and AIDS pandemic. Poverty in Southern Africa is a consequence of economic, technical, environmental, social, political and exogenous factors.

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

In order to consolidate the emerging positive trends, SADC intensified its efforts in developing its human capabilities through the following main areas:

3.4.1. Education and Training

In the area of education, training and human resources development, the region continued to address major challenges such as unsatisfactory enrolment rates at all levels, and the limited supply of high-level personnel. These challenges are aggravated by the devastating impact of the HIV and AIDS pandemic. In order to tackle these challenges, Member States have continued to effect various policy interventions such as the implementation of the Dakar Framework of Action Education For All (EFA). Policy reviews are being undertaken to enhance the status, relevance and quality of vocational education and technical training.

At the regional level, emphasis was on following–up activities or programmes inherited from the former HRD Unit in Swaziland and giving support to the projects. This was mainly in the form of providing general policy guidance to on going projects especially the Centre of Specialisation in Public Administration and Management (CESPAM) located at the University of Botswana, and the Education Policy Support Initiative (EPSI) based in Swaziland. The CESPAM Project continued to

address the needs of SADC Member States in the provision of management and executive skills for the public and the private sector. The programme also included training programmes for mitigating the impact of HIV and AIDS in the public sector of Member States.

The EPSI project, which is aimed at building capacities for education policy development and management in Member States, made major progress through training interventions and policy dialogue, including establishment of the three Centres of Specialisation under the EPSI Project at Dar-es-Salaam, Witwatersrand University and Pedagogica Universities.

Other activities undertaken include the collection and analysis of data on the Angolan education system for comparison of these with qualifications among other Member States. This exercise will form the basis for the development of national and regional qualifications framework in line with the RISDP.

Preparatory work for the harmonisation of educational and training systems that will be done through the implementation of the Protocol on Education and Training was undertaken. This involved the revision and updating of the Protocol Implementation Plan that was developed by the former Human Resources Development Sector. One of the key initiatives under this Plan is the establishment of Centres of Specialisation and Excellence through the Intra-regional Skills Development. The Programme is aimed at addressing high level and critical skills shortages thereby promoting SADC's Integration Agenda and its competitiveness in the global economy.

3.4.2 Health

With respect to health, the focus was on addressing major communicable diseases especially HIV and AIDS, tuberculosis and malaria. The main activities were undertaken through the support of HIV and AIDS projects which the EU and DFID fund. The later project is being redesigned to focus on Cross Border and High Transit Sites. The new focus of the Project is in line with World Health Organisation, Africa Region's promotion of intensifying HIV and AIDS, STD interventions on areas of high transmission.

One of the major developments in the region's

efforts to combat the HIV and AIDS pandemic during the year under review, was the adoption of the Maseru Declaration on Combating HIV and AIDS and the revision of the SADC HIV and AIDS Strategic Framework and Programme of Action. This was done during an extra ordinary SADC HIV and AIDS Summit, which was held in Maseru, Lesotho, on 4th July 2003. SADC has revised and strengthened its Multi-sectoral HIV and AIDS Strategic Framework and Programme of Action: 2003-2007. This Strategic Framework is a multi-dimensional response to the HIV and AIDS pandemic by the region. It is aimed at intensifying measures and actions to address the devastating and pervasive impact of the HIV and AIDS pandemic in a comprehensive and complementary way. The focus of the response is on both the prevention of HIV and AIDS and the mitigation of its impact in order to ensure sustainable human development within Member States.

The Framework takes into account and reflects the priorities of the new organisational arrangements of the restructured SADC, which clusters related issues into core areas of regional cooperation and integration. It also builds on the experience of the previous Plan for HIV and AIDS, the SADC HIV and AIDS Strategic Framework and Programme of Action: 2000-2004.

The Maseru Declaration prioritised five areas that need urgent attention at both regional and national levels, which are as follows:

- Prevention and Social Mobilization;
- Improving care and access to testing and counselling services, treatment and support;
- Accelerating development and mitigating the impact of HIV and AIDS;
- Intensifying resource mobilization; and
- Strengthening institutional monitoring and evaluation mechanisms.

Both the revised framework and the Maseru Declaration emphasize the importance of strengthening partnerships with Civil Society Organizations, Faith-based Organizations, Business, Labour, and International Cooperating Partners. The need to mainstream HIV and AIDS at both policy and program levels is also underscored.

