



# ANNUAL REPORT

FINANCIAL YEAR 2021/22



# TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>ABBREVIATIONS .....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>1 INTRODUCTION .....</b>	<b>9</b>
<b>2 SITUATIONAL ANALYSIS.....</b>	<b>10</b>
2.1 GLOBAL CONTEXT .....	10
2.2 GLOBAL INFLATION AND FINANCIAL DEVELOPMENTS .....	11
2.3 CONTINENTAL CONTEXT .....	14
2.4 REGIONAL CONTEXT .....	14
2.5 PROSPECTS FOR 2022 AND MEDIUM-TERM .....	18
2.6 POTENTIAL RISKS AND IMPLICATIONS TO THE REGIONS .....	19
<b>3 SADC PERFORMANCE AS A REC .....</b>	<b>20</b>
3.1 OVERVIEW OF AGENDA 2063 .....	20
3.2 PERFORMANCE RECORDED IN THE IMPLEMENTATION OF AGENDA 2063 .....	20
3.3 FLAGSHIP PROJECTS .....	23
3.4 COMPARISON OF SADC INTEGRATION STATUS AGAINST OTHER RECS .....	25
<b>4 REGIONAL PERFORMANCE BY THE RISDP 2020-30 PILLARS .....</b>	<b>26</b>
4.1 FOUNDATION: PEACE, SECURITY AND GOOD GOVERNANCE.....	26
4.2 PILLAR I: INDUSTRIAL DEVELOPMENT AND MARKET INTEGRATION .....	27
4.3 PILLAR 2: INFRASTRUCTURE DEVELOPMENT IN SUPPORT OF REGIONAL INTEGRATION .....	34
4.4 PILLAR III: SOCIAL AND HUMAN CAPITAL DEVELOPMENT .....	36
4.5 STRATEGIC MANAGEMENT OF THE RISDP .....	41
4.6 CROSS-CUTTING ISSUES .....	44
<b>5 STATUS OF THE REGIONAL OBLIGATIONS .....</b>	<b>51</b>
5.1 LAUNCH OF THE FREE TRADE AREA.....	51
5.2 SADC INVOLVEMENT IN THE TRIPARTITE FTA.....	51
5.3 SADC INVOLVEMENT IN THE AFRICAN CONTINENTAL FREE TRADE AREA.....	51
<b>6 STATUS OF PROTOCOLS, AGREEMENTS AND OTHER LEGAL INSTRUMENTS.....</b>	<b>53</b>
6.1 STATUS OF FOUNDATION PILLAR PROTOCOLS AND LEGAL INSTRUMENTS.....	53
6.2 STATUS OF PILLAR I PROTOCOLS AND LEGAL INSTRUMENTS .....	54
6.3 STATUS OF PILLAR II PROTOCOLS AND LEGAL INSTRUMENTS .....	55
6.4 STATUS OF CROSS CUTTING PROTOCOLS AND LEGAL INSTRUMENTS .....	56
<b>7 STATUS OF STATUTORY MEETINGS DECISIONS .....</b>	<b>58</b>
7.1 SUMMIT OF HEADS OF STATES DECISIONS .....	58
7.2 COUNCIL OF MINISTERS MEETING DECISIONS.....	58
7.3 MINISTERIAL COMMITTEE OF ORGAN MEETING DECISIONS.....	59
7.4 MINISTERIAL AND SECTORAL MEETINGS DECISIONS .....	59
<b>8 IMPLEMENTATION OF THE FINANCIAL MANAGEMENT FRAMEWORK .....</b>	<b>60</b>
8.1 IMPLEMENTATION OF FINANCIAL MANAGEMENT FRAMEWORK.....	60
8.2 ANALYSIS OF EXPENDITURE VARIANCES .....	63
8.3 PROJECTS GRANTS .....	63
8.4 CORPORATE GOVERNANCE.....	64
<b>9 SADC INSTITUTIONS .....</b>	<b>68</b>

9.1	PARLIAMENTARY FORUM .....	68
9.2	SADC ADMINISTRATIVE TRIBUNAL.....	68
9.3	SADC HUMANITARIAN AND EMERGENCY OPERATIONS CENTRE.....	68
9.4	REGIONAL PEACEKEEPING TRAINING CENTRE.....	69
9.5	AFRICAN UNION LIAISON OFFICE .....	70
9.6	SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PLANT AND GENETIC RESOURCE CENTRE.....	71
9.7	SADC ACCREDITATION SERVICES .....	71
9.8	SADC REGIONAL COUNTER TERRORISM CENTRE (RCTC) .....	72
<b>10</b>	<b>OPERATIONAL PERFORMANCE .....</b>	<b>73</b>
10.1	PROJECT MANAGEMENT .....	73
10.2	FINANCIAL MANAGEMENT .....	73
10.3	HUMAN RESOURCES MANAGEMENT .....	73
10.4	COMMUNICATIONS AND PUBLIC RELATIONS.....	74
10.5	PROCUREMENT MANAGEMENT .....	76
10.6	INFORMATION COMMUNICATION AND TECHNOLOGY MANAGEMENT .....	76
10.7	ORGANISATIONAL IMPROVEMENTS.....	76
<b>11</b>	<b>CONTINENTAL COOPERATION AND INTEGRATION.....</b>	<b>78</b>
11.1	AFRICAN UNION (AU) .....	78
11.2	SADC – COMESA – EAC TRIPARTITE AGENDA .....	78
<b>12</b>	<b>DEVELOPMENT COOPERATION AND RESOURCE MOBILISATION .....</b>	<b>80</b>
12.1	SADC – ICP DIALOGUE PLATFORM.....	80
12.2	SADC – EU COOPERATION .....	80
12.3	SADC- EU POLITICAL DIALOGUE .....	82
12.4	SADC/GERMANY COOPERATION.....	82
12.5	SADC – WORLD BANK COOPERATION.....	83
12.6	SADC – AFRICAN DEVELOPMENT BANK COOPERATION.....	83
12.7	SADC – USA COOPERATION .....	84
<b>13</b>	<b>EMERGING ISSUES IN THE REGION .....</b>	<b>85</b>
13.1	REGIONAL PEACE AND SECURITY STATUS .....	85
13.2	REGIONAL HEALTH STATUS .....	85
13.3	FOOD SECURITY SITUATION .....	86
<b>14</b>	<b>CHALLENGES AND MITIGATION MEASURES .....</b>	<b>87</b>
<b>15</b>	<b>CONCLUSIONS .....</b>	<b>89</b>

## ABBREVIATIONS

---

AIDS	Acquired immunodeficiency syndrome
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
ECA	Economic Commission for Africa
ESREM	Enhancing of a Sustainable Regional Energy Market
EU	European Union
FAO	Food and Agriculture Organisation
FID	Foreign Direct Investment
GAIN	Global Alliance for Improved Nutrition
GBV	Gender Based Violence
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HIV	Human Immunodeficiency Virus
ICPs	International Cooperating Partners
IMF	International Monetary Fund
IPR	Intellectual Property Rights
MCBTRA	Multilateral Cross Border Road Transport Agreement
MCO	Ministerial Committee of the Organ
MERF	Monitoring, Evaluation and Reporting Framework
NTBs	Non-Tariff Barriers
PPDF	Project Preparation Development Facility
QoS	Quality of Service
RAIP	Regional Agricultural Investment Plan
RAPI	Regional Action Programme for Investment
RBM	Result Based Management
RECs	Regional Economic Communities
RISDP	Revised Regional Indicative Strategic Development
RTGS	Real Time Gross Settlement System
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SGBV	Sexual and Gender-Based Violence
SME	Small and Medium Scale Enterprises
SSA	Sub-Saharan Africa
STI	Science, Technology, Innovation
STR	Simplified Trade Regime
TFTA	Tripartite Free Trade Area
TTNF	Tripartite Trade Negotiation Forum
TTTFP	Tripartite Transport and Transit Facilitation Programme
TVET	Technical Vocational Education and Training
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VLMA	Vehicle Load Management Agreement
WHO	World Health Organisation



# EXECUTIVE SUMMARY

---

Recently, the world has become an unpredictable, complex and unsettled arena of events that are affecting the livelihood and wellbeing of the people. The outcomes create both opportunities and challenges for the SADC region. Together, focused on delivering towards the SADC mandate and building on our values and strengths of the history and unity the region can be positioned as a Global example for peace, security and economic prosperity. While creating a path towards shaping the future, promoting the interests of the people in the region and Africa at large. Over the next eight years, SADC must strengthen its role and position by uplifting all Member States towards bringing prosperity for all citizens within region.

The SADC Secretariat with the Regional Indicative Strategic Development Plan 2020-30 (RISDP-2020-30) Agenda is providing the overall framework and direction through which the Region has been responding to the developing challenges and opportunities. The RISDP 2020-30 is the overarching framework that shall guide the Secretariat's work over the coming years along these five areas:

- Peace, Security, and Good Governance;
- Industrial Development and Market Integration;
- Infrastructure Development in support of Regional Integration;
- Social and Human Capital Development;
- Cross-cutting issues including Youth, Gender equality, Environment and Climate Change, and Disaster Risk Management.

During the 2021/22 Financial Year, the region focused on enhancing the business environment through the use of effective programmes within SADC's industrialisation and market integration capacity in order to shape and improve economic activity. This was accomplished by ensuring the integrity of the territory and proper functioning of SADC through key interventions within the Member States to ensure that Peace, Security, and Good Governance remain in the forefront of the SADC agenda. Thus, ensuring that the people in the region remain safe, free and protected against existing and emerging threats.

## **Peace, Security and Good Governance**

The region took major and substantive steps resulting into recommendations on electoral reforms that were rendered appropriate and implementable and aimed at deepening democracy in the SADC region. These included the National Infrastructures for Peace in eight (8) Member States and the SADC Mission in Mozambique (SAMIM) deployed in 2021. In particular, the deployment of the SAMIM forces allowed internally displaced persons to return to normal lives. Continuous efforts are being made to ensure that the region becomes safer, by investing in programmes to reduce terrorism, assist Member States to enhance border control and migration policies and decrease natural and manufactured disaster's in order to further develop resilience in the SADC region.

The movement of people across and within the region remains critical for regional integration. This is made possible through implementation of, amongst others, migration policy, digital interventions, satellite systems, e-visas and cross border identity management. The improved cooperation, collective coordination, and investments in technology will enable the region to initiate measures to defend civilians from illegal migration and human trafficking, malicious cyber activities, threats and propaganda spread by inimical parties. It is therefore imperative to sustain these interventions that leave a direct and critical influence for guaranteed security and preserving the principles and values.

## **Industrial Development and Market Integration**

Building a sound economic and globally competitive base is essential in fulfilling the regional agenda for creation of jobs in order to grow and strengthen the citizens in all Member States. In order to attain this increased union amongst the SADC markets, the Industrial Development and Market Integration agenda was created which aims at renovating the basis for long-term sustainable and comprehensive growth, and strengthen structures in SADC. To maximize the influence, a unified approach to connect all relevant policies was accomplished through the Protocol on Industry which was signed by twelve (12) SADC Member States by end of reporting period.

As a means to deepen and strengthen the SADC markets, the region has created value chains with the purpose of expanding SADC's industrialization base and productivity. This also resulted in the SADC Protocol on Trade in Services which entered into force at the beginning of the year 2022. The region aims to utilize the potential that the people have, particularly in the area of services. To ensure fair and effective use of the resources available, some additional regional strategies for the management of Agriculture and Food Security were shaped. This goes hand in hand with the gaps and recommendations for the national food and nutrition security strategies that we established.

It is common to come across rules and standards being questioned thus making it vital to promote a level playing field, especially amongst the area of trade. For the purpose of achieving this it is critical to ensure fair competition with the region and on the global stage. This can be witnessed through the establishment and development in programmes such as; the Status of the Regional Obligations that enables SADC Member States to join the Free Trade Area (FTA), the Tripartite FTA, the African Continental Free Trade Area (AfCFTA), the status of Protocols, Agreements and other Legal Instruments, the promotion of a Continental Cooperation and Integration, and the Development Cooperation and Resource Mobilisation.

## **Infrastructure Development in Support of Regional Integration**

In order to no longer be left behind, the SADC Region needs inclusiveness and sustainability to embrace the changes brought about by the digital revolution, globalisation and green transitions. This is attainable by connecting the region through Infrastructure Development in support of Regional Integration. The aim is to ensure that all Member States grow to become digitally dominant whilst following the guide of the RISDP 2020-30 agenda and policies, that are aimed at embodying the societal values and to remain harmonious with the ways of life. In doing so, the Member States have a legal framework, have transposed the SADC e-Commerce/e-Transaction and Cybercrime Model Laws, have operationalized the SADC Regional Computer Incident Response Team (SR-CIRT) and lastly, eight (8) member states have completed the analogue to Digital Terrestrial Television (DTT) migration. Thus, all Member States are streaming online National Public TV channels.

To ensure that quality integrated and interconnected regional infrastructure and networks are achieved, the implementation of agreements and model laws on Tripartite Transport and Transit Facilitation Programme (TTTFP) shaped integrated systems for railways through securing funding for the development of SADC's Regional Railway Development Master Plan as well as establishing the SADC Aviation Safety Organization as a legal entity and a subsidiarity organization. In parallel, the region continues to improve and enhance the quality of air and waters, promote sustainable agriculture in order to manage food security and adopt quality production.

The Second Phase of the SADC Groundwater Management Institute (GMI) programme was developed, and the Hosting and Establishment Agreement was signed in Eswatini to establish the INCOMATI and Maputo Watercourse River Basin Organization as a change created towards supporting our agenda. This will intently explore how the RISDP 2020-30 projects and initiatives can leverage digitalization as key enabler for enhanced productivity, improved service delivery and reach, and informed decision making through data-driven technologies. The region will explore the necessary reforms and support to leverage the power of digital technologies to truly deliver on regional integration, globalization and for the green transition.

### **Social and Human Development**

In a world of continuous change and uncertainty, it is crucial to put a great investment and course of action into empowering the citizens through Social and Human Capital investments. The region seeks to inject funding into the skills development and education, safeguard the interests of the people, uphold the values and way of life to help shape the global future. A strategic plan on Open and Distance Learning (ODL) to promote ICT was established to respond to the effects of COVID-19 pandemic on the Education System. During this pandemic funding was also placed towards procurement mechanisms, such as the SADC Pooled Procurement Services (SPPS) to ensure joint procurement of medicines and pharmaceuticals.

It is common to come across rules and standards being questioned so it is vital to promote a level playing field, ensure fair competition within the region and on the global stage, especially amongst the area of trade. To better defend its interests and values and help shape the new global environment, SADC continues to employ more assertive and effective processes, such as having several Member States reviewing and developing national food fortification standards as an investment in nutrition to address all forms of malnutrition.

Member States have also renewed their commitment to end child labour in the region by adopting a Revised Code of Conduct on Child Labour in March 2022, and along with Social Partners, adopted a model framework for national social dialogue institutions in SADC. The region will have to holistically improve the education component to effectively enable the possibility to standardize educational efforts across the region and address the glaring gaps in the education systems. This will enable equitable access to quality and relevant education, and with standardization of educational efforts and quality assurance systems there will be greater scope for mobility and movement of students and graduates – thus upskilling of the region.

### **Cross Cutting Issues**

SADC as a region will need to ensure capacity building at the Secretariat and Member States levels to enhance the relevance and impactfulness of the Secretariat, and build capacities to implement regional initiatives and programmes. SADC will remain a driving force behind multilateralism. Concerted efforts are being made towards the fight against climate change, promoting sustainable development and implementing the RISDP 2020-2030 and long-term SADC Vision 2050. The aim is to promote a unique model of cooperation as inspiration for others through providing opportunities to Youth, promoting Gender equality, protecting our Environment and Climate Change, and fortifying for Disaster Risk Management.

The SADC Regional Guidelines on Developing and Implementing National Gender Plans were implemented in order to take accountability for Gender/Women's Affairs. In order to take responsibility towards harmonization of the regional and national statistical publications, the Protocol on Statistics was approved by our Summit Heads of States. The youth have been engaged in SADC programmess such as the SADC Youth Forum, that enhances ownership and implementation of the regional integration agenda. To improve on this foundation and progress, effort is being made to build more capacities on the concepts around the cross-

cutting issues to enhance ownership and buy-in; establish focal points in each sector to facilitate the integration of cross-cutting issues within the region.

As the effects of climate change become more visible and pervasive, we urgently need to step up our action to manage this existential threat. SADC continues to lead the way through the SADC Climate Change Strategy and Action Plan to update Nationally Determined Contributions (NDCs). We aim to focus and place attention to social issues such as the inequalities which affect young people in particular, as they pose a major political, social and economic risk. It is our duty to provide opportunities for all. We aim to construct equality between women and men, as well as rights and equal opportunities for all. The SADC Humanitarian and Emergency Operations Centre (SHOC) and the activation of the SADC standby force and utilization of approved Pledged Resources, Manpower and Equipment in response to humanitarian situation are programmes that we have established as a driving force for cross-cutting issues.

### **Forecast for 2022/23 Financial Year**

In the coming years, the region will aim to connect the SADC business and research community by promoting a digital infrastructure that will assist in the development of the innovation community. Connecting Small and Medium Enterprises (SMEs) to individual researchers such as radioastronomers, physicians, biologists, and high-energy physicists, providing the highest capacity, transparency, and neutrality, at a reliable and sophisticated environment, are all key to advancing business to research capabilities throughout the SADC region.

SADC will continue to work towards peace and stability, and to promote democracy and human rights. In order to better defend regional interests, the region requires the people to be more unified in its stances. By doing so, all investments will aim at expediting the growth of the regional economy. There is need to intensify efforts to improve local resource mobilization and reduce overreliance on International Cooperating Partners. This will improve the sustenance of SADC operations and interventions in the advent of shifting geopolitical landscape, affecting perspectives, priorities and interests. The region will also need to strengthen the national and regional linkages in order to effectively drive change and improve the effectiveness of SADC. As a building bloc of the African Union (AU), the development as a region will have positive influence towards the AU, including continental integration agenda (AfCFTA).

# 1 INTRODUCTION

---

The 41<sup>st</sup> SADC Summit of Heads of State and Government adopted ***“Bolstering Productive Capacities in the Face of COVID 19 Pandemic for Inclusive, Sustainable Economic and Industrial Transformation”*** as the leading theme for 2021/22 Financial Year under the chairmanship of the Republic of Malawi, His Excellency Hon. Lazarus McCarthy Chakwera. The theme takes into account the current operating environment and the need to address the negative impact of COVID-19. The theme was particularly important as some SADC Member States were facing the fourth wave of COVID-19 with devastating impacts. The theme emphasises the need to address SADC’s supply side economies by enhancing its industrialisation and market integration capacity for sustained economic development.

The theme was aligned to the new RISDP (2020-2030) that emphasises economic transformation of the SADC region and the implementation of the SADC Industrialisation Strategy and Roadmap (2015 to 2063). This alignment of both the RISDP 2020-30 and that of Industrialisation Strategy and Roadmap (2015 to 2063) to the theme has made it easy for the theme to be incorporated in the on-going SADC programmes. It is against this background that the 2021/22 Executive Secretary Report is developed to present progress made by the SADC Secretariat in collaboration with the Member States and different stakeholders in implementing specific activities identified to operationalise the theme as aligned to RISDP 2020-30.

This report presents developments at a global, continental and regional level. It further outlines key achievements in all six (6) strategic priority areas in RISDP 2020-30; the Foundation: Peace, Security and Good Governance to the three (3) identified Pillars (Industrial Development and Market Integration, Infrastructure in Support of Regional Integration and Social and Human Capital Development), the Cross cutting issues (Gender, Youth, Environment and Climate Change, and Disaster Risk Management), and Strategic Management of RISDP 2020-30.

The outline of this report is outlined as follows:

- Section 2: Situational Analysis
- Section 3: SADC Performance as a REC
- Section 4: Regional Performance by the RISDP 2020-30 Pillars
- Section 5: Status of The Regional Obligations
- Section 6: Status of Protocols, Agreements and other Legal Instruments
- Section 7: Status of Statutory Meetings Decisions
- Section 8: Implementation of the Financial Management Framework
- Section 9: SADC institutions
- Section 10: Operational performance
- Section 11: Continental Cooperation and Integration
- Section 12: Development Cooperation and Resource Mobilisation
- Section 13: Emerging Issues in the Region
- Section 14: Challenges and Mitigation Measures
- Section 15: Conclusions



## 2 SITUATIONAL ANALYSIS

### 2.1 Global Context

#### 2.1.1 Economic Developments

The IMF World Economic Outlook report of April 2022 indicates that, when COVID-19 pandemic hit, the combined supply and demand shock was expected to lead to a dramatic collapse in trade. Conversely, trade in goods bounced back quite rapidly, although trade in services still remains sluggish. Disruptions in key international networks of production and trade have also prompted calls to relocate that production domestically.

The pandemic-specific factors had a key role in the rotation of demand from services to goods; and while there were significant negative spillover effects of pandemic containment policies on trade partners, these were short-lived, and trade and value chains proved resilient overall. However, to guard against future shocks, those international production and trade networks can be strengthened by increasing diversification, and enhancing substitutability, in input sourcing. While economies globally, are still trying to relaunch their economies, the Ukraine-Russia conflict has triggered a costly crisis. Similar to COVID-19, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Performance of major macroeconomic indicators is outlined in Table 1 below.

**Table 1: Major Macroeconomic Indicators of Selected Economies**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022*	2023*
World	4.3	3.5	3.5	3.6	3.4	3.4	3.8	3.6	2.9	-3.3	6.1	3.6	3.6
Advanced economies	1.7	1.2	1.4	2.1	2.3	1.7	2.4	2.2	1.7	-4.7	5.2	3.3	2.4
USA	1.6	2.2	1.8	2.5	2.9	1.6	2.2	2.9	2.3	-3.5	5.7	3.7	2.3
Euro Area	1.6	-0.9	-0.2	1.4	2.1	2.0	2.4	1.9	1.3	-6.6	5.3	2.8	2.3
EM & DE	6.4	5.4	5.1	4.7	4.3	4.6	4.8	4.5	3.7	-2.2	6.8	3.8	4.4
China	9.5	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.1	2.3	8.1	4.4	5.6
India	6.6	5.5	6.4	7.4	8.0	8.2	7.2	6.8	4.2	-8.0	8.9	8.2	6.9
Brazil	4.0	1.9	3.0	0.5	-3.5	-3.3	1.1	1.3	1.1	-4.1	4.6	0.8	1.4
SSA	5.3	4.7	5.2	5.1	3.2	1.4	2.9	3.2	3.1	-1.9	4.5	3.8	4.0

**Note:** EM & DE is Emerging Market and Developing Economies.

SSA is Sub-Sahara Africa.

\*April 2022 Projections.

**Source:** IMF World Economic Outlook, April 2022.

The global growth is estimated to slowdown from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January 2022. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Conflict-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging markets and developing economies which is 1.8 and 2.8 percentage points higher than projected last January 2022. Multidimensional efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global

liquidity, manage debt distress, tackle climate change, and end the pandemic, remain important.

According to the IMF's World Economic Outlook for April 2022, the US and Euro Area have recorded a positive growth of 5.7 percent and 5.3 percent in 2021, respectively. Growth in emerging and developing economies, which accounts for over half of the world growth increased by 6.8 percent from a contraction of 2.2 percent in 2020. In China growth improved from 2.3 percent in 2020 to 8.1 percent in 2021. Growth in India and Brazil increased by 8.9 percent in 2021 compared to a decline of 8.0 percent in 2020, and from a contraction of 4.1 percent in 2020 to an increase of 4.6 percent in 2021, respectively.

Economic activity in Sub-Saharan Africa (SSA) increased by 4.5 percent in 2021 compared to a contraction of 1.9 percent recorded in 2020. Growth in the SSA was boosted by an increase in economic activities in the two largest economies of Nigeria and South Africa. The two countries registered a positive growth of 3.6 per cent and 4.9 per cent in 2021, respectively.

The IMF envisages that global growth will decline significantly in 2022, mainly due to the consequence of the Ukraine-Russia conflict. A severe double-digit drop in GDP is expected in Ukraine due to fighting. A significant decline is expected for Russia due to sanctions and European countries' decisions to scale back energy imports. The economic costs of the conflict are expected to spread farther afield through commodity markets, trade, and to a lesser extent financial interlinkages. Fuel and food prices are on the rise and the effect is significant to most sectors, particularly in low and medium income countries. The IMF is projecting a global economic growth of 3.6 percent in 2022 and the same figure for 2023, from a contraction of 4.4 percent in 2020.

## **2.2 Global Inflation and Financial Developments**

### **2.2.1 Inflation**

Global inflation has continuously been to the upside in recent months, with median headline consumer price inflation reaching 4.6 percent on a 12-month basis in October 2021, up from a pandemic-related trough of 1.2 percent in May 2020. The rebound in global demand and activity since mid-2020, together with supply disruptions and rising food and energy prices, have pushed headline inflation to decade highs across many countries. Core consumer price inflation—excluding food and energy—has also increased globally; in some economies, this has in part reflected rising housing price inflation. The increase in inflation has led various central banks to partially unwind their accommodative monetary policies.

