



www.sadc.int

ANNUAL
REPORT

2020
2021



ACKNOWLEDGEMENTS

The Executive Secretary of the SADC Secretariat, Dr Stergomena Lawrence Tax, appreciates the leadership, policy direction and oversight of Summit, the Ministerial Committee of the Organ, Council, the Sector and Cluster Ministerial Committees, including the Ministerial Task Force on Regional Economic Integration, and the Standing Committee of Officials, in the implementation of SADC programmes and projects in 2020/21 Financial Year. The Executive Secretary also wishes to thank Member States, International Cooperating Partners and other stakeholders for the continued support for SADC Regional Integration Agenda. The Executive Secretary is equally grateful to the continued dedication of staff of the Secretariat to serve the SADC region.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	2
TABLE OF CONTENTS	3
LIST OF TABLES	5
LIST OF FIGURES	5
ABBREVIATIONS	6
EXECUTIVE SUMMARY	7
I. INTRODUCTION	13
II. POLITICAL AND ECONOMIC DEVELOPMENTS IN THE REGION	14
A. POLITICAL DEVELOPMENT	14
B. ECONOMIC DEVELOPMENT.....	16
III. STRATEGIC REVIEW AND POLICY DEVELOPMENT	21
IV. IMPLEMENTATION OF PROGRAMMES OF REGIONAL COOPERATION AND INTEGRATION	22
A. TRADE, INDUSTRY, FINANCE AND INVESTMENT.....	22
B. INFRASTRUCTURE SUPPORT FOR REGIONAL INTEGRATION	28
C. SOCIAL AND HUMAN DEVELOPMENT OF REGIONAL DIMENSION	37
D. FOOD, AGRICULTURE AND NATURAL RESOURCES.....	49
E. CROSS-CUTTING PROGRAMMES	53
V. IMPLEMENTATION OF CORPORATE ACTIVITIES	56
A. HUMAN RESOURCES AND ADMINISTRATION	56
B. COMMUNICATIONS AND PUBLIC RELATIONS	56
C. LEGAL AFFAIRS.....	57
D. INFORMATION AND TELECOMMUNICATION TECHNOLOGY	57
E. PROCUREMENT	57
VI. CONTINENTAL COOPERATION AND INTEGRATION	58
A. AFRICAN UNION (AU).....	58
B. THE SADC – COMESA – EAC TRIPARTITE AGENDA (IDT).....	59
VII. DEVELOPMENT COOPERATION AND RESOURCE MOBILISATION	59
A. SADC – EU COOPERATION	59
B. SADC - EU POLITICAL DIALOGUE	60
C. SADC – GERMANY COOPERATION	60
D. SADC – RUSSIA COOPERATION.....	61
E. SADC – CHINA COOPERATION.....	61
F. SADC – AFRICAN DEVELOPMENT BANK COOPERATION	61
G. SADC – ICP DIALOGUE PLATFORM	62
VIII. CHANGE MANAGEMENT	62
A. GOOD GOVERNANCE.....	62
B. ORGANIZATIONAL HEALTH AND CHANGE MANAGEMENT	62

IX.	IMPLEMENTATION OF FINANCIAL MANAGEMENT FRAMEWORK	63
X.	CHALLENGES AND MITIGATION MEASURES	65
XI.	CONCLUSIONS	66

List of Tables

TABLE 1: SELECTED GROWTH PROJECTIONS	17
TABLE 2: REGIONAL ELECTRICITY GENERATION AND TRANSMISSION CAPACITY.....	31

List of Figures

FIGURE 1: SADC – RANK EASE OF DOING BUSINESS	20
FIGURE 2: RANKING – GLOBAL COMPETITIVENESS INDEX.....	20
FIGURE 3: FIVE YEAR OUTPUT COMPETITION RATE (%)	22

Abbreviations

AfCFTA	African Continental Free Trade Agreement
AfDB	African Development Bank
AIDS	Acquired immunodeficiency syndrome
AIMS	Agriculture Information Management System
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus disease of 2019
DTT	Digital Terrestrial Television
EAC	East African Community
FIB	Force Intervention Brigade
GDP	Gross Domestic Product
HIV	Human immunodeficiency virus
IMF	International Monetary Fund
IMF	International Monetary Fund
MCBRTA	Multilateral Cross Border Road Transport Agreement
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern African Development Community
SIPO	Strategic Indicative Plan for the Organ on Defence, Politics and Security
SMEs	Small to Medium Enterprises
TB	Tuberculosis
TFTA	Tripartite Free Trade Area Agreement
TTTFP	Tripartite Transport and Transit Facilitation Programme
TVET	Technical, Vocational, Education and Training
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
VLMA	Vehicle Load Management Agreement
WFP	World Food Programme
WHO	World Health Organization

EXECUTIVE SUMMARY

The Secretariat realised an implementation rate of 85% of planned activities, and 58% utilization rate for 2020/21 budget. The high implementation rate compared to the low utilization rate was a result of a swift move to virtual operations so as to ensure a safe working environment and business continuity under challenges posed by the COVID-19 pandemic. It is also worth noting that, the achieved 85% implementation rate was the highest rate recorded since 2016/17. In 2016/17 implementation rate was 80%, in 2017/18 was 82%, in 2018/19 was 80%, and in 2019/20 was 79%.

Overall, the impact of COVID-19 pandemic continued to impede the implementation of regional and national interventions across the Secretariat and the SADC Member States at large during the 2020/21 Financial Year. The lingering impact of the Pandemic impacted the political, economic, financial, social, and environmental dimensions with devastating effect on the lives and wellbeing of the people in the region, as evident from the significant loss of lives; loss of jobs and unemployment; political instability; and escalated income inequality. Notwithstanding the challenges, the Region remained vigilant and committed towards the attainment of the objectives as enshrined in the priority areas of the Regional Indicative Strategic Development Plan (RISDP) and indeed the SADC Vision.

This report outlines the regional achievement and provides an account on the implementation of planned activities, challenges and mitigation measures, as presented below:

Regional Peace and Security

SADC remained engaged and seized with Peace and Security initiatives in the Region in 2020/21 Financial Year. The political and security situation in Lesotho remained generally stable after the successful conduct of the National Stakeholders Dialogue in 2020. This process, among others, enabled the establishment of the National Reforms Authority (NRA), whose objective is to spearhead the pending comprehensive national constitutional, parliamentary, security and public sector reforms.

The Region was instrumental in stabilization of the operations in the Democratic Republic of Congo (DRC) and efforts to combat terrorism and violent extremism in the Northern Mozambique and Eastern DRC. The Region has finalized arrangements for the deployment of the Force Intervention Brigade (FIB) operating under the United Nations Organization Mission in Democratic Republic of the Congo (MONUCO) mandate, which, among others enables the neutralization of negative forces, protection of civilians and facilitating the provision of humanitarian assistance to the population affected by the acts of negative forces as well as terrorism and violent extremism.

The Region also remained seized with security situation in the Province of Cabo Delgado in the Republic of Mozambique, specifically threat posed by acts of terrorism and violent extremism perpetrated terrorists who have destabilized the country since October 2017. A number of meetings were held to deliberate on the security situation in Mozambique, which resulted in an approval a regional response of deploying a SADC Stand force to support the republic of Government of Mozambique in combating the threat of terrorism and violent extremism.

The Region continued to implement SADC Principles and Guidelines Governing Democratic Elections to ensure free and fair elections across the region. To this effect, a Five-Year Funding Mechanism (2021-2025) for the Deployment of the SADC Electoral Observation Missions (SEOMs) using own resources was developed and approved. Taking into account challenges

posed by the COVID-19 pandemic, pre, during, and post-virtual consultations with electoral stakeholders were conducted in the three Member States that held elections in 2020, namely the Republics of Malawi and Seychelles and the United Republic of Tanzania. Work to develop guidelines for monitoring elections during pandemics also commenced.

A peace and security threats assessment was also undertaken. A report that outlined the identified threats, and recommended measures was approved during the year. To this effect an action plan to implement the recommended measures will be developed and implementation will be mainstreamed in plans and budgets as of 2021/22.

Lastly, the Mechanism to honour the Founders of SADC was also concluded and approved.

Economic Developments

At Global level, the COVID-19 pandemic triggered the deepest global recession since World War II. In a bid to save lives and contain the spread of the virus, economies were pushed in “Great Lockdowns” which triggered the worst recession since the Great Depression. Notable adverse effects of COVID-19 pandemic include: economic lockdowns, direct disruption to global supply chains, weaker final demand for imported goods and services and the wider regional declines in international tourism and business travel. Resultantly, the world economy contracted by 3.3 percent in 2020, an outcome far worse than during the 2009 Global Financial Crisis.

At Regional level, the latest statistics indicate that Member States underperformed in achieving the agreed macroeconomic convergence indicators. In terms of Gross Domestic Product (GDP), preliminary data indicates that SADC regional GDP growth contracted by 4.7 percent in 2020. All Member States recorded contractions in real GDP growth in 2020 except for Malawi and the United Republic of Tanzania who recorded minimal growth rates not exceeding 5.5 per cent. Furthermore, the Region annual inflation increased to an average of 50 percent in 2020 from 16.4 percent in 2019, largely due to heightened inflationary pressures in Zimbabwe. The average inflation excluding Zimbabwe averaged 6.8 percent in 2020. Annual inflation rate in the SADC region is projected to ease a bit to 15.4 percent in 2021. Furthermore, public debt continued to trend upward and it has breached the regional threshold of 60 per cent of GDP due to weakening fiscal positions in 2020. Public debt increased from 55.5 per cent of GDP in 2019 to 63.2 per cent of GDP in 2020. The increasing public debt levels will put additional burden to Member States’ resources as debt service costs increase. Debt burden is expected to worsen for SADC Member States with public debt forecasted to further increase to 69 per cent of GDP in 2021.

The Regional Outlook for 2021/22 is forecasted to grow by 2 percent in 2021 and 3.2 percent in 2022. The forecasted economic recovery in 2021 and beyond largely hinged measures put in place to contain the spread of COVID-19 and mitigate its socio-economic impacts, which include the enhancement of national and regional capacities in producing medicines, medical supplies, and developing vaccines, and harnessing digital technology across sectors.

Annual inflation rate in the Region is projected to ease a bit to 15.4 percent in 2021. Zimbabwe’s inflation is expected to decline significantly to 134.8 per cent in 2021 from 654.9 per cent in 2020. Overall, Member States are projected to underperform in achieving the agreed macroeconomic convergence indicators in 2021. Bottlenecks, such as, limited resources; and emergences of more contagious strains of the COVID-19 Pandemic, may also undermine economic recovery and ultimately dampen the growth prospects for the Region, as such the region is to remain alert and vigilant.

Industrialization and Infrastructure Support for Regional Integration

Industrialization remains the effective means of achieving the main goals of the SADC, namely increased economic productivity, stronger Regional Integration and reduced poverty for people living in the region through the generation of goods and services. During the year, and following approval of the SADC Protocol on Industry by the 39th SADC Summit in August 2019, twelve (12) Member States have signed the Protocol. Member States that are yet to sign are Democratic Republic of Congo, Republic of South Africa and Republic of Zambia. It should, nonetheless, be noted that whereas, thirteen (13) Member States have signed the Protocol, it is only the Republic of Seychelles that has submitted the instruments of ratification.

As part of implementing the SADC Industrialization Strategy, profiling of four (4) Value Chains in the Agriculture sector (soya beans, wheat, cotton and rice) and eight (8) Aquaculture-specific Value Chains (tilapia, salmonid, abalone, crustaceans, bivalve, marine finfish and pearl) was concluded in 2020, and implementation is ongoing. In addition, a Regional Framework for Supplier Development with the special focus on building capacities and capabilities of Small to Medium (SMEs) to contribute to industrialisation was concluded for implementation at national level.

A Regional Gaps Analysis and developed a Regional Programme as part of regional measures to improve Industrial Competitiveness of SADC Member States was also concluded. The programme aims to ensure that all SADC Member States strive to achieve the same goals of industrialization and eliminate chances of contradictory policy instruments that might work against the SADC industrialization objectives.

Infrastructure remains a key enabler to SADC industrialization and regional integration at large. As a contribution towards the availability and universal access to sufficient, integrated, efficient, and cost effective infrastructure systems, as well as the provision of sustainable services; a total of 13 small sub-grant Groundwater infrastructure projects were implemented in Botswana (3 projects of which 2 were legacy projects from a predecessor groundwater programme); Zimbabwe (3 projects of which (two) 2 were legacy projects); Eswatini, Lesotho, Malawi, Mozambique, Namibia, Tanzania and Zambia. The pilot projects reached 84,000 direct beneficiaries especially in small rural communities and villages whose water security for domestic and livelihood activities was greatly improved. Also through this pilot projects component, an estimated 200 people were trained on aspects to enhance their skills for infrastructure planning, construction as well as operation and maintenance.

Under the Energy Sector, an effort to expand electricity generation and transmission capacity, the Region commissioned 2,400 MW in 2020 contributed against the targeted capacity of 3,215 MW. This was mainly due to the COVID-19 restrictions of movement and reduced operations hours which affected power generation and transmission projects in the Region. In addition, the Draft Agreement amending the Protocol on Energy of 1996 was approved in October 2020.

The SADC Project Preparation Development Facility (SADC - PPDF) continued to support Member States to strengthen regional infrastructure connectivity by providing grants for project preparation and development for cross-border regional infrastructure projects in energy, transport, ICT and trans-boundary water. As at end of December 2020, PPDF had committed a total of US \$ 20.2 million (after savings and cancellation) for the preparation of ten (10) regional projects covering energy, transport and water sectors. Notable progress was registered on seven (7) projects whose feasibility studies have been concluded, namely: Mulembo Lelya Hydro Electric Power (DRC and Zambia); Angola-Namibia Transmission Interconnector (Angola and Namibia); Second Alaska – Sherwood 400 kV Line (Zimbabwe); Kasomeno-Mwenda Toll Road

(DRC and Zambia); Kazungula Water Supply and Sanitation (Zambia and Botswana); and Lomahasha/Namaacha Cross Border Water Supply Project (Eswatini and Mozambique).

Interventions under Information Communication and Technology played a critical role in adapting and remaining resilient through the COVID-19 pandemic. These included the deployment of the Internet Exchange Points (IXPs) which aims to reduce transit costs, improve throughput, reduce latency and provide better quality of service; implementation of the SADC Roaming Project which aims to promote competition in the Region; the Harmonization of Cyber Security Legal and Regulatory Framework and the SADC Preparations of World Radio Communications Conference to review the Radio Regulations; and the Digital Terrestrial Television (DTT) Migration to enables better television quality pictures and sound.

In the area of Transport, the Secretariat continued to coordinate and manage the Tripartite Transport and Transit Facilitation Programme (TTTFP) which aims to provide harmonised legal, regulatory and system framework for Member/Partner States to implement the harmonized minimum standards in cross border road transportation under the Multilateral Cross Border Road Transport Agreement (MCBRTA) and Vehicle Load Management Agreement (VLMA). Five (5) sets of Model Laws & Regulations were developed to facilitate the domestication of the VLMA and MCBRTA for Vehicle Load Management, Cross Border Road Transport, Road Traffic, Road Traffic & Transport Transgressions and the Transport of Dangerous Goods by Road. Regional Guidelines and Standard Operating Procedures were also developed for Movement of Goods and Services during COVID-19.

Trade, Finance and Investment

Trade remains fundamental to the economic development of a region, with broader benefits to Regional Integration. Intra-SADC trade, however remains significantly low, at around 19% compared to other regions such as Asia (30 per cent) and EU (60 per cent).

To enhance intra and extra-SADC trade through market integration, trade facilitation and customs cooperation, the E-Certificate of Origin Framework was developed during 2020/21 to facilitate the application Certificate of Origin electronically, thus easing cross border trade. The Framework will be piloted in six Member States (Botswana, Eswatini, Malawi, Namibia, Tanzania and Zambia). The SADC Simplified Trade Regime Framework and SADC Regional Customs Transit Guarantee Regulations were finalized. The main aim of the Framework is to facilitate intra and extra SADC Trade.

The first round of negotiations on services was completed in six (6) priority sectors namely, communication, finance, tourism and transport services, construction and energy-related services.

In relation to the COMESA-EAC-SADC Tripartite Free Trade Area Agreement (TFTA), Eswatini and Zambia ratified the Tripartite Free Trade Area Agreement (TFTA) during the year, thereby joining Egypt, Kenya, South Africa, Rwanda, Burundi, Uganda, Botswana and Namibia. Four (4) additional ratifications are required to reach the needed 14 ratifications to bring the TFTA into force. The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019, and from SADC, Angola, Eswatini, DRC, Lesotho, Namibia, Mauritius, Malawi, South Africa, Zambia and Zimbabwe ratified the AfCFTA Agreement.

In terms of the finance and investment in the Region, a total of 82 participating Banks, from the fifteen (15) SADC Member States (except Comoros), were electronically linked to effect cross-border payments and settlements in real time. From August 2019 to June 2021 an additional

641.832 transactions were settled representing ZAR 2.32 Trillion equivalent of USD 162.15 billion. Cumulatively, from July 2013 to June 2021, total number of transactions settled reached 2,170,372, representing ZAR 8.46 Trillion equivalent of USD 591.38 billion. In addition, the Region implemented the Mobile Initiated Low Value Credit Transfers Cleared on an Immediate Basis (TCIB) which aims at creating an efficient, safe, harmonised and integrated payments system in the region, to further reduce cross-border remittance costs across SADC region as well as to enhance financial inclusion. In the area of financial inclusion, 68% of adults in the Region are financially included against the target of 75% by 2021. In terms of gender split, 67% of female adults are financially included while the rate is 70% for male. The SADC Financial Inclusion Sub-committee was operationalised in 2020/21.

Social and Human Development in the Region

In the Employment and Labour Sector, the SADC Employment and Labour Policy Framework covering 2021-2030 was developed and approved in April 2021. The Framework aims at addressing challenges relating to economic growth and employment creation in the Region. The SADC Youth Empowerment Policy Framework that aims to facilitate realization of the demographic dividend in SADC was also developed and approved by the SADC Committee of Ministers responsibly for Youth in 2021.

Food Agriculture and Natural Resources in the Region

In order to realize improved agricultural production, productivity and competitiveness, the region approved an additional 24 crop varieties eligible to be produced and traded throughout the region. These include maize, wheat, beans, groundnuts, sorghum and soya beans. Further to that, three (3) Regional Strategies for management of fruit flies, tomato leaf minor and fall armyworm were produced and the strategies were approved during the period under review. Also, the Regional Strategy for Animal Genetics Conservation and utilization and implementation mechanisms, as well as a regional framework for Antimicrobial Resistance control to address the rise of antimicrobial resistant organisms were developed and approved.

Considering Market access for agricultural products (crops, livestock and natural resources); the Regional Agriculture Information Management System (AIMS) strategy was developed and validated. AIMS is key to increase agriculture production, productivity and competitiveness, and equally is key for increased market access and trade of agriculture products.

The vulnerability Assessments and Analysis Guidelines for Assessments in the context of COVID-19 Pandemic were developed. Thirteen (13) Member States (excluding Comoros, Mauritius and Seychelles) conducted their 2020 annual vulnerability assessments. In addition, a significant progress has been achieved towards development of functional early warning system across the Member States. By end of December 2020, ten (10) Member States (Botswana, Lesotho, Malawi, Mauritius, Namibia, Seychelles, Republic of South Africa, United Republic of Tanzania, Zambia and Zimbabwe) had functional Early Warning Systems. The support to Member States to align their Food and Nutrition Security Strategy (FNSS) to the Regional FNSS was also successfully completed in January 2021.

The crucial instruments for the implementation of the Protocol on Forestry were successfully produced and validated by Member States for sustainable management of natural resources (fisheries, forestry and wildlife). A Regional Financing facility for SADC Transfrontier Conservation Areas was established during 2020/2, following its approval by Council of Ministers in 2018. Draft SADC Regional Fisheries Monitoring control and surveillance (MCS) strategy was also developed

and approved. The Strategy is expected to ensure compliance and enforcement, and such sustainable management of fisheries.

In order to maximize protection of sea and water borne resources, the SADC Integrated Maritime Strategy was revised. The Strategy aims at coordinating Member States efforts in protecting against illegal and unregulated fishing, prevent transnational organized crime and syndicates to engage in illicit activities such as traffic of arms, drugs, human beings and endangered sea species. The Strategy also seeks to potentiate the development of the blue economy by providing a conducive environment for the sustainable exploration of the marine and riverine local based economies.

The National aquaculture strategies, policy briefs, factsheets and success stories were developed for three (3) Member namely Botswana, Malawi and Namibia. A number of instruments and mechanisms for disaster preparedness and response mechanism were also developed and approved.

Strategic Review and Policy Development

With the expiration of both the revised RISDP 2015-2020, and SIPO, the Vision 2050, and a successor SADC Regional Indicative Strategic Development Plan (RISDP) 2020-2030, were approved in August 2020. The SADC RISDP 2020-30 is a coherent and comprehensive framework for the implementation of SADC's regional integration agenda for the next ten (10) years. To operationalize RISDP 2020-30, SADC Policy on Strategic Development, Planning, Monitoring, Evaluation and Reporting (SPMER) was developed during the year. The objective of SPMER is to strengthen and demonstrate SADC commitment towards evidence-based decision-making; priority setting; strategy development; planning, monitoring, evaluation and reporting, as well as, using results to enhance performance and impact of, amongst others, the RISDP 2020-30.