In view of the seriousness and connection

between HIV and TB in the region, a SATCI communication strategy was developed. This communication strategy will assist in maintaining the momentum in the implementation of the SADC TB Strategic Work Plan. On the Malaria front, the region organised Racing Against Malaria (RAM) Rally from 10 – 25th April 2003. This was a major advocacy and educational campaign in which teams from ten SADC Member States travelled to Dar es Salaam, United Republic of Tanzania. The campaign was a resounding success with political and regional commitment, to the extent that the Health Ministers suggested that the public be sensitised to other diseases in the same way. To this effect, preparations for a 2004 polio eradication campaign are underway. The Department of Health in South Africa has volunteered to assist with this campaign.

3.4.3 Utilisation of human capabilities

With regard to increasing the utilisation of human capabilities, focus was on policy formulation and harmonisation to promote employment and income generating opportunities. These interventions were aimed at contributing to honouring commitments that Member States made at the relevant inter-governmental fora such as the UN, AU, and the ILO on issues related to the eradication of human poverty, promotion of social justice and internationally recognized social rights and labour standards. A number of policy documents were developed during the period under review. These are as follows:

a)   The SADC Employment and Labour Policy Document

The Employment and Labour Policy Document has been developed taking into account the SADC Integration Agenda and Strategic Priorities as outlined in the Regional Indicative Strategic Development Plan (RISDP). The Document aims at addressing challenges of widespread poverty, unemployment and underemployment, and creating a conducive environment for labour productivity and employment opportunities.

b)   SADC Code of Conduct on Child Labour

Work on a SADC Code of Conduct on Child Labour was completed. The Code provides Guidelines to Member States on combating child labour in the region, taking into account the International Labour Organization (ILO) proposals on the National Actions against child labour.

c)   SADC Charter on Fundamental Social Rights

Member States concluded consultations on the Charter, which is aimed at promoting social development and internationally recognized social rights and labour standards.

3.4.4. Culture and Information

In the area of culture, the region continued to ensure that its rich cultural diversity and heritage is promoted through various cultural programmes. One such major event was the SADC Multi-Disciplinary Arts and Culture Festival that took place in Pretoria, South Africa from 18-25th May 2003. During the Festival, key stakeholders agreed that the SADC Multi-disciplinary Arts and Culture Festival be maintained as a permanent feature of the SADC Culture Programme to be held once every two years. Other major priority areas that were identified include the following:

- Collaboration between countries in the area of cross-border language development;

- Assessment of cultural assets, strengthening and networking of legislation in intellectual property rights to protect indigenous knowledge. Establishment of a body within SADC to deal with traditional and geographical names as national identity is embodied in history.

- Strengthening and coordination of legislation in intellectual property rights to protect indigenous knowledge;

- Expansion of a pool of writers within SADC particularly in the areas of folklore, mythology and history as these tend to shape the aesthetic and acts as a source of inspiration for creativity.

- Developing and strengthening strategic partnership with local, and regional institutions such as NEPAD and other international partners;

■ Establishment of institutional framework within the context of the RISDP to ensure the conservation and preservation of the tangible and intangible cultural heritage and encourage research within the SADC region's universities.

In addition, preparatory work was completed for the establishment of the SADC Culture Trust Fund. The purpose of the Fund is to provide a framework and resource mobilisation for the participation of artists in the implementation of the cultural programmes and projects.

In the area of information, attention was on monitoring the ratification of the Protocol on Culture, Information and Sport (CIS). The Protocol has been ratified by six Member States namely, Botswana, Lesotho, Malawi, Mauritius, Mozambique and Namibia. Member States who have not yet ratified the Protocol have been reminded and urged to do so as a matter of urgency.

In order to ensure constant flow of information and to promote the ideals of SADC in line with the SADC Information Policy and SADC structures, focus was on the development of links with the SADC News Agencies Pool (SANAPOOL). This body is charged with the task of collecting and disseminating information to Member States and other stakeholders on developments taking place in the region.