### **2.2.2 Financial Markets Developments**

Financial conditions in advanced economies remained very accommodative even as some major central banks have begun to reduce long-term asset purchases and signaled plans to raise policy rates. The emergence of the Omicron variant triggered an episode of substantial market volatility in late 2021. However, equity prices rapidly returned to near historically high levels, boosted by strong corporate earnings. Meanwhile, house prices surged to record highs, supported by low borrowing costs. Although corporate credit spreads have edged up, they remain compressed even for riskier borrowers. Government bond yields remained subdued at the turn of the year, having pared back sizable increases since mid-2021.

## **2.2.3 Trends in Trade and Industrialisation**

### **2.2.3.1 Global Trade**

Overall, the value of global trade reached a record level of about US\$ 28.5 trillion in 2021, an increase of about 25 per cent relative to 2020 and an increase of about 13 per cent relative to the pre-pandemic level of 2019. While most global trade growth took hold during the first half of 2021, growth continued in the second half of 2021. After a relatively slow third quarter, trade growth picked up again in Q4 2021, when the value of global trade increased by about 3 per cent relative to Q3 2021. During Q4 2021, trade in goods increased by almost US\$ 200 billion to reach about US\$ 5.8 trillion, a new record. During the same period, trade in services rose by about US\$ 50 billion to reach about US\$ 1.6 trillion, a value just above pre-pandemic levels. On a year-over-year basis, trade in goods strongly outperformed trade in services, with increase of about 27 per cent and 17 per cent respectively.

### **2.2.3.2 Commodity Prices**

According to the 2022 World Bank, Commodity Prices Report, commodity prices had been on an upward trend since the beginning of 2021 with energy and non-energy prices having increased by 63.4% and non-energy prices by 22.7%. Both energy and non-energy commodity prices, soared in January and February 2022, rising by 7.7% and 4.2%, respectively. In March 2022, Energy prices surged 24.1% led by Crude oil (+20.2%), coal (+49.9%) and Natural Gas (+55.7%). On an annual basis, energy commodities have risen 101.6% and non-energy commodities 31.7%. Among key subgroups, agricultural commodities jumped 7.2%, metals and minerals 7.7% and precious metals 5.3%. The commodity prices are anticipated to remain elevated for the remaining part of 2022 into 2023.

### **2.2.3.3 Global Investment Initiatives**

According to UNCTAD's Investment Trends Monitor, global foreign direct investment rebounded strongly in 2021, but the recovery was highly uneven. Global foreign direct investment (FDI) flows showed a strong rebound in 2021, up 77% to an estimated \$1.65 trillion, from \$929 billion in 2020, surpassing their pre-COVID-19 level. Developed economies saw the biggest rise by far, with FDI reaching an estimated \$777 billion in 2021 – three times the exceptionally low level in 2020, the report shows. In Europe, more than 80% of the increase in flows was due to large swings in conduit economies. Inflows in the United States more than doubled, with the increase entirely accounted for by a surge in cross-border mergers and acquisitions (M&As).

### **2.2.3.4 Global Peace and Security**

The Ukraine-Russia conflict has had dire consequences for the rest of the world, adversely impacting global trade by disrupting supply-chains and exacerbating commodity price increases. According to the World Bank, commodity prices had been on an upward trend since the beginning of 2021 with energy having increased by 63.4% and non-energy prices by 22.7%. On an annual basis, energy commodities have risen 101.6% and non-energy commodities 31.7%. Among key subgroups, agricultural commodities jumped 7.2%, metals and minerals 7.7% and precious metals 5.3%. The commodity prices are anticipated to remain elevated for the remaining part of 2022 into 2023.

The global peace was further characterised by geopolitical tensions especially regarding the build-up by Russia of weapons along its border with Ukraine and China on Taiwan. Long standing tensions in the Middle East continued, especially between Israel and Iran which is

attempting to build-up arms in Syria for use against Israel. In Africa, terrorist insurgencies continued in many parts of the continent.

## **2.2.4 Global Food Security**

Agricultural prices have increased significantly as a result of weaker grain production from Ukraine alongside higher costs for critical agricultural inputs such as fuel, chemicals, and fertilizers. Regional economies that are reliant on oil imports will see wider fiscal and trade deficits and more inflationary pressures. Steeper price increases for fuel have implications on households, the agricultural sector, and food security and the soaring fuel prices are feeding into higher production and transportation costs and ultimately cost-push inflation.

Droughts, floods, wildfires, and other extreme events made more likely by climate change could further stress food systems. Events leading to sudden food production losses have become more frequent in recent decades, and they have had more severe impacts in areas where climate change has already slowed the growth of agricultural productivity and where the global poor are more concentrated. Food accounts for about half of consumption baskets and 20 percent of goods imports in LICs, on average; accordingly, even modest disruption to food supplies or increases in food prices can worsen food crises and contribute to severe inflationary pressures. Economies that import significant quantities of agricultural products from Russia and Ukraine are particularly vulnerable to disruption to the production and transportation of key commodities.

Food production is also at risk of being poorly distributed. Smaller producers such as subsistence farmers may lack the resources (or access to financial markets) required to purchase costly inputs. Low domestic yields combined with weak fiscal positions and the high cost of shipping may put adequate food stocks beyond the reach of poorer countries. Food shortages have significant negative consequences on both the near and long term. In the near term, food shortages can contribute to rising social unrest. Rising food prices can also cause fiscal balances to deteriorate, particularly in the presence of subsidies, which can either crowd out other spending or increase debt-related risks. In the long term, malnutrition has substantial human and economic costs that can persist for decades.

## **2.2.5 Global Health Situation**

The COVID-19 pandemic developments case loaded outbreaks of the fast-spreading Delta and Omicron variants outbreaks which had more muted impacts on economic activity than earlier variants. Most governments resorted to accelerated vaccinations in concert with widespread masking, expanded testing, and limits on large gatherings instead of strict lock downs. Vaccination had proceeded at the global level, with the number of doses administered exceeding 9 billion. Nonetheless, it remained highly uneven across countries. Over 75 percent of people in advanced economies had received at least one vaccine dose compared to about 55 percent in EMDEs. In contrast, only 8 percent of people in Low Income Countries (LICs) had received at least one dose. At recent vaccination rates, and unless they accelerate, only about a third of the LIC population would be inoculated by the end of 2023. While the low vaccination rate in LICs primarily reflects procurement obstacles, efforts to rapidly scale up inoculations were also being hampered by logistical challenges associated with distributing COVID-19 vaccines, including insufficient cold chain capacity.

While the world continues to grapple with the impact of COVID-19, a different viral outbreak, monkeypox, begun to make headlines. Monkeypox is an illness with characteristic skin lesions that is spread through close contact. The virus is closely related to the virus that caused smallpox, which was declared eradicated in 1980. Monkeypox has two variants, or clades; the Central African clade, in which one in 10 people die; and the West African clade, which has a

one percent case mortality about one in 100 people die. Case mortality is very dependent on the location and situation where people are being treated, how quickly they are diagnosed, and what therapies they receive. So the mortality may unfortunately be a function of a person's circumstances.

As of June 2022, the CDC reported 1,472 confirmed monkeypox cases in 33 non-endemic countries. The list includes (in order of most cases to least cases): United Kingdom, Spain, Portugal, Germany, Canada, France, Netherlands, United States, Italy, Belgium, Switzerland, United Arab Emirates, Ireland, Australia, Czechia, Slovenia, Sweden, Denmark, Israel, Finland, Argentina, Iceland, Latvia, Norway, Austria, Brazil, Gibraltar, Greece, Hungary, Malta, Mexico, Morocco, and Poland. The monkeypox outbreak is making headlines about this rare, transmissible virus that's related to smallpox.

## **2.3 Continental Context**

### **2.3.1 Peace and security**

Terrorist attacks and other forms of political violence have continued in a number of African countries, which include, Central African Republic, Burundi, Democratic Republic of Congo (DRC), Libya, Mali, Mozambique, Nigeria and Somalia. In South Sudan, armed groups have targeted the local population along ethnic lines. In Ethiopia a civil war erupted between the federal government and separatists in the Tigray and Oromo regions. There were unconstitutional changes of government through military takeovers or coup in the Republics of Chad, Mali, Guinea, and Sudan— mostly because of poor governance and persistent local insecurity. The Republic of Burkina Faso suffered another coup d'état in less than a year and the government of Guinea-Bissau survived an attempted coup d'état.

The surge in terrorist attacks, in addition to persistent conflicts in parts of Southern and Eastern Africa, remain significant drivers of displacement. In northern Mozambique, the intensification of violent attacks by Ahlu Sunna wal Jama has resulted in a sharp increase in displacement. These extremely violent attacks have plunged the country's northern provinces such as Cabo Delgado, which are still dealing with the devastating effects of Cyclone Kenneth, further into crisis. The conflict and violence had resulted in over half a million displacements in Mozambique, the fourth largest number of new conflict displacements in the world in 2020.

The Kingdom of Eswatini continued to experience political and security tensions after violent demonstrations and civil unrest against the monarchy erupted in June 2021, with protesters called for democratic reforms.

## **2.4 Regional Context**

Latest data provided by Member States in April 2022 and from the IMF World Economic Outlook database of April 2022 show that the COVID-19 pandemic triggered an economic recession more severe in tourism and commodity exports driven economies as well as in economies with limited policy space to respond.

The annual regional inflation slowdown on average in 2021 compared to 2020, largely due to low inflationary pressures in Zimbabwe. The Member States who achieved single digit average inflation benefited from the stability of the exchange rate and prudent implementation of fiscal and monetary policy, despite the acceleration in fuel price inflation.

The regional fiscal deficit average improved in 2021, which highlight regional economic recovery, albeit from a low base of the pandemic-stricken prior period, characterised by faster growth in revenue collections amid relatively slower growth in government spending as the



impact of the COVID-19 lockdown restrictions abated. Public debt on average improved but some countries remained above the threshold of 60 percent of GDP despite slight improvement in fiscal positions in 2021. The external position of the region continued to deteriorate due to the adverse effects of the ongoing COVID-19 pandemic. However, the severity varied across Member States.

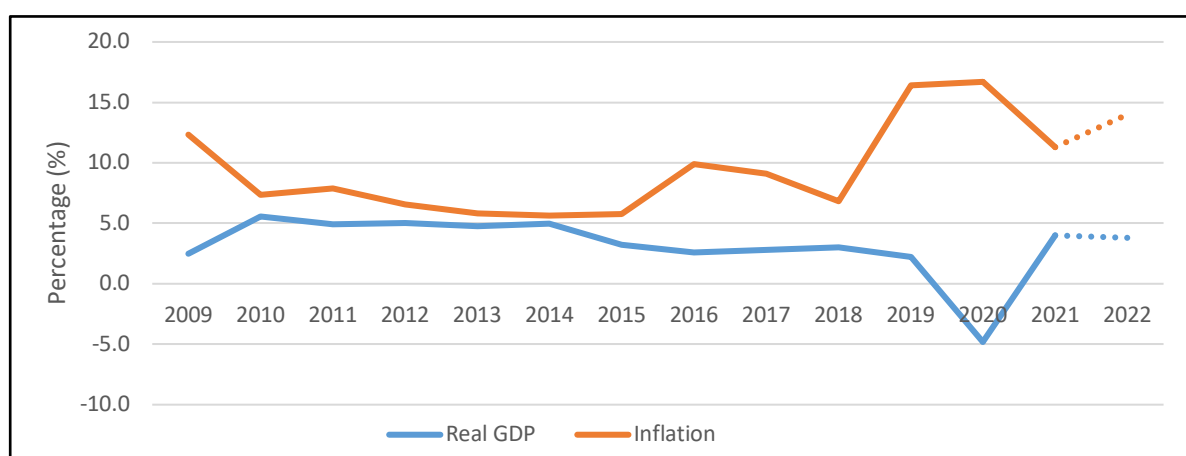
### 2.4.1 Real GDP

Latest data indicates that SADC regional GDP growth increased from a contraction of 4.8 percent in 2020 to 4.0 percent in 2021 (see Figure 1). All Member States recorded a positive real GDP growth in 2021. However, nine (9) Member States (Angola, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Seychelles and Zambia) recorded growth rates not exceeding 5 percent. Only Botswana and Zimbabwe met the regional target of 7 percent.

### 2.4.2 Inflation

SADC region annual inflation slowdown to an average of 11.3 percent in 2021 from 49 percent in 2020 (see Figure 1), largely due to a significant slow-down of inflation in Zimbabwe. All Member States except Angola, Malawi, Seychelles, 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 10.5 percent in 2022. Inflation is expected to remain above the regional benchmark in 2022 for Angola, Zambia and Zimbabwe.

Figure 1: Real GDP and Inflation

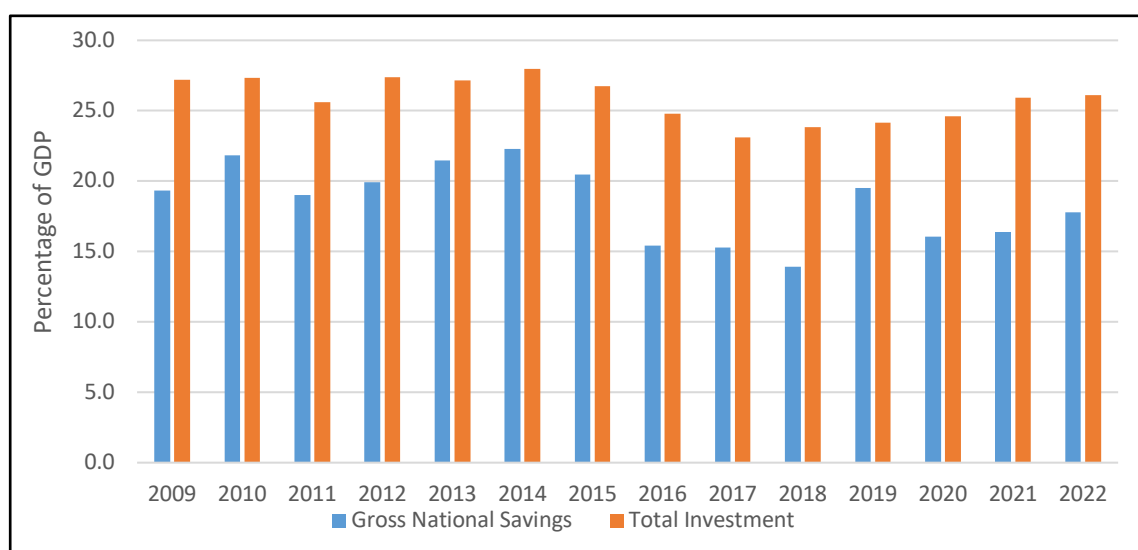


Source: Member States and IMF World Economic Outlook, April 2022

### 2.4.3 National Savings and Investment

Annual total investments and gross national savings remained subdued in 2021, with most Member States below the regional targets (see Figure 2). After a decline from 26.2 percent of GDP in 2015 to 23.5 percent of GDP in 2016, total investments have been on a steady increase up to 2020. The region recorded a marginal decline in total investments to 24.3 percent of GDP in 2021 from 24.6 percent of GDP in 2020. Only three Member States (Mozambique, Tanzania and Zambia) recorded investments above the regional target of at least 30 percent of GDP, down from five Member States (Botswana, Mozambique, Seychelles, Tanzania and Zambia) who achieved the target in 2020.

**Figure 2: National Savings and Total Investment (% of GDP)**



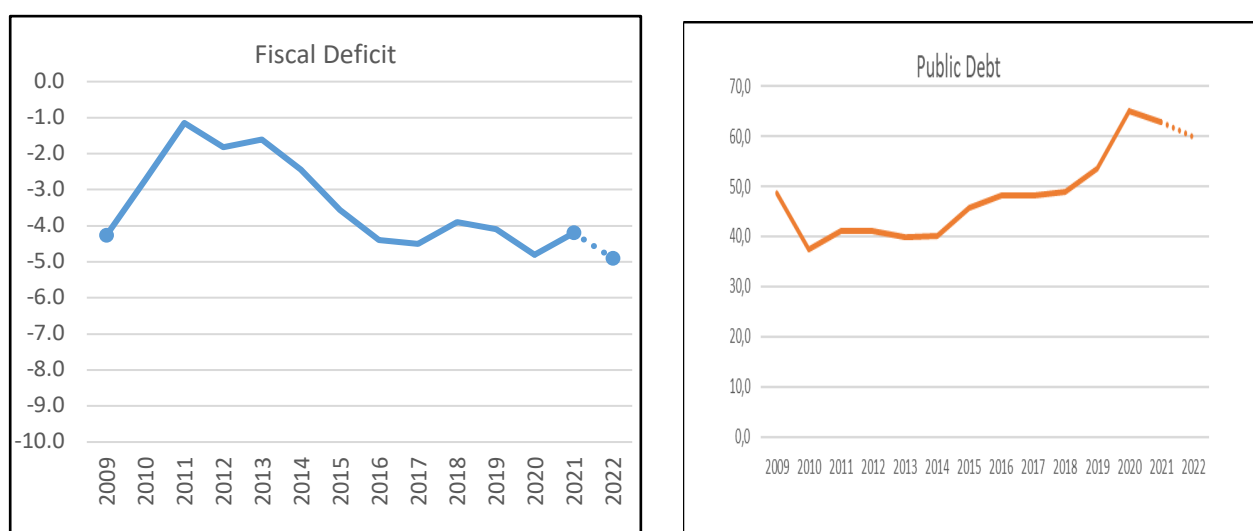
**Source:** Member States and IMF World Economic Outlook, April 2022

On the savings side, gross national savings remained below 20 percent of GDP at 18.2 percent of GDP in 2021 from 17.9 percent of GDP in 2020. Three Member States (Angola, Tanzania and Zambia) recorded total gross national savings above the regional target of 35 per cent of GDP. This is an improvement from one country (Zambia) that met the regional target in 2020.

## 2.4.4 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. Figure 3 outlines the trend in fiscal deficit and public debt as a % of GDP.

**Figure 3: SADC - Fiscal Deficit and Public Debt as a % of GDP**



**Source:** Member States and IMF World Economic Outlook, April 2022

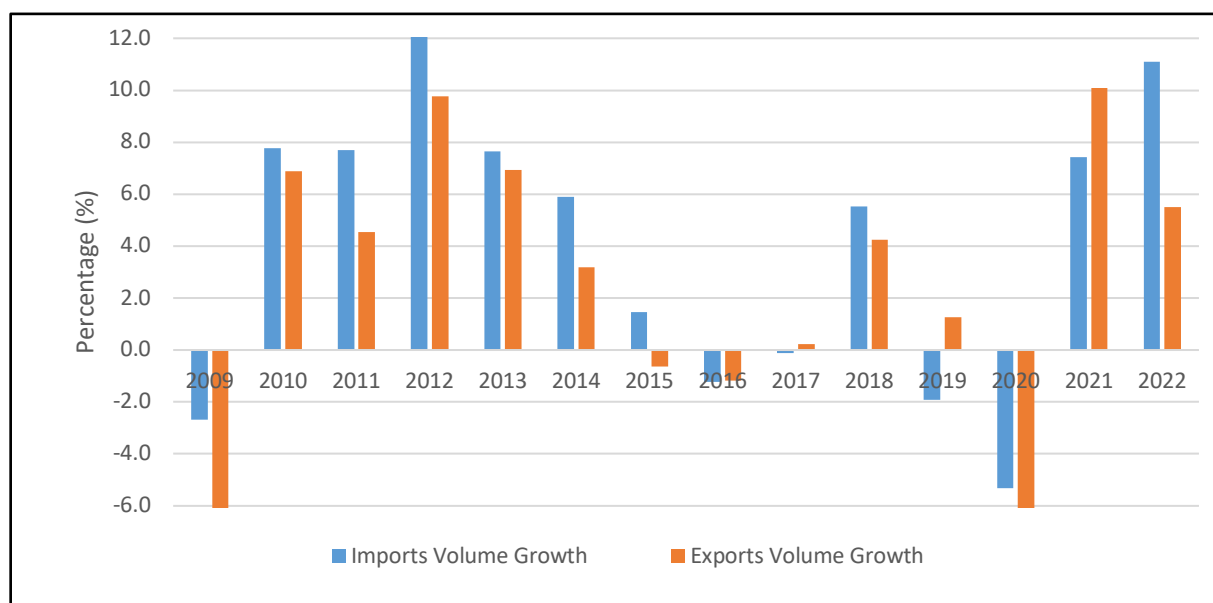
Fiscal deficit slightly deteriorated to 4.2 percent of GDP in 2021 compared to 4.8 percent of GDP recorded in 2020. Only Angola, DRC, Tanzania and Zimbabwe achieved the regional fiscal deficit target of 3 per cent of GDP in 2021. This highlights regional economic recovery, albeit from a low base of the pandemic-stricken prior period, characterised by faster growth in revenue collections amid relatively slower growth in government spending as the impact of the COVID-19 lockdown restrictions abated.

## 2.4.5 External Sector

The regional external sector has remained relatively firm in 2021, mainly due to firm commodity prices. SADC Member States who rely heavily on commodity exports benefited. Member States external sector showed resilience during the outbreak of the pandemic largely due to the quick restoration of economic activity and recovery of China, a major destination of SADC exports. In addition, the global Special Drawing Rights (SDRs) disbursement by the International Monetary Fund (IMF) enhanced the stability of the external sector by bolstering foreign reserves of SADC Member States. However, recent developments such as protectionism policies pursued by major trading partners and continuous deterioration in competitiveness will weigh negatively on countries especially in the manufacturing sector.

The regional average of current account deficit as a per cent of GDP marginally widened from 4.1 percent in 2019 to 4.5 percent in 2020 and improved slightly to 4.2 percent in 2021 (see Figure 4). Two Member States (DRC and Eswatini) met the regional current account balance target in 2021, down from nine Member States (Angola, DRC, Eswatini, Lesotho, Namibia, South Africa, Tanzania, Zambia and Zimbabwe) who met the target in 2020. Member States that are experiencing significant current account deficits are Malawi, Mozambique and Seychelles.

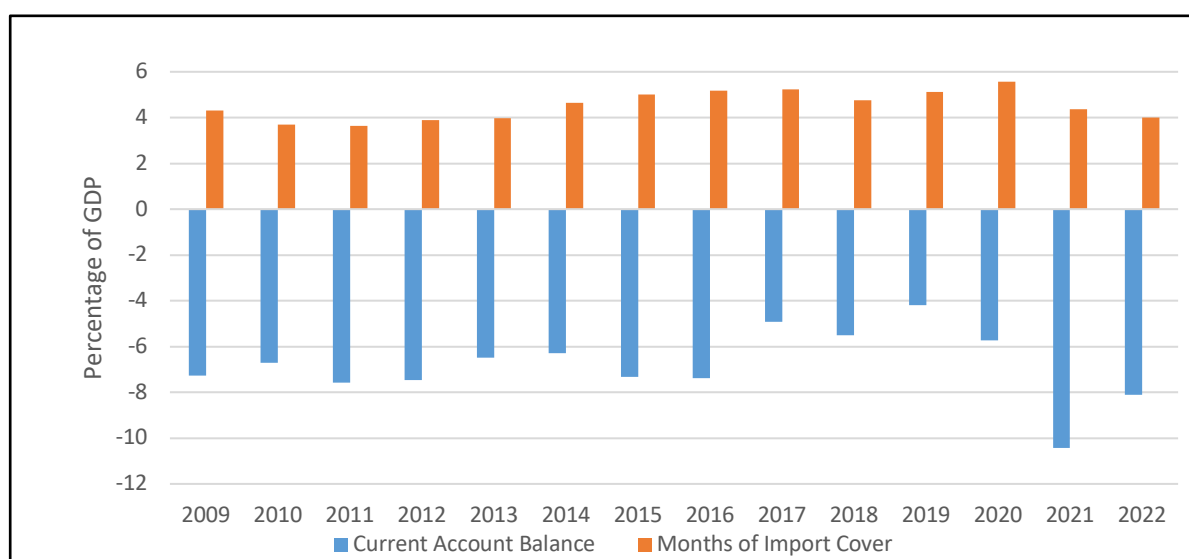
**Figure 4: Imports and Exports Growth**



**Source:** Member States and IMF World Economic Outlook, April 2022

A significant trade deficit is expected in 2021, largely driven by an increase in imports and slow recovery of exports. The current account balance is expected to widen to a deficit of 5.4 percent of GDP in 2021 from 4.5 percent in 2020 (see Figure 5). However, foreign reserves are estimated at 6.2 months of import cover in 2021 from 5.7 months of import cover in 2020 largely supported by significant foreign aid flows.

**Figure 5: Current Account Balance and External Reserves**



Source: Member States and IMF World Economic Outlook, April 2022

## 2.4.6 Foreign Direct Investment

Foreign Direct Investment (FDI) to Southern Africa jumped to \$42 billion due to a large corporate reconfiguration in South Africa in the third quarter of 2021. New project announcements included a \$4.6 billion project finance deal in clean energy and a \$1 billion greenfield project for a data centre campus.

## 2.5 Prospects for 2022 and Medium-Term

The regional economic growth is estimated to increase to 3.8 percent in 2022. The forecasted economic recovery in 2022 will largely depend on global economic recovery and on political tensions. However, the outlook remains uncertain owing to the reoccurrences of COVID-19 waves, emergence of new virus' variants, the slower than anticipated vaccine rollout, political unrest and the Ukraine-Russia conflict. This can undermine economic recovery and ultimately dampen the growth prospects for the region.