I. INTRODUCTION

This Report presents progress made by the SADC Secretariat in collaboration with the Member States and other stakeholders in implementing the SADC regional cooperation and integration programmes during the 2020/21 fiscal year, guided by the RISDP and SIPO.

Since the aim of SADC is to create a Community providing for regional peace and security, and an integrated regional economy. As a regional institution it has laid the basis on which regional planning and development in southern Africa could be pursued through the SADC Secretariat as the Principal Executive Institution of SADC, responsible for strategic planning, facilitation and coordination and management of all SADC Programmes. As headed by the Executive Secretary based in Gaborone, Botswana, SADC Secretariat structure is designed to maximize and support the facilitation of the Member States policies and programmes to best contribute to the overall objectives of SADC – achieving Regional Integration and Poverty Alleviation.

Guided by a Vision, Mission and Mandate, the SADC Secretariat performs the function of strategic planning and management of the programmes of SADC through sectoral and administrative roles organized into three major groups of Directorates and Units, each under the responsibility of a member of the SADC Executive. Specialised SADC Centres such as RPTC based in Zimbabwe, address important activities, such as poverty and regional peace keeping, while some of the Directorates supply a range of the thematic services.

The Institutional arrangement of the SADC is divided into Priority Intervention Areas which are basically key priority areas of work for the SADC Secretariat and these are;

- Peace and Security
- Trade, Industry, Finance and Investment
- Infrastructure and Services
- Food, Agriculture and Natural Resources
- Social and Human Development
- Cross-cutting issues of Gender and Development; Science and Technology; Information and Communications Technologies; and Environment and Sustainable Development.

This report therefore focuses particularly on the major achievements, considering the challenges encountered as well as mitigation measures provided in the implementation of planned activities during the Fiscal Year 2020/21. In actual fact, the said achievements would have been derived in line with the planned outputs of the Corporate Plan of 2020/21 as approved by Council in August 2019. In particular, the report flags out the major SADC economic, social and political achievements in the region as at the end of 2020/21 Financial year looking at the above priority areas of intervention as captured in the Executive Summary above, and as detailed below in the Report.

II. POLITICAL AND ECONOMIC DEVELOPMENTS IN THE REGION

A. Political Development

Conflict Prevention, Management and Resolution

SADC continued to support interventions aimed at deepening the region's capacity to prevent and manage conflicts, through different means. The political and security situation in Lesotho remained generally stable during the period under review after the successful conduct of the National Stakeholders Dialogue in 2020. This process, among others, enabled the establishment of the National Reforms Authority (NRA), whose objective is to spearhead the pending comprehensive national constitutional, parliamentary, security and public sector reforms, a process which is supported by SADC through the Facilitation Team to the Kingdom of Lesotho.

Furthermore, three studies were conducted, namely the Mechanism for the inclusion of trained experts and practitioners in SADC Mediation efforts; the Assessment of Progress and Challenges in implementing the Regional Strategy on Women, Peace and Security (UNSCR 1325) at Regional and National levels; and the Mapping of Regional and National Infrastructures for Peace (I4P). These sets of interventions were aimed at creating a pool of capacity at subnational level to facilitate conflict prevention and mediation efforts.

Similarly, focus was also geared towards revitalizing the established structures for conflict prevention, preventive diplomacy and mediation through the filling in on new members of the current Panel of Elders (PoE) and the Mediation Reference Group (MRG) which tenure has ended in 2020.

Strengthening Regional Collective Defense and Security

SADC has remained engaged and seized with Peace and Security initiatives in the region, including stabilization operations in the Democratic Republic of Congo (DRC) and efforts to combat terrorism and violent extremism in the Northern Mozambique and Eastern DRC.

In the DRC, the Region has finalized arrangements for the deployment of the Force Intervention Brigade (FIB) operating under the United Nations Organization Mission in Democratic Republic of the Congo (MONUSCO) mandate, which, among others enables the neutralization of negative forces, protection of civilians and facilitating the provision of humanitarian assistance to the population affected by the acts of negative forces as well as terrorism and violent extremism. In collaboration with the United Nations (UN), SADC has facilitated the implementation of the reconfiguration of the FIB.

In implementing the reconfiguration process the FIB Troop Contributing Countries from the region, notably the Republics of Malawi, South Africa and the United Republic of Tanzania have been able to make steady progress on the rotation of troops as well as the deployment of key enablers (equipment and combat warfare), as well as FIB Headquarter Staff Officers. As part of the implementation plan, the Quick Reaction Forces (QRF) deployment is ongoing and expected to be fully operational in July 2021.

SADC is also facilitating the implementation of the Joint Strategy on the Progressive and Phased Drawdown of MONUSCO in the DRC, as endorsed by the adoption of UN Security Council

Resolution 2556 of 18 December 2020. The Joint Strategy on the Progressive and Phased Drawdown of MONUSCO identifies priorities by the Government of DRC and MONUSCO within the strategy being, among others, constitution of Disarmament, Demobilization and Reintegration (DDR) programs, institution of disciplinary and judicial procedures, development of security sector reform (SSR) plan, development of a comprehensive stabilization and conflict prevention strategy for Eastern DRC with a view towards transition, as well as conducting information-sharing with regional security forces to interdict cross-border flows of arms, combatants and conflict minerals.

The Region also remained seized with security situation in the Province of Cabo Delgado in the Republic of Mozambique, specifically threat posed by acts of terrorism and violent extremism perpetrated terrorists who have destabilized the country since October 2017. A number of meetings were held to deliberate on the security situation in Mozambique, that resulted in an approval a regional response of deploying a SADC Standby force to support the Government of republic of Mozambique in combating the threat of terrorism and violent extremism.

The SADC Integrated Maritime Strategy was revised to maximize protection of sea and water borne resources. The Strategy aims at coordinating Member States efforts in protecting against illegal and unregulated fishing, prevent transnational organized crime and syndicates to engage in illicit activities such as traffic of arms, drugs, human beings and endangered sea species. The Strategy also seeks to potentiate the development of the blue economy by providing a conducive environment for the sustainable exploration of the marine and riverine local based economies.

Regional Logistic Depot

Despite the challenges imposed by the COVID 19 restrictions, Phase II of the project of the construction of the Regional Logistics Depot has progressed well with the initiation of the schematics design of the structure. The Depot once completed and operational, will facilitate the storage of materials, equipment and end user stocks in readiness to be used by SADC Standby Force to conduct mandated multidimensional, complex, humanitarian assistance interventions and peace support operations (PSO's).

Consolidating Democratic Institutions in the Region

SADC supports the consolidation of democracy in its Member States, mainly through the deployment of the SADC Electoral Observation Mission (SEOM) which is advised by the SADC Electoral Advisory Council (SEAC). The main purpose of the deployment of the SEOM is to assess Member States adherence to the SADC Principles and Guidelines Governing Democratic Elections (the Guidelines). The SEAC is leading the process of ensuring that Member States are assisted in implementing the outcomes of the various SEOMs, and the SEAC provides such assistance through follow-up post-election reviews, of which six are planned between 2021-2022. In 2020, SADC Member States reaffirmed their commitment for the consolidation of democracy by approving a Five-Year Funding Mechanism (2021-2025) for the Deployment of the SEOMs. The mechanism will be funded through Member States contributions in order to enhance ownership of the electoral processes.

Region continued to implement SADC Principles and Guidelines Governing Democratic Elections to ensure free and fair elections across the region. To this effect a Five-Year Funding Mechanism (2021-2025) for the Deployment of the SADC Electoral Observation Missions (SEOMs) using own resources was developed and approved. Taking into challenged posed by the COVID-19 pandemic, pre, during, and post-virtual consultations with electoral stakeholders were conducted

in the three Member States that held elections in 2020, namely the Republics of Malawi and Seychelles and the United Republic of Tanzania. Work to develop guidelines for monitoring elections during pandemics also commenced.

These experiences also formed the basis for the development of the Draft SADC Guidelines for Election Observation under Public Health Emergencies (2020), which the MCO endorsed in June 2021 following the extensive Member State consultations and input as obtained in 2020.

A peace and security threats assessment was also undertaken, a report that outlined the identified threat, and recommended measures to address the identified threats was approved during the year. To this effect an action plan to implement the recommended measures will be developed and implementation will be mainstreamed in plans and budgets as of 2021/22.

Lastly, the Mechanism to honour the Founders of SADC was also concluded and approved.

B. Economic Development

Global Economic Developments for 2020 and Outlook

The latest World Economic Outlook released by the International Monetary Fund (IMF) in April 2021 envisages a brighter economic outlook largely due to a stronger-than-anticipated economic recovery across regions. The strong economic recovery results from additional fiscal support in a few large economies; the anticipated vaccine-powered recovery in the second half of 2021; and continued adaptation of economic activity to subdued mobility. The IMF is projecting a global economic growth of 6 percent in 2021 (0.5 percentage point upgrade from the January 2021 projection) and 4.4 percent in 2022 (0.2 percentage point upgrade), from an estimated historic contraction of -3.3 percent in 2020. The revision in global prospects for growth in 2021 and 2022 is a result of sizeable growth upgrade of the United States, from 1.3 percentage points growth at 6.4 percent this year. Further, a rebound is expected to a majority of advanced economies, including the euro area in 2021. China is projected to grow at 8.4 percent in 2021. While there are signs that China's economy had already returned to pre-pandemic GDP, many other countries may revert to their pre-COVID path in 2023.

The COVID-19 pandemic triggered the deepest global recession since World War II. In a bid to save lives and contain the spread of the virus, economies were pushed in "Great Lockdowns" which triggered the worst recession since the Great Depression. Notable adverse effects of COVID-19 pandemic include: economic lockdowns, direct disruption to global supply chains, weaker final demand for imported goods and services, and the wider regional declines in international tourism and business travel. Resultantly, the world economy contracted by 3.3 percent in 2020, an outcome far worse than during the 2009 Global Financial Crisis.

The pandemic induced economic downturn was more severe in advance economies, tourism and commodity exports driven economies as well as in economies with limited policy space to respond. According to the IMF's World Economic Outlook for April 2021, the US and Euro Area are estimated to have contracted by 3.5 percent and 6.6 percent in 2020, respectively. The emerging and developing markets were not spared. With the exception of China which recorded a growth of 2.3 percent, a marginal performance relative to its performance in previous years, other countries in this category experienced contractions, the most prominent of all being India with an economic contraction of 8.0 percent. Economic growth in Sub-Saharan Africa (SSA) contracted by 1.9 percent, with the two largest economies in the region, namely: Nigeria and

South Africa, experiencing significant economic downturn. Table 1 shows selected IMF estimated growth for 2020 and projections for 2021 and 2022.

Table 1: Selected Growth Projections

	2020e	2021f	2022f
World Output	-3.3	6.0	4.4
Advance Economies	-4.7	5.1	3.6
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Emerging Market and Developing Economies	-2.2	6.7	5.0
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
Russia	-3.1	3.8	3.8
Brazil	-4.1	3.7	2.6
Sub-Saharan Africa	-1.9	3.4	4.0
Nigeria	-1.8	2.5	2.3
South Africa	-7.0	3.1	2.0

Source: IMF, *World Economic Outlook, April 2021*

The International Monetary Fund (IMF) envisages a brighter economic outlook underpinned by stronger-than-anticipated economic recovery across regions. The IMF is projecting a global economic growth of 6 percent in 2021 (0.5 percentage point upgrade from the January 2021 projection) and 4.4 percent in 2022 (0.2 percentage point upgrade), from an estimated historic contraction of -3.3 percent in 2020.

The upgrades in global growth for 2021 and 2022 mainly result from upgrades for advanced economies, particularly to a sizeable upgrade for the United States (1.3 percentage points) that is expected to grow at 6.4 percent this year. This makes the United States the only large economy projected to surpass the level of GDP it forecasted to have in 2022 in the absence of this pandemic. Other advanced economies, including the euro area, will also rebound this year but at a slower pace. Among emerging markets and developing economies, China is projected to grow this year at 8.4 percent.

Regional Economic Performance for 2020

In the SADC region, the latest statistics indicate that Member States underperformed in achieving the agreed macroeconomic convergence indicators.

Real GDP

Preliminary data indicates SADC regional GDP growth contracted by 4.7 percent in 2020. All Member States recorded contractions in real GDP growth in 2020 except for Malawi and the United Republic of Tanzania who recorded minimal growth rates not exceeding 5.5 per cent. Only two Member States (Lesotho and the United Republic of Tanzania) met the set targets of the Primary Macroeconomic Economic Convergence indicators in 2020.

Inflation

SADC region annual inflation increased to an average of 50 percent in 2020 from 16.4 percent in 2019, largely due to heightened inflationary pressures in Zimbabwe. The average inflation excluding Zimbabwe averaged 6.8 percent in 2020. All Member States except Angola, DRC, Madagascar, Malawi, Zambia and Zimbabwe, met the regional inflation target of 3-7 percent range. Annual inflation rate in the SADC region is projected to ease a bit to 15.4 percent in 2021. Zimbabwe's inflation is expected to decelerate significantly to 134.8 per cent in 2021 from 654.9 per cent in 2020. Inflation is expected to increase above the regional benchmark for Angola, DRC, Malawi, Zambia and Zimbabwe.

National Savings and Investment

According to the International Monetary Fund, World Economic Outlook Database, April 2021, annual total investments and gross national savings will remain subdued in 2020, below the regional target of 30 per cent of GDP. The region recorded total investments of 20.32% per cent in 2020 from 22% in 2019. Four Member States remained recording investments above the regional target: Mozambique (66.6%), Botswana (36%), Zambia (34.5%) and Tanzania (34.4%). On the savings side, gross national savings will remain below 20% of GDP. The region recorded gross national savings of 16% per cent in 2020 from 19.2% in 2019. Only Tanzania will record gross national savings (33.2%) above the regional target.

Fiscal Sector

The global economic developments, weak commodity prices, adverse weather conditions and the impact of COVID-19 weighed down the regional economy in the second and third quarter of 2020, and these had varying negative impacts on the fiscal positions of Member States. Fiscal deficit increased from 3.3 per cent of GDP in 2019 to 6.8 per cent of GDP in 2020. Only Angola, DRC, Lesotho and Tanzania achieved the regional fiscal deficit target of 3 per cent of GDP in 2020. This is a result of synchronised increases in government expenditure to support the recovery from the impact of COVID-19.

Public debt continued to trend upward and it has breached the regional threshold of 60 per cent of GDP due to weakening fiscal positions in 2020. Public debt increased from 55.5 per cent of GDP in 2019 to 63.2 per cent of GDP in 2020. The increasing public debt levels will put additional burden to Member States' resources as debt service costs increase. Debt burden is expected to worsen for SADC Member States with public debt forecasted to further increase to 69 per cent of GDP in 2021. Member States' expenditure continued on an upward trend as Member States invested heavily in the public health system to mitigate human and economic impact of the coronavirus. Member States are expected to spend more money to prevent, detect, control, treat, and contain the virus. This will result in a mismatch of expenditures and revenues which will further widen the fiscal deficit and worsen Member States' debt position. The crisis has significantly eroded the fiscal space and debt sustainability concerns are a growing challenge for Member States. The risk of defaulting to service external debt is now high. Only six Member States (Botswana, DRC, Eswatini, Lesotho, Madagascar and United Republic of Tanzania) achieved the regional set target of public debt of 60 per cent of GDP in 2020.

External Sector

The region's external sector performance in 2020 deteriorated in line with weak commodity prices, the slowdown in global economic activity, escalated global trade tensions and due to the spread

of COVID-19. However, the severity varied across Member States. The region's current account balance as a ratio of GDP widened from an average deficit of 5.1 per cent in 2019 to a deficit averaging 8.4 per cent in 2020. Only three Member States (Namibia, Zambia and Zimbabwe) met the regional current account balance target in 2020. Countries that are experiencing significant current account deficits are Seychelles, Mozambique and Malawi.

SADC international reserves declined in 2020 as a result of the subdued demand, therefore a majority of Member States were not able to meet the criterion of 6 months of import cover as the gains made from their exports significantly decreased, with some of them falling short of the IMF benchmark of 3 months of import cover. Only four Member States (Angola, Botswana, Madagascar and Mauritius) recorded external reserves above the regional target of 6 months import cover in 2020.

In terms of the exchange rate, the impact of COVID-19 resulted in exchange rates depreciating at varying magnitudes in the first and second quarters of 2020. The currencies depreciated due to downward revisions of economic growth projections, power supply interruptions and the COVID-19 outbreak which resulted to a massive sell-off of risky assets and capital flows to safe-haven assets such as the US dollar. Throughout 2020, the Angolan kwanza, the Zambian kwacha and the South African rand were the most volatile currencies. The least volatile currencies were the Tanzanian shilling and the Malawi kwacha.

Business Environment

According to UNCTAD World Investment 2020 report the COVID-19 pandemic will severely curtail foreign investment in Africa in 2020, mirroring the global business environment tendency. The downturn will be further exacerbated by the extremely low oil prices, considering the resource-oriented investment profile of the continent. Foreign Direct Investment (FDI) flows are expected to decline between 25 and 40 per cent. Depending on the duration and severity of the global crisis, the longer-term outlook for FDI in Africa could draw some strength from the implementation of the African Continental Free Trade Area Agreement in 2020, including the conclusion of its investment protocol.

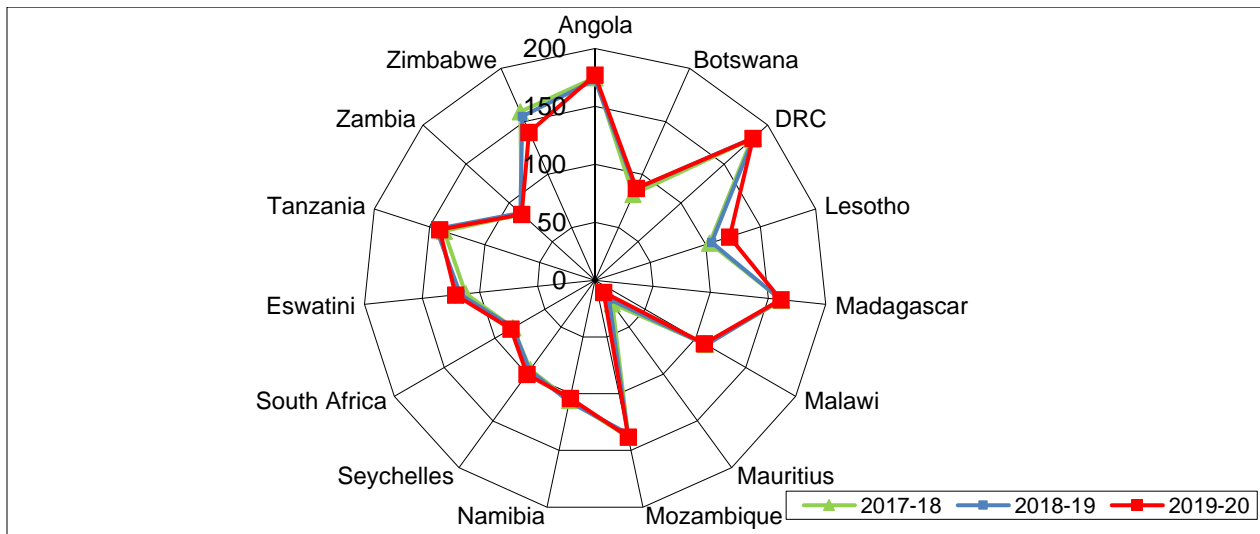
The AfDB Southern Africa Economic Outlook 2020 report shows that there has been slow progress in industrialization mainly due to an unfavorable policy environment for industrial development, low public and private sector investment in value chains, supply-side constraints such as volatile power generation capacity and limited energy source diversification into renewable energy. All these factors have undermined the region's competitiveness and economic growth. For instance, the 2019 Global Competitiveness Index revealed that only four Southern Africa countries were among the top 100 competitive countries. These were Botswana, Mauritius, Namibia and South Africa.

However, the World Bank Ease of Doing Business 2019-20 report indicate that the SADC region improved slightly in terms of having a conducive business environment and its competitiveness in general. Seven Member States showed improvements in the ease of doing business ranking, namely: DRC, Malawi, Mauritius, Namibia, Tanzania, Zambia and Zimbabwe, compared to the six recorded in 2018. Two Member States (Mauritius and Zimbabwe) demonstrated exceptional improvements by moving up more than 3 positions from 20 in 2018 to 13 in 2019 and 155 in 2018 to 140 in 2019, respectively.

Performance with regard to ease of doing business indicate that Angola, Botswana, Eswatini, Lesotho, Mozambique, Seychelles, and South Africa slightly plummeted in their ranking positions

in 2019 compared to 2018 performance. In 2019, four SADC Member States (Botswana, Mauritius, South Africa and Zambia) were ranked within the first 100 bracket.