3.5 SADC Regional Drug Control Programme

Regional drug control continues to constitute a priority program for SADC. In this regard, during the period 2002/03 the following major achievements can be accounted for:

i) Effective mechanisms for exchange of drug related information at the regional level was put in place. This resulted in updated and more efficient policy directives at both regional and national levels to address latest drug abuse and drug trafficking patterns, as well as updating of the SADC Drug Control Database every six months.

ii) At the national level, the remaining three (3) Member States completed their

national drug control strategy (Master Plan), for which SADC made technical advice and funding available. Drug law enforcement officials from the police, immigration and customs departments from all Member States were trained in drug identification and investigation in collaboration with SARPCCO.

iii) In the area of demand reduction, four (4) more Member States have been trained for the SADC Epidemiological Network on Drug Use (SENDU), bringing the number of Member States enrolled into the network thus far, to eleven (11). This effort is meant to assist those enrolled to gather data on the extent of drug trafficking and abuse in the region in a systematic way and at six-months intervals. Approximately 30 000 young people were reached with anti-drug messages, after twenty three (23) NGO projects in the region were supported in 2002 with grants to conduct drug education and awareness programmes. A curriculum for the training of drug abuse rehabilitation workers for the region was finalised. This curriculum will be implemented over the next years.

iv) The development of the second five-year SADC Regional Drug Control Programme (SRDCP II) is under way. A project proposal for the funding of a second regional drug control programme under the 9th European Development Funding Programme was submitted. The Intervention areas that were provisionally identified for in the second SADC Regional Drug Control Programme, to be implemented from 2005 - 2010, include continental and inter-regional cooperation and capacity development in drug control, drug supply and demand reduction, addressing the linkage between drug abuse and HIV and AIDS, and mainstreaming of drug control concerns within the SADC Secretariat.

3.6 Peace and Security

SADC region has experienced an atmosphere of peace and relative political stability in the period under review. This environment has allowed SADC Member States to redirect their

attention to the issues of social and economic development.

On the political front, a lot of work is being done to consolidate democratic principles, the rule of law, accountability, human rights and participatory governance. Coupled with these, mechanisms for conflict prevention, management and resolution are being strengthened at the regional level to ensure their effectiveness for restoring and maintaining peace. So far, such mechanisms have proved successful in both Angola and the Democratic Republic of Congo where the peace process is being consolidated through a participatory approach.

The signing of the Protocol on Politics, Defence and Security Cooperation in August 2001, so far ratified by eight Member States, represents the highest degree of political will and commitment to building a Southern African Development Community through regional integration. To operationalise the Protocol, SADC Member States have concluded a Mutual Defence Pact. Summit also approved the Strategic Indicative Plan for the Organ (SIPO) in August 2003 in Dar es Salaam.

SIPO provides the general guidelines for the operationalization of the Protocol on Politics, Defence and Security Cooperation. Apart from spelling out specific activities, in accordance with the Protocol's objectives and the strategies for their realization, SIPO also provides the institutional framework for the day-to-day implementation of the Organ's objectives. It is divided into four major sectors: political, defence, state security and public security. It provides the analysis and challenges of the four sectors, the objectives of the Organ on the four sectors as well as the strategies and specific activities to be implemented in order to realize the objectives of the Organ.

With the above instruments, SADC Organ on Politics, Defence and Security Cooperation now has a well-defined structure and reporting lines, which allows SADC to play an enhanced role in regional conflict management and to safeguard peace and security in the region. In addition to the Protocol on Politics, Defence and Security Cooperation the Organ draws *inter-alia*, on the provisions of the Protocol Against Corruption and the Protocol on the Control of Firearms Ammunition and other

related materials to implement its programme of activities. SADC Member States have also been busy redefining the role of the Regional Peacekeeping Training Centre (TPRC). The RPTC plays a crucial role in the creation of the regional capacity for peacekeeping and peace enforcement.

There is, thus, a reason to believe that SADC is now in a better position to adopt more advanced levels of cooperation in the areas of training for peace enforcement operations, policy planning and early warning. This will involve risk mapping to analyse political, social and economic situations that can degenerate into conflicts as well as identify coherent, comprehensive and integrated approaches that will address the root causes of conflicts.

In the period under review, the Organ through various structures and strategies, also continued with conflict prevention activities and the consolidation of peace and security. Under the leadership of President J. Chissano, the Chairperson of the Organ for 2002/2003, the Organ harmonized regional positions with those of the African Union regarding the operationalisation of the Peace and Security Council.

The defence and security forces held a number of consultations and planning meetings which not only permitted building a common vision but also confidence. SADC Immigration Services held their first ever meeting and proposed a framework for facilitating the movement of persons in the region.