Annual inflation rate in the SADC region is projected to increase by 14.0 percent in 2022 on account of external factors emanating from the continued global economic recovery, such as the elevated global oil prices and political tensions. Inflation in Zimbabwe is projected to increase to an average of 86.7 percent in 2022 from 58 percent in 2021. Inflation is expected to increase above the regional benchmark for Angola, Botswana, Madagascar, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe.

The fiscal position for Member States is projected to slightly deteriorate and register a deficit of 4.9 percent of GDP in 2022, mainly due to expected fall in government revenues against elevated expenditures. The projected fiscal deficit is likely to be financed by a mix of a drawdown in government savings, domestic and planned foreign borrowings, especially in 2022. Therefore, Member States will need to identify additional financing to meet the residual financial gap that remains after exhausting its savings, domestic borrowings as well as planned foreign borrowings. Only two Member States (Mozambique and Zimbabwe) are projected to achieve the 60 percent of GDP regional set target for the public debt in 2022.

Overall, Member States are projected to improve in achieving the agreed macroeconomic convergence indicators in 2022. None of the Member States is projected to meet the set targets of the Primary Macroeconomic Indicators (Inflation, Fiscal Deficit and Public Debt) in 2022.

## 2.6 Potential Risks and Implications to the Regions

**The impact on the Ukraine-Russia conflict:** The conflict presents two difficult policy trade-offs: the need to deal with inflation and safeguarding the recovery; and rebuilding fiscal buffers. The pandemic and the impact of the conflict may also have worse-than-expected longer-term effects on regional growth. The transmission of the conflict shock will vary across countries, depending on trade and financial linkages, exposure to commodity price increases, and the strength of the pre-existing inflation surge.

**The impact of Political unrest and the pandemic:** The risk associated with the recent pandemic and political unrest remains elevated going forward. The outlook is clouded by various downside risks, including new COVID-19 outbreaks, the possibility of de-anchored inflation expectations, and financial stress in a context of record-high debt levels. If some countries eventually require debt restructuring, this will be more difficult to achieve than in the past. Moreover, the following are foreseen;

- (i) **Inflation** will be high over the medium term; central banks are likely to react faster in raising interest rates which will expose debt vulnerabilities and reduce economic activity.
- (ii) **Fiscal deficit** is likely to widen in the short to medium term due to the need for fiscal expansion in a stride to curtail new variants of the pandemic and spillover effects of the Ukraine-Russia conflict
- (iii) **Climate change** may increase commodity price volatility, creating challenges for the almost two-thirds of countries (including SADC Member States) that rely heavily on commodity exports and highlighting the need for asset diversification.
- (iv) **Social tensions** may heighten as a result of the increase in inequality caused by the pandemic. These challenges underscore the importance of strengthened cooperation to promote a green, resilient, and inclusive recovery path.



## 3 SADC PERFORMANCE AS A REC

### 3.1 Overview of Agenda 2063

Agenda 2063 embodies the vision and aspirations of the Africa people articulating “**the Africa we want**” by 2063. Agenda 2063 is built on seven (7) Africa’s Aspirations each with its own set of goals as outlined in Table 2 below. It also identifies 15 key Flagship (outlined in next section) projects which can boost Africa’s economic growth and development and lead to the rapid transformation of the continent

**Table 2: Goals and Priority Areas for the First Ten Years of Agenda 2063**

	ASPIRATIONS		GOALS
1	A prosperous Africa based on inclusive growth and sustainable development	1	A high standard of living, quality of life and well-being for all
		2	Well educated citizens and skills revolutions underpinned by science, technology and innovation
		3	Healthy and well-nourished citizens
		4	Transformed economies and jobs
		5	Modern Agriculture for increased productivity and production
		6	Blue/Ocean Economy for accelerated economic growth
		7	Environmentally sustainable climate and resilient economies and communities
2	An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance	8	United Africa (Federal/Confederate)
		9	World class infrastructure criss-crosses Africa
		10	Decolonisation
3	An Africa of good governance, democracy, respect for human rights, justice and the rule of law	11	Democratic values, practices, universal principles for human rights, justice and rule of law entrenched
		12	Capable institutions and transformed leadership in place at all levels
4	A peaceful and secure Africa	13	Peace security and stability is preserved
		14	A stable and peaceful Africa
		15	A fully functional and operational APSA
5	An Africa with a strong cultural identity, common heritage, shared values and ethics	16	Africa cultural renaissance is pre-eminent
6	An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children	17	Full gender equality in all spheres of life
		18	Engaged and empowered youth and children
7	Africa as a strong, united, resilient and influential global player and partner	19	Africa as a major partner in global affairs and peaceful co-existence
		20	Africa takes full responsibility for financing her development
	<b>7 Aspirations</b>		<b>20 Goals</b>

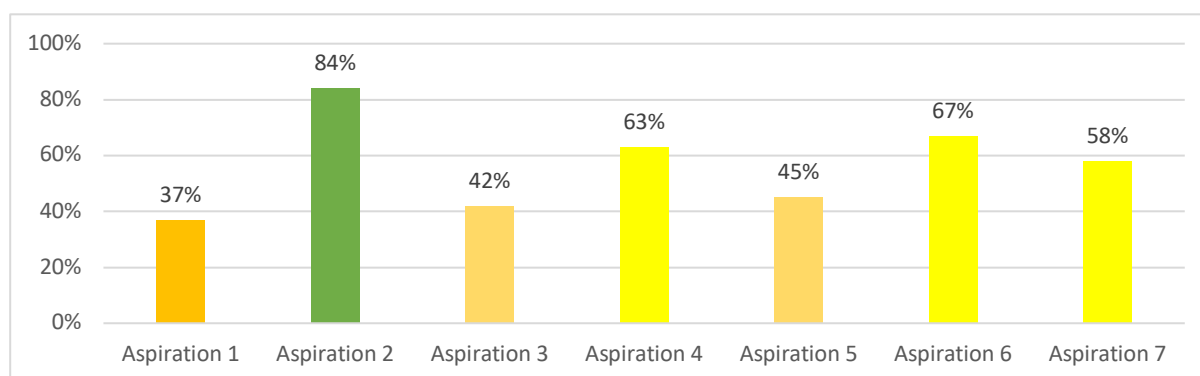
### 3.2 Performance Recorded in the Implementation of Agenda 2063

#### 3.2.1 Implementation of Agenda 2063 at Continental Level

The overall performance of the African continent in achieving the seven (7) aspirations of Agenda 2063 stands at 51%. This is an upward performance, compared with that of 2019, which was 32%. As presented in Figure 6 below, African continent achieved its best performance at Aspiration 2 “An integrated continent politically united and based on the ideals of Pan-Africanism and the vision of African Renaissance”, with a score of 84%. Further

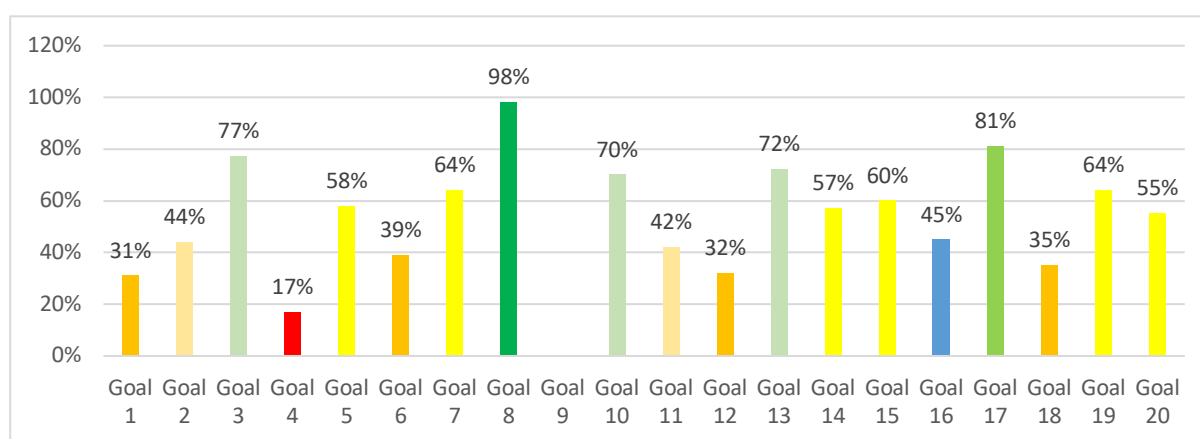
achievements were noted on Aspiration 6 "An Africa whose development is people-driven, relying on the potential offered by the people, especially its women and youth, and caring for children", with an overall score of 67% in 2021 with the worst results obtained at aspiration 1 "A prosperous Africa based on inclusive growth and sustainable development" and Aspiration 3 "An Africa of good governance, democracy, respect for human rights of people, justice and the rule of law", with scores of 37% and 42% in 2021 respectively

**Figure 6: Continental Performance on Agenda 2063 Aspirations**



Moreover, at goal level, analysis of the major trends between 2019 and 2021 shows that more than 75% of the goals have evolved positively. However, Goal 1 "A high standard of living, quality of life and well-being for all citizens", Goal 15 "A fully functional and operational African Peace and Security Architecture" and Goal 18 "Engaged and empowered youth and children" recorded poor performances. These goals have reported significant drop (from a score of 56% in 2019, goal 1 stood at 31% in 2021, Goal 18, from 38% in 2019 to 33% in 2021) (see Figure 7). The best scores were recorded for Goals 3, 10 and 17 which relate to health, infrastructure and gender promotion with Goals number 5 relating to agriculture and Goal 19 relating to partnership and peaceful coexistence recording moderate performances, while Goals 1 and 4 respectively relating to well-being and employment recorded the lowest scores of 31% and 29%.

**Figure 7: Continental Performance on Agenda 2063 Goals**

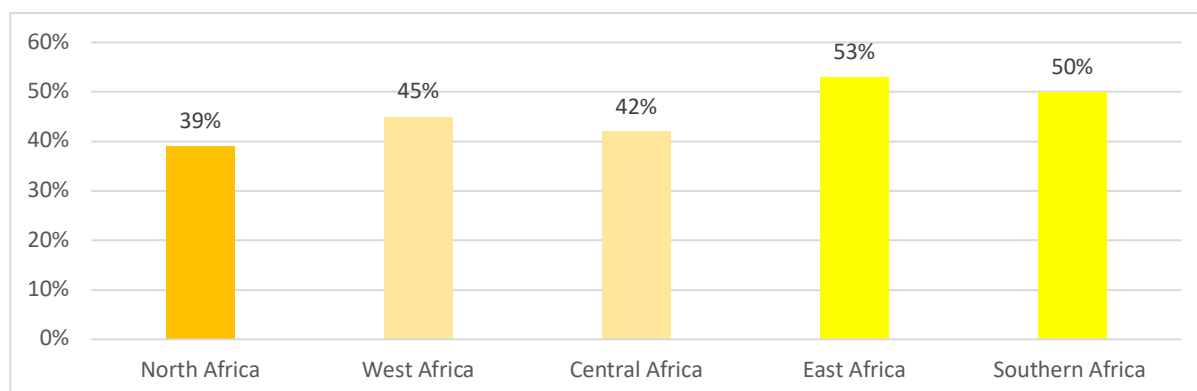


### 3.2.2 Implementation of Agenda 2063 at Regional Level

With an overall performance of 50%, Southern Africa stands at number two in terms of performance after East Africa Community which has recorded the best performance with an overall score of 53% against the 2021 targets (see Figure 8). West Africa scored 45%, Central

Africa 42% and the last one is North Africa 39%. Southern Africa led on Aspiration number 1 “A prosperous Africa based on inclusive growth and sustainable development” by achieving a score of 57% with East and West Africa coming at a distant second with a 38% score – apiece.

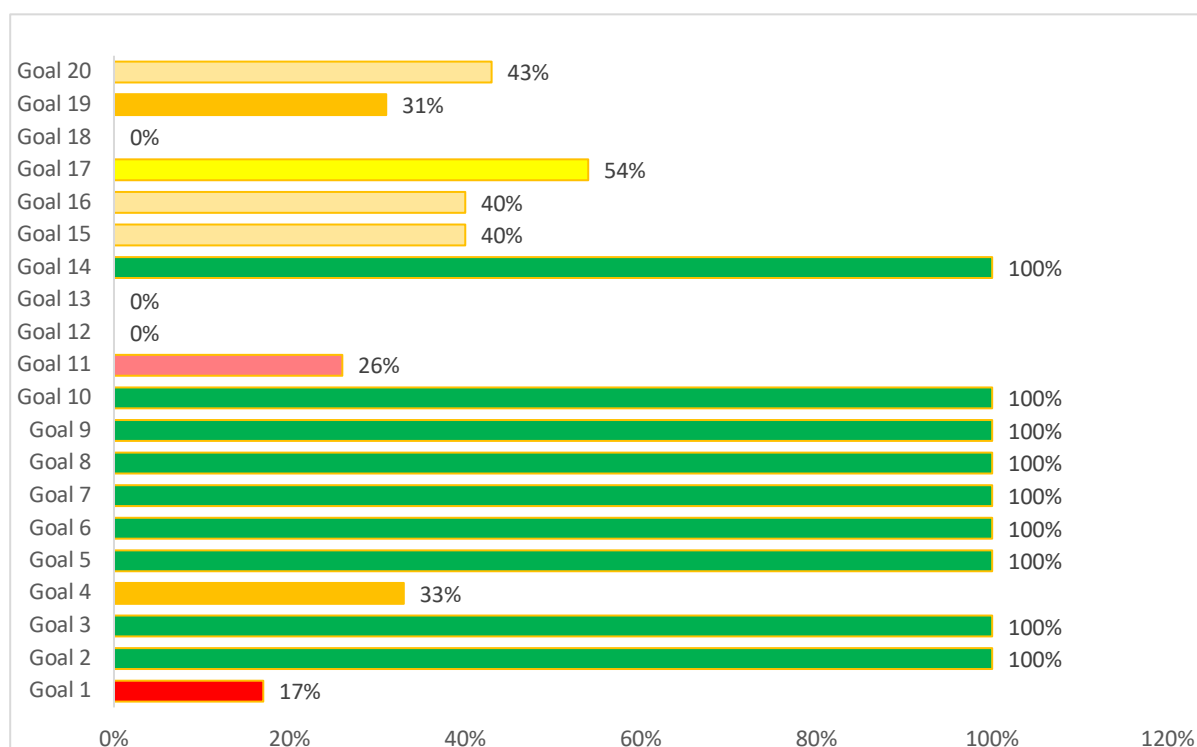
**Figure 8: Southern Africa Performance on Agenda 2063 Aspirations in comparison with other Regions**



### 3.2.3 Performance recorded at Goal Level

At goal level, Southern Africa has performed well with 8 goals achieving 100% (goal number 2,3, 5, 6, 7, 8, 10 and 14) while other goals are in range between 0% to 54% (see Figure 9). Southern Africa has performed poorly in goal number 12, 13 and 18 (capable institutions and transformed leadership at all levels, Peace, Security and Stability are preserved and engaged and empowered youth) which managed to obtain 0% including goal number 1 and 11 (a high standard of living, quality of life and well-being for all and democratic values, practices, universal principles of human rights, justice and rule of law entrenched) which are at 17% and 26% respectively as presented in the figure 6 below;

**Figure 9: SADC Performance on Agenda 2063 Goals**



**Note:**

	90-100%		80-89%		70-79%		50-69%		40-49
	30-39%		20-29		0-19%				

### 3.3 Flagship Projects

As per Agenda 2063, flagship projects refer to key programmes and initiatives which have been identified as key to accelerating Africa's economic growth and development as well as promoting our common identity by celebrating our history and our vibrant culture. The Flagship projects encompass amongst others infrastructure, education, science, technology, arts and culture as well as initiatives to secure peace on the continent.

#### 3.3.1 Performance in Implementation of Flagship Projects by SADC Region

SADC has continued to perform well on the flagship projects and thus all the flagships projects have recorded a notable success as outlined in Table 3 below.

**Table 3: Implementation of Selected<sup>1</sup> Flagship Projects by SADC**

	Project	SADC Implementation Achievements
1	Flagship Project (i) - Integrated High Speed Train Network	Southern Africa boasts a well-functioning interconnected cape-gauge network (1,067 mm track gauge). It is recognized that it may not be practical to upgrade this network in the short and medium terms to standard gauge as a well-functioning connected network is more important than one that is fragmented, though partly meeting the continental common standard.
2	Flagship Project (ii) – An African Virtual and E-University	Two centres of specialization in ODL and a functional Regional ODL Technical Committee, which meets annually, has since been put in place. Substantial progress has been made in ODL in SADC, with work in progress to establish more ODL centres. Plans are being developed to establish quality management, accountability systems, as well as M&E and reporting for SADC Member States.
3	Flagship Project (iii) – African Commodities Strategy	SADC has started initiatives to develop Regional Value Chains in the three prioritized sectors mainly focusing on identification of potential investments projects. Working with other stakeholders including DFIs and International Cooperating Partners, it will produce a database of potential regional value chain projects which will be actively promoted to attract both regional and international investors. SADC has secured resources and support to identify potential projects in the minerals sector (copper, mining inputs, batteries/energy storage), pharmaceuticals (ARVs, anti-malaria medicines, malaria rapid test kits, malaria bed nets, condoms and latex consumables) and being guided by already developed work agro-processing projects. The Secretariat has also received project proposals from five Member States which are currently being evaluated; the projects have an estimated value of \$120m, mainly in the agro-processing sector.
4	Flagship Project (v) - Continental Free Trade Area by 2017	The SADC Free Trade Area, launched in August 2008, now covers twelve of SADC's sixteen Member States. Except for two Member States currently facing challenges in implementing their tariff commitments, all the other participating Member States are fully meeting their obligations under the Free Trade Area. Since 2013, intra-regional trade in SADC has been consistently above 20% and growing, which can be considered to be a relatively good achievement compared to the pre-FTA era high of around 16%.

<sup>1</sup> Only those where recent information was available.

	Project	SADC Implementation Achievements
		<p>To support the free movement of services in the region, the SADC Protocol on Trade in Services entered into force on 13th January 2022, following the submission, by the Republic of Malawi, of her instrument of ratification in December 2021. Malawi's submission enabled the threshold of instruments of ratifications by two-thirds of SADC Member States set by the Protocol for its entry into force to be met. To date, eleven (11) Member States, except for Angola, Comoros, DRC, Madagascar and Tanzania, have ratified the Protocol on Trade in Services. The implementation of the Protocol by all Member States would accelerate and consolidate the achievement of a liberal trading framework for trade in services and creation of a single market for services in the SADC region</p> <p>Progress has been registered with regard to development of a Simplified Trade Regime Framework as well as a framework on E-Certificate of rules of origin. Ministers of Trade will consider final drafts of the two frameworks in June 2019. Once these frameworks are in place they will assist in trade facilitation particularly for small-scale cross-border traders.</p>
5	Flagship Project (vi) – Free movement of people	<p>The Protocol on the Facilitation of Movement of Persons, adopted in 2005, seeks to fulfil the objectives of the SADC Treaty, which requires Member States to “develop policies aimed at the progressive elimination of obstacles to the free movement of capital and labour, goods and services and of the people of the region generally among Member States.” The Protocol outlines short-term and long-term objectives that are based on three core elements, which are:</p> <ul style="list-style-type: none"> <li>(i) Visa-free entry for SADC nationals into all other SADC Member States;</li> <li>(ii) Right of establishment; and</li> <li>(iii) Right to residence.</li> </ul> <p>The Protocol has so far been ratified by five Member States, although it has yet to enter into force. Moreover, the SADC Labour Migration Action Plan (2016-2019) has been developed based on the existing policy instruments including SADC Labour Migration Policy Framework and SADC Employment and Labour Protocol. Its aimed at promoting labour migration for regional integration and development in the SADC Region.</p>
6	Flagship Project (viii) – Pan-African E-Network	<p>The SADC Regional Internet Exchange Points (RIXPs) is part of the African Internet Exchange System (AXIS) initiative, and the region has initiated a process to develop the SADC Regional Cross-Border Interconnection Policy and Regulatory Framework. The SADC Home and Away Roaming (SHAR) using Roam Like at Home (RLAH) principle is being implemented, monitored and evaluated in Member States</p>
7	Flagship Project (xi) – Single African air transport market	<p>Establishment of the SADC Aviation Safety Organization (SASO) to promote the safe and efficient use and development of civil aviation within the SADC region. It will accomplish this by assisting SADC Member States in meeting their safety oversight obligations and responsibilities as outlined under the Convention on International Civil Aviation</p>
8	Grand Inga Dam Project	<p>The SADC Secretariat and the SADC Ministers responsible for Energy were recently informed that the Democratic Republic of Congo (DRC) is preparing to develop INGA 3 Hydropower Project with capacity of 11,050 MW as one of the components for the Great Grand Inga (Inga 3 - Inga 8) with support from the African Development Bank and the African Union Development Agency-NEPAD. When fully developed, the Great Grand Inga will generate 42,000 MW. A specialized Agency under the office of the President has been established namely Agence pour le Développement et la Promotion du projet Grand Inga (ADPI). The Project is proposed to be developed under the Build, Operate and Transfer (BOT) concept. The Ministers of Energy were informed that the Government of the Democratic Republic of Congo also signed an agreement with a consortium comprising Spanish partners (Actividades de Construcción Servicios SA and AEE Power Holdings) and Chinese companies (China Three Gorges and State Grid International Development). The Ministers also noted that the DRC Government has signed a Treaty with the Government of South Africa to supply 5,000 MW.</p>



### 3.4 Comparison of SADC Integration Status against other RECs

SADC has made considerable progress in consolidating the SADC FTA, especially in the dimensions of Financial integration, infrastructural integration, trade integration and environmental integration in which the region has achieved remarkable performance. Given this performance and using the African Multi-Dimensional Regional Integration Index (AMRII) to assess and analyse the various instruments for integration and programs/projects being implemented towards achieving its objectives and integration agenda, SADC's status of integration in 2022 has been rated 0.74 out of a ranking range of 0 – 1. This compares favourably to the scores obtained by EAC (0.80), and ECOWAS (0.76) against the average Africa integration score of 0.64. Other RECs scored as follows: COMESA (0.59), IGAD (0.58), UMA (0.57) and ECCAS (0.56).

In spite of not moving on to actualise the Customs Union as per envisaged timeline, the Region's moderate rate of intra-regional trade (23% of total trade with the rest of the world) is proof that several agreements either bilateral or multilateral contribute to achieving the ultimate objective of trade integration. Besides, SADC has a regional clearing system operator which has been created to facilitate the clearing of trade payments. In addition, SADC's establishment of, among others, the Payment System Oversight Committee (PSOC) and Payment System Subcommittee, under the Committee of Central Bank Governors in SADC (CCBG), is accelerating financial integration.

A formal framework and financial institutions within the region is a major factor in the achievement of financial integration. Further, to drive the development of a harmonized, integrated, and credible regional securities/capital market capable of mobilizing domestic resources to address the sustainability challenges of smaller national markets and alleviate inequalities, SADC established the Committee of SADC Stock Exchange, which also serves as a cooperation framework among SADC Stock Exchanges.

SADC established the Project Preparation and Development Facility to support infrastructure development in the region while the full operationalization of the Regional Development Fund (RDF) is ongoing. SADC also continues make progress in the area of peace and security, including efforts towards the holding of regular democratic elections, the SADC Election Observation Missions deployed on basis of set Principles and Guidelines, the Force Intervention Brigade deployed to the Democratic Republic of Congo to assist with securing peace and security, SADC Standby Force established, SADC Standby Force Regional Logistical Depot under construction, Successful mediation for political stabilization conducted in Madagascar and Lesotho.

On the environmental front, SADC has a significant number of programmes and plans. These affect biodiversity, deforestation, forest governance, transboundary conservation and joint projects, green growth and the climate.

The SADC Management Retreat reflected on the need to define regional integration and what it means for Southern Africa, including the interlinkages and dependencies on the continental integration agenda at AU level. In doing so, it is key to:

- Identifying metrics, measures and KPIs for monitoring and tracking performance of SADC. Developing a scorecard for SADC would ensure evidence-based reporting that demonstrates value add and impact to the Member States.
- SADC as a building block of the AU, cascading such a scorecard-based approach would have positive kickbacks and uniformity in objectively monitoring and tracking progress at the continental level,

## 4 REGIONAL PERFORMANCE BY THE RISDP 2020-30 PILLARS

---

### 4.1 Foundation: Peace, Security and Good Governance

The Peace, Security, and Good Governance foundational pillar of the RISDP 2020–2030 aims to enhance conflict prevention, management, and resolution mechanisms with an effective early warning system capable of tracking and monitoring political, security, and socio-economic threats. SADC aspires to promote political and economic independence, durable peace and security, and poverty eradication. Peace and security are considered as the necessary preconditions for regional development because instability in one Member State could have negative impact on neighbouring countries and become a stumbling block in regional integration.

#### 4.1.1 Deployment of the SADC Electoral Observation Missions

- (i) A virtual SADC Electoral Observation Mission (SEOM) was successfully conducted to the Republic of Zambia in August 2021 with the joint Organ Troika and SADC Electoral Advisory Council (SEAC). The aim was to further consolidate democracy in the region, in accordance with the revised SADC Principles and Guidelines Governing Democratic Elections (2021).
- (ii) The SEAC Post-Election Reviews were conducted for Angola, the Democratic Republic of Congo (DRC) and Lesotho to assess the implementation of the recommendations of the SADC Electoral Observation Mission (SEOM) in accordance with the SADC Principles and Guidelines Governing Democratic Elections (2015). The aim was to support Member States in strengthening good governance and democracy.