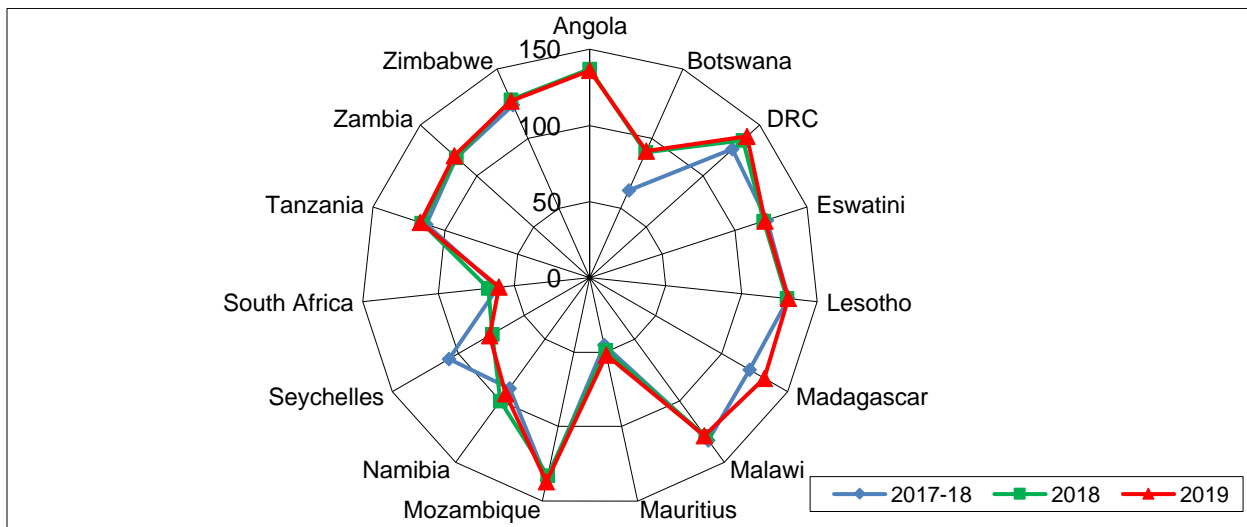
Figure 1: SADC – Rank Ease of Doing Business



Source: World Bank Ease of Doing Business, 2019-20.

The tendency with regards to improving the business environment shows a similar behavior if one considers the World Economic Forum Global Competitiveness Index (GCI) 2019-20. The GCI measures the competitiveness of an economy by considering all factors from basic factors that enable it to be competitive to factors that make it efficient and innovative.

Figure 2: Ranking – Global Competitiveness Index



Source: WEF Global Competitiveness Index, 2018-19.

In 2019, five Member States improved in the GCI ranking, namely: Angola, Malawi, Namibia, South Africa, and Zimbabwe. Two Member States (Namibia and South Africa) demonstrated exceptional improvements by moving up six and seven positions from 100 to 94 and 67 to 60

respectively. The other ten Member States (Botswana, DRC, Eswatini, Lesotho, Madagascar, Mauritius, Mozambique, Seychelles, Tanzania and Zambia) deteriorated their score.

In 2019, Mauritius, South Africa, Botswana Seychelles remained the most competitive and top ranked Member States in the region, similar to 2018.

Regional Outlook for 2021-22

The Regional Outlook for 2021/22 is forecasted to grow by 2 percent in 2021 and 3.2 percent in 2022. The forecasted economic recovery in 2021 and beyond largely hinged measures put in place to contain the spread of COVID-19 and mitigate its socio-economic impacts, which include the enhancement of national and regional capacities in producing medicines, medical supplies, and developing vaccines, and harnessing digital technology across sectors.

Annual inflation rate in the SADC region is projected to ease a bit to 15.4 percent in 2021. Zimbabwe's inflation is expected to decline significantly to 134.8 per cent in 2021 from 654.9 per cent in 2020. Fiscal deficit is projected to narrow a bit from 6.8 per cent of GDP in 2020 to 5.4 percent of GDP in 2021. Only Angola, Botswana, DRC, Tanzania and Zimbabwe are projected to achieve the regional fiscal deficit target of 3 percent of GDP in 2021. Public debt is projected to increase from 63.2 per cent of GDP in 2020 to 69.0 percent of GDP in 2021. Only six Member States (Botswana, DRC, Eswatini, Madagascar and Tanzania) are projected to achieve the 60 percent of GDP regional set target for the public debt in 2021.

Overall, Member States are projected to underperform in achieving the agreed macroeconomic convergence indicators in 2021. Bottlenecks, such as, limited resources; and emergences of more contagious strains of the COVID-19 Pandemic, may also undermine economic recovery and ultimately dampen the growth prospects for the Region, as such the region is to remain alert and vigilant.

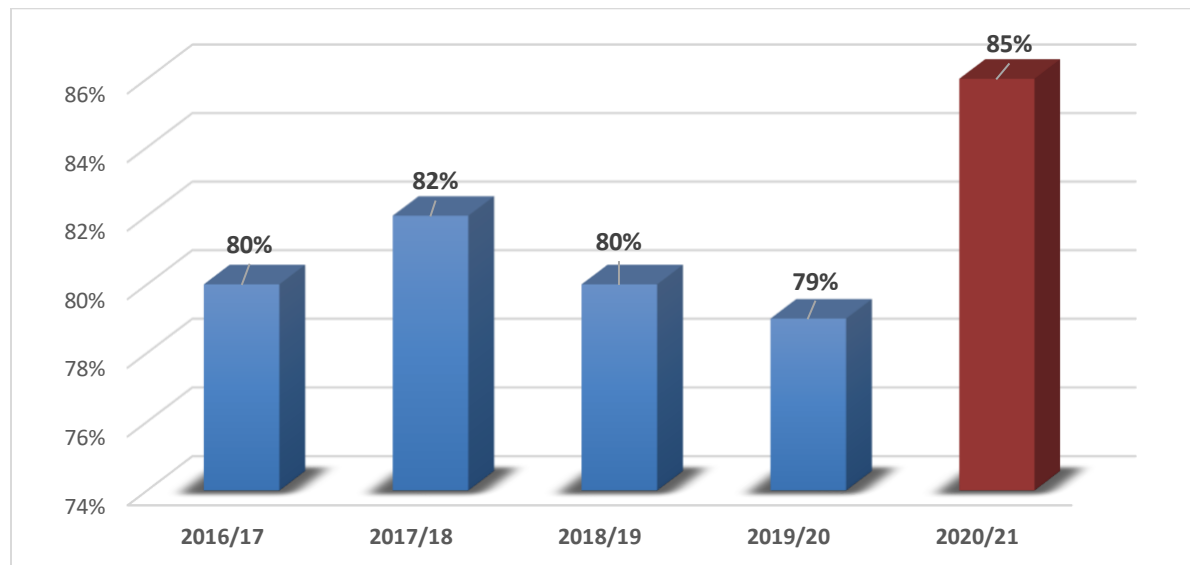
III. Strategic Review and Policy Development

With the expiration of both the revised RISDP 2015-2020, and SIPO, the Vision 2050, and a successor, the SADC Regional Indicative Strategic Development Plan (RISDP) 2020-2030 were approved in August 2019. The SADC RISDP 2020-30 is a coherent and comprehensive framework for the implementation of SADC's regional integration agenda for the next 10 years. To operationalize RISDP 2020-30 SADC Policy on Strategic Development, Planning, Monitoring, Evaluation and Reporting (SPMER) was developed during the year. The objective of (SPMER) is to strengthen and demonstrate SADC commitment towards evidence-based decision-making; priority setting; strategy development; planning, monitoring, evaluation and reporting, as well as, using results to enhance performance and impact of, amongst others, the RISDP 2020-30.

The 2020/21 Annual Corporate Plan marked the first year of implementation of the Regional Indicative Strategic Development Plan 2020-2030, which was approved by Summit Heads of States and Governments in August 2020 as commitment towards achievement of regional integration. In order to contribute towards the RISDP 2020-2030 aspirations, which are central to regional cooperation and integration, by end of March 2021, a total of 243 out of 287 annual outputs were successfully completed, translating to 85% completion rate (see Figure 1), marking it the highest performance in the past five Financial Years. The output implementation performance over the 5-year period has remained relatively high. As outlined in Figure 1 below, completion rate remained at 80% and above, with the exception of 2019/20 Financial Year (79%)

(primarily due to the first wave of COVID 19 pandemic which affected the last Quarter of the financial year). The Secretariat has maintained an impressive average completion rate of 81.4% over the five-year period. More significantly, the 2020/21 performance marked the highest achievement (85%) since 2016/17 Financial Year, despite strategic and operational challenges brought about by the COVID-19 pandemic and other limitations outlined in Section 2.3 below.

Figure 3: Five Year Output Competition Rate (%)



The outputs which were not completed as planned in 2020/21 Financial Year are either being implemented as part of the 2021/22 Annual Corporate Plan.

Implementation of the Regional aspirations as guided by Vision 2015 and the RISDP 2020-30, is primary dependent on the successful implementation of projects and programmes that directly contribute to the regional integration efforts. As such, the Secretariat successfully developed and deployed tools and processes to enhance the overall management, design, monitoring and evaluation of projects and programmes implemented by the Secretariat through facilitation of projects timely reporting, reviews and reflection sessions.

IV. Implementation of Programmes of Regional Cooperation and Integration

A. Trade, Industry, Finance and Investment

Industrial Development

Industrialization remains the effective means of achieving the main goals of the SADC, namely increased economic productivity, stronger Regional Integration and reduced poverty for people living in the region through the generation of goods and services. During the year, and following approval of the SADC Protocol on Industry by the 39th SADC Summit in August 2019, twelve (12) Member States have signed the Protocol. Member States that are yet to sign are Democratic Republic of Congo, Republic of South Africa and Republic of Zambia. It should, nonetheless, be

noted that whereas, thirteen (13) Member States have signed the Protocol, it is only the Republic of Seychelles that has submitted the instruments of ratification.

A Regional Gaps Analysis was conducted and a Regional Programme was developed as part of regional measures to improve Industrial Competitiveness of SADC Member States. The programme aims to ensure that all SADC Member States strive to achieve the same goals of industrialization and eliminate chances of contradictory policy instruments that might work against the SADC industrialization objectives.

A study to review the status of implementation of the Industrial Upgrading Modernization Program (IUMP) was commissioned in 2020/21. The study aimed to explore measures to improve the implementation effectiveness of the programme at Member State level as a tool for realizing the underlying objectives of the SADC Industrialization Strategy and Roadmap. The reviewed IUMP was circulated to Member States for validation and further comments.

The Secretariat continued to strengthen the role of Small and Medium Enterprises (SMEs) to employment growth and national development by engaging Member States in identifying the support required to enable implementation of a Regional Framework for Supplier Development with the special focus on building capacities and capabilities of SMEs.

Market Integration

The SADC Simplified Trade Regime Framework and SADC Regional Customs Transit Guarantee Regulations aimed at facilitating intra and extra SADC Trade were finalised and considered by the Joint meeting of SCCC and SCTF held in September 2020.

The border posts assessment study was conducted for the Nakonde/Tunduma border posts between Zambia and Tanzania and Songwe/Kasumulu border posts between Malawi and Tanzania from December 2020 to March 2021. The guidance provided by the review is expected to have an impact in the short to medium term in terms of improving efficiency and effectiveness in the clearing passengers and goods at border posts and hence shortening the time taken to release the goods.

The E-Certificate of Origin Framework was developed and approved. The E-certificate will help in facilitating the application Certificate of Origin electronically thus easing cross border trade. The Framework will be piloted in six Member States (Botswana, Eswatini, Malawi, Namibia, Tanzania and Zambia). Progress report on the readiness for piloting the electronic certificate of origin were received from Botswana, Eswatini, Malawi, Namibia, Tanzania and Zambia. The implementation Manual of the e-CoO were also developed and the training on implementation of eCoO Framework was conducted in March 2021. The Launch of eCoO transmission is scheduled for September 2021.

The Protocol on Services has been ratified by 8 Member States. Thus, ratification of two more Member States is required for the Protocol to enter into force. The first round of negotiations was completed in six priority sectors identified in the Protocol namely communication, finance, tourism and transport services, construction and energy-related services.

The Governments of Eswatini and Zambia ratified the Tripartite Free Trade Area Agreement (TFTA), thereby joining Egypt, Kenya, South Africa, Rwanda, Burundi, Uganda, Botswana and Namibia. Four additional ratifications are required to reach the mandatory quorum of 14

ratifications to bring the TFTA into force. The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. The SADC Member States that have ratified are Eswatini, Mauritius, Namibia, South Africa and Zimbabwe.

Regional Value Chains

A study profiling SADC Aquaculture Value Chains conducted in 2020 identified 8 aquaculture clusters (tilapia, salmonid, abalone, crustaceans, bivalve, marine finfish and pearl) and 24 value chains. In addition, a priority project roadmap was developed, which outlines a series of strategies, plans, projects, and activities by which to achieve the SADC Aquaculture Vision of 355 000 MT/yr by 2030, from the current 100,950 MT/yr in 2020. Some of the strategies include key issues like governance, infrastructure, research and development, human capital, funding and investment, as well as markets.

A Database of list of regional manufacturers of covid-19 related materials and pharmaceutical products was prepared. A pilot project to support manufacturers of covid-19 materials was launched during the review period with funding from the European Development Fund (EDF) and GIZ amounting to Euro 2 million. A call for proposals was launched by GIZ to this effect in August 2020 ahead of actual support in 2021.

Through SADC's Trade Related Facility (TRF) support programme, additional notable progress during the review period observed in some Member States in the area of value chains include developments highlighted below:

- (i) In the Republic of Mozambique, cotton, textiles, and forestry and wood sectors have been capacitated. Under the cotton and textiles sector, Mozambique has mobilised farmers to process part of their cotton outputs through provision of loans, which they can use to make cotton thread and fabrics. Due to this support, Mozambique is now producing most of its cotton wool instead of importing from outside the SADC region. Further, it has collaborated with the private sector and other cooperating partners to extend support to the farmers and small-scale fabric and garment producers. Mozambique has also designed policies to enhance the competitiveness of the forestry and wood sector as well as increase beneficiation.
- (ii) The Kingdom of Eswatini has managed to analyse and identify high priority economic impact value chains to guide the development of the national strategy for the value chain development as a major step taken by Government toward promoting agro-processing and industrialisation in those chains and to link-up with regional value chains. The four value chains analysed and identified include fruits and vegetables, meat, honey and dairy.
- (iii) In the Republic of Malawi, one of the projects implemented enhanced the country's oilseed value chains through the involvement of and support to groundnuts, sunflower and soya beans producers. Support involved the promotion of high yield improving technologies and training of farmers through use of demonstration plots including improving seed certification, soil and plant pest control, and facilitating good agronomic practices through use of appropriate technologies. Such improvements at country level will feed into the regional value chains in cooking oil production.

Financial Market Integration

Payments System

In terms of the finance and investment in the Region, a total of 82 participating Banks, from the fifteen (15) SADC Member States (except Comoros), were electronically linked to effect cross-border payments and settlements in real time. From August 2019 to June 2021 an additional 641.832 transactions were settled representing ZAR 2.32 Trillion equivalent of USD 162.15 billion. Cumulatively, from July 2013 to June 2021, total number of transactions settled reached 2,170,372, representing ZAR 8.46 Trillion equivalent of USD 591.38 billion.

Following the successful launch of SADC-RTGS in July 2013, the region has embarked on the implementation of a number of key initiatives pertaining to the regional payment, clearing and settlement systems including the Mobile Initiated Low Value Credit Transfers Cleared on an Immediate Basis (TCIB). This retail payments initiative aims at creating an efficient, safe, harmonised and integrated payments system in the region, to further reduce cross-border remittance costs across SADC region as well as to enhance financial inclusion. The soft launch and testing of TCIB were successfully completed in 2019. AS a result, the SADC Regional Clearing and Settlement System Operator (RCSO) (BankservAfrica Limited) has been onboard in 2020 to manage the SADC Transfer Cleared on Immediate Basis payment scheme. A number of non-banks are joining the TCIB scheme, as the SADC Payment System Subcommittee is engaging with participants on the SADC RTGS to sponsor these non-banks to settle obligations arising from the TCIB scheme. In addition, boarding of regional currencies on the SADC RTGS multi-currency platform which went live in October 2018, is ongoing.

Capital and Financial Markets

Capital and financial markets integration is central to the development and integration agenda of SADC. In 2019, a tool for monitoring implementation of the centralization of the bond markets in SADC region was developed and progress on centralization of secondary bond trading on SADC Exchanges is being monitored through a scorecard matrix.

Financial Inclusion and Remittances

In the area of financial inclusion, 68% of adults in the Region are financially included against the target of 75% by 2021. In terms of gender split, 67% of female adults are financially included while the rate is 70% for male. As per the decision of the Ministers of Finance and Investment at their meeting in Namibia in July 2019, the SADC Financial Inclusion Subcommittee was operationalised.

SADC continues to implement a number of initiatives which will further reduce the average cost of cross-border remittances in the SADC region to below the G20 target of 5%. Among others, given the success of the Shoprite remittance product to Lesotho, a same approach was launched in Eswatini in January 2020. This new bank-retailer product aims to serve low value remitters in the South Africa – Eswatini corridor and costs less than 3% on a price point of US\$55. New products have also been introduced between South Africa and Malawi, Zambia, DRC and Zimbabwe. In addition, due to travel restrictions and closure of borders caused by COVID-19 pandemic, the informal remittances providers were negatively affected and therefore an increase of 31,4% in the usage of formal cross-border remittances was noted: the total number of

transactions (South Africa outbound) was estimated at 851,441 in June 2020 against 648,110 in June 2019.

Furthermore, following further guidance from the Ministers of Finance and Investment at their meeting in July 2019, three Member States, namely: Eswatini, Lesotho and Malawi have been assisted with regard to the domestication of the SADC Mobile Money Guidelines. Malawi has started paying interest on mobile money wallets.

Development Finance

With regard to project preparation, the SADC Project Preparation Development Facility (SADC - PPDF) continues to support Member States to strengthen regional infrastructure connectivity by providing grants for project preparation and development for cross-border regional infrastructure projects in energy, transport, ICT and trans-boundary water. This directly supports the region's integration and industrialization efforts as well as trade in goods and services; and helps to improve the quality of lives of its people by improving access to infrastructure services.

As at end of December 2020, PPDF had approved a total of US \$ 20.9 million (after savings and cancellation) for the preparation of fourteen regional projects covering energy, transport and water sectors, which is expected to generate at least US\$ 3 billion in infrastructure investment. Furthermore, this has also the huge potential of unlocking business opportunities across the "infrastructure value chain", not just in advisory services, but also financing, construction, equipment supply, technology and skills as well as operations and maintenance. The fourteen regional projects are: Second Alaska Sherwood (Zimbabwe); Rehabilitation and upgrade of the North South Rail Corridor (South Africa, Zimbabwe, Zambia and DRC); Kasomeno - Mwenda Toll Road (Zambia); Angola - Namibia Transmission Interconnector 1 (Angola and Namibia); Mulembo Lelya Hydro Electric Power (Zambia); Luapula Hydro Power Development (Zambia); Mozambique - Zimbabwe - South Africa Interconnector (Mozambique, South Africa and Zimbabwe); Africa Green Co projects (all Member States); Development of Guidelines and Standards for Renewable Energy Projects and a Funding and Incentive Strategy Project (Mauritius); Angola - Namibia Transmission Interconnector 2 (Angola and Namibia); Lomahasha-Namaacha Cross Border Water Supply (Eswatini and Mozambique); Kazungula Water Supply and Sanitation Project (Zambia); and Mauritius Wastewater Pumping Station and Wastewater Treatment Plant (Mauritius).

On the other hand, the status on signature and ratification of the SADC Regional Development Fund (SADC RDF) has not changed. A total of nine Member States (Angola, DRC, Eswatini, Lesotho, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe) have signed the Agreement. None of the Member States has deposited instruments of ratification with the Secretariat. In order to advance the operationalization of the SADC RDF, SADC Secretariat is currently in the process of recruiting a consultancy firm to recommend on the full operationalisation of the Fund. Among others, the consultancy assignment will review Member States' challenges in ratifying the SADC RDF Agreement as well as proposing suitable approaches for fast tracking the operationalisation of the Fund.

Investment and Tax Related Matters

The global spread of COVID-19 is strongly affecting foreign investment in SADC. The recent Global Investment Trends Monitor of UNCTAD predicts a drastic drop in global FDI flows by up to 40% during 2020-2021, reaching the lowest level of the past two decades. Numerous SADC

countries have adopted a variety of policy measures aimed at supporting investors and their economies in general. Moreover, the COVID-19 pandemic created challenges for Investment Promotion Agencies (IPAs) in the region forcing them to shift focus from routine investment promotion and facilitation towards crisis management.

Implementation of the SADC Regional Action Programme for Investment (RAPI) 1 progressed. RAPI is aimed at establishing a conducive environment to attract both domestic and Foreign Direct Investment (FDI) into the region. The SADC Investment Subcommittee in February 2021 reviewed the implementation of the Regional Action Programme for Investment (RAPI). Most of the investment treaties have been affected by the COVID-19 pandemic, as such, through Peer-to-Peer Learning Mechanism Member States exchanged information on how and why investment treaties and laws can lead to potential Investors-States Dispute Settlement (ISDS) claims against governments in the wake of the crisis and proposed options to mitigate such risks.

Development of a SADC Business and Investment Promotion Strategy (BIPS) was finalised during the year under review. The SADC BIPS will allow SADC to explore opportunities to showcase its programmes and regional projects to various key decision-makers from around the world who are willing to engage in sustainable partnerships; and further benefit from a variety of features aimed at facilitating strategic networking and promoting Foreign Direct Investment.