While there is no armed conflict in the region, the Organ was concerned with the impact of contemporary activities of terrorism. Accordingly, relevant structures undertook appropriate measures, in cooperation with the international community at large, to prevent and combat terrorist activities.

Anti-personnel landmines, small arms and light weapons, and disasters continue to pose a threat to the safety of people and property. Accordingly, SADC received assistance from the EU and the UNDP to assist in the implementation of various post-conflict recovery programmes. SADC signed a Project with UNDP intended to strengthen Africa's regional capacities for conflict prevention, resolution and recovery. The EU assistance

focuses on the consolidation of peace, mitigation of the impact of anti-personnel landmines and combating the proliferation of and illicit trafficking in small arms and light weapons.

3.7. SADC National Committees (SNCs)

SADC National Committees (SNCs) have been established in almost all Member States to serve as a critical link between stakeholders in Member States and SADC. SNCs are an integral part of the new SADC structure, which was adopted by the Extra-Ordinary Summit of SADC Heads of State and Government on March 9, 2001 in Windhoek, Namibia as part of the Restructuring of SADC Institutions.

3.7.1. Roles and Mandate

The SNCs took over, albeit with a broader mandate, from the phased out SADC Sector Coordinating Units (SCU), which were a key feature of the decentralized regional integration system of SADC. Whereas each SCU dealt with issues of a particular Sector, the SNCs mandate is much broader, as they have to deal with all issues that fall within the four core areas of regional integration, namely: Trade, Industry, Finance and Investment, Food, Agriculture and Natural Resources (FANR), Infrastructure and Services and Social and Human Development and Special Programmes. Therefore, SNCs are critically important institutions for furthering the integration and cooperation agenda of SADC.

SNCs are also more inclusive as they afford all key stakeholders in Member States, such as representatives of government, private sector, labour and civil society, an opportunity to effectively participate in SADC affairs, so as to enable them to derive maximum benefits from the process of regional integration.

SNCs play the key roles of providing inputs into the formulation of regional policies, strategies and the SADC Plan of Action. As part of this mandate SNCs were convened in all Member States during the first half of 2003 to critique and provide comments on the Regional Indicative Strategic Development Plan (RISDP). Now that the RISDP has been approved, the SNCs will have the overall responsibility of coordinating and overseeing the implementation of the RISDP at the national level.

Another important role for these Committees is to actively participate in the organisation of and preparations for SADC events and activities at the level of each Member State. In this regard, most SNCs meet to provide inputs into the agenda of major SADC meetings and also to de-brief after the meetings.

3.7.2. Sub-Committees

Most SNCs have established Sub-Committees to deal with the areas of responsibility of the four Directorates at the SADC Secretariat. In the case of some Member States, a fifth Sub-Committee has been established to deal with political, security and defence issues. Sub-Committees serve as specialized technical organs of the SNC to provide inputs related to their areas of expertise into the regional integration agenda.

3.7.3. SNC Secretariats

Most Member States have established national Secretariats within the Office of the SADC National Contact Points to coordinate the work of SNCs. Only a few Member States such as Angola, Mozambique and Swaziland had established fully-fledged Secretariats by July, 2003. Most Member States cite lack of capacity as the reason for not establishing fully fledged Secretariats.

Secretariats of SNCs are required to produce and submit quarterly reports to the SADC Secretariat or as and when requested to enable a smooth exchange of information among the SADC Member States.

3.7.4. Regional Workshops

SNCs face numerous challenges, not least among them capacity in terms of human and material resources. In order to address these challenges, two regional workshops were held in South Africa in June and July 2003 to identify training needs of the SNCs and to share experiences and refine the guidelines for SNCs.

The first workshop on needs assessment for SNCs was held on 2-6 June, 2003 at Midrand and included a pilot training programme on

Project Management. It was sponsored by the Japan International Cooperation Agency (JICA) and was attended by representatives of SNCs from all Member States except the Democratic Republic of the Congo and Seychelles. The delegations from Member States included representatives of the NCP and the private sector.

Participants to the workshop identified training needs in the following areas: financial management, negotiation skills, ICT, strategic management, leadership skills and project management within the regional context and utilizing modern IT techniques.

The second workshop was held on 29-30 July, 2003 at Benoni to review and refine guidelines for the establishment and operations of SNCs and to identify best practices for SNCs in order for them to be effective vehicles for regional integration at the national level. Representatives of SNCs attended this workshop from all Members States except the DRC and Seychelles.