#### 4.1.2 Deployment of the SADC Mission in Mozambique

- (i) The SADC Mission in Mozambique (SAMIM) was deployed in July, 2021 following approval by the Extraordinary SADC Summit of Heads of State and Government held in Maputo, Republic of Mozambique in June 2021, which approved the deployment of the SADC Standby Force Rapid Deployment Capability (RDC). The mandate of SAMIM includes supporting the Republic of Mozambique to combat terrorism and acts of violent extremism in Cabo Delgado.
- (ii) Since its deployment, SAMIM has registered a number of milestones, including the recapturing of villages; dislodging of terrorists from their bases; and seizing of weapons and warfare material, which has contributed to creating a relatively secure environment for safer passage of humanitarian support. This has resulted in confidence in SAMIM forces by the communities; and a sense of security which allows internally displaced persons to return to their normal lives.
- (iii) SAMIM comprises troops deployment from eight (8) Personnel Contributing Countries from SADC namely, Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, South Africa, United Republic of Tanzania and Zambia, working in collaboration with the Forças Armadas de Defesa de Moçambique (FADM) and other troops deployed to Cabo Delgado to combat acts of terrorism and violent extremism.

### **4.1.3 Enhanced conflict prevention, management, and resolution systems**

- (i) National Infrastructures for Peace were strengthened in eight (8) Member States, namely Eswatini, Lesotho, Malawi, Mozambique, Namibia, and Tanzania, Zambia and Zimbabwe. Over 250 non-state actors were trained in conflict prevention and mediation.
- (ii) The capacity of Youth and Women Civil Society Organisations (CSOs) was strengthened in conflict prevention and mediation in the eight (8) Member States. Over 100 representatives of Youth and Women CSOs attended the conflict prevention and resolution programme at community level.
- (iii) The Corrections/Prisons/Penitentiary Services Strategic Action Plan was approved by the Ministerial Committee of the Organ in July 2021. The Strategic Plan serves as a blueprint to provide strategic guidance to monitor and evaluate the Regional mechanism for the management and rehabilitation of Prisoners.
- (iv) Capacity building was carried out in cyber-crime as an enabler of illicit financial flows for the Republic of Botswana and Zimbabwe in February and March 2022 as part of the Curriculum implementation.

## **4.2 Pillar I: Industrial Development and Market Integration**

SADC has always prioritised industrialisation as a key pillar of regional economic integration. As far back as 1989, the first SADC Industrial Development Strategy was developed and adopted. This was followed by the adoption of the SADC Industrial Upgrading and Modernization Programme (IUMP) in 2009 and the SADC Industrial Development Policy Framework in 2013. In 2015, the current SADC Industrialization Strategy and Roadmap 2015-2063 was approved as an inclusive long-term modernization and economic transformation scheme that enables substantive and sustained raising of living standards.

### **4.2.1 Industrial development and Competitiveness.**

- (i) The Region has identified six priority areas where the value chains can be established and for which regional strategies should be developed. These are in the areas of agro-processing, minerals beneficiation, pharmaceuticals, consumer goods, capital goods, and services.
- (ii) A grant totalling US\$ 500,000.00 has been awarded through the support of the European Union to promote green innovative solutions in the leather sector in Tanzania and Zimbabwe; and to create market linkages for leather products with spin-over impact on other SADC Member States. The aim is to enhance innovation, technology development and transfer in the Leather and Anti-retroviral (ARV) value chains.
- (iii) The COVID-19-relevant medical and pharmaceutical products (CMPP) project was implemented through the EU and GIZ support to respond to the Covid-19 pandemic in the region. To date, 14 projects from seven (7) Member States (Botswana (1), Malawi (2), Mauritius (1), Mozambique (1), United Republic of Tanzania (3), South Africa (3) and Zimbabwe (3)) have been approved to produce PPEs, including face masks, face shields, medical gowns; hand sanitizers; hospital disinfectants; and hospital equipment including ventilators.

## **4.2.2 Transformed Productive Agricultural Sector**

### **4.2.2.1 Transboundary Crop and Animal Pests and Diseases**

- (i) Two additional regional strategies for the management of the Maize Lethal Necrosis (MLN) and Banana Fusarium wilt TR4 diseases were approved by the Ministers responsible for Agriculture and Food Security in May 2022. The strategies recognize the negative impact the disease poses to food security, livelihoods, and trade in the region as it has potential to cause production losses ranging from 30% to 100%. Maize Lethal Necrosis disease could potentially cause nearly US\$ 1.1 billion economic losses annually in the SADC region if not contained. The Banana Fusarium disease is considered the most damaging of all banana diseases. To date the disease is estimated to have destroyed investment of US\$ 80 million, and threatens the livelihoods of 500,000 people in Mozambique, with adverse implications on poverty, food shortages and loss of trade.
- (ii) Regional strategies for Foot and Mouth Disease (FMD), Peste des petits ruminants (PPR), and Highly Pathogenic Avian Influenza (HPAI) were reviewed and approved by the Ministers responsible for Agriculture and Food Security in May 2022. The review ensured alignment of the strategies to international reference standards. Particular concern has been noted, during 2018-2021 period, with the introduction of new serotypes O (associated with outbreaks in the northern hemisphere, and known to have a high multiplication rate as well as affecting pigs and sheep, in addition to cattle, with potential huge impacts to small scale/holder farmers) of FMD in the SADC Region. This calls for a new approach and strategies for FMD control and management, hence the development of a Regional Harmonised Action Plan to Control FMD Serotype O in the Region, during FY 2021, which was approved in May 2022.

### **4.2.2.2 Development and Operationalisation of Agricultural Information and Management System (AIMS)**

- (i) SADC Agricultural Information Management System (AIMS) System was set up in all the sixteen (16) SADC Member States in 2021/22 Financial Year and is now fully functional. It is an integrated and multilingual information management system to provide policy makers, planners and economic players access to reliable and real time agricultural information for policy development, emergency preparedness, planning, and decision making in the context of program management. The AIMS System will be officially launched in August 2022

## **4.2.3 Increased intra-SADC and SADC extra-regional trade in goods and services**

### **4.2.3.1 Increased intra-SADC Trade**

- (i) The SADC Free Trade Area (FTA) has led to an increase in intra-regional trade in SADC by easing and promoting the smooth movement of goods and services across southern Africa. For example, at its inception in 1980, intra-SADC trade was a mere five percent. However, the coming in of the FTA in 2008 has seen an increase in intra-SADC trade from 16.3 percent in 2008 to 21.6 percent in 2016. Intra-SADC trade slowed down to 20.0 percent in 2017 and again to 19.3 percent in 2018. Although intra-SADC trade is significantly less compared to other regions, momentum has been created towards improving SADC intra-trade over the last five years. As more

countries join the FTA, intra-SADC trade is also expected to increase, allowing the region to trade more with itself than it does with the outside world.

- (ii) Minimum conditions for the FTA were achieved in 2008, with 85 percent of tariffs on goods zero rated by all participating countries. The 2012 Audit confirmed that intra-SADC trade substantially increased following the implementation of the SADC Protocol on Trade, more than doubling in absolute terms between the years 2000 and 2009. Intra-SADC trade has substantially increased to more than 20 percent.

#### **4.2.3.2 Increased trade in services in SADC**

- (i) The entry into force of the SADC Protocol on Trade in Services in January 2022 enables services suppliers to trade among themselves while boosting SADC intra-regional integration. Eligible Member State (Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia and Zimbabwe) will have guaranteed preferential market access to, and national treatment in, services markets as contained in the adopted Member States' lists of commitments. In addition:
  - a) Traders can now trade in another Member State on the terms and conditions listed for each of the sub-sectors under the six priority sectors covered during the first round of negotiations. Additionally, eligible Member States can also benefit from the regulatory cooperation and principles in the sectoral annexes to the Protocol on Trade in Services, which complement sectoral programmes under other SADC Protocols.
  - b) This is particularly important now with the emergence of tradeable products and services under the e-banking, tele-health, distance learning, etc., temporary movement of service providers for on-site engineering services, business visitors and intra-company transfers, as well as offshore engineering and design services, that can now move across the region and enabling increasing services trade among SADC Member States

#### **4.2.4 Deepened financial market integration, monetary cooperation, and investment**

##### **4.2.4.1 Payments System**

- (i) The SADC Real Time Gross Settlement System (SADC-RTGS) was launched in July 2013. By April 2022, 2,502,639 transactions were settled, representing the transactions amount of ZAR 9.65 trillion equivalent of US\$ 607.54 billion. A total of 84 participating Banks, from fifteen (15) SADC Member States (except Comoros), were electronically linked to effect cross-border payments and settlements in real time.
- (ii) In line with its objective to deepen financial market integration, monetary cooperation, and investment; as spelt out in the RISDP 2020–2030, the region is currently undertaking key initiatives to improve the efficiency of the SADC-RTGS platform, among others:
  - a) the migration from a single currency settlement system into a multi-currency settlement system (the on-boarding of the currencies in the region);

- b) the implementation of the Transactions Cleared on an Immediate Basis (TCIB) platform which is a SADC instant payment solution for low-value credit payments to further enhance cross-border transactions (retail payments);
- c) harmonization of AML/CFT policies to address digitized payment products and services based on new and disruptive technologies (including the piloting of a digitised KYC registry capability);
- d) the development of SADC central banks' policy positions on financial technology (Fintech) issues; and
- e) the coordination of Member States efforts in the process of migrating to ISO 20022 payments messaging standards in alignment to the 2025 SWIFT deadline.

#### **4.2.4.2 Capital Markets**

- (i) 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. A total of 8 stock exchanges had achieved 60 per cent of the variables/criteria in the scorecard matrix (at least with 9 out of 15 criteria achieved); namely: BODIVA (Angola), DSE (Tanzania), FINSEC (Zimbabwe), JSE (South Africa), LuSE (Zambia), MERJ Limited (Seychelles), MSE (Malawi) and SEM (Mauritius). The variables (reforms) with the lowest implementation/achievement include: (i) mobile and Online trading (ii) settlement in central bank money (iii) Market making (iv) trade reporting at exchange within 15 minutes (v) and real-time bond indices for the exchange.
- (ii) On anti-money laundering issues, Botswana and Mauritius were formally removed from the EU grey list in October 2021. Zimbabwe was removed from the Financial Action Task Force (FATF's) grey watch list in February 2022. Work to assess and support the implementation the FATF Recommendations by Member States is ongoing.

#### **4.2.4.3 Financial Inclusion and Remittances**

- (i) As of December 2021, 70 percent of adults in the region are financially included (including both formal and informal financial products/services) which is around 101.6 million individuals. This is an improvement from 60 percent of financially included adult population in 2016.
- (ii) With regard to cross border remittances, which are critical for financial inclusion and poverty alleviation in the region, the cost of cross border remittances has been reduced by 2.2 percentage points from an average of 9.4 percent per transaction in 2019 to about 7.2 percent in 2021 in the South Africa - SADC corridor.

#### **4.2.4.4 Development Finance**

- (i) Since the adoption of the Prudential Standards, Guidelines and Rating System (PSGRS) by the SADC Development Finance Institutions (DFI) Network; and the subsequent endorsement by Ministers in 2015, the SADC Development Finance Resources Centre (DFRC) has ensured implementation of the programme by providing for Development Finance Institutions (DFI) self-assessment and peer review on an annual basis. As at end of December 2021, eighty-five percent (85%) of the Network membership have participated in the PSGRS rating system.



- (ii) The Association of African Development Finance Institutions (AADFI) published its 11<sup>th</sup> Prudential Standards, Guidelines and Rating Systems (PSGRS) Self-Assessment and Peer Review Report in February 2022, listing eighteen (18) DFIs out of the 32 eligible DFIs for the rating exercise. The list includes six (6) members of the SADC DFI Network, with a quantitative rating above B+ (meaning 12-13 points while the maximum score for the rating is 20), namely per alphabetical order: Botswana Development Corporation Limited, Botswana (rating BB), Development Bank of Namibia Ltd, Namibia (rating BB), Development Bank of Southern Africa (rating AA), Gapi Sarl, Mozambique (rating B+), Industrial Development Corporation of South Africa (rating AA) and Infrastructure Development Bank of Zimbabwe (rating B+).

#### **4.2.4.5 Trade Facilitation and Customs**

- (i) The SADC Simplified Trade Regime Framework was approved by the Committee of Ministers of Trade (CMT) in July 2021. The Framework aims to support small cross border traders, who comprise the majority of self-employed women and youth. Member States with the support of the SADC Secretariat will be negotiating bilaterally in terms of the list of qualifying products, frequency, threshold, and customs clearance procedures.
- (ii) SADC Regional Customs Transit Guarantee Regulations were approved by MCT in July 2021. This is aimed at facilitating intra-extra SADC Trade through the issuance of a single guarantee for goods in transit in the region. The Regulations are currently being piloted in the North South Corridor covering Botswana, DRC, South Africa, Zambia and Zimbabwe.
- (iii) Implementation of SADC e-Certificate of Origin Framework is ongoing. Currently, Botswana, Eswatini, Malawi, Namibia, United Republic of Tanzania (URT) and Zambia have developed national Modules of the e-Certificate. Eswatini, Malawi, URT and Zambia have already tested the transmission and reception of the e-Certificate with each other in April 2022. Other Member States namely Lesotho, Madagascar, Mauritius and Mozambique have already started the development of e-Certificate Module.

### **4.2.5 Enhanced macroeconomic stability and convergence**

#### **4.2.5.1 Macroeconomic convergence attained**

- (i) The recent regional economic performance shows that the effect of COVID-19 was severe to almost all Member States in the SADC region. The responses and interventions to preserve lives and livelihoods resulted in an economic contraction in most Member States. Resultantly, movement restriction measures to curtail the transmission of the virus, resulted in limited economic activity that corresponds to significantly low tax revenues. On the other hand, fiscal expenditures were elevated due to health-related expenses and significant social protection initiatives to preserve livelihoods.
- (ii) Consequently, Member States experienced widening fiscal deficits and ballooning debt. On a positive note, it was observed that firming commodity prices will benefit Member States who rely on commodity exports. Striking a balance between continuation with socio-economic support and also investment in infrastructure to build the productive base of the economies remains important in the short to medium term. This will ensure sustainable economic recovery whilst building future capacity

to grow the revenue base important to tackle the debt burden accumulated during the pandemic period.

- (iii) According to preliminary statistics, the number of Member States that achieved the primary targets (inflation, fiscal deficit and public debt) were two (DRC and United Republic of Tanzania) in 2021 similar to 2020 but a decline from five in 2019 (DRC, Madagascar, Lesotho, Seychelles and Tanzania).

#### **4.2.5.2 Investment and Tax Related Matters**

- (i) The Secretariat is supporting Eswatini, Lesotho, Madagascar and Zimbabwe to develop their National Action Plans on Investment (NAPIs) to support domestication of the SADC Investment Policy Framework. The NAPI for Madagascar has been completed already while NAPIs for the other Member States will be completed by August 2022.
- (ii) In the area of double taxation agreements, Botswana, Lesotho, Malawi and Mauritius are being supported to negotiate the tax agreements. The negotiation for the tax agreement between Lesotho and Malawi was undertaken in May 2022 resulting in the initialling of the Draft negotiated agreement. Lesotho and Malawi endeavour to finalise and sign the agreement by September 2022. Negotiation of the agreement between Botswana and Mauritius will be undertaken in August 2022.

#### **4.2.6 Success Stories under Pillar I**

##### ***Success Story 1: Achievements in the area of Industrialisation***

Through support from International Cooperating Partners there have been some success stories in the area of industrialisation that can be up-scaled and replicated in a number of SADC Member States and these include but not limited to the following:

Following the launch of the SADC Business Council on 5 August 2019 and the approval of the SADC Private Sector engagement mechanism in August 2021, the SADC Business Council and the Secretariat are now working closely together to implement several initiatives under SISR, including holding the annual SADC Industrialisation Week, spearheading the NTB working group, pharmaceutical working group, etc.

(i) Through the SADC Industrialisation and Productive Programme (SIPs), some companies in the SADC Member States were assisted to produce some products to help in the fight against Covid 19 such as face masks, sanitisers, protective clothing and other pharmaceutical products.

(ii) The period under review witnessed the closure of the SADC Trade Related Facility (TRF), a project that assisted directly SADC Member States to implement some of the provisions of the SADC Protocol on Trade (STP) and the SADC- EU Economic Partnership Agreement (EPA). The TRF facility that amounted to EUR 22.8 million, allowed beneficiary Member States to develop national level projects, focusing on the following areas:

- (a) addressing technical barriers to trade (TBT);
- (b) improving application of sanitary and phyto-sanitary (SPS) measures;
- (c) effective implementation of rules of origin;
- (d) promoting customs and trade facilitation;
- (e) stimulating productive competitiveness, with particular focus on value chain development; and

(f) strengthening competition policy and law.

#### 4.2.7 Pillar I Major Challenges and Mitigation Measures

Challenges	Mitigation Measures
Slow ratification pace of protocols by SADC Member States is creating a situation whereby continental and world events are moving faster than the regional agenda matters;	Engagements by the SADC Executive Secretary with Member States on the ratification of protocols are on-going to mitigate against the risks of delayed ratification.
Limited domestic and international investment flows in the SADC region.	Mobilisation of resources by the SADC Secretariat is ongoing, through engagement with ICPs, to continuously support Member States in the implementation of regional integration agenda;
In terms of the Regional Mining Vision and Action Plan Governance & Facilitation structures, the challenge is that currently, the Secretariat does not have a dedicated officer to deal with the mineral's beneficiation value chain.	Continuous communication and engagement with the Member States to motivate for a dedicated officer as an incentive to fast track the implementation of the Action Plan.
Limited financial and technical resources at the Member States level to adequate and timely operationalise regional instruments;	Revision of the SADC Climate Change Strategy and Action Plan to include the Paris Agreement, Africa Union Agenda 2063 and Sustainable Development Goals. Closer engagement with relevant partners, including EU, FAO, IUCN, UNDP, and GIZ to support SADC Member States to address climate change impacts, including strengthening drought resilience, combat transboundary crop and animal pests and diseases, etc.
Weak alignment of National Agricultural Investment Plans (NAIPs), with Regional Agricultural Investment Plan (RAIP 2017-2022) and the Malabo Declaration Commitments/CAADP Process to transform agriculture.	Closer engagement of SADC Secretariat with relevant partners, including the Africa Union Development Agency (AUDA), Regional Strategic Analysis and Knowledge Support System (ReSSAKS), and Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), AKADEMIYA, to closely support SADC Member States, through capacity building, in addressing Malabo Commitments/CAADP process;
Very slow pace of Member States to sign the Charter for establishment of the SADC Seed Centre, and sign and/or ratify the Protocol for Plant Variety Protection, both of which are critical to progress with the implementation of SADC Harmonised Seed Regulatory System (HSRS) to facilitate intra-regional trade of good quality crop seeds, with immediate and significant impacts in improved crop production and productivity.	Continuous communication and engagement with the Member States to incentivise them to fast track the signing of the Charter.

## 4.3 Pillar 2: Infrastructure Development in Support of Regional Integration

The economic transformation of the SADC region will require adequate and functioning infrastructure that will guide the region towards front-loading industrialisation in the context of evolving technologies. This means that the Infrastructure Development in support of the Regional Integration pillar will aim towards interconnected, integrated, and quality seamless infrastructure and networks, including cross-border infrastructure, which will be pivotal in facilitating the movement of people, goods, services, and knowledge. As a result, in the RISDP, priority is also placed on ensuring harmonised policies, strategies, and initiatives in support of cross-border infrastructure and services. The key achievements during the 2021/22 Financial Year are outlined below.

### 4.3.1 Success Stories under Pillar II

#### ***Success story 1: SADC COVID-19 Border WASH Response Project***

The SADC Water Supply, Sanitation, and Hygiene (WASH) COVID-19 Response project is very significant, as it will reduce the spread of the COVID-19 and other communicable diseases such as cholera among thousands of commuters who cross SADC region borders every day. In line with the COVID-19 challenges, the Southern African Development Community (SADC) Secretariat, has installed portable handwashing facilities, at the Beitbridge Border Post, on the Zimbabwean side of its border with South Africa, and at the Chirundu Boarder Post which borders Zimbabwe and Zambia.

The installation of SADC COVID-19 WASH Border Post Response Project at the two border posts is aimed at promoting hand washing and hygiene measures that reduce the risk of the pandemic at regional crossings (borders). Each of the six installed wash unit houses eight handwashing facilities, two of which are designed to accommodate people with disabilities. On the Zimbabwe side, two SADC WASH Boxes were installed at the Beitbridge Border Post and another two SADC WASH Boxes were installed at the Chirundu Border Post Passenger Terminal in Zimbabwe and Zambia. The Containers in Chirundu and Beit bridge Border post have been installed. Testing of the equipment has been carried out on all sites with representatives from Port Health and Public Works. Finishing touches are currently underway on both sites (Zambia and Zimbabwe) borders.

The SADC COVID-19 WASH Border Post Response Project was developed as an emergency solution to the pandemic and will be replicated to other ports of entry within the region. Preparations are underway to hold a launch event for the COVID-19 WASH Boxes later in the second half of the 2022 Year at the Chirundu Border post in Zambia and Zimbabwe. Solution concept- Emergency installed SADC WASH Box at Zambia and Zimbabwe Borders.

#### ***Success Story 2: 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 overall international Internet connectivity costs, improve throughput, reduce latency and provide better Quality of Service (QoS) and browsing experience for SADC Internet users. Member States are implementing the SADC Roadmap for Advanced IXP Transformation which is monitored via an M&E for IXP database platform. South Africa and United Republic of Tanzania each have 6 IXPs, Angola, DRC and Zimbabwe each have 2 while Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia and Zambia all have a one IXP giving a total of 26 IXPs and 57% share of IXPs in Africa.

There are 18 Regional (Advanced) SADC IXPs from five (5) Member States, namely Angola, DRC, South Africa, United Republic of Tanzania and Zimbabwe. The SADC IXP Forum 2021 included Masterclass sessions that strengthened the technical capacity of Member States on Domain Name System (DNS), Content Delivery Networks (CDNs), Service Access cost-sharing models and new submarine cables in the region. A Video Conferencing (VC) Toolkit was developed and shared with Member States to assist them host VC platforms locally in order to optimise the Internet experience and reduce international connectivity costs.

### ***Success Story 3: Tripartite Transport and Transit Facilitation Programme (TTTFP) - Member State***

TTTFP has recorded successes in the initiation and progress towards the domestication of some of the provisions of the Tripartite Multilateral Cross Border Road Transport Agreement (MCBRTA) and Vehicle Load Management Agreement (VLMA), model laws. The Republic of Namibia became the first SADC Member States since the beginning of the TTTFP to convert its Driving Licence to be compliant with the ISO/IEC 18013 – Driving Licence Standard: a 4-part series that are also compliant with the provisions of the United Nations (UN) Convention on Road Traffic, 1968.

Namibia is therefore contributing to the facilitation of transport and trade for increased intra-regional and international trade at reduced costs which is in line with its goal of being the logistics hub for the hinterlands of SADC. The new compliant Driver Licence was launched on 16 November 2021 by the Minister. The production of the licences also follows an innovative approach through a public-private partnership (PPP) arrangement.

With the new driving licence card Namibia did not just improve the compliance with ISO standard, security, and integrity of the new driving licence card, but has also enhanced the integrity and security of the application process. The processes now include enhanced security and process measures using biometric and ICT technology systems that ensure that there is no fraudulent issuance of driving licences. There are inbuilt measures for ensuring that the same person that receives the driving licence card was also the same person that successfully passed the learner and driving tests.

### ***Success Story 4: Southern Africa Regional Climate Outlook Forum (SARCOF-25)***

The SARCOF-25 meetings aimed at improving the contribution of National Meteorological and Hydrological Services (NMHSs) to early warning and disaster preparedness, taking into account information of global climate drivers such as the El Niño Southern Oscillation (ENSO), Indian Ocean Dipole (IOD), Benguela Niño amongst others. The SARCOF-25 meeting was supported within the framework of an existing Financing Agreement between the ACP Secretariat and the European Union for the implementation of the Intra-ACP Climate Services and related Application Programme, under the 11th EDF.

The overall objectives of the meetings were to develop and issue regional consensus climate forecasts rainfall season, to cascade the global climate model output to regional and national levels, to discuss the global climate drivers and their likely impacts on the climate sensitive sectors within the SADC region, to preview the potential impacts of the seasons based on the consensus outlook and develop response strategies for each sector.

More than 40 experts from All Member States were trained in generation of seasonal forecast using CPT and CFT during CEM and more than 150 participated in Southern Africa Regional Climate Outlook Forum (SARCOF-25). SARCOF -25 Statement, Early Warning Advisory note and report were produced and shared to Member States. Despite the success of the meeting, hosting virtually the FORUM was challenging, especially due to time difference and connectivity with some Member States. Due to time zone differences, the sessions were

shortened to few hours. For future events, a face-to-face SARCOF will be the best approach as it allows interaction among the participants.