Macroeconomic Convergence Programme

SADC Member States faced multiple challenges in attaining macroeconomic convergence in 2020. As highlighted in Section I above, the majority of Member States underperformed in achieving the agreed macroeconomic convergence indicators. The number of Member States who met the set targets of the primary Macroeconomic Economic Convergence indicators (Inflation, Fiscal Deficit and Public Debt) declined to two (2) Member States (Madagascar and United Republic of Tanzania) in 2020 from four (4) (DRC, Madagascar, Seychelles and United Republic of Tanzania) in 2019.

Whilst good progress had been made over the years towards meeting the MEC targets, the exceptional impact of COVID-19 has caused an impediment in the convergence process, and resulted in notable divergence from the MEC targets for the region. In view of the diverse economies of SADC region, it was observed that they faced differing challenges in regards to the pandemic, in terms of the extent to which their economies have been impacted. Whilst some Member States seem to have stumbled in terms of performance, others have severely diverged away from the targets. This unprecedented shock derailed the MEC programme, and uncertainty remains high with regards to the recovery path and the outlook as the pandemic is still unfolding. Notwithstanding the significant headwinds, as the effects of the pandemic are expected to linger on for several years to come, there is commitment by Member States to implement recovery plans to get the MEC programme back on track in the shortest possible time.

¹ Pillars of RAPI: The first being Development and harmonization of relevant policies and frameworks for attracting and promotion of both domestic investment and FDI; the second pillar relates to business and investment promotion; the third pillar relates to providing relevant information to businesses and investors; and the last Pillar relates to peer to peer learning where investment promotion agencies share best practices in investment promotion.

Trade Facilitation and Transport Instruments

The SADC Trade Facilitation Programme (TFP) was approved in July 2016 to support the implementation of the Industrialization Strategy and Roadmap. The achievements on customs and trade facilitation in 2020/21 include:

- (i) Reviewed the SADC Simplified Trade Regime Framework aimed at reducing barriers to trade by simplifying the customs procedures and processes, thereby lowering transaction costs associated with formal trade in support of small traders. The Framework will be presented to CMT in June/July 2021 for adoption.
- (ii) Reviewed the SADC Regional Customs Transit Guarantee (RCTG) Regulations aimed at reducing transit costs and delays; developed RCTG manual, training materials; and conducted awareness workshop to key stakeholders. The Regulations will be presented to the CMT in June/July 2021 for adoption.
- (iii) Conducted border posts assessment for Nakonde/Tunduma border posts between Zambia and Tanzania and Songwe/Kasumulu border posts between Malawi and Tanzania. The aim is to improve efficiency and effectiveness in clearing passengers, goods and means of transport at border posts. The assessment identified lack of adequate infrastructure and equipment, uncoordinated operations among border agencies and lack of capacity building programmes as main challenges. The report and recommendations will be submitted to CMT for consideration in June/July 2021.
- (iv) Following the adoption of the SADC E-Certificate of Origin Framework by CMT in July 2019, an implementation Manual of the e-CoO was developed and training on implementation of eCoO Framework was conducted in March 2021. The Framework is aimed at deepening Regional Integration to facilitate industrialization through easing trade for goods produced in the region as determined by SADC Rules of Origin. The launch of eCoO transmission for the six Piloting Member States (Botswana, Eswatini, Malawi, Namibia, Tanzania and Zambia) is scheduled for September 2021.

B. Infrastructure Support for Regional Integration

Infrastructure remains a key enabler to SADC industrialization and regional integration at large. As a contribution towards the availability and universal access to sufficient, integrated, efficient, and cost effective infrastructure systems, as well as the provision of sustainable services; a total of 13 small sub-grant Groundwater infrastructure projects were implemented in Botswana (3 projects of which 2 were legacy projects from a predecessor groundwater programme); Zimbabwe (3 projects of which 2 were legacy projects); Eswatini, Lesotho, Malawi, Mozambique, Namibia, Tanzania and Zambia. The pilot projects reached 84,000 direct beneficiaries especially in small rural communities and villages whose water security for domestic and livelihood activities was greatly improved. Also through this pilot projects component, an estimated 200 people were trained on aspects to enhance their skills for infrastructure planning, construction as well as operation and maintenance.

Water

Groundwater Management Programme

Groundwater continues to be relevant and important to water security and poverty alleviation through increased food production for the wellbeing of SADC citizens. It is estimated that over 70% of the 250 million people living in the SADC region rely on groundwater as their primary source of water.

The SADC groundwater management programmes are being implemented through SADC-Groundwater Management Institution (SADC-GMI) and so far, a total of 65 Young Professionals from the Member States went through internship programmes relating to Data Collection and Management, the SADC Groundwater Information Portal as well as the SADC Groundwater Literature Archive.

Capacity building aimed to strengthen Member States Institutional Frameworks for Sustainable Groundwater Management was conducted. The aim was to provide guidance to stakeholders on identifying solutions for strengthening legal, policy, and regulatory tools. Ten training workshops were delivered involving about 290 participants and an additional 118 people received training dedicated to groundwater data collection, management and sharing.

Work was undertaken in 4 Transboundary Aquifers (TBA), namely Shire TBA shared by Malawi and Mozambique; Tuli-Karoo TBA shared between Botswana, South Africa and Zimbabwe; Khakea/Bray shared between Botswana and the Eastern Kalahari-Karoo Transboundary Aquifer (TBA) shared between Botswana and Zimbabwe. The work typically entailed the elaboration of technical reports on the characteristics of the TBAs as well as establishing priority strategic actions through elaboration of Joint Strategic Action Plans.

Five (5) research studies were completed to generate knowledge on groundwater management challenges in the Member States, namely Deep Aquifer exploration, Groundwater Infrastructure Operation and Maintenance, Groundwater Resilience, Groundwater Data Collection and Management, and Conjunctive Water Management. Furthermore, the 3rd SADC Groundwater Conference was hosted virtually in November 2020. The primary objective of the conference was to provide a platform for the advancement of knowledge sharing on sustainable management of groundwater at national and transboundary levels across SADC Members States in light of the threats imposed by the climate change.

Under the project funded through the World Bank support, 13 small sub-grant Groundwater infrastructure projects were implemented in the Member States, namely: in Botswana (3 projects of which 2 were legacy projects from a predecessor groundwater programme); Zimbabwe (3 projects of which 2 were legacy projects); Eswatini, Lesotho, Malawi, Mozambique, Namibia, Tanzania and Zambia.

The pilot projects reached 84,000 direct beneficiaries especially in small rural communities and villages whose water security for domestic and livelihood activities was greatly improved. Also through this pilot projects component, an estimated 200 people were trained on aspects to enhance their skills for infrastructure planning, construction as well as operation and maintenance.

Climate Resilient Infrastructure Development Facility Projects

The CRIDF programme has continued to implement a number of projects in the region, which is now in the second phase. Following the completion of the rehabilitation of Mitema Pump Station in the Makonde Plateau, Tanzania during Phase 1, the rehabilitation of the treatment plant and upgrading of main distribution pipeline to match the increasing pumping capacity is ongoing. The Project seeks to improve access to safe and reliable water supplies to a population of about 408,000. In Namibia, a 50ha solar powered irrigation scheme is being implemented for a community scheme with a membership of 50 households in Mayana.

As part of a SADC-wide Cross-Border Towns Water Supply, Kariba (Zimbabwe) and Siavonga (Zambia) water supply schemes are being augmented to make the systems resilient to climate shocks. The project was a direct response to water supply disruptions due to Lake Kariba's unprecedented low levels in 2020 and will ensure uninterrupted supply to 52 000 residents of the two towns.

Energy

Implementation of SADC Renewable Energy Strategy and Action Plan

In order to enhance uptake of renewable energy and promotion of energy efficiency in all sectors of economy, the Secretariat continued to monitor implementation of the Renewable Energy and Energy Efficiency Strategy and Action Plan (REEESAP) as approved by Ministers responsible for Energy in July 2017.

The Ministers responsible for energy affirmed their commitment towards United Nations Sustainable Development Goal number 7 on increasing access to energy, sustainable utilisation of renewable energy and promotion of energy efficiency by 2030 by approving the revised Regional Energy Access Strategy and Action Plan (REASAP) in October 2020. The Plan adopted the Multi-Tier (Tier 0 - Tier 5) Framework developed by the World Bank characterised, among others, by universal access to reliable, affordable, convenient and safe electricity. The Ministers approved and urged the Region to target Tier 3 energy access characterised by access to adequate, reliable, affordable, environmentally sustainable energy services for all.

Expansion of Electricity Generation and Transmission Capacity

Region commissioned 2,400 MW in 2020 contributed by mainland Member States outlined in Table 2 below. The commissioned capacity resulted into approximately 75 percent achievement against the targeted capacity of 3,215. The COVID-19 affected the implementation and progress of power generation and transmission projects in Region due to restrictions of movement and reduced number of hours of operations. The table below shows the Regional Electricity Generation and Transmission capacity in 2020.

Table 2: Regional Electricity Generation and Transmission Capacity

Member State	Capacity in MW
Angola	334 MW
Botswana	10 MW
Democratic Republic of Congo	240 MW
Eswatini	10 MW
Malawi	90 MW
Mozambique	30 MW
Namibia	220 MW
South Africa	1,219 MW
Tanzania	212 MW
Zambia	15 MW
Zimbabwe	20 MW
Total	2400 MW

The total installed capacity was 69,132 MW by the end of 2020 by mainland Member States and when considering the operating capacity on 59,688 MW peak demand including required reserves of 57,662 MW, the Region is sitting with excess capacity of 2,026 MW. As of March 2021, two (2) Member States namely Angola and Mozambique had excess capacity while others rely on imports to meet their growing demand.

The Regional Gas Master Plan (RGMP) Phase I was concluded in October 2020. The implementation plan for RGMP Phase I was adopted by the Committee of Ministers responsible for Energy covering five elements namely Economic corridors that maximise regional integration and trade; Effective trade of natural gas and its downstream products; Enabling policy environment; A highly skilled and innovative workforce; and Investment driven economic growth.

Establishment and Strengthening of Regional Centres of Excellence for Research and Training in the Energy Sector

Ten Member States namely Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe have signed the Inter-Governmental Memorandum of Agreement (IGMoA) on establishment the SADC Centre for Renewable Energy and Energy Efficiency (SACREEE). The signed IGMoA will pave way for operationalisation SACREEE as a legal regional organisation and for signing of Host Country Agreement with the Government of the Republic of Namibia.

Assessment of sustainability of Kafue Gorge Training Centre (KGRTC) based in Kafue Gorge, Zambia was carried out, and was cleared by the joint meeting of Ministers responsible for Energy and Water in October 2020. KGRTC continues to offer short-term training on energy courses, research and development services and hire-out conference facilities to sustain its operations. KGRTC also receives support from the Government of Zambia through the Ministry of Energy as part host Country obligation.

Development of Regional Energy Sector-Wide Regulatory Framework and Migration to Electricity Cost Reflective Tariffs

All Member States (except the Union of Comoros) have established and operationalised energy regulators. The DRC is the latest Member State to operationalise the regulatory agency in 2020

after enacting the electricity law that provides for the establishment of a regulator. The Secretariat in collaboration RERA, is expected to continue supporting energy regulator in DRC to join RERA and to advise Comoros on fast-tracking establishment of the energy regulator.

Member States continued to review and approve lifeline tariffs and in the process of developing pro-poor tariff subsidy mechanisms and as a gradual approach of migrating towards cost-reflective tariffs. Member States continued to offer government guarantees for power projects and implementing the tariff adjustments to enable the power utilities to be able to fully recover costs of electricity supply. Namibia, Eswatini and Mauritius have migrated to cost-reflective tariffs while Angola, Lesotho, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe have lifeline tariff structures that allow for a minimum level of service. In preparation to migrate into cost reflective tariffs, 11 Member States completed the cost of service studies (COSS).

Information Communication and Technology

SADC ICT Observatory

The SADC ICT Observatory is one of the flagship projects from the SADC Regional Infrastructure Development Master Plan (RIDMP) whose objective is to become a central point of reference for reliable, accurate and up-to-date collection and dissemination of ICT indicators, measurement, benchmarking and reports. The SADC ICT Observatory monitors and evaluates the implementation of the SADC ICT Programme, Sustainable Development Goals (SDGs), the Digital Divide and enhancing Industrialisation in SADC through ICT.

An assessment Report on the Domestication of SADC Model Policy and Regulatory Instruments as a Risk Treatment Action Plan 2020/21 has been prepared. The assessment measured the level of domestication with regards to: Infrastructure Sharing, Universal Access, Internet Exchange Point (IXP), Competition in Local Loop Telecoms, and Competition in ISP Market, Policy on Broadband and Cyber Security Laws and National CIRT. Based on the 14 Member States which participated in the survey, the overall average performance level of domestication of SADC ICT Model Policy and Regulatory instrument and structures is 74%.

SADC Internet Exchange Points (IXPs)

Internet Exchange Points (IXPs) are a vital element in the Internet's Infrastructure ecosystem. SADC Member States have deployed IXPs with the objective to reduce transit Internet Service Provider (ISP) costs (International bandwidth), improve throughput, reduce latency and provide better Quality of Service (QoS) and browsing experience for SADC Internet users. The SADC M&E for IXP Implementation trialled during the SADC Internet Exchange Point (IXP) Workshop in September 2020, established that South Africa and United Republic of Tanzania each have six (6) IXPs, Angola, DRC and Zimbabwe each have two (2) while Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia and Zambia all have one (1) IXP. This amounts to a total of 26 IXPs in the SADC Region and this is 57% share of the 46 IXPs in Africa. The SADC M&E for IXP Implementation Form has been enhanced to contain definitions, respondent details and collect data on IPv4 to IPv6 migration.

The IXPs have played a critical role in the performance of Internet access to scale up, adapt and remain resilient through the COVID-19 pandemic. All SADC Member States except Seychelles and Comoros have set up at least one National IXP. Four (4) IXPs (DRC, Namibia, South Africa and Zimbabwe) are already peering with large number of foreign ISPs, thus making them

Advanced IXPs. The SADC Roadmap and Guidelines for Transformation to Advanced IXPs was developed to assist Member States in attracting Content Delivery Network (CDNs) such as Google, Facebook, Microsoft to the SADC Region to further enhance the Internet. SADC Masterclass Sessions have been introduced as an initiative to strengthened capacity of Member States on best practices of Advanced IXPs.

Root Domain Name System (DNS) is a worldwide distributed platform that translates domain names into Internet Protocol (IP) addresses. As at September 2020 there were 111 Root DNS Server Instances in Africa of which 53 are from the SADC Region. All SADC Member States in the SADC Region have at least one Root DNS Servers instances, except Comoros, Kingdom of Eswatini and Zambia which are expected to have one in place by December 2021. Root DNS servers closer to Internet users translates into improved speed of DNS services and more Root DNS server instances provides greater stability and resilience to the Internet. SADC IXPs have been urged to implement Internet Protocol version 6 (IPv6) starting with the dual stack by December 2021 and also to devise mechanisms to attract local, regional and global Content Delivery Networks (CDNs).

SADC Roaming Project

The SADC Roaming Project is being implemented in three phases with phases 1 and 2 already completed. These phases are:

- **Phase 1:** Liberalization, Transparency to roaming tariff, Information and Data Collection;
- **Phase 2:** Wholesale and Retail Price Cap Regulation: Roam Like At Home (RLAH); and
- **Phase 3:** Cost-based Roaming Price Regulation.

The SADC Roaming Project targets the development of policy and regulatory frameworks for the provision of transparent and affordable mobile roaming tariffs for Voice, SMS and Data services within the SADC region and thus contributing towards making the region more competitive. The completion of Phases 1 and 2 has resulted in an increase in the transparency, consumer choice and reduction in pricing of Roaming Services. In Phase 3, the SADC Roaming Cost Model resulted in the computation of the wholesale and retail tariff ceilings for various roaming types of calls, SMS and data services. The SADC Roaming Regulations (2015) have been revised and now includes a schedule that refers to the wholesale and retail cost-based pricing proposals approved by SADC ICT Ministers in September 2019 as well as timelines for Mobile Network Operators (MNOs) to renegotiate the wholesale prices within the timelines of Phase 1 of the Final Phase of the SADC Roaming Project. The revised regulations also address the issue on permanent roaming in the context of fair use policy. A critical and essential element of policy and regulatory requirement will be for Member States to implement the new regulation and review appropriate regulations to allow for harmonisation of International Termination Rates (ITRs) in the region. The Progress report on Implementation of final phase of SADC Roaming Project has been prepared.

SADC Harmonized Cyber Security Legal and Regulatory Framework

The SADC Harmonised Cybersecurity Legal and Regulatory Framework of 2012 consists of three (3) Model Laws namely: E-Commerce/E-Transaction Model Law, Data Protection Model Law; and Cybercrime Model Law. Member States are at different levels of transposing the SADC

Harmonised Cybersecurity Legal and Regulatory Framework. All Member States have either transposed the SADC e-Commerce/ e-Transaction and Cybercrime Model Laws or have an existing legal framework in place. Eight (8) Member States (Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Seychelles and South Africa) have put into place laws on data protection. Five (5) Member States (Lesotho, Madagascar, Malawi, Mauritius and South Africa) have appointed an independent Data Protection Authority (DPA). Six (6) Member States (Comoros, the Kingdom of Eswatini, Namibia, United Republic of Tanzania, Zambia, and Zimbabwe) have official data privacy bills to be soon enacted. DRC and Mozambique are without legislation nor constitutional protection. The SADC Data Protection Model Law requires modernisation and to align it with current international best practices and principles such as the EU General Data Protection Regulation (GDPR) of 2018. An Action Plan has been developed for the review and modernisation of the SADC Data Protection Model Law.

The SADC Regional CIRT (SR-CIRT) workshop convened in February 2021 to operationalise the Framework for the establishment of the SADC Regional Computer Incident Response Team (SR-CIRT). The SADC Regional CIRT (SR-CIRT) will be a regional collaboration platform to strengthen the regional cybersecurity awareness, confidence, ability and speed of response to computer security incidents as well as provide practical advice (detection and mitigation) to individuals and organisations to protect themselves and reduce the risk of become a cybercrime victim.

SADC Post Digital Terrestrial Television (DTT) Migration

Digital Terrestrial Television (DTT) has enabled better quality pictures and sound. Six (6) SADC Member States (Kingdom of Eswatini, Malawi, Mauritius, Namibia, Tanzania and Zambia) have completed the DTT Migration. Seven (7) Member States (Angola, Botswana, Lesotho, Mozambique, Seychelles, South Africa and Zimbabwe) are at an advanced stage operating both analogue and DTT networks (dual illumination) and are to pursue Analogue Switch Off (ASO). The remaining three (3) Member States have deployed DTT networks however they are privately owned and providing Pay-TV services, mostly in the densely populated city areas. The SADC TV Channel called Eye on SADC has been piloted and ten (10) Member States (Angola, Botswana, Kingdom of Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia and Zimbabwe) are participating in the project. Post DTT, eight (8) Member States (Kingdom of Eswatini, Malawi, Mozambique, Namibia, South Africa, United Republic of Tanzania and Zambia) are streaming their national public TV channel via the Internet. The Draft Code of Conduct of Broadcasters and a report on the satellite system design and costing have been prepared.

Transport

Harmonisation of Regional Road Transport Laws, Regulations, Standards, and Systems

The Secretariat, as contracting authority, continued to coordinate and manage the Tripartite Transport and Transit Facilitation Programme (TTTFP) funded by the EU. The TTTFP provides a harmonised legal, regulatory and system framework for Member/ Partner States to implement the harmonised minimum standards in cross border road transportation under the Multilateral Cross Border Road Transport Agreement (MCBRTA) and Vehicle Load Management Agreement (VLMA). The TTTFP which commenced in 2017 and was originally designed for 5 years ending November 2021 but was extended to May 2023 to address delays occasioned by extended negotiations and consultations on the legal instruments and COVID-19 Pandemic disruptions 2021. The lack of harmonisation in the Member/ Partner States' response to the COVID-19

pandemic, has also underscored the need for harmonised requirements relating to the movement of persons and goods across borders in the region.

Model Laws & Regulations for Vehicle Load Management, Cross Border Road Transport, Road Traffic, Road Traffic & Transport Transgressions and the Transport of Dangerous Goods by Road were developed and approved by TCM in June 2021.

To facilitate the domestication of the VLMA and MCBRTA, five sets of Model Laws & Regulations have been developed and were validated at the same time. The sets of Model Laws & Regulations include the following: Vehicle Load Management, Cross Border Road Transport, Road Traffic, Road Traffic & Transport Transgressions and the Transport of Dangerous Goods by Road.

System specifications, standards and design specifications for an integrated National Transport Information System (NTIS) were developed for the operationalisation of the enabling legislation. These included vehicle system; driver system; Operator system; Infrastructure system; Transgression system and Accident system.

System specifications were developed for Vehicle Load Management Information System (VLMIS), and Tripartite Transport Registers & Information Platform System (TRIPS). The development of TRIPS was started with a target date for commissioning in October 2021.