At this workshop the participants identified the following challenges:

- Lack of qualified and experienced staff, financial and material resources including computers, internet facilities, printers, photocopiers, fax machines;

- Inadequate office space;

- Lack of standard plan or strategy for the dissemination/propagation of SADC's activities and programmes at the national level;

- Delays in receiving documents translated into Portuguese from SADC Secretariat makes it difficult to meet deadlines;

- Lack of a dedicated SNC Secretariat and inadequate commitment from members of the sub-committees;

- Unclear role of the SNC with regard to linkages locally and to the SADC Secretariat;

- Lack of technical capacity of sub-committees to guide and coordinate the committees effectively;

- Lack of clarity on budgetary provision for projects/programmes implementation within the context of the RISDP;

- The need for stakeholders to internalise and fully understand the role and functions of the SNC;

- The SNC not yet fully integrated in the government system;

- Weak coordination and information flow between the Secretariat and SNCs and at Member State level; and

- High staff mobility/turnover, which affects institutional memory and continuity.

3.7.5. Way Foward

The critical role of the SNCs cannot be over-emphasised. These Committees are the foundation on which regional integration in SADC is based under the current centralized system. Therefore, their effectiveness and efficiency is of paramount importance to SADC.

In an effort to address the challenges faced by SNCs and to ensure their effectiveness, the SADC Secretariat is working closely with International Cooperating Partners to source funding for the strengthening of SNCs through the provision of technical and financial assistance for the day to day operations to the SNCs as well as to conduct annual regional workshops to enable the sharing of experiences and best practices among SNCs.

The Secretariat also plans to conduct further analysis and identification of Member States individual needs through assessment visits to the latter and the strengthening of the coordination of the work of the SNCs at the SADC Secretariat.

PART IV

CROSSCUTTING AREAS OF REGIONAL COOPERATION

In the process of reviewing the operations of SADC Institutions, in particular the development of the RISDP the SADC Council of Ministers emphasized the need to intensify coordination and cooperation in the area of cross-cutting issues. These include: Poverty Eradication, Gender and Development, HIV and AIDS, Science and Technology, Environment and Sustainable Development, Information and Communication Technologies (ICT) and Private Sector Development.

While the Secretariat is still in the process of developing capacity to coordinate regional activities in most of these areas, some activities are underway and they are reported below.

4.1 Gender and Development

The adoption of the report of the Restructuring of SADC Institutions and the development of the Regional Indicative Strategic Development Plan (RISDP), have meant that gender and development activities are located in the Department of Strategic Planning. Like all other activities of the Secretariat, priorities of the Gender and Development Unit have had to be realigned with the priorities identified and set in the RISDP framework. The Ministers Responsible for Gender/Women's Affairs approved a framework of activities at their meeting in 2002. It was also subsequently adopted by the Council of Ministers at their September, 2002 meeting, in Luanda, Angola.

The overall objectives of the Gender Unit remain to facilitate, coordinate, monitor and evaluate implementation of the gender equality and equity objectives as stipulated in the SADC Declaration on Gender and Development, and the Addendum on the Prevention and Eradication of Violence Against Women and Children. Of course the priorities identified in the RISDP on gender issues are in line with the objectives of other policy instruments adopted at continental and international levels. The specific functions of the Gender Unit include, but are not limited to:-

a) Ensuring gender mainstreaming in all policies, programmes, functions and activities of the organization;

b) Ensuring development of an explicit SADC Gender policy;

c) Coordination and Outreach programming in the areas of:
   i. Capacity building for national gender structures;
   ii. Women in Politics and decision-making in SADC;
   iii. Human Rights of Women and Children;
   iv. Communication, Networking, Information generation and Dissemination;
   v. Coordination of the SADC position in regional and global meetings on gender equality issues;

d) Monitoring and Evaluation of progress in the implementation of the SADC Declaration on Gender and Development and other international instruments on women's empowerment, gender equality and the protection of the human rights of women.

4.1.2. Policy and Institutional Framework for Gender Mainstreaming in SADC

The location of the Gender Unit in the Department of Strategic Planning, Gender and Development and Policy Harmonization is a deliberate effort to ensure gender mainstreaming in all activities of SADC. At the national level, National Gender Machineries and Gender NGOs are members of SADC national and sub-committees.