### 4.3.2 Pillar II Major Challenges

Some of the challenges encountered under Pillar II include the following:

Major Challenge	Mitigation Measure
The 12 mainland Member States participating in the Southern African Power Pool (SAPP) network have an installed generation capacity of 69,216 MW and available capacity of 44,405 MW against a peak demand and reserve of 50,074 MW. When considering the current peak demand and generation capacity reserve margins, the Region has a generation capacity shortfall amounting to 5,670 MW. The excess capacity in Angola and Tanzania cannot be accessed by other Member States due to inadequate transmission capacity and missing interconnectors linking Angola, Malawi and the United Republic of Tanzania to other nine (9) mainland Member States;	The short-term measures including rehabilitation of old plants and building of new power generation projects will add more than 10,604 MW to address the overall generation deficit with the target to achieve power supply adequacy by 2023. The power generation mix will comprise coal occupying 37%, hydropower with 46%, gas contributing 2%, wind at 3%, solar at 14%, while biomass and diesel will only occupy 0.2% respectively;
The increasing crude oil prices from the international oil markets by almost from average US\$ 70 to US\$ 115 per barrel;	Ministers responsible for Energy urged Member States to develop national fuel strategy storages and facilities to address dynamic fuel prices
COVID-19 did delay the implementation of WASH COVID-19 Project which affected feasibility studies and groundwork of project completion as scheduled;	Use dedicated funds (Energy/ Petroleum Funds) established to stabilise and cushion fuel prices;
Experience gained indicates that more time is required to provide virtual training with interpretation on computer-based tools to a group of participants;	Some Member States introduced temporary waiver on imposing and collecting levies charged in petroleum products;
Multiple framework procurement method presents a challenge for small budget consultancy;	Using Member States ministries (focal points) to support the implementation of the project during COVID-19 Pandemic period. This has helped project to minimise delay in implementing the project;
Lack of harmonisation of road transport policies, laws, regulations, procedures, and standards caused challenges to law enforcement and regulatory officials as disparities in licence systems create opportunities for corruption and fraud;	Employ champions to lead others and gradually introduce physical workshops as the COVID-19 pandemic subsides;
Late mobilisation of TA and STEs Delays, significantly impacted the implementation; and	Use single consultancy procurement method for low budget consultancy;
Procurement of equipment was delayed; it significantly impacts on planned budget utilisation.	The ISO driving licence introduces smart technology that improves administration, data and information sharing and secure authentication of the origin and validity of compliant driving licences. To achieve harmonisation TTTFP is working with DRC, South Africa and Zimbabwe who have also initiated the process to upgrade their national driving licences to be compliant with the ISO standard; and Prioritise procurement of equipment for early 2022/2023 FY.

## 4.4 Pillar III: Social and Human Capital Development



The mandate of Social and Human Development and Special Programmes (SHD & SP) is to enhance human capabilities and utilisation, reduce vulnerability, eradicate human poverty and attain the well-being of SADC citizens. SHD & SP Directorate ensures the availability of educated, skilled, healthy and productive human resources required for promoting investment, efficiency and competitiveness of the region in the global economy, as well as improving the quality of lives of the region's population. The key achievements during the 2021/22 Financial Year are outlined below.

#### **4.4.1 Accessible and responsive regional health systems**

- (i) The SADC Regional Human Resource for Health Strategy; its implementation Plan; and accountability framework were developed, which marked a key milestone towards integration of norms and standards in planning and management of the health workforce, including training, recruitment, utilization and career management. The Health workforce remains critical especially in times of pandemic as has been witnessed in the period of COVID-19.
- (ii) The region has committed to the development and strengthening of the Human Resources for Health Strategy. By end of March 2022, eight (8) Member States namely Botswana, Comoros, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zimbabwe were already implementing components of the SADC Human Resources for Health Strategy.
- (iii) Since 2020, Member States have focused on COVID-19 vaccination roll-out as the major pre-occupation to combat the pandemic. By the end of March 2022, 10 Member States namely Angola, Botswana, Comoros, Eswatini, Lesotho, Namibia, Mozambique, South Africa, Zambia and Zimbabwe reached vaccine coverage of over 10%. At the far end, Seychelles and Mauritius have reached over 70% vaccination rate. The remaining Member States are still below these thresholds.

##### **4.4.1.1 Pooled Procurement has been a critical enabler in the response to COVID-19**

- (i) In the wake of COVID -19 there were a number of pooled procurement mechanisms that were established, globally and at the continental level. These include the Africa Medical Supplies Platform (AMSP), Africa Vaccine Acquisition Task Team (AVATT), and the COVAX Facility among others. The SADC region also had earlier established the SADC Pooled Procurement Services (SPPS) to ensure joint procurement of medicines and pharmaceuticals.
- (ii) The SADC SPPS is hosted by the United Republic of Tanzania and has so far enrolled 3 Member states namely Seychelles, Comoros and the United Republic of Tanzania to procure medicines and pharmaceuticals. The SADC Secretariat and United Republic of Tanzania supported by UNDP undertook an assessment and feasibility study on the SPPS, key recommendations included;
  - a) The need to review existing public procurement rules, laws, procedures and international best practices and propose harmonized pathways to facilitate collaboration in the implementation of the SPPS in SADC Member States.
  - b) Adoption of a phased approach to allow Member States to enrol on SPPS at a convenient phase that aligns with national procurement, policies, rules and regulations.

- (iii) The United Republic of Tanzania supported by the Secretariat is in the process of engaging additional Member States to utilise the SPPS services based on some of these recommendations.

#### **4.4.1.2 Vaccine Manufacturing in the Region**

- (i) While vaccine manufacturing remains low in the region, several efforts are currently being undertaken to boost the pharmaceutical manufacturing capacity in the region, with a strong focus on COVID-19 vaccine manufacturing. Some countries such as South Africa leveraging on their existing capacity, have moved faster to develop partnerships with global vaccine manufacturing companies and are now able to locally manufacture some COVID-19 vaccines. South Africa has partnered with ASPEN to manufacture the J&J vaccine.
- (ii) At the regional level, the first step is to strengthen the regulatory capacity of the National Medicine Regulatory Agencies in order to support the robust regulatory functions that vaccine manufacturing requires. The SADC region started working on this work stream since 2004, but recently more support from other partners such as the World Bank, the German Government and the European Union have been coming in to strengthen this indispensable process in pharmaceutical manufacturing. At the same time, some Member States are positioning themselves to collaborate directly with vaccine manufacturing companies and the Secretariat strongly encourages these initiatives.

#### **4.4.2 Investment in nutrition to address all forms of malnutrition**

- (i) Significant progress was made towards harmonised Food Fortification minimum standards. This is key towards having coordinated efforts to reducing micronutrient deficiencies in the region. By end of March 2022, eleven (11) Member States namely Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia and South Africa, United Republic of Tanzania and Zimbabwe had mandatory national standards and were at various stages of reviewing and developing national food fortification standards in line with the regional guidance.

#### **4.4.3 Equitable access to quality and relevant education**

- (i) A study on the implementation of the SADC Qualifications Framework was undertaken. The recommendations of the study will be implemented by Member States to address the issues related to qualifications alignment, quality assurance as well as reporting against both national and regional and continental Qualifications Frameworks.
- (ii) The Education Sector was one of the sectors that was hugely affected by the COVID-19 pandemic. Not only did the pandemic reveal the inequality gaps between learners in the higher and lower brackets of the socio –economic quantiles but it also revealed glaring gaps in the education systems and the sector's inability to cope in a pandemic. The lack of capacity including ICT infrastructure disrupted learning in schools both at Basic and Higher Education levels. Member states are taking some of the following measures which include;
  - a) Rephrasing the education cycle and curriculum,
  - b) Training and capacitating Learners and Teachers on online methods of delivering learning,
  - c) Investing in long term measures including IT infrastructure to enable online and hybrid learning modes.

- (ii) A Strategic Plan on Open and Distance Learning (ODL) 2022 -2030 was developed as a response to COVID-19 in the Education System. The Strategic Plan aims to promote effective use of ICT in ODL programmes across Member States; enhance Professional Development using the existing Pool of established resource persons; make ODL Courses Accessible to all through the establishment of repositories of ODL courses establishing a strong quality assurance mechanism for ODL courses; and strengthen ODL research in the region.
- (iii) The Strategic Framework responds to the aspirations enunciated in the SADC Regional Indicative Strategic Development Plan (RISDP) 2020–2030 that endorses sustainable development and Education for Sustainable Development (ESD). In addition, this Framework also aligns with the UNESCO Education for Sustainable Development for 2030 framework and supports the wider Sustainable Development Goals, and Africa's Agenda 2063 commitments to sustainable development and education. It also contributes to the devolving wider programme of the Futures of Education initiative of SADC Secretariat/UNESCO which seeks to reaffirm education as a common good, and to support a transformative orientation to education and skills development for regional industrialisation

#### **4.4.3.1 Situational Analysis of Technical Vocational Education and Training (TVET) in SADC Member States**

- (i) TVET remains an under prioritised area in the education systems yet the region stands to benefit from TVET programmes that are intended to generate the necessary skills that are required for regional industrialisation programmes. In this year 2021/22 a Situational Analysis of TVET in SADC Member States has been undertaken and the recommendations will be implemented in Members States to strengthen and reposition TVET as a catalyst for the development of relevant skills geared towards industrialisation. Some of the recommendation include:
  - a) The need to strengthen data capturing and reporting systems in order to ensure that quality labour market information is collected and analysed for better informed policy prescriptions and decisions which would serve to improve TVET systems in the Member States.
  - b) Encourage VET providers to foster research partnerships and collaborative arrangements with the industry, with universities and also amongst the TVET providers themselves.
  - c) Need to have coherent and meaningful articulation arrangements and pathways of the education system in the SADC Member States where strong coordination within and between the different components are framed for the benefit of the students.
  - d) Need for Member States to mainstream gender aspects and gender equality issues as well as continue implementing targeted support for vulnerable groups.
  - e) There is also need for the Member States to establish platforms and mechanisms to promote improved access of female youths and disadvantaged youth to TVET learning systems. As such, there is need for non-governmental actors to advocate for improved enrolment of girls in TVET institutions.

- f) Greater investment in capacity building of teachers, teaching and learning materials and infrastructure is required in order to improve and increase the uptake and use of new technologies in the TVET sector.
- g) Undertake more advocacy campaigns, publicity of TVET amongst parents, pupils as well as increased engagement between the TVET institutions and secondary schools will help to promote TVET as a career path in the SADC region.

#### **4.4.3.2 Job creation and access to decent work opportunities**

- (ii) SADC Member States renewed their commitment to end child labour in the region by adopting a Revised Code of Conduct on Child Labour in March 2022. The first Code was adopted in the year 2000. The Southern African region is reported to have at least 9.6million children in child labour, which is about 16.7% of the 92.2 million child labourers in Africa. The statistics show that countries in the region continue to make greater contributions in reducing the incidence of child labour compared to several other regions in Africa, although greater efforts are still required in all Member States.
- (iii) Noticeable progress was made through enhanced access to primary education in Member States. Through the revised Code of Conduct, Member States have committed to enhance the legislative framework on child labour including enforcement, to improve data collection and information sharing, as well as to strengthen multisectoral coordination of efforts, especially to address poverty and developmental challenges.
- (iv) SADC Member States have taken steps to strengthen tripartism and social dialogue involving governments and organizations of employers and workers to address socioeconomic issues. In March 2022, Member States and Social Partners adopted a model framework for national social dialogue institutions in SADC. The model framework will facilitate measures at the country level to enhance the administration of social dialogue institutions, to enhance the scope of tripartite cooperation to include socio-economic issues, and as appropriate to extend participation to other representative organizations such as those of players in the informal economy. The model framework will institutionalise and foster broad-based participation and accountability in the development process at both regional and national levels.

#### **4.4.4 Major Challenges and Mitigation Measures**

Some of the challenges encountered under Pillar III include the following:

<b>Major Challenge</b>	<b>Mitigation Measure</b>
SADC Member States continue to bear the brunt of the COVID-19 pandemic, with significant impacts in the social sectors of health, education and labour among others, through overburdened health systems, job and income losses, as well as lost learning time. The threat of new waves of infection remains, despite progress in vaccination rates and there is a need for the global community to remain vigilant and to collaborate to prevent new spikes in cases or variants of concern.	The Secretariat has coordinated the regional response to the COVID-19 pandemic through the Expanded Technical Committee for Coordinating and Monitoring the Implementation of the SADC Protocol on Health. The Committee has ensured the implementation of balanced manner that take into account the needs and interests across the socioeconomic spectrum, mindful that the crisis is not confined to some segments of society. The Secretariat continues to monitor the COVID-19 situation and implementation of agreed response measures in order to foster cooperation and prevent outbreaks.

The low levels of manufacturing in the region are a challenge. The negative effect of this is that the region will remain dependant on international manufacturing to obtain essential health commodities including the essential vaccines against COVID-19. In order for the African continent and the SADC region in particular, to scale up manufacturing especially in the short to medium term there is the need to continue to advance the call for the TRIPS Waiver at the World Trade Organisation (WTO).

While the need for local manufacturing is essential to ensuring uptake of vaccines, there is also the need to address vaccine hesitancy through Information, Communications and advocacy campaigns in the Member States. Moreover, the development of national and regional post COVID-19 strategies will facilitate the return to recovery from COVID-19, both in the Member States and in the region.

## 4.5 Strategic Management of the RISDP

### 4.5.1 Strengthened legal, political, and institutional frameworks

- (i) The Committee of Ministers of Justice/Attorneys has been implementing its Action Plan during the period under review. The Committee adopted a report on Recognition and Enforcement of Foreign Civil Judgements and foreign Arbitral Awards which provides recommendation on measures to be taken by Member States to facilitate effective recognition and enforcement of Foreign Civil Judgements and foreign Arbitral Awards within the SADC Region. The Committee also cleared and recommended to Council and Summit the adoption and signature of the following legal instruments which will facilitate implementation of SADC's regional integration agenda:
  - a) Draft Agreement Amending the SADC Treaty to recognise SADC Parliament which was approved by Council in March 2022 and recommended it for adoption and signature by Summit in August 2022
  - b) Protocol on Statistics which was adopted by Summit in August 2021;
  - c) Agreement amending the Protocol on Energy which was adopted by Summit in August 2021;
  - d) Draft Agreement Amending the Protocol on the Development of Tourism in SADC which was approved by Council in March 2022 and recommended for adoption and signature by Summit in August 2022; and
  - e) Revised Draft Regional Customs Transit Guarantee Regulations and recommended for adoption by the Committee of Ministers of Trade

### 4.5.2 Change management

- (i) The SADC Secretariat has for the past 10 months seen initial work start on the Change Management project which is part of the IICB Strategic objective 2 whose thrust is to strengthen Change and Knowledge Management at the Secretariat with the goal of making the Secretariat enhance its capacity to provide world-class service to its stakeholders in the regional integration agenda.
- (ii) This has resulted in a Situational Assessment Report highlighting the state of readiness of the Secretariat for this project and areas requiring changes for the Secretariat to be an agile, adaptive and knowledge-led Institution able to fulfil its mandate as the executing arm of SADC. Issues identified which went through a validation process with the transformation Team, Management focus group and Executive Management range from work behavioural and cultural issues, Leadership and Managerial to System and process bottlenecks.

### **4.5.3 Increased potential innovative funding avenues**

- (i) In August 2019, SADC approved a Resource Mobilisation Framework that introduces SADC to innovative and alternatives sources of funding, for purposes of sustaining the financing of regional programmes. During the period under review, the Secretariat has continuously sensitised Member States on the components of the Resource Mobilisation Framework, particularly the “A La Carte” option, where Member States are free to choose their own way of generating revenue to finance SADC regional programmes, including the possibility of contributing to the regional programmes and projects through their fiscus.
- (ii) The contributions from Member States will be informed by the ongoing costing of the RISDP 2020-2030 Implementation Plan. The roll-out of the SADC Resource Mobilisation Framework will be further enhanced by the operationalisation of the Regional Development Fund (RDF) and continued engagement with International Cooperating Partners (ICPs).

### **4.5.4 Strengthened institutional monitoring and evaluation mechanisms**

- (i) The RISDP 2020-30 Monitoring, Evaluation and Reporting Framework (M&E Framework) was developed in consultation with all Member States at sector level in an effort to address the shortcomings observed in monitoring, evaluation and reporting of Revised RISDP 2015-2020 and the need to have measurable indicators with baselines and targets. The M&E Framework will also assist to transform the current reporting which remains at output level to outcome and impact level reporting in an effort to demonstrate with evidence whether and to what extent the RISDP interventions are impacting on the lives of the people at Member States level.

### **4.5.5 Enhanced visibility and awareness of SADC, its activities and impact**

- (i) A Webinar was convened for the SADC National Media Coordinators where ideas and interventions to facilitate enhanced awareness, communication and visibility of SADC in Member States were discussed.
- (ii) Media trainings were conducted in June, July and August 2021 in Eswatini, Lesotho, and Malawi respectively where Journalists were sensitised on SADC Regional Integration Programmes; SADC Industrialisation; including the SADC Treaty, the key pillars of the revised SADC Regional Indicative Strategic Plan 2020-2030, and the SADC Vision 2050 to enable them to report on SADC regional integration from an informed position. The trainings created awareness on the benefits of SADC and Regional Integration and provided Journalists from different media houses with tools and skills on how to report on SADC related issues.
- (iii) The media engagement and interviews for the Executive Secretary were coordinated which highlighted ADC's achievements and its vision for the future. The media interviews were conducted during the Executive Secretary's meetings and courtesy calls to the Heads of States in the SADC region targeting both local and international media. Media interviews were also conducted by Botswana Television and other media whose content was shared widely through online platforms.
- (iv) The SADC Media Awards and SADC Secondary School Essay Competition were conducted to promote participation of Journalists and learners in disseminating information on SADC and support the process of regional co-operation and integration in the Region. A total of 25 Media entries in the four categories of



Photography Journalism, Television Journalism, Radio Journalism and Print Journalism were shortlisted from nine (9) SADC Member States, Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe, while entries from 12 SADC Member States, Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe were submitted for the SADC Secondary School Essay and the winners received their Awards in August 2021.

- (v) The SADC stakeholder engagements, programmes activities, SADC events, and meetings were supported with awareness, communication and visibility interventions; and production and dissemination of awareness and visibility materials such as the 41<sup>st</sup> SADC Summit Brochure, Videos, Audio content, Press Releases, Media Advisories, flyers, Fact Sheets, Communiques, and News articles, to various targeted audiences and stakeholders including the NCPs, SADC Ambassadors and High Commissioners, ICPs and the media on via emails, the website, radio, television and online social media platforms.
- (vi) Visibility and promotion of the SADC Public Lecture was convened by the SADC Secretariat and the Government of Malawi, through the National Planning Commission of Malawi, under the theme: 'Promoting Digitalisation for Revival of the SADC Industrialisation Agenda in the COVID 19 Era' in August 2021, in Lilongwe, Malawi, where the Vice President and Minister for Economic Planning, Development and Public Sector Reforms Dr. Saulos Klaus Chilima was the main speaker. Panellists during the lecture, included several eminent personalities from Malawi and the SADC region. The public lecture was broadcast live on local radio and TV stations as well as streamed live Facebook pages where citizens of the region followed the discussion.

#### 4.5.6 Major Challenges and Mitigation Measures

Some of the challenges encountered under Strategic Management of the RISDP include the following:

Major Challenge	Mitigation Measure
The slow pace in signing of, ratification of, and acceding to SADC Legal instruments by Member States which affects the entry into force and implementation of the regional legal frameworks that can facilitate the regional integration process;	The Committee of Ministers of Justice/ Attorney's General has directed the Secretariat to undertake a study to assess the reasons and implications of the slow pace in the ratification of the Protocols and other Legal Instruments. The study will come up with recommendations to ensure that processes of signing of, ratifying of, and acceding to SADC Legal instruments are expedited. In the interim, Member States are continuously reminded to sign, ratify or accede to SADC Legal Instruments during Sectoral Ministerial Meetings and Council and Summit meetings; and
The absence of an operational dispute settlement mechanism following the suspension of the operations of the SADC Tribunal and the non- entry into force of the Protocol on the Tribunal of 2014. This means that where Member States fail to resolve their disputes regarding the interpretation and application of SADC legal instruments amicably,	Council and Summit has urged those Member States who have not signed and ratified the Protocol on the Tribunal to do so to ensure that SADC has a dispute settlement mechanism;

there is no forum in SADC where such disputes can be finally settled	
--	--

## 4.6 Cross-Cutting Issues

The socio-economic and political transformation of the SADC region is also dependent on a number of issues which cut right across each pillar and including peace, security and good governance. Cross cutting issues are central to ensuring that the formulation, deliberation, adoption and implementation of regional protocols, strategies, policies and programmes, are undertaken in a manner which does not marginalise sections of SADC's population, particularly those who are previously disadvantaged, environmental concerns and climate change, disaster and risk management, health issues and youth engagement, gender and reliable data which informs its orientation towards regional integration. This section, therefore, focuses on the key achievements that were observed in implementation of key activities related to cross cutting issues.

### 4.6.1 Gender quality

The SADC region continues to face challenges in the areas of gender inequality and gender-based violence (GBV). In implementation of the gender strategic objective of enhancing gender equality and women's empowerment and development, as well as elimination of gender-based violence, the Gender Unit during the financial year 2021/2022, implemented the following initiatives under the two key result areas of Gender Equality and Development and Gender-based Violence:

#### 4.6.1.1 Gender Equality and Development

- (i) The SADC Ministers Responsible for Gender/Women's Affairs, in their meeting of August 2021, approved the SADC Regional Guidelines on Developing and Implementing National Gender Plans. The Guidelines are intended mainly to aid the national Gender Machineries in efforts to operationalize the SADC Protocol on Gender and Development at national level and to coordinate the national gender program.
- (ii) As part of implementing the SADC Industrialization and Women Economic Empowerment Project, the SADC Secretariat in collaboration with GIZ designed the Idea Contest (Challenge Fund), an initiative aimed at building the capacity of women entrepreneurs working in the SADC priority Value Chains in order to contribute to mitigating COVID-19 impacts. This initiative will be presented to the SADC Ministers Responsible for Gender/Women's Affairs in June 2022 for endorsement before it is launched.
- (iii) The SADC Secretariat has completed the review of the 2008 SADC Gender Mainstreaming Resource Kit. This has resulted in the development of ten (10) user-friendly and sector-specific gender mainstreaming modules that will guide Member States and the Secretariat in mainstreaming of gender in sectoral programmes. The revised SADC Gender Mainstreaming Resource Kit will be presented to the SADC Ministers Responsible for Gender/Women's Affairs in June 2022 for approval before dissemination across the region.
- (iv) As part of tracking progress on the implementation of the SADC Protocol on Gender and Development, the SADC Secretariat, with financial support of UNDP, and consultancy support by SARDC, conducted regional research to establish the status of women in politics and decision-making and related matters. This research served to particularly track implementation of the SADC Gender Protocol Article 12 on

Representation, Article 13 on Participation, and Article 5 on Special Measures. This research resulted in the production of the Draft 2022 SADC Gender and Development Monitor on Women in Politics and Decision-Making and this will be presented to the 2022 SADC Ministers of Gender Meeting for approval.

#### **4.6.1.2 Addressing Gender Based Violence**

The SADC Secretariat, in collaboration with different partners in the region, continued to enhance implementation of the SADC Strategy for Addressing Gender Based Violence (2018-2030) through the following activities:

- (i) Gender/Women's Affairs Ministers, in their Meeting of June 2021 approved strategic GBV indicators for annual reporting by Member States. Annual reporting on GBV will enable updating of SADC leadership on the status of GBV and will inform regional advocacy against GBV. GBV status update was compiled with preliminary data submitted by Member States in 2021, and this reporting reflected key challenges in terms of the different interpretation of the GBV indicators by Member States. To address this challenge, a regional workshop was conducted in February 2022 to discuss and clearly define the approved indicators for annual reporting and to ensure understanding by all Member States for standardised reporting. Member States will continue reporting through these indicators in 2022.
- (ii) The 2021 SADC Gender Ministers Meeting approved the following GBV tools developed through the EU-funded SPSS Programme: 1) Regional GBV Training Guidelines; 2) Regional Guideline on Developing Standard Operating Procedures (SOPs) and Referral Mechanisms on GBV; and 3) Report of the Regional Inventory and Review of Sexual and Gender Based Violence Legislation.
- (iii) The SADC Model Law on GBV was adopted by the 50th Plenary Assembly of the SADC Parliamentary Forum in December 2021. The Model Law was developed by SADC Parliamentary Forum with technical input by the SADC Secretariat. The Model Law will be intended to guide the development or reform of laws towards strengthening of national legislation on GBV and to inform the response to GBV.
- (iv) The SADC Secretariat successfully convened a Regional GBV Partners consultative meeting in November 2021 to engage partners to identify solutions on improving GBV information and knowledge management for evidence-based programming in the SADC region. Information on ongoing GBV programmes and projects in the region was shared to facilitate coordination and networking. The meeting resulted in identification of 2 regional initiatives for joint implementation by SADC and partners (1. Regional Study on Private Sector Involvement in Responding to GBV; and 2. Review of the GBV indicators to ensure they are SMART).
- (v) In efforts to support Member States in implementation of the SADC Regional Strategy for Addressing GBV, and to roll out the different GBV tools, the SADC Secretariat, including through the EU-funded SPSS Programme, reached 6 Member States (Eswatini, Seychelles, Botswana, Lesotho and Zambia). Initiatives with Member States included support for strengthening coordination in the GBV response at national level and capacity of sectors like police, health and parliamentarians. The 16 Days of Activism against GBV Campaign was commemorated in Nov/Dec 2021 during which the SADC Secretariat Executive Secretary presented a regional statement highlighting the SADC commitment to addressing GBV and the priorities on GBV. Member States were also capacitated on the GBV Standard Operating Procedures through a regional workshop in February 2022.