Compulsory standards were developed and approved by Protocol on Trade - SADC Cooperation in Standards (SADCSTAN) for Vehicle Roadworthiness; Driving Licenses; Transport of Dangerous Goods by Road; Cross Border Road Transport Management System (XB-RTMS); Accreditation of Weigh Stations and Verification (including Calibration) of Static and WIM Scales at Weigh Stations; Number plates; Equipment on vehicles and safety requirements for vehicles; Road Side Rest Stations; Road Traffic Signs; vehicle Testing Stations; Driving License Testing Centres, and Weigh Stations.

SADC and Tripartite Guidelines and Standard Operating Practices on the movement of goods and services during COVID-19 Pandemic were developed and validated by multi-sectoral committees of officials and Ministers from Trade, Transport, Immigration, Customs, Immigration and Security and further adopted by SADC Council of Ministers and Tripartite Council of Ministers. Member States and Partners have agreed to develop and implement a common Monitoring and Surveillance System to authenticate the validity of COVID-19 certificates and the monitor driver and travelers' wellness and monitor movements for the purposes of contact tracing if when required.

Covid-19 Pandemic and the Development of the Corridor Trip Monitoring System (CTMS) - Development and Pilot of the CTMS

At the onset of the COVID-19 pandemic in Africa during April 2020, the EU invited COVID-19 mitigation proposals and in response, TTTFP submitted technical and financial proposal for the development, commissioning and maintenance of a surveillance and monitoring system for drivers, vehicles and loads engaged in regional trade and transportation. EU awarded an amount of EUR 3.6 million for the development, implementation, and maintenance of the Corridor Trip Monitoring System (CTMS).

Due to the urgency of implementation of COVID-19 remedial measures to alleviate the disruptions caused to cross border road transport and queues of several kilometers that regularly formed at border posts, approval was given on 11 May 2020 for the development of the CTMS to proceed

without delay, with a view to have the CTMS available for implementation within the shortest possible time frames. Consequently, the 1st Release of the software became available on 22 June 2020 and a further 2 releases have since been completed.

Secretariat mobilized additional funding for CTMS equipment to be used by Officials of Members States participating in the CTMS pilot from the Government of Germany through GIZ.

The following Member States-Botswana, Namibia, Zambia, Zimbabwe and DRC are participating in the CTMS pilot being implemented on sections of the Trans Kalahari, Walvis Bay/ Ndola/ Lubumbashi and North-South Corridors. CTMS supporting user manuals and training material were developed at the same time and made available to the operators. Workshops and training for operators, policy makers and regulators was provided on the CTMS. Specific training was provided on the use of the Operator Web Application by a number of operators in Botswana, Namibia and Zambia.

The Lobito Corridor Trade Facilitation Project (LCTFP) funded by the African Development Bank (AfDB) is intended to serve as a model for accelerating integration by providing support to member states in adopting the regulations at national level in collaboration with The Tripartite Transport and Transit Facilitation Programme (TTTFP), Association of Southern Africa National Road Agencies (ASANRA), Southern Africa Railway Association (SARA), and cross SADC Directorate stakeholders.

Harmonisation of Strategies, Policies and Regulatory Framework:

The Lobito Corridor Trade Facilitation Project (LCTFP) aims to coordinate joint corridor development activities which seeks to accelerate growth in domestic and cross-border trade through the implementation of harmonized trade facilitation instruments.

Measures, laws and regulations were developed in both the road and railway sectors to help accelerate the harmonisation process under the Lobito corridor. This was achieved with guidance of existing model Regional Laws and Regulations developed under the TTTFP, ASNARA and SARA. The LCTFP has adopted this process to avoid duplicity and ensure alignment to the SADC regional agenda.

Meteorology

Timely and credible meteorological and climate information and products were disseminated to stakeholders to support planning for socio economic development, weather related disaster risk management and the rational use, conservation and protection of natural resources. The interventions aim to improve the meteorological infrastructure that are fully integrated, efficient, and cost effective to meet the requirements of the users, and to minimize adverse effects of severe weather and climate phenomena by the uptake of weather and climate information services for development planning.

The Southern African Regional Climate Services for Disaster Resilience (SARCIS-DR) Project was implemented to strengthen the capacity and capability of the 16 SADC Member States to generate and disseminate climate information in a timely manner in response to climate-induced disasters and reduce loss of lives and property damage. The project also aims to enhance the capacity to use numerical weather prediction (NWP) models and regional climate models (RCMs) for seasonal climate forecast. The Projects donated 40 Automatic Weather Stations, 14 High

Performance Computing servers and two Automatic Message Switching System to benefiting Member States, thereby improving the capacity of National Meteorological and Hydrological Services to access, process and monitor of the weather- and climate-related data and systems for timely early warning and information dissemination. It further capacitated the SADC Climate Services Centre (CSC) to generate using its Cluster and upload daily, weekly and monthly weather and climate information on its website (<http://csc.sadc.int/>) for use by the different stakeholders in the Region. In addition, the Project conducted a series of capacity building activities in early warning at national and regional levels, and 80 experts from various climate sensitive sectors were trained.

C. Social and Human Development of Regional Dimension

Education and Skills Development

Education Sector Response to Covid-19 – Survey of SADC Member States

The Coronavirus (COVID-19) pandemic has had an unparalleled impact on most countries worldwide. Undoubtedly, the impact of the pandemic will mark our world for a long time given the unprecedented health and socio-economic crisis being felt in many countries. This has led to drastic measures being taken by respective governments to mitigate the negative impact of the pandemic on businesses and households. To control the velocity of the pandemic, national lockdowns and partial border restrictions have been imposed by most countries. These measures have severely impacted the education sector, creating a period of lost learning opportunities for many students, most particularly for those in socially vulnerable groups.

Member States have responded in different ways to help students make up for the lost period of learning by promulgating a variety of national strategies and policies. However, while these initiatives from respective Ministries of Education to allow students to continue learning are laudable, there has not been a regional response or any inter-country consultations on the best practices for attending to the educational needs of children and youth in light of the effects of the pandemic. Inter-country learning and the adoption of good practices should lead to the development of an effective strategic plan to mitigate the effects of the pandemic and meet the expectations of different stakeholders in the education sector.

Given the above, SADC Secretariat, with the support of UNESCO conducted a survey among SADC Member States during the months of April/May, 2020, aimed at assessing the challenges and measures taken by SADC Member States as well as those best practices which could be adopted to mitigate the impact of the pandemic on education.

The survey findings highlighted a number of best practices such as: most Member States have developed radio lessons and collaborated with national TV channels to ensure the continuity of students' academic learning; the establishment of platforms for online teaching and learning to ensure the continuity of learning; some teachers and lecturers have been conducting virtual classrooms while others have been using various conferencing applications and student portals to deliver education; scheduling a 'virtual' graduation ceremony online enabling international students to participate; Member States developing and using their own online platforms; Member States dealing with the emotional health of students: for example, recruiting more teachers, lecturers, psychologists and lab assistants to meet COVID-19 requirements and providing guidance and counselling to students on how to adapt to change; and reinforcement of hygiene, sanitary and social distancing measures at schools across the majority of Member States.

Finally, the recommendations to help Member States mitigate the impact of the Covid-19 pandemic to ensure “Learning Never Stops” were as follows: embarking on policy reform of the education sector to cope with future crises such as changing assessment and examination methods; adoption of a blended learning approach to address educational inclusion; collaborating with international educational partners to take advantage of MOOCs and OERs; reinforcing capacity-building strategies on distance and online teaching for academic staff and students; reinforcing the role of parents and caregivers at home; investing in technological infrastructure and the setting up of an integrated and ready-made parallel system of online learning.

Implementation of the SADC Qualifications Framework (SADC QF)

The establishment of the SADC Qualifications Framework with the accompanying quality assurance guidelines is a very important milestone since it will serve to enhance mobility across the region. To that end, Member States’ endeavour to align to the SADCQF cannot be understated with South Africa and Seychelles having already aligned their national qualifications framework to the regional one, and with a number of other member states having reached an advanced stage, including Mauritius which has submitted its Alignment Report for Adjudication.

Development of the Regional Qualifications Recognition Manual

The proposal to develop a Qualifications Recognition Manual for the Southern African Development Community (SADC) was first conceptualized at a September 2016 meeting of the SADC Technical Committee of Certification and Accreditation (TCCA). At this meeting, members explored ways through which they could accelerate the implementation of the SADC Qualifications Framework (SADCQF). As part of the TCCA's strategy to accelerate the SADCQF, the meeting agreed on an implementation model consisting of five implementation areas: development and alignment of National Qualifications Frameworks to the regional; quality assurance; verification; communication and advocacy; and Recognition of Prior Learning (RPL), articulation and Credit Accumulation and Transfer System (CATS). In this regard, the Regional Qualifications Recognition Manual has been developed as part of the SADCQF implementation strategy.

The Recognition Manual was finalized and contains standards and guidelines on all aspects of the recognition of qualifications and aims to provide credential evaluators from SADC member states with general guidelines to assist them develop member country specific recognition manuals; it provides general guidelines that make the recognition procedures transparent to all stakeholders directly or indirectly involved in recognition such as; credential evaluators, education and training institutions, learners, employers and policy makers; it aims to create more clarity regarding recognition practices in all SADC countries and to contribute to a joint qualifications recognition area, in which all SADC countries practice a similar methodology in the recognition of qualifications, based on commonly agreed standards and guidelines; finally, SADC has given due recognition to the fact that there has been divergence in the education and training system as well as recognition practices among the different member states. It has also been recognized that whilst there has been general consensus on what should be done, good practice may not always be implemented, or may be interpreted differently. To that end, the Qualification Recognition Manual may be regarded as a new and innovative tool that sets clear and uniform standards for recognition practice. Such a tool will have multiple uses - serving as a starting point for policy makers in order to review and improve national regulations, as a manual for credential evaluators and as an informative tool for foreign learners, education and training institutions and other stakeholders.

Development of the SADC Credit Accumulation and Transfer Systems

The development of the SADC Credit Accumulation and Transfer Systems (CATS) which informs the recognition of accumulation and transfer of credits within the same or different qualifications in different institutions in the SADC Region was finalised, and is expected to help to facilitate the implementation of the SADCQF.

The rolling out of the Regional CATS is also expected to provide wide-ranging benefits to learners and institutions including: it supports student/learner mobility (across geographies and institutions) which in turn can improve lifelong learning opportunities and social mobility of under-represented groups in general education, TVET or higher education; it reduces the risk of student drop-out by reducing the time commitment required (as students do not have to restart their studies from the beginning, and thus avoid repeating learning already undertaken) and creating re-entry possibilities; it makes general education, TVET, or higher education more attractive and accessible to under-represented and disadvantaged groups (e.g. encouraging part-time study, and facilitating entry for those without formal qualifications through recognition of prior learning [RPL]); it helps institutions to create customised learning opportunities for students and employers; it permits institutions to be more responsive, particularly to the student market, and as such increase opportunities for additional income generation; it contributes to higher student retention and completion rates; and it promotes and facilitates inter-institutional partnerships (such as progression pathways between TVET and higher education).

SADC University of Transformation

At the Council of Ministers Meeting in August 2019, Ministers directed the Secretariat to 'expedite the finalisation of the comprehensive skills audit, costed and time bound roadmap for the operationalisation of the SADC Virtual University of Transformation and this has been finalised.

The regional skills supply and demand study focused on three (3) identified priority value chains namely: Agro Processing, Mineral Processing and Pharmaceutical, and it related to the identification of skills demand to inform the programmes to be offered in line with the agreed value chains; it mapped the relevant existing academic programmes and qualifications being offered in the region; and it identified the skills development programmes required to address gaps, as well as the institutions which should be designated as Centres of Excellence and Centres of Specialisation, including the type of operational and governance structures to be established.

The study also identified key economic realities driving skills demand in different value chains; the current skills demand (high and medium skills), skills shortages and trends applied to forecast future skills demand in the three value chains; the Regional and national policies (i.e. desired outcomes) for the value chains, and the identification of skills that will be needed to realise these outcomes.

In addition, the study has also provided an indication that the skills demand in each value chain consists of the following categories: Existing degrees and diplomas based on the organic growth of the formal core sectors of the different value chains. The forecasted demand is highest for the agro-processing sector; followed by mineral processing (skills per annum) and pharmaceuticals. The highest demand is forecasted for honours degrees and higher, while some 10-13% could be on diploma-level; Upgraded trade certificates to occupational certificates at Technical, Vocational, Education and Training (TVET) level to up-skill medium skilled workers currently employed in the agro-processing and mineral processing Value Chains; Short courses and programmes to build skills that respond to technological changes and other change drivers relevant to the sector to up-

skill the current workforce in each value chain. This could involve some 50% of the current workforce within each value chain as well as new workers; and Short courses and programmes or postgraduate degrees linked to the actualisation of regional policy objectives related to each value chain.

Progress Report on the inclusion of Southern African History in the School Curriculum

During the Council of Ministers meeting Ezulwini, Eswatini in August 2017, Council approved that GCED values and the Southern African Liberation history be included in the school syllabus and requested Ministers of Education to operationalise the decision. The decision was taken to ensure that the younger generation in the SADC region have an opportunity to learn and critically reflect on the history of the liberation struggles in the region. This will promote social cohesion and regional identity. Furthermore, it will contribute to the implementation of Sustainable Development Goals (SDG) 4 Target 7 in relation to “promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development”.

Furthermore, at its Meeting in August 2019, Council requested the Ministers of Education, Science, Technology and Innovation to submit a progress report on the development of the Guidelines for the curricula on Southern African Liberation History and the Roadmap on the roll out of the curricula by Member States. In this regard, following the findings emanating from the desk review of curricula in all 16 SADC Member States to determine the level of integration and teaching of global citizenship issues and values in primary and secondary schools, the Draft Roadmap for integrating SALH and GCED in Member States curricula has been finalized.

School Feeding Programme

School feeding programmes target 20.5 million schoolchildren in the SADC region. The vulnerable school children access to regular school meals and nutrition services during the pandemic was affected as many of the children rely heavily on such services: either as the only meal consumed in the day or contribute a significant part of their daily nutrient requirements. It is worth noting that Member States adapted the school feeding programmes during the pandemic such as providing home meal rations and cash transfers. It is well known that school feeding programmes contributes to improving school attendance and retaining children in schools, however there has been growing interest to further understand the cost benefit of these programmes in other sectors.

A Cost Benefit Analysis Study benefits of school feeding was conducted in collaboration with the World Food Programme (WFP) based on high level and secondary data in five Member States (Botswana, Namibia, Madagascar, South Africa and Zambia). The results indicated that that there are potentially substantial returns to school feeding that should be included in national financial policy making. The analyses also confirmed that the returns go beyond the returns to human capital that have been measured previously and include significant benefits to other sectors. The findings further indicated that school feeding programmes benefits can be seen across four sectors namely the health and nutrition, notably in preventing the onset of soil-transmitted helminth infections and anemia; education, in increasing school attendance and yielding higher future adult wages; social protection, in transferring food, hence income, to schoolchildren and their families; and agriculture, in supporting the growth of local food economic markets.

Employment and Labour

COVID-19 labour market impacts in SADC

An assessment of the regional labour market impacts of the COVID-19 pandemic was conducted in an effort to strengthen Member States' capacity to respond to the challenges. The assessment report produced projected job loss scenarios for 2020 and 2021, based on the historical relationship between changes to GDP and changes to employment between the period 2000 and 2019. It is estimated that as a result of COVID-19 and response measures such as lockdowns and movement restrictions, the SADC region suffered employment losses equivalent to 36 million jobs in 2020. This figure reflects a combination of actual job terminations, lost working hours and reduced wages during the height of the socio-economic impact as the labour market adjusted to the crisis, while response measures still had minimal effects. The employment losses of 36 million jobs represent 27% of the employed population in 2019, highlighting a huge impact on incomes and livelihoods for SADC citizens.

The report also revealed that COVID-19 impacts had a disproportionate effect on particular segments of the working population, notably women and youth. Women face greater risk due to their overrepresentation in employment as contributing family workers and own account workers, as well as care workers. The report showed that up to 55% of employment losses were predicted for this classification of workers. Youth were overrepresented in service occupations, such as retailing, hotel and catering, and tourism, which are most likely to be disrupted by strict intervention measures and lockdowns. Migrant workers were also at high risk noting that some of them in vulnerable employment as irregular migrants, with implications for the major countries of origin where the share of remittances in GDP is upwards of 10%, notably Comoros, Lesotho and Zimbabwe.

The report's recommendations are organised across five categories urging Member States to continue fiscal and monetary rescue measures to boost employment; stabilisation of sectors that drive the economy including in the export sector; targeted enterprise tax relief and wage support; strengthening of social protection measures to cushion the vulnerable; and to promote dialogue and consensus through the crisis. In line with some of these recommendations, Member States have established various stimulus packages, in some cases up to 5% of GDP (Namibia and South Africa), to revive the economy and protect jobs and livelihoods. The application of these response measures has also included dialogue with broad stakeholders including workers and employers organisations. In terms of long term measures, Member States are reviewing the feasibility and adequacy of social security provisions such as unemployment benefits, with a view to enhancing future labour market resilience.

SADC Employment and Labour Policy Framework developed

The SADC Employment and Labour Sector has developed its first comprehensive SADC Employment and Labour Policy Framework, covering the period 2021-2030. The policy framework addresses challenges relating to economic growth and employment creation, with a view to enhance regional cooperation to reduce the serious decent work deficits in SADC. The policy framework reveals that although unemployment is statistically low in some cases (ranging from about 2% to 28% in 2019), more people are employed in the informal economy, where incomes and social protection are lacking. In the case of youth, unemployment is notably higher, (ranging from 3.9% to 57.4% in 2019) signaling that on average, there is more significant exclusion of young people in the labour market. Informal employment is also very high, with shares of at least

70% outside agriculture in some Member States resulting in the majority of workers being in vulnerable/precarious employment, as self-employed or unpaid family workers (Malawi (60%), Tanzania (77%), Angola (79%), Mozambique (80%) and Madagascar (85%). These working conditions undermine the link between employment and growth, as the decent work deficits imply that the current development path is not inclusive and not contributing to improved lives.

As a response, the SADC Employment and Labour Policy Framework establishes cooperation on five priorities on increased job creation and inclusive growth; improved labour standards; inclusive social protection; enhanced social dialogue and improved labour migration governance. A SADC Decent Work Programme, which is the medium-term action programme for the policy framework during the period 2021-2025 has also been developed to ensure rapid implementation. The mentioned priorities are in line with the Regional Indicative Strategic Development Plan (2020-2030), and will be pursued through improved multi-sectoral coordination on employment creation at both regional and national levels. Therefore, the approved Joint Sector Meeting of SADC Ministers of Labour, Finance and Industry to be held during the 2021/2022 financial year will add impetus towards implementation of the policy framework with the main objective to create more and better jobs.

SADC Youth Empowerment Policy Framework

In the Employment and Labour Sector, the SADC Employment and Labour Policy Framework covering 2021-2030 was developed and approved in April 2021. The Framework aims at addressing challenges relating to economic growth and employment creation in the Region. The SADC Youth Empowerment Policy Framework that aims to facilitate realization of the demographic dividend in SADC was also developed and approved by the SADC Committee of Ministers responsibly for Youth in 2021.

The policy framework notes that Member States have implemented several youth empowerment initiatives, and that the institutional mechanisms for youth empowerment do exist at national levels. However, it is noted that youth remain marginalized and disenfranchised as economic opportunities are limited in the region. This has been worsened by the COVID-19 pandemic which disproportionately affects those already disadvantaged. Young people were most likely to lose a job than more experienced older persons. Youth were also more affected by disruptions to learning as schools were closed in many countries, while the majority had no access to virtual means of learning. These factors have disempowered youth and increased their vulnerability to criminal behaviour, unintended pregnancies, loss of skills and earning potential and therefore, long-term exclusion and poverty.

The SADC Youth Empowerment Policy Framework includes four key intervention areas as follows, improved policy and legal framework for youth empowerment; enhanced youth skills development and participation in the labour market and entrepreneurship; improved youth health and wellbeing; and strengthened youth leadership and participation in governance processes. Noting that youth participation in socio-economic processes and governance structures is still weak in the region, the policy framework commits Member States to strengthen National Youth Councils/Agencies capacities. Similarly, there is need to institutionalize the SADC Youth Forum to amplify the voice of youth in regional integration programmes across all sectors. Another important area relates to addressing youth lifestyle issues, including illicit drug and substance use, and enhancing access to sexual and reproductive health and rights services. The policy framework is due to be considered by the Ministers of Youth at their next meeting to be held in the second half of 2021.

Health and Pharmaceuticals

Support the strengthening of health systems in Member States during and post COVID periods

The advent of COVID-19 in the SADC region has caused severe disruptions in Member States' health systems that were already fragile due to low financing, weak infrastructure, shortage of human resources as well as low supplies of medicines and vaccines. The economic and social disruptions caused by the pandemic is devastating for the region, tens of thousands lives have been lost, tens of millions of people are at risk of falling into extreme poverty, while the number of undernourished people is rising. The public health sector has particularly been impacted by the pandemic due to inadequate preparedness and also because of measures that countries have imposed in order to control the spread of the virus.

Member States implemented strict controls on movement in response to the covid-19 pandemic, including; stay home orders, border closure as well as complete country or region lockdowns. These measures have had profound effects on health systems across the region at varying degrees. 10 out of 16 Member states reported severe disruption in child immunization activities due to lack of vaccines and other implements, as well as growing hesitancy by parents to bring their children to healthcare places. Other disruption included cancellation of elective surgery and shortage of medicines and other medical supplies.