The cross cutting nature of gender means that gender experts in Member States will participate and provide expertise, guidance and advice on gender issues in all of cluster meetings, convened by the SADC National Committees. Gender concerns should be taken on board in the functions, agenda, policy and programme development, implementation, monitoring and evaluation of activities coordinated by the SADC National committees,

which will then be forwarded to the Integrated Committee of Ministers (ICM) at the regional level.

As and when necessary, Ministers Responsible for Gender/Women's Affairs will meet as a sub-committee of the ICM to provide technical advise to the ICM.

The SADC Secretariat with the support of the United Nations Economic Commission for Africa (UNECA), has developed an explicit regional Policy Framework on Gender for SADC. The major highlights of this framework include its background and justification, as well as, a structure that Member States will align their gender policies to. A detailed elaboration of framework will be done through a consultative process with stakeholders during 2004.

At national level, a number of SADC Member States have national gender policies in place or at various stages of development.

4.1.3. Gender Mainstreaming at Institutional Level

With regard to the RISDP, the involvement of a gender expert in the process of developing the strategy document ensured that gender issues are mainstreamed in the various sections of the document. As a result, the RISDP has highlighted gender issues for implementation at national and regional levels.

Further, various initiatives have already been undertaken to ensure that gender concerns are integrated into various activities.

In particular, the SADC HIV and AIDS Strategic Framework and Programme of Action 2003-2007, benefited from inputs of the Gender Unit, its collaborating partners and other stakeholders, to ensure that a gender perspective is built into the strategy so that programmes can equally address the needs of, and benefit, both women and men.

At the Secretariat, staff of the Food, Agriculture and Natural Resources, (FANR), Trade, Industry, Finance and Investment (TIFI) Directorates and other Units underwent Gender Training and Capacity building. The workshops enabled staff members to become more aware of the key gender issues in the Directorates and Units.

A staff checklist and tools for gender analysis were developed as well as a work plans for follow-up activities.

4.1.4. Gender Capacity Building at the Secretariat and National Levels

At their 2002 meeting, SADC Ministers Responsible for Gender/Women's Affairs, noted that National Gender structures had limited capacities in terms of technical expertise, human, financial and other resources, to enable them to cope with challenges of the restructuring of the organization's institutions.

The Ministers urged Member States to strengthen the national gender machineries as provided for in various regional and international instruments and directed the Secretariat to complement the efforts of Member States in this regard.

In response, the SADC Gender Unit in 2003 developed a proposal for studies to assess the capacity needs for the regional level and in the national machineries. The needs assessment studies were carried out in Member States through support from DANIDA, UNIFEM and UNDP. The outcome of this process will enable gender structures to identify and prioritize the capacity needs to be addressed at national and regional levels.

The reports of the studies will in the early part of 2004 be submitted to Cooperating Partners in various countries and at the regional level to support recommended activities to address the identified needs in an effort to enable national machineries to carry out their identified mandates and strengthen their structures to enable better coordination of gender issues.

4.1.5. Women in Politics and Decision Making

This is one area where a lot of work has been done in an effort to ensure increased participation of women particularly in the advent of post Beijing decade in 2005. This is the target date Member States have set in the Declaration to achieve the minimum 30% representation of women in all decision making positions at all levels.

Only one year remains to 2005 and yet the majority of SADC Member States are nowhere near achieving the set minimum target.

All Member States submitted to Council and Summit national reports on progress made towards the achievement of the set target. None of the SADC Member States held elections between July 2002 and June 2003. As a result, there is no significant change on the status of women's representation in politics and decision-making structures from the information and statistics which were presented in the annual reports of 2000/2001 and 2001/2002.

Botswana, Malawi, Mozambique Namibia, and South Africa are expected to hold parliamentary and presidential elections in 2004. The United Republic of Tanzania is expected to hold parliamentary and presidential elections in 2005. Zimbabwe is expected to hold general elections in 2005. The planned presidential, parliamentary, provincial and local government elections provide opportunities to these countries to either achieve or surpass the minimum target of 30% women's representation in politics and decision-making structures.

4.1.6. Promotion of a Culture of Gender Equality Respect For Human Rights of Women in SADC

In line with the International Convention on the Eradication of all Forms of Discrimination Against Women (CEDAW) and the Addendum to the SADC Declaration on Gender and Development on the Eradication of Violence Against Women and Children signed in 1998 Member States are required to put in place measures to combat gender-based violence and to ensure the protection of the rights of women and children. In this regard, Member States have continued to implement their National Action Plans to combat Violence Against Women and Children. As determined at the regional conference on violence against women and children of 2000 and in view of the forthcoming monitoring and evaluation (M & E) preparatory meeting for 2005, progress reports on this activity will be submitted during 2004.