#### **4.6.2 Statistics**

- (i) The Statistics sector registered significant progress during the financial year 2021/22. In particular, the Protocol on Statistics was approved by Summit in August 2021 and the instrument is expected to enhance statistical operations towards harmonization in the region.
- (ii) New regional statistical publications on macroeconomic statistics and trade were developed and disseminated providing statistical analytical information on Pillar 1 of RISDP, Industry and Market Integration.
- (iii) The SADC Harmonized Consumer Price Index (HCPI) Review Framework was developed and piloted in Botswana and the tool is very effective in capturing best practices and identifying gaps for deeper intervention to ensure full compliance.

#### **4.6.3 Youth Development**

- (i) Youth in SADC have continued to play a prominent role in regional integration across different sectors such as industry, infrastructure, agriculture as well as health, among many others. Youth successfully organised their SADC Youth Forum, held from 10 to 13 August 2021. Youth also organised themselves through a Youth Dialogue held from 4-5 April 2022 to address issues of skills development in the region. This involvement of youth in SADC programmes, including their own engagements, continues to enhance ownership and implementation of the regional integration agenda.

#### **4.6.4 Improved quality of life of people living with HIV and AIDS**

##### **4.6.4.1 Regional Health Financing Hub**

- (i) The establishment of the SADC Regional Health Financing Hub provides an opportunity for SADC Member States to develop strategies that will improve mobilisation of domestic resources for health Financing so as to build strong health systems that will be able absorb any shocks and ensure sustainability. SADC Secretariat mobilised resources for the piloting of a regional Hub on sustainable financing. Initial funding has been valued by the Global Fund. The Health Financing Hubs are intended to support and strengthen capacity of Member States to address the health financing gaps that currently exist in Member States.

##### **4.6.4.2 SADC AGYW Application**

- (i) The SADC region has reduced the number of new HIV infections by 43% and AIDS related deaths have been halved while some Member States are on the brink of eliminating Mother to child transmission (UNAIDS, 2021).
- (ii) Despite these important milestones almost 600,000 new HIV infections are recorded annually and youth account for 40% of those infections. The SADC Secretariat with the support of UNAIDS have developed the SADC AGYW application which is being currently piloted in 4 member States, namely Malawi, Mozambique, United Republic of Tanzania and Zimbabwe. The Application will be available in English, French, Portuguese and Swahili. The tool will help in strengthening HIV prevention strategies in the region through interventions specifically targeting the youth.

#### 4.6.5 Environment and Climate Change

- (i) SADC Secretariat reviewed the SADC Climate Change Strategy and Action Plan of 2015 in line with the current global, regional and national development processes, including Sustainable Development Goals, Paris Agreement and African Union's Agenda 2063. The revised strategy was approved by the Ministers responsible for Environment in their meeting of June 2021. The revised strategy is currently being implemented through the Global Climate Change Alliance Plus programme, mainly in supporting Member States in updating their Nationally Determined Contributions (NDCs), and capacitating them in accessing climate finances to implement their NDCs.

##### 4.6.5.1 Management of the environment and sustainable utilisation of natural resources

- (i) The SADC Trans-Frontier Conservation Areas (TFCA) Financing Facility which was established by the Council of March 2018, and started operations in September 2020, with a funding of 23 million Euros from the Germany Government, is fully operational, being executed by IUCN, and with the overall guidance of the SADC Double Troika Member States, from the Wildlife Conservation Sector.
- (ii) The overall objective is to provide the basis for longer-term and more sustainable funding to support conservation and management actions in SADC TFCAs. Additional resource mobilisation is under way to raise the current funding provided by the German Government to reach 100 million Euros, from other partners, including EU, AfDB and others. During the FY 2021/2022, the TFCA FT launched and approved Covid-19 Response Grants to address conservation challenges created by Covid-19 in the SADC TFCAs. Contract signing and release of funds will be done in the first quarter of FY2022-2023. During the same period, the facility launched the main grants, whose approval and the next steps will be addressed during FY 2022-2023.

#### 4.6.6 Disaster Risk Management

- (i) The SADC region faces a number of challenges to effectively manage disasters. One of such challenges is that of coordinated efforts at the regional level and inadequate financial resources to undertake the necessary interventions to reduce the impact of disasters. In August 2019 the SADC Council of Ministers directed the Secretariat to expeditiously operationalize SADC Disaster Preparedness and Response Mechanism to include (a) operationalisation of a SADC Regional Disaster Preparedness Fund (b) operationalisation of the SADC Humanitarian and Emergency Operations Centre (SHOC) and Standard Operating Procedures (SOPs), as well as a Regional Emergency Roster, (c) establishment of the Emergency Response Team (ERT) training modules (d) development of hazard based Simulation Exercises Guidelines and (d) activation of the approved SADC Standby Force Pledged Resources, Manpower and Equipment as submitted by Secretariat to be placed on notice for humanitarian assistance deployment. So far the following achievements have been made.
  - a) **Disaster Fund:** The documents for the establishment of the disaster fund including a resource mobilization strategy for the fund, a financial sustainability plan as well as a monitoring and evaluation framework were approved by the SADC Council of Ministers in August 2021. Operationalisation of the Fund will enable SADC region and its Member States to adequately prepare for, and timeously respond to disasters originating from natural sources.

- b) **SADC Humanitarian and Emergency Operations Centre (SHOC):** The SADC Humanitarian and Emergency Operations Centre (SHOC) is in the process of being operationalised. This follows the approval of the establishment of the Centre by the SADC Council of Ministers as well as the acceptance of the offer by the Republic of Mozambique to host the SHOC and the roadmap for its operationalization. The SHOC was inaugurated in June 2021, and in August 2021, Council approved its Standard Operating Procedures. Following the approval of an interim budget and staffing structure for the SHOC in March 2022 by the SADC Council of Ministers, the Secretariat is making efforts to operationalise the SHOC to enable the implementation of the interim activities as approved by Council. Among others, the Secretariat is finalizing the Intergovernmental Memorandum of Agreement (MOA) as well as continuing to work with Member States to second staff for the SHOC. Furthermore, the SADC Secretariat hosted a joint mission to the SHOC with the African Union Commission as well as various agencies of the United Nations and other partners such as the International Federation of Red Cross and Red Crescent Societies (IFRC). The objective of the joint mission of the mission was to assess the needs of the centre and to explore opportunities for stakeholders and partners to contribute to the sustainable operations of the centre. The mission also sought to share the continental Multi-Hazard Early Warning System products that may be useful for the functioning of the Centre, as part of the AUC process of establishing regional centres for Disaster Risk Management.
  - c) **SADC Emergency Response Team (ERT):** The SADC Secretariat has established a 73-personnel Emergency Response Team that comprises personnel with expertise from the various specialised areas to support Member States affected by disasters. In August 2021 the SADC Council of Ministers approved a regional SADC Emergency Response Team to facilitate timely and coordinated response to support Member States affected by disasters. Council also approved the ERT's Standard Operating Procedures aimed to improve preparedness, response and early recovery coordination and facilitate collective and up-surged regional capacities to support Member States affected by disasters. As part of the efforts to build the capacity of the ERT, training modules for the ERT were developed, and the first capacity strengthening training session of the ERT is planned for the 2022/23 financial year.
  - d) **SADC Standby Force:** Following the endorsement of the MCO, Council approved the activation of the SADC standby force and utilization of approved Pledged Resources, Manpower and Equipment in response to humanitarian situation. Standard Operating Procedures and a Contingency Plan for the Standby Force were developed and approved by Council to guide a coordinated humanitarian response. To date 9 Member States including, Angola, Botswana, Eswatini, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe have submitted pledged resources and capabilities to support the humanitarian and emergency capacities in the region. Once fully operational, the SADC Standby Force will support humanitarian response efforts in Member States affected by disasters.
- (ii) It is important to note that the Secretariat is still in the process of operationalizing the various structures and frameworks to create an enabling environment for Member States to benefit from the established SADC Disaster Preparedness and response mechanisms.



#### **4.6.6.1 Strengthened disaster risk management and governance in the region**

- (i) The Secretariat is in the process of reviewing the SADC Disaster Preparedness and Response Strategy and Fund (2016-2030). The review is to facilitate better alignment to the Sendai Framework for Disaster Risk Reduction, as well as to develop a plan for operationalizing the strategy and measure progress on its implementation. This will culminate in the development of the Disaster Risk Management Strategy and Plan of Action (2022-2030). It is expected that this strategy will be concluded by August 2022.
- (ii) The Secretariat also developed guidelines for mainstreaming DRR in various sectors namely; gender, Water and Sanitation and Hygiene (WASH), Infrastructure, Education as well as Agriculture and Food Security that were approved by the SADC Council of Ministers in August 2021. The overall objective of the guidelines is to ensure the disaster risk considerations are taken in these sectors during planning and execution of interventions in order to avoid future risks while mitigating impacts of existing risks from the current interventions. The Secretariat is in the process of facilitating the adoption and implementation of the guidelines by the relevant sectors.
- (iii) The Secretariat also launched a DRR peer review mechanisms where Member States are expected to review the performance of their peers in the area of Disaster Risk Management with the view to share lessons and reflect on how these Member States could improve their DRR initiatives. Malawi and Namibia were the first Member States to be reviewed and this exercise is expected to be conducted for all Member States.

#### **4.6.6.2 Strengthened planning for disaster risk assessment and preparedness**

- (i) The Secretariat through the DRR Unit supported Member States to develop and review their Disaster Preparedness and Response plans as informed by the seasonal forecast. The DRR Unit brought together Member States and regional DRM partners to discuss various tools that can best serve the needs of Member States to ensure that they are prepared. These include tools to guide assessments, preparedness planning or emergency response. SADC also facilitated the production of the first Regional State of Disaster Preparedness for the 2021/22 season, which shows the hazards each Member States is exposed to against the preparedness measures they have put in place.
- (ii) The Secretariat is also in the process of developing its first ever Regional Multi-Hazard Contingency Plan 2022-2023 which will guide coordinated preparedness and response operations and activities before, during and after the impacts of disasters within the region. This plan will provide a framework for developing annual disaster preparedness and response plans as informed by early warning messages such as advisories on climate and weather performance. It is expected that this Multi-Hazard Contingency Plan will be concluded by September 2022.
- (iii) In its efforts to strengthen its approach to evidence generation and knowledge management, the Secretariat launched the SADC Disaster Risk Management Information System (IMS) together with information sharing guidelines and system manual which was approved by Council during its meeting in August 2021. Member States nominated focal points for information management who were trained in December 2021 on the navigation of the system to facilitate sharing of documents, news and events as well as reporting disaster statistics. The systems are already being rolled out and utilised for information sharing by the region.

The SADC Retreat made the following observations on the RISDP:

- while RISDP is comprehensive, it doesn't have risk analysis and management that is key to plan and mitigate challenges during strategy implementation;
- RISDP did not incorporate the education component under Pillar III on Social and Human Development, thus limiting the possibility to standardize educational efforts across the SADC Region.
- Poverty is cross-cutting and is not addressed holistically in the RISDP, vis-à-vis the SADC Vision 2050 aspirations on poverty alleviation.
- SADC operational model is a combination of various models, thus limiting strategic focus and measurable impact at the operational and programming levels
- RISDP is silent on digitalisation, yet is a key enabler for enhanced productivity, improved service delivery and reach, and informed decision making through data-driven technologies.

These are core considerations for the Secretariat and the Member States to consider and map the next steps to effectively addressing them in order for SADC to truly deliver on regional integration.

## 5 STATUS OF THE REGIONAL OBLIGATIONS

---

### 5.1 Launch of the Free Trade Area

The SADC Protocol on Trade paved the way for the historic launch of the SADC Free Trade Area (FTA) in August 2008. A total of 13 SADC Member States (Botswana, Eswatini, Lesotho, Malawi, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe) are implementing obligations under the FTA. The remaining three countries (Angola, Comoros and Democratic Republic of Congo) are yet to join the FTA, and have indicated interest to do so. Work is on-going towards finalisation of tariff offers of Angola in order for the country to fully participate in the SADC FTA. The same exercise is expected for the Democratic Republic of the Congo.

### 5.2 SADC involvement in the Tripartite FTA

All SADC Member States are actively involved in the Tripartite FTA and six (6) SADC Member States (Botswana, Eswatini, Namibia, South Africa, Zambia and Zimbabwe) have ratified the TFTA. To date, twenty-two (22) Tripartite Member/Partner States have signed the TFTA Agreement, but 7 countries, namely, Ethiopia, Eritrea, Lesotho, Mozambique, South Sudan, Tunisia and Somalia are yet to sign it. Eleven total (11) ratifications from Egypt, Uganda, Kenya, South Africa, Rwanda, Burundi, Botswana, Namibia, Eswatini, Zambia and Zimbabwe have been deposited. The threshold of ratifications required is fourteen (14), meaning that a minimum of three (3) more ratifications are required for the TFTA Agreement to enter into force. The Tripartite Task Force has agreed to undertake ratification missions to selected Member/Partner during the year 2022.

The negotiations on exchange of tariff offers is still undergoing, meaning that those Member/Partner States that have not exchanged their tariff offers or have not concluded their bilateral tariff negotiations have to do so.

The negotiations under the Trade in Services agenda have been suspended, following the 19th Meeting of the Tripartite Trade Negotiating Forum (TTNF) agreement that an analysis or assessment on how to progress the trade in services negotiations in line with the developments at the AfCFTA be done to inform the way forward on the Tripartite trade in services negotiations, to avoid duplication of effort between the two levels of integration.

### 5.3 SADC involvement in the African Continental Free Trade Area

All SADC Member States are actively involved in the African Continental Free Trade Area (AfCFTA) and eleven (11) Member States (Angola, Eswatini, Lesotho, Namibia, Mauritius, Malawi, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe) ratified the AfCFTA Agreement. Trading under the AfCFTA started on 1 January 2021.

As at 31 May 2022, 45 of 55 countries had submitted tariff offers to the AfCFTA Secretariat, representing 85% of the AU membership. This includes submissions from four (4) Customs Unions: CEMAC; EAC; ECOWAS and SACU and some countries that had submitted individually: Algeria, Angola, Egypt, Democratic Republic of Congo (DRC), Madagascar, Malawi, Mauritius, Morocco, Sao Tome and Principe, Seychelles, Zambia and Zimbabwe. Ten (10) AfCFTA State Parties and non-State Parties are yet to submit any offer to the AfCFTA Secretariat, including some SADC Member States such as Comoros and Mozambique.

On Phase II Negotiations, AfCFTA has established committees to facilitate negotiations on the Protocols on Investment; Competition Policy; Intellectual Property Rights; Digital Trade; and Women and Youth in Trade, and their works are at different stages of progress.

The SADC Secretariat has been engaged, with other RECs and the AfCFTA Secretariat, to finalise the Plan for Collaboration between the Secretariats of the AfCFTA and the RECs on the Implementation of AfCFTA Agreement. The Action Plan under development is focused on four main strategic issues, namely:

- (i) Actions relating to the operationalisation of AfCFTA Institutions, including collaboration on the implementation mechanisms, monitoring and evaluation, enhancing private sector participation and inclusiveness, and operational tools for trading under the AfCFTA regime;
- (ii) Actions relating to the implementation of AfCFTA legal provisions, including specific obligations under the AfCFTA Agreement, the six (6) protocols, and the various annexes under phase I negotiations;
- (iii) Actions relating to the negotiation, implementation and monitoring processes of phase II issues, including ensuring participation and inclusiveness
- (iv) Actions in delivering technical assistance, capacity building initiatives, and resources mobilization towards the effective implementation of the AfCFTA Agreement.

## 6 STATUS OF PROTOCOLS, AGREEMENTS AND OTHER LEGAL INSTRUMENTS

Majority of the SADC Legal Instruments have not yet entered into force because entry into force requires adoption by three quarters of the Member States. The delay is due to slow signing and ratification of Protocols by some Member States. The status is outlined in Table 3 below. The challenge of ratification has necessitated the Secretariat through the Legal Affairs Unit having to facilitate commissioning of a study to establish the challenges/reasons Member States are accounting which make it difficult for them to ratify the Protocols and other Legal Instruments. The process to commission the study is ongoing.

### 6.1 Status of Foundation Pillar Protocols and Legal Instruments

The Legal Instruments under the Foundation Pillar have not yet entered into force and the status is summarised in Table 4 below. While progress has been attained in terms of the signing of the Protocols by some Member States, more commitment is still needed to motivate more signing and ratification of the Legal Instruments.

**Table 4: Summary Status of Protocols and Protocols for the Foundation Pillar**

#	Protocol/Agreements/Charters	Status	Member States
1	Agreement Amending Protocol on Politics Defence and Security Cooperation 2016.	The Agreement has not yet entered into force. Entry into force requires adoption by three quarters of the Member States that are parties to the Protocol.	Botswana, Eswatini, Lesotho, Mozambique, Tanzania, Zambia and Zimbabwe have signed the Agreement.
2	Agreement Regarding the Status of SADC Standby Force and its Components Deployed within the Region for Purposes of Training, Peace Support Operation, Exercises and Humanitarian Assistance.	The Agreement has not yet entered into force. Entry into force requires signature by two thirds of all Member States.	Angola, Lesotho, Malawi, Mozambique and Tanzania have signed the Agreement.
3	Agreement Amending the Protocol on the Control of Firearms, Ammunition and other Related Materials in SADC 2001.	The Agreement has not yet entered into force. Entry into force requires adoption by three quarters of the Member States that are parties to the Protocol.	Lesotho, Malawi, Mozambique and Tanzania have signed the Agreement.
4	Protocol on the Facilitation of Movement of Persons 2005.	The Protocol has not yet entered into force. Entry into force requires ratification by two thirds of the Member States.	Botswana, Eswatini, Lesotho, Mozambique, Namibia, South Africa and Zambia have ratified the Protocol.
5	Protocol on the Interstate Transfer of Sentenced Offenders, 2019.	The Protocol has not yet entered into force. Entry into force requires ratification by two thirds of the Member States.	Angola, Comoros, Lesotho, Madagascar, Malawi, Mozambique Namibia, Tanzania and Zimbabwe have signed the Protocol but no Member State has ratified it.

## 6.2 Status of Pillar I Protocols and Legal Instruments

The following Legal Instruments under Pillar I have not yet entered into force and their status are as follows:

**Table 5: Summary Status of Protocols and Protocols under Pillar I**

#	Protocol/Agreements/Charters	Status	Member States
1	Agreement on Assistance in Tax Matters 2012	The Agreement has not yet entered into force. Entry into force requires ratification by two thirds of the Member States.	Botswana, Lesotho, Mauritius, Seychelles and South Africa have ratified the Agreement.
2	Agreement Adding Annex 13 to the Protocol on Finance and Investment 2016	The Agreement has not yet entered into force. Entry into force requires adoption by three quarters of the Member States that are parties to the Protocol.	Angola, Botswana, Eswatini, Lesotho, Mauritius, Mozambique, South Africa and Zimbabwe have signed the Agreement.
3	Agreement Amending Article 3 (1) c of the Trade Protocol 2016	The Agreement has not yet entered into force. Entry into force requires adoption by three quarters of the Member States that are parties to the Protocol.	Angola, Botswana, Eswatini, Lesotho, Mauritius, Seychelles, South Africa, Tanzania and Zimbabwe have signed the Agreement.
4	Agreement on Operationalisation of SADC Regional Development Fund 2016	The Agreement has not yet entered into force. Entry into force requires ratification by two thirds of the Member States.	Angola is the only Member State that has ratified the Agreement.
5	Charter Establishing Fisheries Monitoring Control and Surveillance Centre 2017	The Charter has not yet entered into force. Entry into force requires signature by two thirds of all Member States.	Angola, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Tanzania and Zambia have signed the Charter.
6	Protocol on Protection of New Varieties of Plants 2017	The Protocol has not entered into force. Entry into force requires ratification by two thirds of the Member States.	Angola, DRC, Eswatini, Lesotho, Mozambique, Namibia, Tanzania and Zambia have signed the Protocol but no Member State has ratified it.
7	Protocol on Industry	The Protocol has not entered into force. Entry into force requires ratification by two thirds of the Member States.	Five (5) Member States (Angola, Botswana, Mauritius, Namibia and Seychelles) have ratified the Protocol.
8	Protocol on Environmental Management for Sustainable Development	The Protocol has not entered into force. Entry into force requires ratification by two thirds of the Member States.	Eswatini, Namibia and South Africa have ratified the Protocol.
9	Charter Establishing SADC Women in Science, Engineering and Technology Organisation 2018	The Charter has not yet entered into force. Entry into force requires signature by two thirds of all Member States.	Angola, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa and Tanzania have signed the Charter.
10	Charter Establishing the SADC Seed Center	The Charter has not yet entered into force. Entry into force requires signature by two thirds of all Member States.	Botswana and Mozambique have signed the Charter.

### 6.2.1 Adoption of the SADC Protocol on Trade

The landmark progression towards promoting free movement of goods and services across the region was laid out in 1996 when the SADC Protocol on Trade was signed by Member States. The Protocol, which came into force in 2001 aims to liberalise intra-regional trade by creating mutually beneficial trade arrangements, thereby improving investment and productivity in the region, as well as eliminating barriers to trade, and easing customs procedures.

### 6.2.2 Ratification of the Protocol on Trade in Services

The SADC Protocol on Trade in Services entered into force on 13th January 2022, following the submission, by the Republic of Malawi, of her instrument of ratification in December 2021. Malawi's submission enabled the threshold of instruments of ratifications by two-thirds of SADC Member States set by the Protocol for its entry into force to be met. To date, eleven (11) Member States, except for Angola, Comoros, DRC, Madagascar and Tanzania, have ratified the Protocol on Trade in Services. The implementation of the Protocol by all Member States would accelerate and consolidate the achievement of a liberal trading framework for trade in services and creation of a single market for services in the SADC region.

As part of the entry into force of the Protocol, both the adopted lists of commitments covering the six (6) priority sectors, i.e., communication, construction, energy-related, financial, tourism and transport services, and the eight (8) annexes, i.e. Settlement of Disputes Between the State Parties, Substantial Business Operations, Movement of Natural Persons (Mode 4), Interim Arrangements relating to Commitments on Subsidies, Financial Services, Telecommunication Services, Tourism Services, and Postal and Courier Services, became enforceable as of 13th January 2022.

The Protocol on Trade in Services provides for denial of benefits to services and service suppliers of Member States that have not yet ratified or acceded to the Protocol, meaning that even the Member States that have negotiated their schedules of specific commitments but have not acceded to the Protocol will not be covered during the implementation phase.

The second round will cover the remaining services sectors, namely: business; distribution; educational; environmental; health; recreational, cultural and sporting services; and other services not included elsewhere. The round will also cover the so called "built-in agenda" issues of the Protocol: domestic regulation; mutual recognition agreements (MRAs); subsidies; and trade and investment promotion, and all outstanding matters from the first round.

## 6.3 Status of Pillar II Protocols and Legal Instruments

Table 6 provides a summarised status of Protocols and Legal Instruments by Member States under Pillar II.

**Table [6]: Status of Pillar I Protocols and Legal Instruments**

#	Protocol/Agreements/Charters	Status	Member States
1	Charter Establishing SADC Aviation Safety Organisation 2015	The Charter has not yet entered into force. Entry into force requires signature by two thirds of all Member States.	Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Zambia and Zimbabwe have signed the Charter.
2	Agreement Amending the Protocol on Energy	The Agreement has not yet entered into force. Entry into force requires adoption by three	Angola, Malawi, Mozambique and Tanzania have signed the Agreement.



#	Protocol/Agreements/Charters	Status	Member States
		quarters of the of the Member States that are parties to the Protocol.  The 41st Summit of Heads of State and Government in August 2021 held in Lilongwe, Malawi considered recommendations by Council of Ministers and adopted the Agreement Amending the SADC Protocol on Energy and adopted the Amendment to Annex 1 to the SADC Protocol on Energy;	Botswana and Eswatini, Lesotho South Africa and Zimbabwe expressed readiness to sign the Agreement Amending the Protocol on Energy and hopefully signing process is to be concluded during the 42nd Summit of Heads of State and Government in August 2022.
3	Memorandum of Agreement Between SADC Member States Regarding Establishment of SADC Centre for Renewable Energy and Energy Efficiency (SACREE)	The Agreement has not yet entered into force. Entry into force requires ratification by two thirds of the Member States.	Angola is the only Member State that has ratified the Agreement.