In response to the spread of COVID-19 in the region, in the week following the outbreak of COVID-19 in South Africa, SADC Ministers of health re-activated the Technical Committee on Monitoring and Coordinating the Implementation of the SADC Protocol on Health. The mandate of the committee was expanded to include other relevant sectoral ministries, departments and government agencies. In collaboration with the SADC Secretariat, recommendations regarding Infection Prevention and Control (IPC), surveillance at border crossing points and information sharing, including the guidelines on the facilitating the movements of good across Member States were adopted.

Direct support was provided to Member States response to COVID-19. The Secretariat mobilized funding from the African Development Bank to support the procurement and delivery of Personal Protective Equipment (PPE), testing kits and biomedical equipment for six (6) ADF eligible Member States, namely Lesotho, Malawi, Madagascar, Mozambique, Zambia and Zimbabwe. The Secretariat, in collaboration with the Global Fund and NEPAD, has further developed a proposal for addition funding to support Member States in the post-Covid-19 recovery period.

Coordination of the implementation of high level commitment by Member States to eliminate diseases of major public health concern by 2030.

Elimination of Tuberculosis

SADC Heads of States, during their annual summit in Maputo Mozambique in 2012, signed a declaration to eliminate Tuberculosis (TB) in the Mining Sector as the first step to ending TB in the region by the year 2030. The Global Fund on TB, Malaria and HIV and AIDS provided funding to develop regional programmes to support the operationalisation of the declaration. The first phase of the funding known as "TIMS 1" 2015-2018 supported the establishment of harmonized TB reporting systems and the development of regional tools for tracking TB across national borders. "TIMS 2" supported the building of regional infrastructure and information sharing

systems to help monitor TB epidemiology movements across the region. One of the digital systems that have been established is the Cross Border Referral System (CBRS) which tracks the movements of patients with TB across the borders and alerts healthcare providers in order to ensure continuum of care. Since 2015, all countries have reported a general decline in TB cases, with a regional average of 37%. The TB case notification has increased by 50% between 2018-2019, which demonstrated an increased effort in finding missing people with TB.

Malaria Elimination

In 2018 in Windhoek, Namibia, SADC Heads of States signed the Declaration on Malaria elimination in all SADC Member States. This signifies that all countries in the region must now develop and implement programmes that are aimed at ending malaria by the year 2031. Eight (8) countries in the region had embarked on the malaria elimination campaign since 2009, under an initiative known as the SADC E8.

The initiative has significantly pushed forward the elimination agenda in all the participating countries, to the point where some countries such as Botswana and Eswatini are closer than ever to be declared malaria free. In line with the SADC Declaration on ending malaria, the Secretariat working with the SADC E8 and other partners have developed implementation plan and the accountability framework to support Member States define their own milestones and timelines towards the elimination of malaria.

Since 2000, substantial increases in funding have improved the availability of life-saving malaria interventions in the SADC region. This has resulted in marked reductions in malaria, morbidity and mortality. Significant progress has been recorded in the SADC region with four (4) Member States having achieved less than 5 per thousand, making them eligible for malaria elimination. Over 96% of the malaria cases between 2011 and 2018 are accounted in 5 countries; DRC 29%, URT Mainland 18%, Mozambique 14%, Zambia 13%, Malawi 13% and Angola 9%. There has also been some significant progress being recorded with Zimbabwe and Madagascar starting reorientation towards malaria elimination at subnational levels. Angola and DRC contribute 68% between 2015 and 2018 (25% and 42% respectively) to the total malaria deaths recorded within the SADC region. A reduction of 20.5% mortality was between 2014 and 2018, which shows steady progress in the fight against malaria in the SADC region.

SADC Pooled Procurement Services (SPPS)

The Pooled Procurement Services has been conceived as one of the tools to foster a common development agenda in line with the quest for regional integration. It is specifically intended to address issues relating to disparities in the prices of medicines among Member States, harmonization of pharmaceutical procurement practices and medicine quality assurance. The SPPS also aims at ensuring adherence and compliance to international standards in pharmaceutical supply chain management.

The SPPS which is managed by the Medical Stores Department (MSD) of Tanzania has been operational since April 2019. A number of milestones have been achieved since then including; the development and approval of the SPPS guidelines by Ministers of Health in 2019, the updating and publishing of the SADC essential drug list, the development by of the E-SPPS system by the MSD and more importantly the effective use of the SPPS by four (4) Member States, namely; Comoros, Mozambique, Seychelles and Tanzania.

SADC Medicine Regulatory Harmonization

The SADC Secretariat, in collaboration with the African Medicines Regulatory Harmonization (AMRH) and Member States National Medicines Regulatory Agencies formed a consortium in May 2011 in Lilongwe, Malawi, aimed at improving the availability of medicines through the regional harmonization of regulatory systems, guidelines and processes among Member States in the SADC by building regulatory capacity and capability; sharing information to facilitate faster decision making; harmonizing the system of medicines registration and broadening the scope of products reviewed (new chemical entities, vaccines and biologicals) and regulatory functions undertaken (clinical trial oversight, pharmacovigilance); and achieving political, legislative and financial support by communicating the value of the project to all stakeholders

Through a funding facility by the World Bank, significant milestones have been achieved and regulatory harmonization of pharmaceutical manufacturing, including; market authorization, marketing and pharmacovigilance have gone beyond the normative stage to full scale implementation in all 16 Member States. Advanced training and capacity evaluation training have been conducted by WHO and all Member States have participated. The self-benchmarking assessment on the regulatory maturity levels of each Member States has been conducted and the gaps are being bridged through training and capacity building sessions that are funded by the World Bank.

The Secretariat working with partners such as the WHO, the World Bank and AUDA-NEPAD has constituted a forum of Heads of Agencies of National Medicines Regulatory which is composed of heads of the 16 NMRAs in the region. The purpose of this undertaking is to ensure that the National Medicine Regulatory Authority (NRA) is the institution in charge of assuring the quality, safety, and efficacy of medical products as well as ensuring the relevance and accuracy of product information. A sustainable, well-functioning regulatory system will ensure an independent and competent oversight of medical products.

Nutrition

The SADC region has more than 18.7 million stunted children (being too short for your age). The stunting prevalence is above 30% - classified as high to very high - in 9 of the 16 SADC Member States. There are Member States that have shown a decline in the prevalence of stunting as compared to the baseline data in 2012, namely Eswatini, Madagascar, Malawi, Namibia, United Republic of Tanzania, Zambia and Zimbabwe. The Reduction in stunting is occurring too slowly to meet the World Health Assembly (WHA) 2025 or the Sustainable Development Goals (SDGs) 2030 targets.

The prevalence of wasting (acute malnutrition) ranges from 2.0 percent in Eswatini to 15 percent in Madagascar. The WHA target is to maintain childhood wasting to 5% and below by 2025 which has been achieved by most of the Member States, however there are also pockets of high wasting rates (above 10%) in the DRC (Greater Kasai, North Kivu, South Kivu and Tanganyika provinces), Mozambique (Nampula), Southern Angola (Cunene and Huila provinces) and Southern Madagascar (Atsimo Andrefana and Amosy regions). Furthermore, the prevalence of overweight amongst children under age 5 is high, at more than 10% in 4 Member States (Botswana 11.2%, Comoros 10.6%, Seychelles 10.2% and South Africa 13.3%).

Impact of COVID-19 in the Nutrition Sector

In 2020, the COVID-19 pandemic increased the risk to malnutrition due to the lockdown measures taken by various Member States to contain the spread of the virus, affecting access and provision of essential nutrition services due to restrictions on mass gatherings, affecting community outreach services such as immunization, vitamin A supplementation and mass mid-upper arm circumference (MUAC) screening in some Member States, which further limited the coverage of vulnerable children. Member States adapted implementation to maintain delivery of essential services. The adaptations included simplifying admission protocols for children with severe wasting, expanding the teaching of mothers and caretakers to identify when their children are malnourished and what to do (Family MUAC), and use of mobile technology for data collection and reporting.

The COVID-19 containment measures implemented by SADC member states delayed, most food and nutrition assessments, surveys and routine information management systems in the majority of SADC countries. District health information software 2 (DHIS2) was the only routine monitoring system that all member states reported were mainly utilizing for data during the COVID-19 pandemic. DHIS2 was reported to have been facing no or little challenges. National Vulnerability Assessments and Analysis (NVAA) were planned by eight countries and seven managed to conduct them although they were all delayed. Botswana, Lesotho, Malawi, Mozambique, Tanzania and Zimbabwe had planned the Demographic and Health Survey (DHS) in 2020 but did not manage to undertake them due to the pandemic.

The Regional Minimum Standards for Micronutrient Food Fortification

In the SADC region, the prevalence of (iron deficiency) anemia in women of reproductive age ranges between 20 percent in Namibia to 54 percent in Mozambique. All the Member States have the Prevalence of Anemia in women of reproductive age and children under 5 years of above 20%. According to WHO, a prevalence of 20% and above is regarded as a public health concern with 40% above referred to as severe public health concern. As mentioned earlier, overweight/obesity is also a growing challenge in the region, both among adults and young children.

In the Region, there are six (6) Member States (Malawi, Mozambique, South Africa, United Republic of Tanzania, Zambia and Zimbabwe) with mandatory food fortification standards and regulations for cereal flours. Therefore, the adoption of food fortification by these Member States is an indication that food fortification of staple foods is one of the preferred interventions to address micronutrient deficiencies in the region. There is a global consensus that a mix of interventions that increase intake of micronutrients from the diet can reduce and prevent diseases associated with insufficient intake of micronutrients. Interventions include micronutrient food fortification, dietary diversification and supplementation.

The SADC Minimum Standards for Food Fortification were developed and validated by the SADC Member States in August of 2020 and approved by the Ministers in November 2020. The intention of the minimum standards for food fortification is to accelerate adoption of one of the cost-effective interventions to address micronutrient deficiencies in the region and facilitate regional trade of fortified commodities. The Standards include salt iodisation; edible vegetable oil (with Vitamin A) and staple foods; wheat flour and maize flour (with Vitamin A, Iron, Zinc, Folic and Vitamin B12). These foods were chosen because they are widely consumed among the population and easily accessible as such are ideal vehicles for increasing micronutrient intake widely in the

communities. Various stakeholders in the SADC Member States including Standards Regulating Bodies, Ministries of Health, Food Industry representatives, Food Security cluster and nutrition partners were consulted during the development process. The next step in 2021 is rolling out the Standards to SADC Member States to facilitate alignment with the national regulations/strategies on food fortification.

SADC Strategy for Social Behavioural Change and Communication for improved Infant and Young Feeding Practices.

Ministers of Health during their meeting held in Polokwane, South Africa in November 2017; directed the SADC Secretariat to facilitate the development of a regional strategy for behavior change communication for improved infant and young child feeding practices. Currently, an average of 40% of infants 0-5 months old are exclusively breastfed. Exclusive breastfeeding rates in the first 6 months in the SADC Region has been increasing in several Member States, however, only 7 out of the 16 Member States (Democratic Republic of Congo, Eswatini, Lesotho, Malawi, United Republic of Tanzania, Zambia and Zimbabwe) have exclusive breastfeeding rates of 50 percent and above which is the target set by the World Health Organisation (WHO) and the region.

Infant and young child feeding practices are core to understanding the nutritional status of children. In addition, appropriate feeding is multi-dimensional (including factors such as quality of food, mother's time, level of education and cultural norms). Therefore, the minimum acceptable diet (MAD) is a composite indicator that reflects both diet diversity and frequency. In the SADC region, minimum acceptable diet is very low, ranging from 8% (Zimbabwe) to 38% (Eswatini). For the vast majority of children, the quality, quantity and frequency of complementary feeding is inadequate for optimal growth and development in the region. The SADC SBCC Strategy and a toolkit has been validated by Member States.

Report on implementation of the World Health Assembly (WHA) 69.9

Resolutions and its Recommendations for nutrition

In November 2019, Ministers of Health approved the technical regulation for the marketing of breastmilk substitutes and designated products. Further, a study was undertaken by UNICEF Eastern and Southern Africa Regional Office (ESARO) and Helen Keller International (HKI) as part of the Bill and Melinda Gates Foundation-funded Regional Initiatives for Sustained Improvements in Nutrition and Growth (RISING Initiative) to assess the level of awareness and extent of integration of the seven WHO guidance recommendations into country-level acts, regulations, policies, strategies, and plans in SADC and IGAD regions.

To facilitate adoption of the technical regulations for Marketing of breastmilk substitutes and WHA Resolutions, a series of engagements were conducted in 2020 in collaboration with UNICEF (Head Quarters & Regional office), Helen Keller International.

Cost Benefit Analysis study on Nutrition Interventions

Globally, there is an increasing recognition on the importance of nutrition on child welfare and on economic growth and national development. Mainstream economists are adopting nutrition indicators as an argument for investment in nutrition. Investing in ending malnutrition is one of the most cost-beneficial steps governments can take with every USD 1 invested in proven nutrition programs offering benefits worth USD16. Scaling up evidence-based nutritional interventions for

improving child and maternal health in the SADC region can fast track progress towards attainment of the WHA Nutrition targets by 2025.

UNICEF ESARO supported a study on the cost–benefit analysis (CBA) to determine the economic value of nutrition investments aimed to reduce the incidence and prevalence of nutritional deficiencies. To implement the CBA, detailed country-specific data were used to initially estimate the cost–benefit ratio for six SADC Member States: Madagascar, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe. This was then extrapolated to estimate health impacts, monetary benefits, and costs for the SADC region.

HIV and AIDS

The overarching objective of the HIV and AIDS key area is to reduce the number of new HIV infections and AIDS related deaths so that HIV and AIDS is no longer a threat to public health and to socioeconomic development of the region.

Ending AIDS Epidemic by 2030 and Impact of COVID 19

In 2016, All SADC Heads of States and Government reaffirmed their commitments to end the AIDS Epidemic by 2030 and in line with that decision ; Member States set important milestones such the 90-90-90 targets to be achieved by 2020 by all countries, the objectives were to have : 90% of all people living with HIV knowing their HIV status, 90% of all people with diagnosed HIV infection will receive sustained antiretroviral therapy and 90% of all people receiving antiretroviral therapy will have viral suppression by 2020.

At the end of 2019, four (4) SADC member States namely Eswatini, Namibia, Zambia and Zimbabwe have achieved the 90-90-90 targets with Eswatini also having reached the 95-95-95 target 10 years before the deadline. This achievement means that at least 86% of PLHIV in Eswatini have a suppressed viral load. In relation to the first 90 target, eight Member States already have achieved the first 90 in 2019; these are Eswatini, Namibia, Lesotho, Botswana, South Africa, Malawi, Zambia and Zimbabwe; while 5 countries (Eswatini, Madagascar, Namibia Zambia and Zimbabwe) reached the second 90 and 5 countries have achieved the third 90.

However, with the advent of COVID 19 there has been major hindrance in HIV service delivery which has threatened the progress made in this area. While ART provision was generally maintained during the 2020 COVID-19 lockdown in most Member States, HIV testing and ART initiation was heavily impacted during the same period hence it is predicted that the region may see more incremental deaths from HIV, TB and malaria in 2021 as a consequence of the disruption caused by COVID-19 in 2020. It is therefore urgent to scale up the adaptive measures that health facilities adopted to continue the fight against HIV to ring-fence the progress made in the fight against HIV and AIDS and prevent health care systems and community responses from collapse.

Revitalization of HIV Prevention

In 2017, Ministers of Health and those responsible for HIV and AIDS reaffirmed their commitment to ending AIDS by 2030 in line with the global commitment and further agreed to strengthen HIV Prevention with the aim of reducing new infections by 75% in 2020 compared to 2010. To that end, the regional score card for HIV prevention was approved in 2020 compared to 2010, the number of new HIV infections in the region has dropped by 37% while the number of AIDS related

deaths have been halved. Despite this, the region will not achieve the 75% reduction target as agreed in 2016. Moreover, Adolescent girls and Young Women and their sexual partners continue to bear the brunt of the HIV epidemic as they account for 40% of new HIV infections in 2019. Likewise, Key populations continues to be more vulnerable to HIV as compared to the general population the SADC Key Population Strategy and the SADC guide for HIV Prevention among Adolescent Girls and Young Women and their sexual partners have also been finalised in this reporting period, and these programming tools serve as an invaluable resource to Member States as they implement their programmes.

D. Food, Agriculture and Natural Resources

The Secretariat continued to implement the Regional Agricultural Policy (RAP) for improved agricultural production, productivity and competitiveness; improved regional and international trade and access to markets of agricultural products; improved private and public sector engagement and investment in the agricultural value-chains; reduced social and economic vulnerability of the region's population in the context of food and nutrition security, and the changing economic and climatic environment; enhanced sustainable management and conservation of wildlife, transboundary natural resources and environment. FANR is equally addressing Regional Tourism development.

Production, productivity and competitiveness of crops, livestock, forestry, fisheries and wildlife to support trade, industry and food security in the region

The region approved an additional 24 crop varieties to be registered and released through the SADC Harmonised Seed Regulatory System (HSRS), giving a total of 84 crop varieties eligible to be produced and traded throughout the region. These include maize, wheat, beans, groundnuts, sorghum and soya beans. As part of regional efforts to boost agriculture, HSRS was developed to promote seed accessibility and availability to realise objectives outlined in the Regional Agricultural Policy (RAP). The HSRS provides for a harmonised law in the registration, release of crop varieties and application of agreed standards for seed quality. The use of high and known quality seeds is fundamental to enhancing agricultural productivity, food security, and rural livelihoods. In addition, seed is a preferred tool for re-establishing the livelihoods of farmers affected by disasters and to return them to life dignity, independent of handouts. Access to quality seeds also facilitates diversity to food resource diversification and prevention of genetic erosion in rural agriculture.

Three Regional Strategies for management of Fruit Flies, Tomato leaf Miner (*Tuta absoluta*) and Fall Armyworm were produced and approved during the period under review. The strategies are meant to improve production and productivity, enhance trade opportunities, and minimize post-harvest losses, contributing decisively, in this regard, for achieving food security in the region and increasing intra and inter-regional trade of agricultural products. The strategies were approved by the Member States in May 2021.

The Regional Strategy for Animal Genetics Conservation and utilisation and implementation mechanisms were developed and approved. Animal Genetic Resources (AnGR) are essential building blocks of sustainable agriculture. AnGR are those animal species that are used or, may be used, for food and agriculture and the populations within those species as well as their stored genetic materials (semen, oocytes, embryos, somatic cells, DNA).

A Regional Framework for Antimicrobial Resistance Control was developed and approved by the Member States, to address the rise of antimicrobial resistant (AMR) organisms, which is threatening to render existing treatments ineffective against many infectious diseases and thus reverse the gains that has been achieved using antimicrobial agents. Globally, an estimated 700,000 human deaths are caused by drug resistance each year, and, if current trends continue, AMR could result in over 10 million deaths per year and over USD100 trillion in lost output globally by 2050.

Market access for agricultural products (crops, livestock and natural resources)

The Regional Agricultural Information Management System (AIMS) Strategy was developed and validated. The System will provide policy-makers, planners and economic players' access to reliable and timely information that is necessary for policy development, emergency preparedness and planning. Furthermore, a Roadmap for integrating national to regional Agricultural Information Management System (AIMS) was developed. Four reports of assessments on the level of integration of AIMS were produced for the Democratic Republic of Congo, Lesotho, Mozambique and Zambia. AIMS is key to increase agricultural production, productivity and competitiveness; and equally is key for increased market access and trade of agriculture products.

Social and economic vulnerability in the context of Food and Nutrition Security

The SADC RVAA System Vulnerability Assessments and Analysis Guidelines for Assessments in the Context of the COVID-19 Pandemic was developed. The Guidelines assisted Member States in rolling out Urban Assessments for the season, while taking into account the effects of COVID-19 in the Urban set ups. Thirteen SADC Member States (excluding Comoros, Mauritius and Seychelles) conducted their 2020 annual vulnerability assessments through the support of the Regional Vulnerability Assessment and Analysis (RVAA) Programme, which were documented in the 2020 Synthesis Report on the State of Food and Nutrition Security and Vulnerability in Southern Africa in July 2020, and showing more than 50 million of food insecure people in the region, the highest number ever recorded by this Programme, and calling for urgent matters to address this reality.

Moreover, during the 2020 assessments, at least five Member States (Eswatini, DRC, Madagascar, Mozambique and Zimbabwe) have incorporated chronic vulnerability into their data collection and analysis, and additional Member States are expected to do the same for the 2021 assessments. In addition to that, twelve National Vulnerability Assessment Committees (VACs) have integrated at least three emerging issues (Nutrition, HIV/AIDS, Gender, Markets, Integrated Food Security Phase Classification, Poverty Reduction, Resilience to Climate Change) into their annual assessments. Four (4) countries (Botswana, Mozambique, South Africa and Zimbabwe) reported on poverty assessment and only Zimbabwe undertook analysis on Resilience for 2020.