4.1.7. Communication, Networking, Information Generation and Dissemination:

A number of publications were developed and Member States were provided with necessary tools in their work on gender mainstreaming and women's empowerment.

4.1.8. Coordination of the SADC Position in Regional and Global meetings.

a)   The Gender Unit collaborated with the Foundation for Community Development-FDC, an organization headed by HE Graca Machel, Femmes Africa Solidarité (FAS); UNIFEM; the African Centre for the Constructive Resolution of Disputes (ACCORD); the African Women's Development and Communication Network (FEMNET); The Centre for Human Rights and the University of Pretoria in organizing the Women's AU Pre-Summit Meeting held in Maputo on 23-24 June, 2003 to map out strategies and draw up recommendations on gender mainstreaming in the African Union structures and the NEPAD programme.

b)   The Gender Unit also participated in the Expert meeting on Mainstreaming Gender in Poverty Reduction Strategy Papers (PRSP) on 24th – 26th March, 2003 organized by UNDP Southern Africa. The outcome of this workshop improved the gender analytical skills in the macro-economic framework on poverty reduction, skills that are relevant in the implementation of policy frameworks and the RISDP.

c)   The Gender Unit provided support to SADC Member States attending the 47th session of the United Nations Commission on the Status of Women, (CSW), held in New York on March 4-15, 2003 by sending the necessary information, which enabled them to write a Statement on behalf of SADC and presented it at this session.

d)   The Gender Unit participated in a training and capacity building workshop on the monitoring and evaluation programme on

14-16 October 2002, organized by the UNECA-African Centre for Gender and Development Division (ACGDD). This workshop improved the monitoring and evaluation skills of the Gender Unit.

4.2. HIV and AIDS

SADC SUMMIT ON HIV and AIDS

The SADC Heads of State and Government held an Extraordinary Summit in Maseru, Lesotho on 4 July, 2003 discussed regional strategies to intensify the combat against the HIV and AIDS pandemic. The Summit was chaired by His Excellency, Jose Eduardo Dos Santos, President of the Republic of Angola and then Chairperson of SADC.

The Summit noted the SADC HIV and AIDS Strategic Framework and Plan of Action: 2003-2007, which was adopted by the Ministerial meeting as a working document. The Framework is a multi-dimensional response to HIV and AIDS, which aims at intensifying measures and actions to address the adverse effects of the pandemic on the social, economic and political spheres of SADC Member States.

Specifically, the Framework aims at reducing the incidence of new infections among the most vulnerable groups within SADC; mitigating the socio-economic impact of HIV and AIDS; reviewing, developing and harmonising policies and legislation relating to HIV prevention, care and support, and treatment within SADC; and mobilising and coordinating resources for a multi-sectoral response to HIV and AIDS in the SADC Region. It also provides a situational analysis of HIV and AIDS in the region. This represents about 51% of all infections in Africa, and about 37% of the global total thus, making the SADC region the worst affected in the world.

The Summit underscored the importance of resource mobilization in the fight against HIV and AIDS. To this end, Summit approved the establishment of a regional fund for the implementation of the SADC HIV and AIDS Strategic Framework and Programme of Action: 2003-2007 and urged International Cooperating Partners and international development finance institutions to generously contribute to the fund.

The SADC Heads of State and Government adopted and signed the Maseru Declaration on the Fight against HIV and AIDS in the SADC region, which reaffirms their commitment to the combating of HIV and AIDS pandemic in all its manifestations, as a matter of urgency through multi-sectoral strategic interventions as contained in the new SADC HIV and AIDS Strategic Framework and Programme of Action 2003-2007.

4.3. Science and Technology

Scientific research and technological innovation will constitute the necessary basis for the socio-economic development in the region. It is therefore, imperative for SADC to promote regional cooperation on science and technology (S&T) and to this effect the RISDP has provided a solid basis and priorities for cooperation in science and technology, which is recognized as a crosscutting issue.