The following ICT Sector related instruments were approved in July 2021 by SADC Ministers responsible for ICT:

- (i) Revised SADC Roaming Regulations Revised SADC Radio Frequency Spectrum Allocation Plan (RFSAP);
- (ii) SADC Radio Frequency Spectrum Model Policy;
- (iii) SADC Framework for Harmonisation of Radio Frequencies for the Public Protection and Disaster Relief (PPDR);
- (iv) Position Paper - SADC Member States Acceding to the Tampere Convention;
- (v) Universal Access and Service Guidelines for the Electronic Communications Sector in SADC;
- (vi) SADC ICT Quality of Service (QoS)/ Quality of Experience (QoE) Guidelines;
- (vii) SADC Interconnection and Postal Network Access Guidelines;
- (viii) SADC Postal Market Definition and Licensing Guidelines;
- (ix) Roadmap and Guidelines for Transformation to Advanced Internet Exchange Points (IXPs);
- (x) SADC Model MOU between NSO, NRA and/or MICT for data collection for the SADC ICT Observatory; and
- (xi) TOR for the review of the SADC Protocol on Transport, Communications and Meteorology. The review will be undertaken in 2022/23.

## 6.4 Status of Cross Cutting Protocols and Legal Instruments

### 6.4.1 Implementation of the SADC Fisheries Protocol

Capacity building programmes on aquaculture and aquatic animal health were developed and implemented during FY 2021-2023. In addition, (i) a SADC Fish Diseases Map (Pathogen list) was developed; (ii) an AquaVetPlan was developed for disease outbreak emergency preparedness; (iii) an online training programme for Epizootic Ulcerative Syndrome (EUS) was developed and implemented; (iv) EUS educational materials were developed and distributed to Member States; and (v) SADC Harmonised Guidelines for Hatchery and Brood Stock

Management, Gene Banking and Stock Enhancement were developed and approved by the Ministers responsible for Fisheries and Aquaculture in May 2022.

In supporting the development of the sector, Secretariat supported Botswana, Malawi and Namibia to develop national aquaculture strategies aligned with Regional Aquaculture Strategy and Action Plan, and five Member States (Botswana, Malawi, Mauritius, Mozambique and Namibia) were assisted with the development of national aquatic animal health and biosecurity strategies aligned with the SADC Aquatic Animal Health Strategy.

The SADC Management Retreat flagged the non-compliance to the signing and ratification of Protocols and Legal Instruments as a cross-cutting concern that holistically constrains the effectiveness of SADC in realising the intended outcomes of the SADC Development Agenda. Key considerations to improve the status quo include:

- Effective communication between Secretariat and Member States is key to building awareness on compliance in the regional integration context, and build political commitment to ensure enhanced compliance;
- Share best practice and experiences within the region on improvement of compliance (for timely ratification and domestication of protocols and agreements)
- Sustainable mechanism(s) to improve compliance (underpinned by effective communication and introduction of peer review mechanisms)

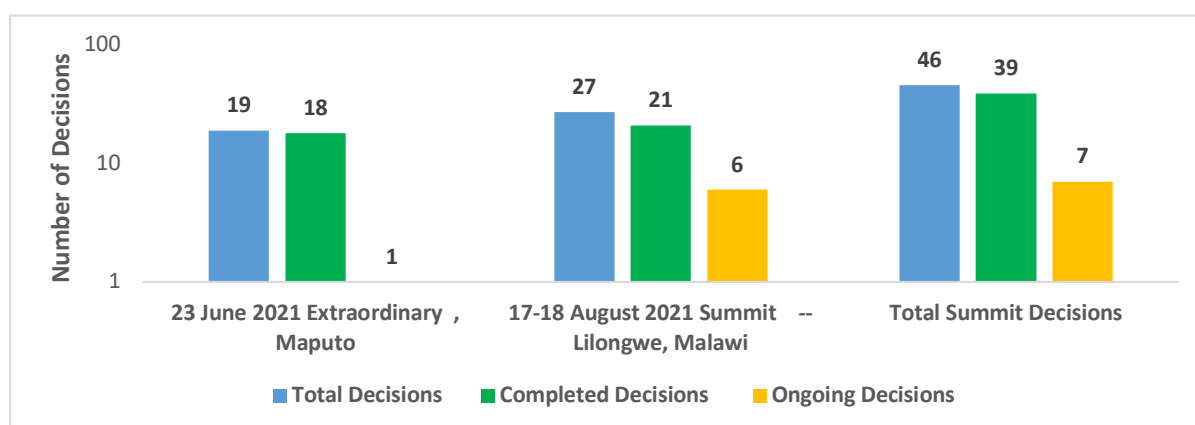
## 7 STATUS OF STATUTORY MEETINGS DECISIONS

This section presents the implementation status of Statutory Meetings Decisions. The Decisions emanated from the Summit of heads of States and Governments; Council of Ministers; Ministerial Committee of Organ (MCOs); and Ministerial and Sectoral Meetings held from March 2021 to May 2022, as of end of June 2022. Implementation status per Meeting type is as presented below:

### 7.1 Summit of Heads of States Decisions

The Summit of Heads of State and Government at its two meetings held in June and August 2021 deliberated on 46 total Decisions which are actionable. Out of these, implementation of 39 Decisions has been completed representing 85% completion level, while implementation of 7 Decisions is still ongoing as presented in Figure 10 below.

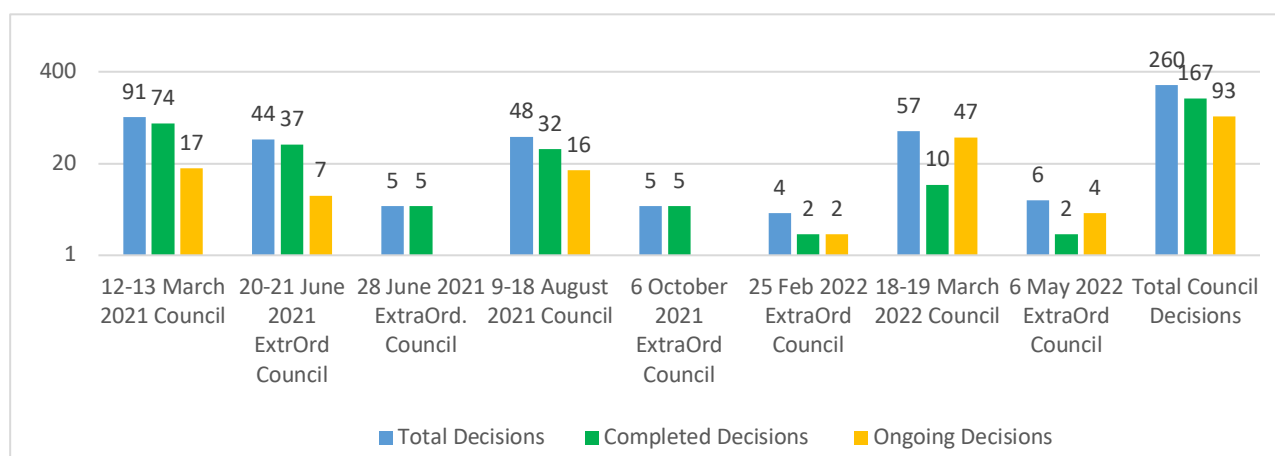
Figure 10: Status of Implementation of Summit Decisions for 2021/22 Financial Year



### 7.2 Council of Ministers Meeting Decisions

The Council of Ministers at its eight meetings held between March 2021 and May 2022 deliberated on 260 total actionable Decisions. Out of these, implementation of 167 Decisions has been completed representing 64% completion level, while implementation of 93 Decisions is still ongoing as presented in Figure 11 below.

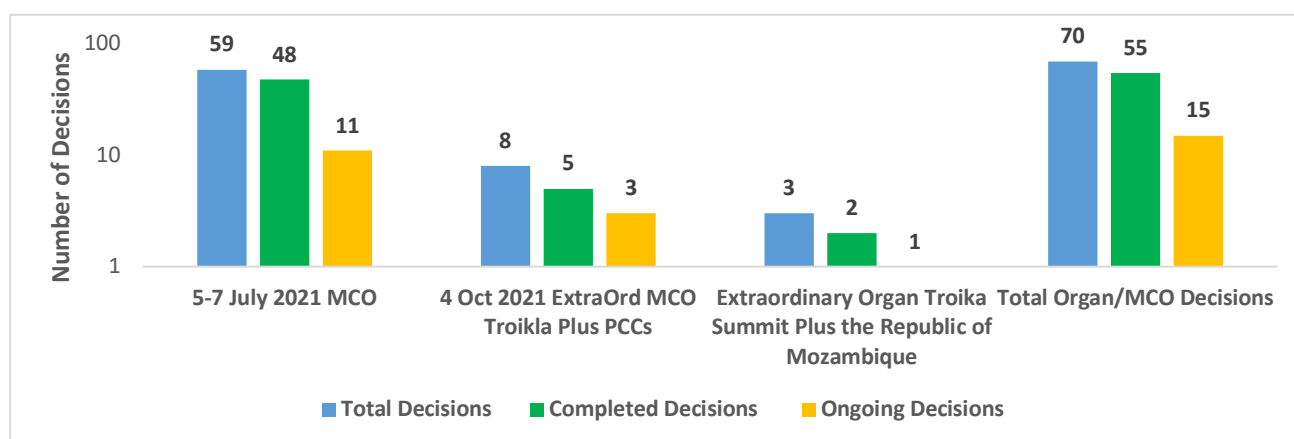
Figure 11: Implementation Status Council Decisions for 2021/22 and 2022/23 Financial Year



## 7.3 Ministerial Committee of Organ Meeting Decisions

The Ministerial Committee of Organ and Organ Troika Summit at their three meetings held between July and October 2021 deliberated on 70 total Decisions which are actionable. Out of these, implementation of 55 Decisions has been completed representing 79% completion level, while implementation of 15 Decisions is still ongoing as presented in Figure 12 below.

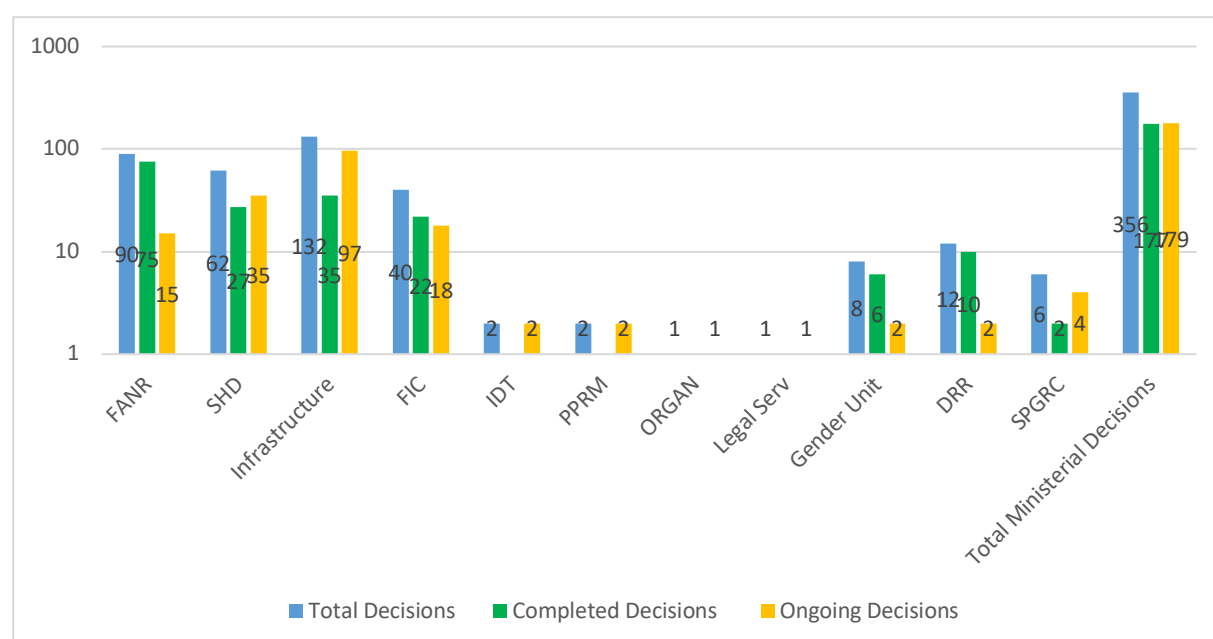
Figure 12: Implementation Status of 2021/22 and 2022/23 Organ Troika Summit/MCO Decisions, June 2022



## 7.4 Ministerial and Sectoral Meetings Decisions

The Ministers at their Ministerial and Sectoral meetings held between March 2021 and March 2022 deliberated on 356 total actionable Decisions. Out of these, implementation of 177 Decisions has been completed representing 50% completion level, while implementation of 179 Decisions is still ongoing as presented in Figure 13 below.

Figure 13: Status of Implementation of 2021 and 2022 Ministerial and Sectoral Decisions by Directorates/Units, June 2022



## 8 IMPLEMENTATION OF THE FINANCIAL MANAGEMENT FRAMEWORK

---

### 8.1 Implementation of Financial Management Framework

The budgetary and financial management functions within the Secretariat, are carried out within the approved Financial Management Framework. The SADC Financial Regulations, are approved by the Council of Ministers under Article 30 of the SADC Treaty. In adhering to the Financial Management framework, the Finance Directorate supports the Secretariat in fulfilling its fiduciary responsibility by implementing and enforcing sound financial management principles and internal controls and adhering to best practice wherever possible.

The Finance Directorate continued to provide budgeting support and supervision, advisory support and prudent public financial management per the Financial Regulations, International Public Sector Accounting Standards, and Financing Agreements. In addition, the Secretariat adhered to sound governance principles and internal control measures that promoted the efficient and effective implementation of the approved Corporate Plan and Budget.

#### 8.1.1 Approved 2021/22 Annual Budget

The Secretariat approved Budget for the 2021/22 Financial Year, amounting to US\$106,730,217, was funded as follows: US\$75,584,709 (71%) by the Member States and US\$31,145,508 (29%) by International Cooperating Partners.

The total budget of US\$106,730,217, was appropriated as follows:

- (i) US\$74,767,368 (70.1%) towards Programmes [Member States: US\$45,235,168 (61%) and ICPs: US\$29,532,200 (39%)];
- (ii) US\$23,881,445 (22.4%) towards Support Services [Member States: US\$22,268,137 (93%) and ICPs: US\$1,613,308 (7%)];
- (iii) US\$2,290,973 (2.1%) towards Capital Expenditure (Capex) [Member States: US\$2,290,973 (100%)] and
- (iv) US\$5,790,431 (5.4%) towards transfers to SADC Special Funds; [Member States: US\$5,790,431 (100%)].

#### 8.1.2 Member States' Contributions - 2021/22 Financial Year

The Revised Revenue from Member States funding, including withdrawals and transfers from special funds, for the financial year 2021/22 was US\$75,554,709 (Normal and Additional Member States Contributions US\$65,656,021; Other contributions (Withdrawals) US\$9,828,688). Out of the Member States Contributions in 2021/22 financial year of US\$65,656,024 a total of US\$ 55,321,098 (84%) had been received from the Member States as of 31 March 2022. The breakdown is as follows:

- US\$39,476,339 (83%) towards annual member states Contributions approved budget of US\$47,407,824;

- US\$12,854,589 (87%) additional Member States Contributions towards the SADC Mission in Mozambique (SAMIM) out of the approved budget of US\$14,848,800;
- US\$2,951,170 (89%) Member States Contributions towards Regional Logistics Depot approved budget of US\$3,333,600; and
- US\$39,000 (59%) Member States Contributions towards SADC Anti-Corruption approved revised budget of US\$65,800;

### 8.1.3 International Cooperating Partners' Contributions - 2021/22 Financial Year

Council, at its meeting held in Lilongwe, Malawi, in March 2022, approved the revised budget of US\$31,145,508 contributions from International Cooperating Partners for the 2021/22 Financial Year. The total receipts of US\$10,979,967 from International Cooperating Partners for Programmes / Projects were made during the 2021/22 financial year as shown in Table 7 below. The balance of US\$24,888,561 represents the deferred revenue from ICPs as of 31 March 2022.

**Table 7: Deferred Revenue from International Cooperating Partners (USD)**

International Cooperating Partner	Project Name	2021/22 Opening Balance	Interest	Receipts	Payments	Exchange Gain/(Loss)	2021/22 Closing Balance
African Development Fund	ADB - ACMAD/DMC	28,787	-	-	-	-	28,787
	SADC AFDB SARCIS DR	35,844	-	-	(39,026)	3,182	-
	SADC AFDB Sustainable Financing in Regional Infrastructure	111,841	36	45,485	(137,535)	-	19,827
	ADB Shared Water	85,737	-	-	(85,737)	-	-
	TADS	36,397	-	-	(36,397)	-	-
	AFDB-Support to Covid19 Response	705,965	477	-	(248,479)	-	457,964
	<b>Sub-Total</b>	<b>1,004,572</b>	<b>513</b>	<b>45,485</b>	<b>(547,174)</b>	<b>3,182</b>	<b>506,578</b>
Africa Union	SADC EU/APSA IV PROJECT	785,369	-	-	(426,961)	-	358,408
	APSA III	82,295	-	-	(7,499)	-	74,796
	AU APSA Multi-Stakeholder Lesotho Fund	16,507	-	-	(16,507)	-	-
	AU Early Response Mechanism Phase II	15,127	-	-	(15,127)	-	-
	<b>Sub-Total</b>	<b>899,298</b>	<b>-</b>	<b>-</b>	<b>(466,094)</b>	<b>-</b>	<b>433,204</b>
	<b>Sub-Total</b>	<b>899,298</b>	<b>-</b>	<b>-</b>	<b>(466,094)</b>	<b>-</b>	<b>433,204</b>
German Technical Cooperation	GIZ- Trans Agro-Processing	476	-	-	(476)	-	-
	GIZ Support to Peace Security and Good Governance	22,191	-	-	(22,719)	528	-
	GIZ Support to Peace and Security	25,119	-	-	(1,766)	-	23,353
	GIZ - Support to Electoral Processes	22,731	-	-	(78)	(2,137)	20,517
	GIZ-Study and Expert	5,263	-	-	(5,263)	-	-
	GIZ-Study and Expert Fund	36,308	-	-	(38,109)	1,801	-
	GIZ- ES Support	93,411	-	-	(10,105)	3,019	86,324
	GIZ-SADC National Regional Linkages	(26,286)	-	5,934	-	-	(20,352)
	GIZ-Transboundary Conservation	20,664	-	-	(20,664)	-	-
	GIZ- Transboundary Water	155	-	-	(155)	-	-
	SADC GIZ- 40th Anniversary	235	-	-	(235)	-	-
	GIZ Support towards Business Continuity and Efficiency	126,575	-	-	(4,527)	(5,956)	116,092
	GIZ Support for Peace, Security and Good Governance	459,085	-	-	(71,383)	(44,709)	342,994

International Cooperating Partner	Project Name	2021/22 Opening Balance	Interest	Receipts	Payments	Exchange Gain/(Loss)	2021/22 Closing Balance
	GIZ Support on Scenario Planning	140,602	-	-	(138,543)	(7,642)	(5,584)
	<b>Sub-Total</b>	<b>926,529</b>	<b>-</b>	<b>5,934</b>	<b>(314,022)</b>	<b>(55,096)</b>	<b>563,345</b>
	EU - RPC	32,920	-	-	(32,920)	-	-
	11TH EDF - TCF1 PE1	151,306	-	-	(136,458)	7,324	22,172
	EU - PPDF	4,053,548	-	-	(1,698,344)	265,600	2,620,804
	Trade Related Facility	14,547,339	-	-	(5,744,326)	(1,033,671)	7,769,343
	EU - East and Southern Africa Transport	364,364	168	-	(334,653)	(6,134)	23,745
	EU Regional Agriculture Policy	344,814	-	-	(5,879)	(14,486)	324,450
	Support to Peace and Security in the SADC region	3,729,802	2,063	-	(2,524,471)	9	1,207,404
	IICB- Integrated Institutional Capacity Building	221,970	-	1,698,013	(1,041,664)	-	878,320
	EU-JAL	1,872	-	-	(1,871)	-	-
	EU - Dialogue Facility	568,415	-	-	(317,529)	(7)	250,881
	Intra ACP GCCA+	696,376	753	1,832,334	(743,425)	-	1,786,038
	EU - SIPS	588,856	338	1,323,413	(679,368)	-	1,233,238
	EU - SIBE	2,911,229	1,590	2,391,418	(2,298,250)	(2)	3,005,986
	EU - TFP	1,979,960	1,328	3,458,702	(1,983,163)	-	3,456,826
	Intra-ACP Climate	1,069,693	714	-	(596,245)	(5)	474,158
	EU EPA	-	-	35,441	-	-	35,441
European Union	<b>Sub-Total</b>	<b>31,262,464</b>	<b>6,954</b>	<b>10,739,321</b>	<b>(19,172,237)</b>	<b>252,299</b>	<b>23,088,804</b>
<b>Global Fund - HIV &amp; AIDS</b>	<b>Global Fund - HIV &amp; AIDS</b>	<b>(79,456)</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,330)</b>
Seed Centre	6210S004	-	-	-	-	-	-
Other Projects	Other Funds	176,981	-	-	-	-	176,981
Other Projects Fund	Southern Africa Trust	4,404	-	-	(4,404)	-	-
Other Projects	REPPSI	24,292	-	-	(24,292)	-	-
Japanese Grant	Japanese Grant	128,166	-	-	(128,166)	-	-
Other Projects Fund	Norway Energy	15,302	-	-	(15,302)	-	-
Other	Japanese Grant	(3,500)	-	3,500	-	-	-
SADC/ICP SDC OVC Fund	Swiss SADC OVC&Y	504	-	-	(504)	-	-
	<b>Sub-Totals</b>	<b>346,148</b>	<b>-</b>	<b>3,500</b>	<b>(172,668)</b>	<b>-</b>	<b>176,981</b>
<b>World Bank</b>	<b>World Bank - SADC DRR</b>	<b>(377)</b>	<b>118</b>	<b>185,727</b>	<b>(91,753)</b>	<b>-</b>	<b>93,715</b>
	<b>Sub-Totals</b>	<b>34,359,178</b>	<b>7,711</b>	<b>10,979,967</b>	<b>(19,730,275)</b>	<b>(833,286)</b>	<b>24,783,296</b>
Donors with debit balances		109,618					105,265
<b>Grand Total</b>		<b>34,468,797</b>					<b>24,888,561</b>

**Source: 2021/22 Draft Financial Statements**

## 2021/22 Financial Year Expenditures:

The Secretariat recorded an overall actual expenditure of US\$67,633,307 for the Financial Year 2021/22 against a total budget of US\$99,096,224, excluding transfers to the Contingency Fund and Special Funds:

- (i) actual expenditure of US\$48,199,184 against a budget of US\$67,950,716 funded by the Member States;
- (ii) actual expenditure of US\$19,434,123 against the budget of US\$31,145,507 funded by International Development Cooperation;
- (iii) actual expenditure for Programmes was US\$45,263,385 against a budget of US\$71,796,697; and



- (iv) actual expenditure for Support Services was US\$22,369,922 against a budget of US\$27,299,527.

## 8.2 Analysis of Expenditure Variances

The overall expenditure utilization for the year was US\$67,633,307, representing 68% of the Revised Budget, excluding transfers to the Contingency Fund and the Special Funds. The budget utilization for Member States funds of 61% on programme activities and 87% on support activities under Member States' funding is mainly attributed to the impact of the COVID-19 pandemic, especially in the first half of the year. 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 66% on Programme activities and 17% on Support Activities achieved has also 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, resulting in 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.

## 8.3 Projects Grants

Trade Related Facility: Successfully implemented the Trade Related Facility (TRF), which ended on 31 March 2022. The TRF pilot programme, channelled EU funds directly to twelve (12) Member States (MS) namely; Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Mauritius, Namibia, Seychelles, Tanzania, Zambia and Zimbabwe, through the SADC Secretariat. TRF was unique in its approach and the largest programme that the SADC Secretariat has implemented.

Project Grant Disbursements as of 31 March 2022: During the period under review, twenty-eight (28) grant contracts, totalling US\$11,712,055, were signed by some of the projects, namely the GCCA+, IICB, SIPS and Dialogue Facility, and HIV/AIDS Fund (supported by the Member States).

For the Trade Related Facility (TRF) project in the Directorate of IDT, an amount of US\$1,505,105 was disbursed to the beneficiary Member States to implement activities locally in accordance with Financing Agreements. US\$970,324 was retired as at 31 March 2022, whilst US\$534,781 was yet to be retired.

Similarly, for the Global Climate Change Alliance Plus GCCA+ Project, an amount of US\$126,912 was disbursed to Member States to implement activities locally as per the Financing Agreements. However, there has been no retirement as of 31 March 2021 because the advance was only made in December 2020.

Under Project Preparation Development Facility (PPDF), US\$4,405,564 was disbursed to the Development Bank of Southern Africa (DBSA) during the year under review, out of which US\$1,092,926.07 has been retired.

Projects in the pipeline: - As of 31 March 2022, there were four new projects in the pipeline. Two of the four projects will be financed by the European Union (EU) totalling EUR10.4million.

The African Development Fund (ADF) will finance the other two projects, totalling USD16.9 million. Implementation of the four projects had not yet begun as of 31 March 2022.