Amidst COVID-19 travel restrictions, Member States were enabled to collect data of food and nutrition status through the United Nations World Food Programme (WFP) Mobile Monitoring System (mVAM) to assist Member States to collect data remotely to inform the status of food and nutrition security. The mVAM system is able to provide near real-time capabilities using low-cost, mobile-based, and high frequency approaches. In addition to that, the mVAM system is able to identify key trends in food security, able to help ensure early warning and preparedness thereby identifying seasonal/cyclical vulnerabilities and other patterns in food security. Significant progress has been achieved towards development of functional Early Warning System in the SADC Member States. By end of December 2020, ten Member States (Botswana, Lesotho,

Malawi, Mauritius, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe) had functional Early Warning Systems.

The support to Member States was provided to align their Food and Nutrition Security Strategies (FNSS) to the Regional FNSS and this was successfully completed in January 2021. The food and nutrition security strategies of 11 Member States (Comoros, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, South Africa, Tanzania and Zambia) were assessed for alignment with the regional FNSS and recommendations produced, and 8 of these national FNSS's were assessed for status of implementation.

Sustainable management of natural resources (fisheries, forestry and wildlife) in the region

Regional guidelines for Forest Fire Management, Forest Participatory Management, Forest Information System, and the Forest Strategy for the period 2020-2030 were produced and validated by the Member States. All these instruments will crucially progress with the implementation of the Protocol on Forestry, which aims (i) to promote the development, conservation, sustainable management and utilization of all types of forests; (ii) promote trade in forest products throughout the Region in order to alleviate poverty and generate economic opportunities for the region; and (iii) achieve effective protection of the environment and safeguard the interests of both the present and future generations.

The Regional Financing Facility for SADC Trans-Frontier Conservation Areas was approved by the Council of Ministers in 2018 and was successfully established in 2020. This action, which is fully part of the SADC TFCA Programme, will go a long way in strengthening effective conservation of regional natural resources, for the benefit of regional biodiversity, economic development, local community livelihoods and regional integration process.

The Zambezi Fisheries Programme was reviewed to include upper Zambezi River which will be implemented within KAZA TFCA by Angola, Botswana, Namibia, Zambia and Zimbabwe. The implementation of the programme was also monitored in the mid-to lower Zambezi River in Lake Malawi/Niassa/Nyasa implemented by Malawi/ and Mozambique, and in Lake Kariba by Zambia and Zimbabwe) and transboundary waters of Zambezi River. In addition, the Secretariat monitored implementation of the Fisheries Protected Areas (FPAs) within the two key ecosystems, the Mahale Mountain National Park, Lake Tanganyika Freshwater Protected Areas (FPAs) and South East Arm of Lake Malawi FPA, and the status report was developed into a best practice, for ease of adoption and use by other FPAs.

A report on the status of implementation of the fisheries programme of the Southwest Indian Ocean Fisheries Commission (SWIOFC) was developed for seven SADC Member States (Comoros, Madagascar, Mauritius, Mozambique, Seychelles, South Africa and United Republic of Tanzania). The main objective of SWIOFC is to promote the sustainable utilization of the living marine resources of the Southwest Indian Ocean sub-region, by the proper management and development of the living marine resources, and to address common problems of fisheries management and development faced by the Members of SWIOFC, without prejudice to the sovereign rights of coastal States.

The Draft SADC Regional Fisheries Monitoring Control and Surveillance (MCS) Strategy was developed, reviewed and approved. The strategy is expected to ensure compliance and enforcement, and such sustainable management of fisheries. The strategy will also reduce illegal, unreported and unregulated (IUU) fishing is achieved in all SADC countries through enhanced MCS programs.

Four (4) Member States (Botswana, Malawi, Namibia and Zimbabwe) were supported in implementing the regional aquaculture programme. The National aquaculture strategies, policy briefs, factsheets and success stories were developed for Botswana, Malawi and Namibia to support alignment and implementation of regional and national aquaculture frameworks. Zimbabwe was supported to strengthen the tilapia value chain, with funding support from EU through the ACP EDF-11 programme, and implemented by FAO.

Disaster Risk Management

Disasters including droughts, tropical cyclones, torrential rains, floods and wildfires, animal and crop pests and diseases and the corona virus (COVID-19) continue to devastate the region and lead to loss of lives and livelihoods, resulting in the disruption of services and destruction of infrastructure. These disasters often recur before communities can recover from the previous episodes.

Due to the La Nina event, in 2020, the region experienced cyclonic disturbances and storms, these included Tropical Storm Chalane that made landfall on 30th December 2020, in north-east Madagascar bringing thunderstorms and torrential rains. Tropical Cyclone Eloise also made landfall on 23 January 2021, south of Beira city in Sofala province and brought heavy rains and flooding that was experienced across the region. These also affected other inland countries including Botswana, Eswatini, South Africa, Zimbabwe and Zambia that also experienced heavy rains and floods. The flooding that occurred in parts of Eastern and Central Africa in January to May 2021, led to the overflow of Lake Tanganyika, resulting in damage to housing, schools and health centres, destroyed thousands of shelters in DRC, Tanzania and other great lakes countries.

In view of these recurrent disasters and in line with the decision of the SADC Council of Ministers made during its meeting in August 2019 in Dar es Salaam the United Republic of Tanzania, which mandated the Secretariat to expeditiously finalize the operationalization of the SADC Disaster Preparedness and Response Mechanism by August 2020, the Secretariat has developed a number of regional instruments and mechanisms to facilitate a coordinated disaster preparedness and response. These include the development of:

- (i) the Contingency plan for the SADC Standby Force participation in humanitarian assistance operations during disasters in the region. This included follow ups with Member States to provide pledged resources including human resources and equipment to support the SADC Standby Force humanitarian responses during disasters, which has led to some SADC Member States providing the pledged resources for humanitarian support;
- (ii) the Standard Operating Procedures (SOPs) for the SADC Humanitarian and Emergency Operations Centre (SHOC) and the Emergency Response Team (ERT). The SHOC will be a coordinating Centre for Humanitarian support operations in the region, while the ERT will provide direct assistance to Member States affected by disasters. Following the decision of the SADC Council of Ministers during their meeting in March 2021, to accept the offer by Mozambique to host the SHOC, the Centre will be based in Nacala, Nampula Province in Mozambique;

- (iii) the Disaster Risk Management Policy Programme and Peer Review Mechanism Framework 2020-2030 that will facilitate DRR peer learning across Member States. Two Member States, namely Malawi and Namibia have participated in the pilot peer review. The process has created a platform for undertaking peer reviews by all SADC Member States;
- (iv) the Regional Disaster Risk Management Information Management System (IMS) that will facilitate archival and sharing of DRR information across Member States. The DRM IMS is a portal under the SADC website, and the IMS has been rolled out with Member States trained on how to access and utilise the system;
- (v) the Disaster Risk Management Fund documents that includes governance modalities and monitoring and evaluation framework, Resource Mobilisation Strategy and Sustainability Plan. Once fully operationalised, the Fund will help the region to support Member States affected by disasters;
- (vi) A Regional Disaster Risk Situational Assessment Report and Maps as well as a Roadmap for the transit of relief goods and services. The roadmap will facilitate the transit of relief supplies during disasters including pandemics and address a number of logistical challenges that lead to disruptions in the cross border transit of essential goods and services;
- (vii) Training modules and simulation exercise guidelines to support capacity building for disaster preparedness and response across the region. This included the undertaking of virtual training and simulation exercise in the course of the year.
- (viii) Guidelines for mainstreaming DRR across the various sectors at the Secretariat level. It is anticipated that the roll out of the guidelines will help to integrate disaster risk management principles in sectoral strategies, programmes and interventions, which is expected to cascade to the national level.

These instruments were approved by Ministers responsible for Disaster Risk Management. Following endorsement by Council, the full operationalisation and roll out of these regional coordination and response mechanism instruments is expected to strengthen and enhance the region's capacity to effectively prepare and respond to disasters while also building the necessary resilience of Member States and communities to deal with disasters.

E. Cross-Cutting Programmes

Gender Equality and Development

During the financial year 2020/21, the Gender Unit in its core strategic objective to enhance gender equality, women empowerment and development, and eliminate gender-based violence in the SADC region, embarked on the development and approval of policy instruments that will catalyze regional gender programmes progress journey towards gender equality.

Specifically, under the Gender Equality and Development key result area, the SADC Regional Guidelines on Developing and Implementing National Gender Action Plans was developed and duly technically validated by Member States in March 2021. The Guidelines are intended to catalyze implementation of the objectives of the SADC Gender Protocol by providing guidance

tools for operationalization of this Protocol at Member State level, and they further guide Member States on general areas of focus in development and implementation of the national gender action plans and strategies. The Guidelines will be presented to the Gender and Women's Affairs Ministers in their 2021/2022 meeting for endorsement before printing and dissemination to Member States.

In an effort to support the goal of moving women into productive work, that is, Women's Economic Empowerment, the SADC Secretariat has mobilised resources from the German Government to the tune of 2 million Euros to support implementation of the SADC Regional Multi-Dimensional Women's Economic Empowerment Programme (RMD-WEPP) through a Project on Industrialization and Women Economic Empowerment that aims to increase women owned businesses', and female entrepreneurs' participation in value addition for selected sectors/regional value chains as per the SADC Industrialization Strategy. Furthermore, the project aims to optimise women's entrepreneurial potential to tackle challenges faced by female entrepreneurs or to- be entrepreneurs. The project document/proposal has been developed and agreement signed for implementation to commence in June 2021.

The Review of the 2008 SADC Gender Mainstreaming Toolkit is ongoing to produce user-friendly and sector-specific gender mainstreaming modules that will guide Member States and other regional stakeholders in mainstreaming of gender in sectoral programmes. The aim of this Gender mainstreaming resource kit is not to transform Member States' participants into instant gender experts, but to make them more aware of the relevance of gender in their work and to help them identify the appropriate tools to be used when mainstreaming gender. So far, two sector-specific modules of *Industrial Development and Trade* and *Food, Agriculture and Natural Resources* and a generic module on *Gender Mainstreaming* have been completed and the remaining modules will be finalized in the year 2021/2022.

Under Gender Based Violence key result area, implementation of the SADC Regional Strategy and Framework of Action for Addressing Gender Based Violence (2018-2030) focused on the following initiatives and their achievements:

- (i) *Review of GBV Legislation:* A review of GBV legislation in SADC region was conducted. The Draft Report of the GBV Legislation review was validated by Member States in February 2021. The review exercise established how comprehensive national legislation is, in responding to GBV and in aligning with provisions of the key regional and international GBV instruments. The review also provided key recommendations per Member State on gaps to address in strengthening of GBV legislation.
- (ii) *Development of the SADC Regional Guideline on Developing GBV Standard Operating Procedures (SOPs) and Referral Mechanisms:* The Regional Guideline on Developing GBV SOPs and Referral Mechanisms were developed and validated by Member States in November 2020. The Guideline provide Member States with concrete and pragmatic guidance on steps to follow in the development and implementation of the GBV SOPs and referral mechanisms in order to facilitate access to quality, timely and appropriate services for GBV victims/ survivors. The Guideline will be presented to the June 2021 Gender Ministers Meeting for adoption before rolling-out to Member States.

- (iii) *Development of the SADC GBV Training Guidelines:* The GBV Training Guidelines have been developed and validated by Member States through a regional meeting. The training guideline is intended to support capacity building efforts of key GBV service providers and stakeholders at Member States level. The Guideline will be presented to the June 2021 Gender Ministers Meeting for endorsement before rolling-out to Member States.
- (iv) *Review of GBV Indicators:* A preliminary review of the GBV indicators as reflected in the SADC Gender Protocol Monitoring, Evaluation and Reporting Framework have been conducted with Member States through a regional workshop in March 2021 that resulted in identification of GBV indicators to be amended and recommendations on additional indicators. In addition, Member States identified strategic GBV indicators to be reported on an annual basis in order to update SADC leadership on the status of GBV and to inform regional advocacy against GBV.
- (v) *Engaging Member States on effective response to GBV during COVID-19:* The SADC Secretariat engaged virtually with the 16 Member States through a workshop to provide guidance on effective response to GBV, particularly during the COVID-19 crisis.
- (vi) *Promoting Implementation of the SADC Regional Strategy for Addressing GBV:* The Strategy was disseminated through regional meetings with around 175 people from different sectors within Member States (Police, health, social services, gender & CSOs) and stakeholders reached and through the SADC social media platforms. The SADC commitment to addressing GBV was further reflected through the commemoration of the 16 Days of Activism against GBV Campaign during which the SADC Secretariat Executive Secretary presented a regional statement highlighting the GBV response priorities for SADC.

Statistics

During the financial year 2021/21, the Statistics sector achieved significant milestones in the development and approval of policy instruments guiding regional statistical programmes. In particular, the draft Protocol on Statistics was technically and legally cleared by Member States. In addition, the draft Regional Strategy for the Development of Statistics (RSDS) has been produced and strictly aligned to SADC Vision 2050 and RISDP 2020-30.

A needs assessment study of the Region`s statistical system was undertaken in collaboration with the World Bank and the National Statistical Offices (NSOs) of Member States. The study revealed that the region needs significant improvements to ensure harmonization through statistical capacity building in the area of statistical methodologies, data collection and data analysis. The detailed results of the study shall be the major input to the development of regional statistical programmes in the short and medium term.

Furthermore, a draft tool for undertaking in depth reviews of national statistical practices in the area of consumer prices statistics was developed and approved during the period. The main objective of producing such a tool is to have a robust mechanism for undertaking data quality assessment in prices statistics on an annual basis to identify major challenges Member States are facing in this area and necessary actions taken thereby.

The regional bulletins to provide statistical updates on regional integration was produced and disseminated. In particular, monthly harmonized consumer price indices bulletins, Selected Indicators and the Statistics Yearbook for Demography and Social Statistics were released on SADC website.

Science, Technology and Innovation

A regional mapping and scoping study was commissioned and a number of potential regional Centres of Excellence and Centres of Specialisation were identified. The recommendation of the study has been validated by experts during the meetings of the Technical Committee on Higher Education and Training and Research and Development held in October 2020 and May 2021 respectively.

A Concept document on the status of Intellectual Property in the region was developed during the review period. Some of the findings indicated that a number of Member States have outdated National IP Policies and some of the Member States are in the process of reviewing their national policies. Capacity building programmes will continue during the financial 2021/22.

V. IMPLEMENTATION OF CORPORATE ACTIVITIES

A. Human Resources and Administration

The impact of COVID-19 Pandemic necessitated changes in undertaking business. The SADC Secretariat developed a teleworking guidelines and implemented measures to mitigate the spread of COVID-19 Pandemic. In this regard, a technical team was put in place to monitor the evolution of the situation and advise Management.

Employee engagement and Customer survey was conducted with the aim to improve level of staff engagement and Service delivery to the internal stakeholders. The Secretariat achieved 71% employee engagement rate which indicates a good employee satisfaction rate. Also, the Human Resources and Administration Policies for Records and Archives Management, Protection of Personal Data and Communication and Media were approved by Council of Ministers. Furthermore, the Automation of Performance Management System module was developed and operationalised in line with the reform process to improve compliance, reducing errors and timeously reporting. Lastly, additional Security features have been incorporated into the SADC Machine Readable Laissez-Passer; Production of 5,000 booklets of the Machine Readable Laissez-Passer was completed in Germany and arrived in Gaborone, Botswana in March 2021.

B. Communications and Public Relations

The Southern African Development Community's (SADC) turned 40 years of its journey from 1st April, 1980 when its forerunner, the Southern African Development Coordination Conference (SADCC) was formed as a loose alliance of nine majority-ruled States in Southern Africa, before eventually transforming into SADC on 17th August, 1992, following the signing of the Declaration and Treaty by the Summit of Heads of State and Government in Windhoek, Namibia.

In this regard, several interventions on Communication, Awareness and Visibility of SADC were undertaken with the aim of bringing to light the history of SADC and key achievements that the

region has made since 1980 to enhance awareness on the relevance and value of SADC. These included include commemoration of SADC's 40th Anniversary and production of a publication "40 years of SADC Enhancing Regional Cooperation and Integration" and several promotional materials and news articles resulting in increased media stories, and mention of SADC interventions.

In addition, several interventions aimed at facilitating enhanced corporate communication including the development of tools such as the Communication and Media Policy; and the SADC Writing and Editing Style Guide were approved by Council of Ministers and SADC Secretariat Management respectively.

C. Legal Affairs

Two (2) legal instruments, namely (i) the Agreement regarding the Status of SADC Stand-by Force and its Components Deployed within the Region for Purposes of Training, Peace Support Operation, Exercises and Humanitarian Assistance; and (ii) the Agreement amending the SADC Protocol on Firearms, Ammunition and Related Materials in the Southern African Development Community Protocol were adopted by Summit of Heads of States in August 2020.

Two Reports, namely (i) Consolidated Report on Harmonisation of Authentication Procedures and (ii) Consolidated Report on Recognition and Enforcement of Foreign Civil Judgements and Arbitral Awards were developed and considered by the Committee of Ministers of Justice/Attorneys Generals at its virtual meeting held in January 2021. The Committee approved and adopted the Consolidated Report on Harmonisation of Authentication Procedures and referred the Consolidated Report on Recognition and Enforcement of Foreign Civil Judgements and Arbitral Awards for national consultations.

During the Financial year 2020/21 two (2) additional Member States, namely, the Republic of Namibia and the Republic of Zambia ratified the Protocol on Trade in Services bringing the number of ratifications to the Protocol to nine (9).

D. Information and Telecommunication Technology

The Secretariat continued to support implementation of the corporate activities planned for the financial year 2020/21. With the advent of the COVID-19 pandemic, the Secretariat and Member States saw a shift from face to face interactions to virtual meetings to deliver on the mandates. This called for significant investment in information and technology (ICT) infrastructure; expansion of internet broadband; and exploration of various virtual platforms. In addition, the revised SADC Corporate ICT Policy was approved by the Council of Ministers in March 2021. The SADC corporate users are continuously being supported remotely to ensure delivery of set objectives.

E. Procurement

The impact of COVID-19 Pandemic necessitated changes in undertaking the procurement activities. The Secretariat transitioned into online bidding which allowed electronic submission of bids and technical proposal; and virtual evaluation adjudicating processes. This resulted in a quick turn around on concluding these procurement activities. The online bidding process facilitated

online filling of procurement documents in line with Management approach of securing the critical procurement documents.

Despite the persistent procurement challenges brought about by COVID-19 pandemic, the Secretariat was successfully concluded 14 large service contracts amounting to US\$28 million in addition to other various contracts, (ii) concluded the first ever Multiple framework contract for services to facilitate quick engagement of consultancy services, (iii) concluded a total of 40 contracts for other procurements and 5 grants contracts, (iv) commenced bidding process for 04 x open calls Grants and award anticipated by September 2021.

VI. Continental Cooperation and Integration

A. African Union (AU)

The Secretariat continued to engage with the African Union (AU) in promoting continental integration in line with the Treaty establishing the African Economic Community. The Secretariat participated at the 2nd Mid-Year Coordination Meeting of the African Union, Regional Economic Communities (RECs) and Regional Mechanisms (RMs) held in October, 2020. Issues discussed at the meeting included COVID-19 and the various initiatives in response to Pandemic in Africa; the Status of Integration Report 2020; Division of Labour between the AU, RECs, and RMs; and the Status of the AU Financial Institutions.

The Secretariat participated in the preparation of the 2020 Status of Integration Report which recognizes the many achievements made in African integration but also points out that much remains to be done. The slow or total non-implementation of Continental and regional policies, projects and programmes is a big and recurring challenge on the Continent. The Report also acknowledges the various initiatives geared towards supporting regional integration on the Continent including implementation of Continental flagship projects as identified in Agenda 2063 and the African Continental Free Trade Area (AfCFTA).

The Secretariat also continued to work closely with the AUC in finalizing the proposals on Division of labour between the AU, RECs, and RMs. An Interim Report which covers only three sectors: Trade, Political Affairs, Peace and Security was produced. Further work is being undertaken to finalise the remaining sectors, with a view of submitting the Final Report at the 35th Ordinary Session of the AU Assembly in February 2022.

Following the establishment of a new structure and process for the selection of the Senior Leadership of the African Union Commission (AUC), the AUC launched the process of recruitment in June 2020 and Member States/Regions were requested to submit their nominations. The Secretariat facilitated the process to strategize on the candidatures from the SADC region. Ultimately, two (2) candidates from the region were elected and appointed by the 38th Ordinary Session of the Executive Council of the African Union. These are Josefa Leonel Correia Sacko from Angola as the Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Environment, and Albert Muchanga from Zambia as the Commissioner for Economic Development, Trade, Industry and Mining.

B. The SADC – COMESA – EAC Tripartite Agenda (IDT)

The SADC Secretariat was privileged to Chair tenure the Tripartite Task Force (TTF) beginning April 2020, for a period of one year, up to June 2021 after taking over from COMESA Secretariat. During her tenure, the SADC Secretariat provided leadership in coordinating the implementation of the Tripartite Work Programme and facilitating relevant Tripartite Council and Sector Ministerial meetings. The following achievements were realized:

The following Trade and Customs instruments were legally scrubbed by the TSMC on Legal Affairs in September 2020 for approval by the Tripartite Council of Ministers at its next meeting.