It has long been recognized by SADC Member States that good policies on S&T are a prerequisite for national systems to develop and thus provide impetus for meaningful regional cooperation. To this end, the first meeting of Heads of Science and Technology took place in 1999 and made a number of recommendations, which were not followed up due to lack of central coordination. This was followed by another meeting in 2002 that among other things, recommended the holding of a SADC Science, Engineering and Technology Week to popularize S&T in the region.

In May, 2003, a meeting of experts in S&T took place in Maputo, Mozambique where a number of projects were identified for cooperation.

It is planned to have a policy workshop to take place in May, 2004 in Botswana. The aim of the workshop will be to share knowledge and experiences in S&T in the region and to plan for the S&T regional activities including the development of policies, strategies and necessary institutional framework in order to enhance regional cooperation.

A SADC Science, Engineering and Technology Week will be observed with activities aimed at promoting public understanding of science, engineering and technology and to interest

young people into scientific careers. This will include activities at regional and national levels.

The need for baseline information on the status of S&T was identified as crucial to facilitate the identification of interventions and to assist in monitoring and evaluating progress of the interventions. Resources permitting, this will be undertaken in the following year.

4.4. Information and Communications Technologies

In November 2000, SADC adopted a policy guideline which aimed at turning the SADC region into an Information Based Economy by making ICT a priority. It was meant to motivate Member States to embark on a national ICT plan so as to meet the objectives set up by SADC in regard to the elimination of poverty to integrate the region. To achieve an information-based economy, SADC has to modernize its information infrastructure and lower the cost of access to telecommunications in order to make the region attractive to investors and businesses.

Another major milestone was achieved when all 14 SADC Heads of State or Government signed a Declaration on Information and Communications Technology on the 14th August, 2001, in Malawi. The declaration is built on the ministerial decision of the SATCC Committee of Ministers which, urged Member States to give ICT priority for national and regional socio-economic development and accord such recognition in their national programs in an effort to turning the region into an information-based economy.

The SADC Council of Ministers further approved the establishment of an ICT Task Force whose objective was to gauge the e-readiness status of SADC Member States. The Task Force consisted of members from the academia, private sector, regulatory authorities, Member States, representative of the African Connection, and NEPAD.

Building on the SADC/WEF report and findings, the NEPAD initiatives and the World Bank approach, the Task Force identified a number of key recommendations that are expected to transform the ICT sector in the SADC region

and support ongoing efforts in sustainable economic development, poverty alleviation, good governance, regional integration and regional competitiveness. The detailed recommendations are in a study – *SADC e-Readiness Review and Strategy* where the focus is on accelerated policy and regulatory reforms, institutional capacity building, market restructuring and development, human resource development and effective ICT use.

Not all SADC Member States are evolving at the same level as far as ICT is concerned. For instance, Mozambique has completed a national ICT strategy plan where major projects have been identified for implementation. South Africa has passed a law in parliament which will facilitate e-commerce and build trust in on-line transactions. Mauritius intends to pass a law that will prevent on-line fraud and cyber crimes.

PART V

WAY AHEAD

Operationalising and Implementation of the RISDP and SIPO

After the approval of the Regional Indicative Strategic Development Plan (RISDP) and SIPO by SADC Council of Ministers and their endorsement by SADC Heads of State and Government in August 2003, in Dar-Es-Salaam, United Republic of Tanzania, the RISDP, as long-term development strategy now has to be operationalised.

In order to operationalise the RISDP and SIPO, the SADC Secretariat is now in the process of developing medium and short-term implementation plans, including 1-5 business plans and medium-term expenditure frameworks. This process will lead to the streamlining of the SADC Plan of Action (SPA) into updated integration programmes in line with the priority intervention areas as defined in the RISDP.

In operationalising the RISDP and SIPO, Member States and the Secretariat will also pay particular attention to the need to synchronize the SADC activities with the African Union Agenda under the NEPAD framework.

To accelerate economic growth, SADC Member States individually will intensify efforts to implement comprehensive economic and social reforms within the NEPAD development framework pursuing poverty reduction oriented policies, addressing good governance issues (political and corporate), infrastructure and production capacity constraints. SADC will further improve linkages with regional and global marketing networks and maximise the opportunities brought about by international economic partnership agreements (such as AGOA and Cotonou Agreement between the EU and ACP countries), by ICT and mainstreaming gender.

At the regional level, guided by the RISDP, SADC will strive to implement the priority activities in the main intervention areas, namely trade liberalisation and economic development, food security, infrastructure and services for poverty eradication and social and human development.

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