- (i) Draft Tripartite Agreement on Movement of Business Persons
- (i) Draft Annex 1 on Elimination of Import Duties to the Agreement Establishing a Tripartite Free Trade Area among the Common Market for Eastern and Southern Africa Community, the East African Community and the Southern African Development Community (“the Tripartite Free Trade Area Agreement”
- (ii) Draft Annex II on Trade Remedies to Tripartite Free Trade Area Agreement
- (iii) Draft Annex IV on Rules of Origin to the Tripartite Free Trade Area Agreement
- (iv) Draft Annex X on Dispute Settlement Mechanism to the Tripartite Free Trade Area Agreement

Harmonized Guidelines for Implementation of the Transport, Trade Facilitation Measures within the Tripartite Region during the COVID-19 approved and this helped to ensure minimum disruption of movement of goods during COVID-19 period. In addition, the road transport draft Agreements, Model Laws/ Principles were legally scrubbed and cleared by the Tripartite Sectorial Ministerial Committee on Legal Affairs that met on 15 to 18 September 2020. These instruments will assist in ensuring a coordinated and harmonised transport system within the tripartite region. The COMESA-EAC-SADC transport instruments that were approved include the following:

- (i) Vehicle Load Management Agreement.
- (ii) Multilateral Cross Border Road Transport Agreement;
- (iii) Vehicle Load Management Model Law;
- (iv) Cross Border Road Transport Model Law
- (v) Road Traffic Model Law;
- (vi) Road Traffic and Transport Transgressions Model Law; and
- (vii) Transport of Dangerous Goods by Road Model Law

VII. Development Cooperation and Resource Mobilisation

A. SADC – EU Cooperation

Following the successful commitment of all Contribution Agreements under the Sub-Regional Envelope (worth Euro 90 million) of the 11th EDF Regional Indicative Programme (RIP) in the FY 2019/20, the Secretariat has proceeded with the implementation of the various programmes, including programmes under the Infrastructure Envelope (worth Euro 20.18) and the Intra-ACP Strategy Paper and Indicative Programme (worth Euro 16 million). An internal evaluation of 10th and 11th EDF Programmes was conducted to assess the achievements, the quality and the results of the 10th and 11th EDF programmes as executed by the SADC Secretariat, with a view

to highlight key successes and potential opportunities in the SADC-EU partnership in the context of an evolving cooperation policy with an increasing emphasis on result-oriented approaches and the contribution towards the implementation of the Regional Indicative Strategic Development Plan (RISDP).

B. SADC - EU Political Dialogue

The SADC-EU Senior Officials Political Dialogue held in September 2019 had agreed to convene a SADC-EU Ministerial Political Dialogue during the first half of year 2020. However, the Ministerial Dialogue could not proceed as planned due to COVID-19 restrictions and safety protocols. Despite these restrictions, the Secretariat continued to engage bilaterally with the EU and other EU Member States to maintain the momentum of development cooperation.

The Secretariat held trilateral engagements with the Embassies of German, France and EU on 31 August 2020 to exchange technical views on the proposed priorities of the post 2020 Joint Africa-EU Strategy and share information on the outcome of the 40th SADC Summit of Heads of State and Governments held on 17 August 2020.

The Secretariat further held bilateral courtesy meetings with the Senior Inspector and Managing Director for Africa at the European External Action Service (EEAS) on 9 February 2021 and 25 February 2021, respectively. Both meetings discussed development cooperation issues that are of mutual interest to both SADC and the European Union, including issues on peace & security, political dialogue and post 2020 programming of regional cooperation, and broadly to ascertain how the existing development cooperation can be enhanced for a more impactful partnership. It is through these engagements that an agreement was reached to convene a Ministerial Political Dialogue during the first quarter of FY 2021/22. Consultations on the prospective agenda and dates are on-going between the SADC Secretariat, EU Delegation (Botswana) and the EEAS (Brussels).

C. SADC – Germany Cooperation

Following the successful Bilateral Negotiations on Development Cooperation between the Southern African Development Community (SADC) and the Federal Republic of Germany in November 2019, SADC-Germany cooperation continues to support, among others, Regional Economic Integration (covering also Peace, Security and Good Governance); Transboundary Water Management; Transboundary Natural Resource Management and Resilience to Climate Change; and Strengthening National-Regional Linkages.

These programmes are implemented through a commitment worth Euro 30.0 million for both technical and financial cooperation, bringing the total envelop to Euro 40.36 million with the earlier commitments made in 2018.

In addition, the Federal Republic of Germany provided support to the SADC Secretariat and SADC Member States with additional measures for the prevention and management of the negative effects of COVID-19 in the SADC region, through interventions covering a number of sectors that are in line with SADC priorities and the aforementioned areas of focus of SADC-Germany Cooperation.

The objective of SADC-Germany Cooperation is to enhance SADC's capacity as the main coordinating body for regional integration in the Region. Areas of cooperation are agreed through SADC-Germany Bilateral Negotiations on Cooperation held once in every two years.

D. SADC – Russia Cooperation

With a view to concretizing implementation of the two Memorandum of Understanding (MoUs), namely, the MoU between the Government of the Russian Federation and the Southern African Development Community in the Area of Military-Technical Cooperation signed in July 2018; and the MoU on Basic Principles of Relations and Cooperation signed in October 2018, the SADC Secretariat continued to engage with Russia.

E. SADC – China Cooperation

The SADC Secretariat continued to engage with the Embassy of the People's Republic of China in Gaborone, with a view of concretizing the actions agreed upon in the Framework Agreement on Economy, Trade, Investment and Technical Cooperation between SADC and the Government of the People's Republic signed in October 2019, and enable implementation of activities of mutual interests that will promote SADC regional integration agenda in line with the RISDP 2020-2030.

The Government of the People's Republic of China also continued to extend annual grant of US\$ 100,000 to support the SADC Secretariat on its operational needs, using a programme approach that shall enable the Secretariat to attend to urgent requirements and implement programmes and activities that are in line with Council Decisions and SADC priorities.

F. SADC – African Development Bank Cooperation

The SADC Secretariat negotiated and concluded the Protocol of Agreement between SADC and AfDB, and the Tripartite Agreement between SADC, AfDB and WHO worth Six Million Units of Account (UA 6,000,000) signed in August 2020, to assist in financing the Support to the COVID-19 Pandemic Crisis Response in the SADC Region. The objective of the agreement is to support the procurement and distribution of medical supplies and equipment in response to COVID-19 Pandemic Crisis in the SADC Region.

In addition, SADC-AfDB Cooperation continues to implement activities that are in line with the Multinational Protocol of Agreement between SADC and AfDB signed in August 2019 (UA 1.5 million), to enable implementation of the project "Sustainable Financing of Regional Infrastructure and Industrial Projects in SADC" and help accelerate SADC Regional Integration Agenda through the following work streams:

- (i) Development of SADC Regional Infrastructure Projects;
- (ii) SADC Industrialization Strategy and Roadmap;
- (iii) SADC Regional Development Fund; and
- (iv) Development of Financial Instruments;

G. SADC – ICP Dialogue Platform

The SADC-ICP Dialogue remains a critical platform for engaging with International Cooperating Partners. This is in part to ensure that development cooperation is undertaken in a coherent manner that promotes ownership, accountability, harmonization, mutual trust and respect, and transparency in the implementation of regional integration/development initiatives.

The Secretariat, in accordance with the provisions of the Windhoek Declaration (2006) and the SADC-ICP Partnership Statement (2012) convened a SADC-ICP Dialogue Platform Meeting on 20 November 2020 (preceded by a SADC Double Troika Preparatory Meeting held on 19 November 2020). The Dialogue Platform discussed the Vision 2050 and RISDP 2020-2030 as approved by the SADC Council of August 2020, Impact of COVID-19 Pandemic in the SADC Region, Food Security Outlook, COVID-19 Recovery (including green recovery initiatives) and considered an update on the work of SADC-ICP Thematic Groups.

In an effort to enhance the operations of Thematic Groups and as guided by the SADC-ICP Dialogue Platform Meeting, the Secretariat commissioned an Assessment on the Operations of Thematic Groups in December 2020. The assessment seeks to propose standardized approaches in conducting the business of Thematic Groups and share best practices, and also to undertake assessments on the impact of COVID-19 on the work of Thematic Groups and provide recommendations for mitigation. A draft assessment report was produced in March 2021 and is still under internal review.

VIII. Change Management

A. Good Governance

Good governance arrangements are pivotal to ensure that the Secretariat's operations are properly managed in a transparent and accountable manner to enable achievement of objectives. Summit, Council of Ministers and other Statutory Meetings of various Committees and Sub-committees were held to provide strategic direction in implementing key programmes and activities, through the provision of timely and quality information by the Secretariat to inform decisions made by the Governance Structures. The key decisions are prioritized and implemented accordingly. Activities are also monitored to ensure that they contribute effectively to the achievement of the RISDP outputs. Furthermore, the meetings were also held to provide direction and oversight on the Secretariat's performance on key operations, financial management and reporting, internal controls and risk management systems, compliance with applicable laws, policies and regulations

B. Organizational Health and Change Management

Risk Management

Fraud and Corruption Management Policy was approved by March 2021 Council of Ministers, which forms a key part of the fraud and corruption deterrence strategy by demonstrating the Secretariat's commitment in combating fraud and corruption. The Secretariat continued to improve on its risk maturity as the risk management processes are embedded in organisational processes of planning, budgeting, controlling activities and decision-making.

Audit

Value adding audits were conducted comprising of advisory services, performance and IT audits, which contributed to improvement in operational efficiency and effectiveness, management of risks and compliance with laws and regulations. Emerging risks such as economic risks, staff wellness, cyber security and data protection were identified and Secretariat developed risk mitigation measures to address these risks to minimize impact on the Secretariat's objectives. Cost savings opportunities were identified, a data privacy and protection policy was recommended, then developed and approved by Council.

Based on the audits completed the overall opinion is that the control environment is fairly effective thus controls are generally established and functioning, with some improvements required to provide reasonable assurance that objectives will be met.

IX. Implementation of Financial Management Framework

Budget and Finance controls within the Secretariat are carried out within the Financial Management framework, which are intended to deliver an effective and efficient risk advisory service and support the Secretariat to fulfill its fiduciary responsibility. Financial regulations, standing orders and rules for the management of the affairs of SADC are enacted by the Council of Ministers under Article 30 of the Treaty of SADC. These provide a consistent and comprehensive legal framework for Financial Management. As required by financial regulations, budget execution and oversight control is aimed at achieving, among others, adherence to good corporate governance principles; and ensuring that risk management measures, including the SADC risk management policy and framework, are in place.

The Secretariat continues to provide prudent financial management in line with the Financial Regulations, International Public Sector Accounting Standards, Financing Agreements, among other Regulatory Frameworks. Further, it adheres to sound governance principles and internal control measures to ensure efficient and effective implementation of the approved Corporate Plans and Budget.

The approved total budget for the 2020/21 Financial Year amounting to US\$91,719,237, was funded as follows: US\$58,063,214 (63%) by the Member States and US\$33,658,023 (37%) by International Cooperating Partners.

The total budget of US\$91,719,237, was appropriated as follows:

- (i) US\$51,796,387 (56%) towards Programmes [Member States: US\$20,258,443 (39%) and ICPs: US\$31,537,944 (61%)];
- (ii) US\$23,617,863 (26%) towards Support Services [Member States: US\$21,497,781 (91%) and ICPs: US\$2,120,082 (9%)];
- (iii) US\$2,761,537 (3%) towards Capital Expenditure (Capex) [Member States: US\$2,761,537 (100%)]; and
- (iv) US\$13,543,450 (15%) towards transfer to the SADC Special Funds; [Member States: US\$13,543,450 (100%)].

The highlights of the unaudited interim performance report for the 2020/21 Financial Year are as follows:

Revenue:

The actual total revenue amounted to US\$60,203,633 (66%) of the revenue budget of US\$91,719,237. [Member States: Actual revenue of US\$48,660,265 (84%) against a revenue budget of US\$58,063,214; and ICPs: Actual revenue of US\$11,543,368 (34%) against a revenue budget of US\$33,658,023.

- (i) Annual Member States contributions of US\$7,230,807.91 were in arrears as of 31 March 2020 [Comoros:US\$5,044,380.00, Eswatini:US\$2,186,427.91]; and
- (ii) The revenue rate of 34% on International Cooperating Partners' contributions was mainly due to the negative impact of COVID19 pandemic experienced in 2020/21 Financial year, delays in the replenishments of funds, and delays in concluding procurement processes due to non-responsive bidders on Service Contracts for the Programmes.

Expenditure:

Overall actual expenditure of US\$43,937,680 (56%) was recorded against a total budget of US\$78,175,791 excluding transfers to Contingency Fund and Special Funds:

- (i) actual expenditure of US\$32,448,694 (73%) against a budget of US\$44,517,768 funded by the Member States; and
- (ii) actual expenditure of US\$11,488,986 (34%) against the budget of US\$33,658,023 funded by International Development Cooperation.
- (iii) actual expenditure for Programmes was US\$23,698,026 (47%) against a budget of US\$50,876,594;
- (iv) actual expenditure for Support Services was US\$20,239,653 (74%) against a budget of US\$27,299,197;
- (v) Project Disbursements of US\$7,826,402 to the Member States and consultancies/service providers was made as follows;
 - a) US\$1,505,105 disbursement to Member States towards the Trade Related Facility (TRF) Project; and
 - b) US\$126,912 disbursement to Member States towards the Global Climate Change Alliance Plus GCCA+ Project
- (vi) US\$4,405,564 disbursement to Member States towards the Project Preparation Development Facility (PPDF) program under the management of the Development Bank of Southern Africa (DBSA);
- (vii) US\$909,924 disbursement to consultancies towards the Support to Improving the Investment and Business Environment (SIBE) Project; and
- (viii) US\$878,897 disbursement to service providers towards the Trade Facilitation Program (TFP).

The overall expenditure utilisation rate of 56% excludes an amount of US\$7.8 million pertaining to project funded disbursements to beneficiary Member States and consultancies yet to be justified.

Analysis of Expenditure Variances:

The budget utilization for Member States funds of 64% on programme activities and 80% on support activities under Member States' funding is mainly attributed to the impact of the COVID-19 pandemic. In August 2020, the Secretariat proactively, undertook an exercise to review the annual plan and reprogram activities that could be undertaken while under the various COVID-19 restrictions. Activities that could be undertaken using virtual means were prioritized while those requiring physical meetings or travel were either cancelled or postponed. The review was conducted under the assumption that operations would return to normal in the foreseeable future. However, the effects and impact of the pandemic continued throughout the year, forcing Directorates and Units to cancel or postpone some planned activities during the second half of the year under review. This resulted in significant cost reductions than initially budgeted, owing to no travel, per diem, and conference costs. In addition, delays in the procurement process of service contracts caused by the non-responsiveness of bidders further reduced the level of expenditures than budgeted.

Furthermore, the budget utilization of International Cooperating Partners (ICP) funds: Budget utilization of 36% on Programme activities and 16% on Support Activities achieved has been due to the COVID-19 pandemic which affected the implementation of International Cooperating Partner funded activities during the year under review. Major meetings and workshops were either postponed, cancelled, or conducted virtually. This resulted in a low utilization of budgeted funds. The procurement process was also affected by the non-responsiveness of bidders in the procurement process of service contracts for programmes, in particular on the "Support to Improving the Business and Investment" (SIBE), "Global Climate Change Alliance Plus" (GCCA+), IICB "Sustainable Financing of Infrastructure and Industrial projects" programmes in SADC supported by the AfDB.

X. Challenges and Mitigation Measures

The Secretariat faced a number of technical and operational challenges during the 2020/21 Financial Year which were primarily centered around prevalence of COVID-19 pandemic as follows:

- (i) The migration to virtual operation with a view to address challenges posed by COVID-19, while ensuring business continuity resulted in an increase of virtual meetings, resulting into increased demands on ICT, in terms of technology, human resources, and financial resources. The Secretariat is assessing the situation while using lessons learnt to come up with an effective and efficiency plan and approach;
- (ii) Virtual operations also resulted in activities that requires face to face interventions not to be implemented, resulting in under-utilisation of allocated budgets. In addition, whereas, the migration to virtual operation enabled the Secretariat to implement the planned activities to the tune of 85% implementation rate. Budget utilization remained at 58%. Nonetheless, a cost saving exercise was conducted and these resources were re-focused and allocated to other important activities,

including funding of SADC Observation Missions, and operationalization of the Mechanism to honour SADC Founders.

- (iii) There were delays in the signing of legal instruments adopted by Summit during the virtual meeting in August 2020 which negatively affect the ratification process, and in turn delay entry into force of the legal instruments. In this regard, arrangements have been put in place for hybrid meetings, whereby the August 2021 Summit will be held face to face to allow Heads of State and Government to sign the Legal instruments;
- (iv) There was slow progress in the ratification of legal instruments such as (1) Protocol on Industry, (2) Protocol on Services, and (3) Tripartite Free Trade Agreement. The Secretariat has continued to remind and urge Member States to ratify through official letters and during meetings;
- (v) Performance was also affected by delay in recruitments. Notwithstanding, measure put in place by the Secretariat to address delays in recruitments, the challenges remain, mainly due to quota points requirements, whereby the Secretariat has to undertake multiple recruitment processes for same positons (from advertisements to interviews);
- (vi) Verifications of expenditures under support provided to Member States under the Trade Related Facility Project were delayed due to COVID-19 travel restrictions. To minimize the negative impact, expenditure verifications were conducted using virtual means to the extent possible.
- (vii) The roll-out of the Electronic Certificate of Rules of Origin (e-CoO) System pilots in Member States was postponed due to COVID-19 pandemic restrictions. This delayed the finalisation of technical e-CoO System design and system configuration and resources in some Member States. Efforts are underway to mobilise resources for technical support to Member States, including creating more synergies with other ICPs. A new launch plan for the e-CoO pilots will be established with clear date of launch agreed.
- (viii) Audits that required physical verification of assets, projects and expenditures incurred could not be fully undertaken in line with the Council Decision of March 2020 due to COVID-19 travel restrictions. Virtual Audits were conducted. However, some verification exercises and procedures were not undertaken reducing the scope of the audit assignment.
- (ix) Financing of programmes to achieve the aspirations of the regional integration agenda is among the major challenges. Signing and ratification of the Agreement of the Operationalisation of the SADC Regional Development Fund remains very important for sustainable financing of regional programmes and projects.

XI. Conclusions

The significant achievement attained during the 2020/21 Financial Year marked continued commitment by the Secretariat towards achievement of the aspirations enshrined in the RISDP

towards regional integration. This is amidst the prolonged and lingering challenges brought about COVID-19 pandemic. The pandemic inevitably forced the Secretariat, and indeed the Member States to critically review and reflect on strategies and measures to ensure continuity and implementation of planned regional interventions.

The region embarked on virtual approach to effectively coordinate meetings and capacity building electronically. The approach has inevitably increased attendance and participation of Member States and key stakeholders. It has brought together public and private sector stakeholders and has further proved to stimulate interactive dialogue/debate among them, an achievement which remained a challenge for a long time. Furthermore, the use of ICT collaboration platforms such as SADC extranet and the new SADC shared collaboration platform greatly eased the collaboration between participants as they serve as a central repository where all documents and any new updates could be accessed and downloaded by all.

Setting up of Covid-19 crisis management mechanisms by the Secretariat in order to survive the uncertainty posed by the COVID-19 pandemic remains critical in the foreseeable future which remains bleak. Much as virtual Policy meetings enable the Secretariat to continue achieving its objectives and securing requisite decisions to enable it to execute its mandate, there are certain matters and issues that strictly require consideration of, or action by, face to face Policy meetings such as signing of legal instruments. It is important, therefore, to underscore the importance of virtual approach while appreciating that it remains an interim measure or an alternative at best and that there is need to revert to the physical operation approach after COVID-19.

The small Member States Task Teams were instrumental in achieving majority of the planned interventions, more so during the 2020/21 Financial Year. The approach proved to be effective in ensuring continuity in implementation at Member States level mainly because it proved easier to coordinate a smaller group of people focused on a particular objective as opposed to coordinating large groups of people. The Secretariat will indeed continue to use this approach towards achieving desired results and outputs.

In conclusion, while the Secretariat in collaboration with Member States, Partners and Stakeholders has achieved significant progress across the RISDP priorities, the COVID-19 pandemic has, to a large degree, exposed technological and technical gaps at the Secretariat and Member States which ranged from the quality of network connectivity to the necessary equipment for Member States to actively and consistently participate in statutory and policy meetings. The pandemic has thus taught the Secretariat and the Member States the importance of staying up-to-date with new technologies and the need to have good ICT continuity processes in place to adjust to challenges to avoid the organisations from being adversely impacted. It is therefore important to introduce new technologies and platforms that will enable the region to operate independently and readily.

ABOUT SADC

The Southern African Development Community (SADC) is an organisation founded and maintained by countries in southern Africa that aim to further the socio-economic, political and security cooperation among its Member States and foster regional integration in order to achieve peace, stability and wealth. The Member States are: Angola, Botswana, Union of Comoros, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

Information in this publication may be reproduced, used and shared with full acknowledgement of the SADC Secretariat.

Southern African Development Community (SADC),
SADC House, Plot No. 54385
Central Business District, Private Bag 0095,
Gaborone, Botswana
Tel: +267 395 183,
Fax: +267 397 2848/
3181070,
Website: www.sadc.int
Email: prinfo@sadc.int
or registry@sadc.int
or webmaster@sadc.int

@2020 SADC Secretariat