## **8.4 Corporate governance**

### **8.4.1 Organizational Health and Change Management**

The mission of the Internal Audit and Risk Management Directorate is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. The Internal Audit Service helps the SADC Secretariat accomplish its objectives by bringing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk-management, control and governance processes. Its tasks include assessing and making appropriate recommendations to improving the risk-management, control and governance processes to enable achievement of stated objectives:

### **8.4.2 Governance Arrangements**

Statutory meeting with oversight structures of Council, Sectoral Committees and the Audit Committee were convened to monitor and direct the Secretariat's operations to ensure accountability and effective utilisation of resources. Secretariat's key programmes and projects were reported to various Committees and stakeholders in order to present status and progress being made towards the achievement of set objectives and realisation of outcomes. The Committees also considered reports on business and financial performance, compliance and audit matters to which decisions were made to enhance the overall performance of the Secretariat.

The Secretariat continues to strive for excellence through a change management strategy that is results oriented and innovative to enhance performance, delivery and value to all stakeholders. Policies and procedures were reviewed to reflect current practice, provide guidance and direction that support effective decision making and ensure activities are implemented in line with SADC values and applicable standards.

### **8.4.3 Risk Management**

The objective of the SADC Secretariat, in managing risk is to ensure that the organisation culture, processes and structures are fully effective in order to achieve the strategic objectives as envisaged in the SADC and proprieties of SADC and its Regional Integration Agenda.

Following the adoption of the RISDP 2020 – 2030, the Secretariat embarked on revising the Strategic Risk Register taking into account the priority areas in the new strategy and changing geopolitical; economical; social and technological factors. The revised Strategic Risk Register includes specific efforts focused on ensuring that the strategic business and emerging risks are adequately managed, and will be presented for consideration to the Audit Committee in its July 2022 meeting.

On the operational level, the Secretariat identified a total of 123 operational risks in the financial year 2021/2022 with 5 risks rated as extreme risks. The following mitigation measures were implemented to minimise the impact of the key risks:

- (i) *IDT* - Ineffective Coordination of the industrialization strategy: The Secretariat responded by conducting sensitization workshops that will facilitate ratification of protocols and other legal instruments as the foundation for effective coordination

to strengthen trade and industry capacity across Member States through the application of cohesive industrial policy tools.

- (ii) *PPRM* - Ineffective monitoring of SADC programmes: The Secretariat has developed the M&E framework which is aligned to the SPMER and revised the monitoring and evaluation system. The M&E system has been rolled out and 11 out of 16 MS have been trained. However, for protocol monitoring the testing is ongoing with the pilot monitoring on the Protocol on Trade being progress with the results used to inform the review of the Protocol Module on the SADC results-based M&E online system.
- (iii) *HRA* - Lengthy recruitment process and quota points challenges affecting implementation of SADC activities due to a relative high staff vacancy rate: Council approved that, after failing to fill the position in the first instance, the position should be opened to all Member States. The Secretariat has therefore opened up 18 positions to all Member States which were advertised without success. This will increase the candidates pool and success rate of filling the vacant posts.
- (iv) *CPRU* - Slow responsiveness during crisis situations (e.g. media release) and action taken to manage negative publicity: The Secretariat has developed a draft Media Policy, which includes the Crisis Communication strategy that will be considered by the HR Committee and be approved by Council.
- (v) *Procurement Unit* – slow procurement processes due unsuccessful tender launch, slow turnaround time and repetitive floating of tenders: The Secretariat has engaged the services of a Senior Procurement Advisor to review the current procurement procedures and processes in order to streamline the processes so as to hasten the turnaround times and carry out capacity building initiatives. Furthermore, the capacity of the Procurement Unit has been improved by engaging three officers on short-term contract to address the current capacity gap.

#### **8.4.4 Internal Audit**

The Internal Audit Function implemented the 2021/22 audit plan in the context of the COVID-19 pandemic restrictions, with business continuity arrangements in place. Based on the engagement results, Internal Audit concluded that overall internal controls, governance and risk management processes were generally established and functioning, but needed improvement to maintain an effective internal control environment that would assist the Secretariat to deliver value to its stakeholders and achieve the strategic objectives. Below is a list of key audit issues reported during the financial year;

- (i) Slow ratification of protocols by member states as a result key projects have failed to kick off as their implementation has been hugely dependant on the ratification of protocols. In response the Secretariat has devised a strategy which the Executive Secretary will undertake lobby missions with Member States to sensitise on the importance of ratifying protocols and other legal instruments; and effective coordination of regional development projects.
- (ii) High vacancy rate created by the use of quota system/ lengthy recruitment processes resulted in Secretariat failure to fill the existing vacancies. Council directed the Secretariat to carry out a comprehensive review of the Recruitment, Selection and Appointment Policy, taking into account all challenges encountered in recruiting staff at the Secretariat. The proposed solutions will be presented for consideration to the HRA Subcommittee and subsequently to Council during the August 2022 meeting.

- (iii) Absence of an Information Security Plan Management. To address this, Management will include in the overall ICT Strategy an Information Security plan to inform information security initiatives and activities (such as purchase of software, hardware, implementation of projects and training) to enable effective mitigation of IT security risks.
- (iv) The current Project Operating model adopted for managing ICT projects has limitations, impacting on the successful implementation of the Secretariat's projects. Management will review the operating model and develop project template report as a part of clear guidelines for managing project resources, costs, project performance and reporting.
- (v) Limited coordination and monitoring mechanisms for project and program implementation which has led to loss of funds from programs due to delays in their implementation. Management has developed project acceleration plans to fast track implementation of project activities and also engaged ICPs to request for no cost extensions to increase the implementation period and allow achievement of set outputs
- (vi) Noncompliance with procedures and guidelines which resulted in ineligible expenditure due to in some instances lack of supporting documentation, and failure to follow procurement and grants guidelines. Expenditure verification and audits will be undertaken and also sensitisation of staff on ICP requirements to ensure compliance with applicable procedures and rules.
- (vii) The business continuity plan has been delayed in its implementation which may affect the Secretariat's response during disaster/ systems disruptions. The Secretariat is currently recruiting a consultant who will facilitate the review of the Business Continuity Policy and development of the emergency response plan for the SADC Headquarters to enhance business resilience capability.

#### 8.4.5 Status of Implementation of Audit Recommendations

Council and the Audit Committee received status progress report on the implementation of audit recommendations meant to improve the control environment and efficiency by mitigating risks across the Secretariat. Relative progress has been made (see Table 8), however the Secretariat will continue to make concerted efforts to close all the remaining outstanding recommendations.

**Table 8: Implementation Status of Audit Recommendations as at May 2022**

Year	No. of Recommendations	No. implemented	No. Outstanding	% implemented
<b>External Audit</b>				
2016/17	21	19	2	90%
2018/19	48	47	1	98%
2019/20	49	45	4	95%
2020/21	78	55	23	71%
<b>Internal Audit</b>				
2017/18	164	163	1	99%
2018/19	146	145	1	99%
2019/20	134	127	7	95%
2020/21	84	68	16	81%

Based on the assurance work performed in 2021/2022 which highlighted significant areas requiring improvements, in their opinion the Secretariat has internal controls in place and partially conforms to established governance, risk and controls. In order to address issues raised and to facilitate the effective and efficient delivery of the SADC strategic goals, the Secretariat will endeavour to improve business processes and control effectiveness.

## 9 SADC INSTITUTIONS

---

### 9.1 Parliamentary Forum

In August 2021, Summit Heads of States approved the transformation of the SADC Parliamentary Forum into a SADC Parliament and its Roadmap as a consultative and deliberative body with no law-making or other binding authority. In response, the Secretariat in collaboration with the SADC Parliamentary Forum prepared and submitted a draft Agreement Amending the SADC Treaty, which was approved by Council in March 2022, and for Summit for adoption and signature at its meeting in August 2022.

The Secretariat in collaboration with the SADC Parliamentary Forum is continuing to follow through the implementation of activities towards the establishment of the SADC Parliament including preparation of the draft Protocol, and an analysis of the budgetary implications and financing modalities of establishing the SADC Parliament. Furthermore, the draft Protocol establishing the SADC Parliament and an analysis the budgetary implications and financing modalities of establishing the SADC Parliament will be finalized and presented to Council in March 2022, after Summit has adopted the draft Agreement Amending the SADC Treaty by Summit.

### 9.2 SADC Administrative Tribunal

As a tribunal part of SADC, SADCAT has continued to deliver its mandate as expected. In September 2021, the SADCAT Judges received intense training from JIFA (Judicial Institute for Africa). The training was delivered by Honourable Lady Dame Linda Dobbs (former High Court Judge of the Queen's Bench Division) and Honourable Mathilda Twomey (Appeal Court Judge of Seychelles) on several aspects of advanced judgment writing. Several important cases were examined as to the style and content of the judgments. The judgments delivered by SADCAT were also examined and the Judges went through a judgment writing exercise.

### 9.3 SADC Humanitarian and Emergency Operations Centre

At its Meeting in March 2022, Council of Ministers approved the Comprehensive Budget and Staffing Structure for the interim activities of the SADC Humanitarian and Emergency Operations Centre (SHOC) amounting to US\$1,388,556 for a period of three years from 2022 to 2025. Council also approved that Member States should second staff to SHOC to facilitate the implementation of the interim activities as approved by Council while the Memorandum of Agreement to fully operationalise the SHOC and give it the legal persona is being finalised for signature by Member States. This is in view of the recent increase in the number and severity of disasters, which necessitated the need for increased collaborative efforts with partners to put in place mechanisms, including the operationalisation of the SADC Humanitarian and Emergency Operations Centre that will aid the Region in mitigating disasters and monitoring all disaster risk factors. In 2021/22, the SADC Member States except Comoros submitted the names of Focal Points for the operationalization of the SADC Humanitarian Operations Centre (SHOC).

Following the approval of the Comprehensive Budget and Staffing Structure for the interim activities of the SHOC, the Secretariat has put in place the necessary arrangements and mechanisms to ensure implementation of the interim activities and utilisation of the budget for the SHOC. Secretariat has also written to Member States to nominate qualified individuals to be seconded to the SHOC to enable the SHOC to facilitate interim disaster risk management activities while the Memorandum of Agreement that fully operationalises the SHOC is being finalised for signature by Member States.

International Cooperating Partners (ICPs) are not keen to support the deployment of the emergency response teams as they render this a regional responsibility. According to the SADC Preparedness and Response Strategy and Fund 2016-2030, resources to support deployment are expected to come from the Disaster Fund. The Strategy provides the amount of support from the Fund as illustrated in Table 9 below.

**Table 9: The Main Activities to be supported through the Disaster Fund**

Activities	Approximate Budget (US\$)
Regional Emergency Response Training (15 Participants and 5 trainers per year)	130,000
Regional Simulation exercises (1 exercise per year)	150,000
Disaster Needs assessment (3 Member States)	300,000
Deployment of ERT (10 member team * 3 missions)	330,000
Grants to Member States (300,000 * 3 Member States)	900,000
Fund Steering Committee (2 Meetings)	30,000
Regional Coordination Centre (laptops, interpretation, communication, Internet)	50,000
<b>Total</b>	<b>1,890,000</b>

Source: SADC Preparedness and Response Strategy and Fund 2016-2030

To enable deployments, an additional budget supported by Member States is needed to support the deployment of the regional emergency response teams and the SADC Standby Force in line with the SADC Preparedness and Response Strategy and Fund 2016-2030, while the Disaster Fund is still being operationalised.

## 9.4 Regional Peacekeeping Training Centre

The SADC RPTC is mandated to provide Peace Support Operation Training to SADC Standby force to ensure sustainable peace and security in the region. The SADC Standby force serves in peace-building efforts including post-conflict disarmament and demobilisation and humanitarian assistance in conflict areas and areas impacted by major natural disasters. Peace and security are essential ingredients for regional integration. Peace and security have been a fundamental part of SADC, highlighting the need to establish regional cooperation and integration and promote enhanced welfare for the region's citizens. As per its mandate, the following notable achievements have been registered over the years;

### 9.4.1 Peacekeeping /Peace Support Operations training and deployment in Member States

The successful conduct of the following exercises supports high level planning, management, coordination and interoperability amongst multidimensional peacekeeping / Peace Support Operations components in some Member States.

- (i) SADC Command Post Exercise (CPX) UMODZI, Salima in Malawi in 2018
- (ii) UGUTHULA FTX (2021) Multi-dimensional (military police and civilian) peace keeping readiness FTX towards South Africa, SADC Force Pledges
- (iii) AMABUTHO FTX (2021) SANDF Combat Readiness Battalion for relief duties. DRC (enforcement)

### 9.4.2 Peacekeeping/PSO training and deployment in the SADC region

SADC Member States are continuously being trained and deployed to a number of Peacekeeping and Peace Support Operations within the region. High levels of strategic



planning of operations and logistics have been undertaken in the following peacekeeping missions.

- (i) SADC Peace Support Mission in the Kingdom of Lesotho (SAPMIL) 2018
- (ii) SADC Mission in Mozambique (SAMIM) in 2021, fighting terrorism in the Cabo Delgado province.

### 9.4.3 Peacekeeping/Peace Support Operations training and deployment in Africa and United Nations Missions

- (i) SADC Member States deployment as peacekeepers in the Democratic Republic of the Congo
- (ii) Military Officers from the Kingdom of Lesotho have participated in the United Nations Peacekeeping Mission in Darfur (UNAMID)
- (iii) Malawi police officers are participating in the United Nations Mission in South Sudan (UNMISS)
- (iv) A police officer from the Republic of South Africa participating in the United Nations Interim Security Force in Abyei in Sudan (UNISFA)
- (v) Officers from the Kingdom of Lesotho have participated in Peacekeeping Missions in South Sudan, Somalia, Liberia, Sudan Darfur and Mozambique (SAMIM)

Notable achievement has also been observed in the number of trainings that RPTC Centre has been able to conduct since its establishment as outlined in the Table 10 below which presents the numbers of trained Officials per Member State.

**Table 10: Number of Participants from Member States Trained since 2017 – 2022**

	Member State	Male	Female	Total
1.	Angola	76	24	100
2.	Botswana	77	21	98
3.	Comoros	12	14	26
4.	Democratic Republic of Congo	77	55	131
5.	Eswatini	49	29	78
6.	Lesotho	58	34	92
7.	Madagascar	38	25	63
8.	Malawi	61	30	91
9.	Mauritius	51	08	51
10.	Mozambique	39	36	75
11.	Namibia	48	42	90
12.	Seychelles	19	26	45
13.	South Africa	25	17	42
14.	Tanzania	42	28	70
15.	Zambia	46	36	82
16.	Zimbabwe	124	90	214
<b>Grand Total</b>		<b>842</b>	<b>456</b>	<b>1298</b>

## 9.5 African Union Liaison Office

In 2008, the Chairperson of African Union Commission (AUC) held a meeting with the CEOs of RECs to evaluate the status of coordination and collaboration between RECs and AUC. As a result, SADC signed 3 Memoranda of Understandings (MoUs) with AUC in order to strengthen its capacity and cooperation (including the 2008 “Protocol on Relations between the African Union and the Regional Economic Communities”). This enabled the setting up of the Liaison Offices of RECs at AUC headquarters in Addis Ababa, Ethiopia. The 2008 Protocol

has been reviewed and adopted at AU Summit of 2020 and it entered into force in November 2021. As a consequence, the Liaison Office of SADC is now referred to as “Permanent Representation of SADC to the African Union”.

The SADC Liaison Office to the AU is the forefront of the Secretariat with the AUC, SADC Embassies in Ethiopia, and partners and as such, regular meetings are held with all those stakeholders in the best interest of SADC. This Office also handles all issues relevant to both the regional and continental agenda and is greatly contributing by assisting SADC Ambassadors in Ethiopia. It also follows up and coordinates on urgent matters regarding Peace and Security (SAMIM, EPF, Standby Force, Early Warning, construction of the Statue of Late J.N, Terrorism, etc.), communicating to the AUC and partners about SADC's progress and achievements. It assists the Secretariat with inputs/briefs/reports/policy papers and has representational duties such as attending the AU Summits, AU Extraordinary Summits, and the Mid-Year Coordination Meetings, EU-APSA Meetings, Early Response Mechanism meetings, and Africa Governance Architecture meetings.

## **9.6 Southern African Development Community Plant and Genetic Resource Centre**

The SADC Plant Genetic Resources Centre (SPGRC) was established in 1989. It is a Unit under the Directorate of Food, Agriculture and Natural Resources (FANR). Located in Lusaka, Zambia, SPGRC's main function is to coordinate the conservation and sustainable utilization of plant genetic resources for food and agriculture. It carries out its functions through a network of National Plant Genetic Resources Centres (NPGRCs) in Member States.

To date the region has collected and conserved 62 000 accessions of crops that are essential sources of food and nutrition in SADC Member States. Of these, 18 662 have been duplicated at the regional gene bank at the SPGRC for long term storage as a precautionary measure against loss due to natural or human induced causes. SPGRC has also developed a regional database for handling plant genetic resources called the SPGRC Documentation and Information System (SDIS). The database is web-based and accessible to all member states with internet connectivity.

## **9.7 SADC Accreditation Services**

The SADC Accreditation Services (SADCAS) is a multi-economy accreditation body established in terms of Article 15 B of the Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade with the primary purpose of ensuring that conformity assessment service providers operating in those SADC Member States which do not have national accreditation bodies are subject to an oversight by an authoritative body. Due to the high cost of establishing and sustaining such a body and further considering the limited financial and human resources, a total of 13 Member States decided to pool their resources to establish one accreditation body that services all of their accreditation needs.

All the accreditation schemes offered by SADCAS lend international recognition to certificates issued by SADCAS-accredited calibration/testing/veterinary/verification/medical laboratories, and certification and inspection bodies. This international recognition has a scope of 103 countries worldwide thus removing the need for repetitive conformity assessment in all these economies from which SADC commodities might want market access. This is indeed wide range of markets.

## 9.8 SADC Regional Counter Terrorism Centre (RCTC)

SADC RCTC was established following the approval of a Regional Counter Terrorism Strategy and its Plan of Action by the 35th SADC Heads of State Summit that was held in Gaborone, Botswana, in 2015. The Centre was created to ensure regionally enhanced coordination, strengthened partnerships, as well as fostering timely responses to terrorism and violent extremism within the SADC region. Among its numerous functions, the Centre is mandated to advise SADC MS on the Counter-Terrorism (CT) and the Prevention of Violent Extremism (PVE) policies, programmes and deployments within the SADC Region as well as coordinating the implementation of the SADC Regional CT Strategy (2015). SADC RCTC also serves as the regional Focal Point for the African Union (AU) African Centre for the Study and Research on Terrorism (ACSRT) and the relevant United Nations (UN) entities.

Currently, SADC RCTC is in phase one (establishment phase) which commenced in October 2021 and will terminate in October 2024. The staff complement for phase one includes three (3) regionally recruited officers and four (4) locally recruited citizens of United Republic of Tanzania. Zambia and Zimbabwe have since seconded an officer each while the third regionally recruited officer is yet to be identified following a no-show by Madagascar which was offered the post of Officer Research and Analysis.

The priority areas for the Centre in phase one is to ensure development of National CT strategy of SADC MS that have not done so as well as establishment of dedicated units or agencies to implement and coordinate CT/PVE activities at national level and, consequently, at regional level. The priority areas fall within the scope of the regional CT strategy. It should be noted, however, that operations of the Centre are critically challenged due to lack of basic office equipment namely, laptops, printers, photocopiers and shredders. A number of follow ups and inquiries made by Acting Coordinator of the Centre to SADC procurement Unit have not yielded any positive result. As a consequence, the effective discharge of the Centre's mandate is greatly compromised

## 10 OPERATIONAL PERFORMANCE

---

### 10.1 Project management

In order to effectively and efficiently manage the projects implemented by the Secretariat as one of the mandates of the Policy Planning and Resource Mobilisation (PPRM) Directorate, the procurement of a service contract to finalize the SADC Project Management Standard Operating Procedures (SoPs) and related Tools has been initiated and contract signed in March 2022; and the work has commenced and is expected to be completed in June 2022. This will enable the Secretariat to manage the implementation of projects in a more coordinated and standardised way, delivered timely and within budget, to avoid delays, silos, overlaps and wastage of the allocated resources.

For the next five years, the SADC project portfolio will contribute approximately US\$100 million to the implementation of the RISDP. The main strategic partners that are supporting SADC projects are the European Union (EU), the World Bank, African Development Bank (AfDB), BMZ and GIZ. To-date, the projects have facilitated the development of regional strategies, policies and capacity building in the various thematic areas of the RISDP. A summary status of the performance of projects in the 2021-22 financial year towards the achievement of the RISDP is presented in Annex 1.

### 10.2 Financial management

**Continuous provision of budgeting support and supervision, advisory support and financial management:** In order to deliver on its mandate, the Finance Directorate continued to provide budgeting support and supervision, advisory support and prudent public financial management per the Financial Regulations, International Public Sector Accounting Standards, and Financing Agreements; and the Secretariat adhered to sound governance principles and internal control measures that promoted the efficient and effective implementation of the approved Corporate Plan and Budget of the FY 2021/22.

**2022/23 Annual Operational Plans and Budgets developed and submitted for approval by council:** Under PPRM mandate of effective Planning and Programming, the 2022/23 Annual Corporate Plan was developed and the output was delivered as expected with a good utilisation rate of allocated budget at approximately 89%.

**Financial Reporting:** Following the Finance mandate to facilitate the efficient and effective utilisation of and reporting on the utilisation of SADC Resources, a financial report was released showing a good amount of budget allocated savings which were realised mainly due to suspension of face to face activities such as meetings and workshops in the FY 2021/22 as a result of Covid-19 travel restrictions.

### 10.3 Human resources management

**Workload Analysis Intervention:** In order to effectively and efficiently implement the planned outputs and outcomes, and to ease the Secretariat staff of the anticipated workload, the Workload Analysis Intervention was effected in the FY 2021/22 by engaging a firm that developed a survey questionnaire for all staff – the analysis will be completed and reported in Q1 of the FY 2022/23.

**SADC Secretariat staff skills enhanced:** Following the Strategic objective of the Directorate of Human Resources and Administration to support the SADC Secretariat in the attraction and retention of skilled workforce, 70% of capacity building interventions were undertaken

internally with minimal budgetary requirements. Others were delayed due to prolonged sourcing processes of Training Experts. The outstanding training activities are included into the 2022/23 Annual Training Calendar for Implementation.

**Staff Safety and Health Programme developed and implemented:** In order to ensure good health under Covid-19 Protocols, the Secretariat planned and initiated a procurement process to purchase all COVID-19 Personal Protective Equipment (PPE) such as sanitizers, disposable facemasks, and SADC branded facemasks which has been deferred to FY 2022/23 due to some encountered procurement delays. Funds have also been committed to equip staff with knowledge, testing and equipment.

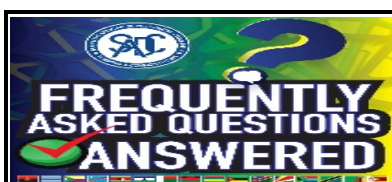
## 10.4 Communications and Public Relations

**Strengthened SADC communication capacity to undertake effective communication and promotion of SADC activities and impact:** Communication, Visibility and Awareness are critical aspects of the successful implementation of the SADC Regional Indicative Strategic Development Plan (RISDP) 2020 – 2030. In this regard, SADC in collaboration with Member States and with support from partners, conducted interventions to facilitate strengthened SADC communication and provided Information, Education and Communication (IEC) materials to promote visibility and awareness of SADC, its activities, and impact in all Member States and globally. The interventions include:

- **Convening a Webinar for the SADC National Media Coordinators** where ideas and interventions to facilitate enhanced awareness, communication and visibility of SADC in Member States were discussed.
- **Conducting media trainings** in June, July and August 2021 in Eswatini, Lesotho, and Malawi, where Journalists were sensitised on SADC Regional Integration Programmes; SADC Industrialisation; including the SADC Treaty, the key pillars of the revised SADC Regional Indicative Strategic Plan 2020-2030, and the SADC Vision 2050 to enable them report on SADC regional integration from an informed position. The trainings created awareness on the benefits of SADC and Regional Integration and provided Journalists from different media houses with tools and skills on how to report on SADC related issues.  
(ii)
- **Executive Secretary media engagement and interviews** highlighting SADC's achievements and its vision for the future. The media interviews were conducted during the Executive Secretary's meetings and courtesy calls to the Heads of States in the SADC region targeting both local and international media. Media interviews were also conducted by Botswana Television and other media whose content was shared widely through online platforms.
- **Conducting SADC Media Awards and SADC Secondary School Essay Competition** to promote participation of Journalists and learners in disseminating information on SADC and support the process of regional co-operation and integration in the Region. A total of 25 Media entries in the four categories of Photography Journalism, Television Journalism, Radio Journalism and Print Journalism were shortlisted from nine (9) SADC Member States, Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe, while entries from 12 SADC Member States, Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe were submitted for the SADC Secondary School Essay and the winners received their Awards in August 2021



- **Supporting** SADC stakeholder engagements, programmes activities, SADC events, and meetings with awareness, communication and visibility interventions; and production and dissemination of awareness and visibility materials such as the 41<sup>st</sup> SADC Summit Brochure, Videos, Audio content, Press Releases, Media Advisories, flyers, Fact Sheets, Communiques, and News articles, to various targeted audiences and stakeholders including the NCPs, SADC Ambassadors and High Commissioners, ICPs and the media on via emails, the website, radio, television and online social media platforms.
- **Supporting visibility and promotion of the SADC Public Lecture** which was convened by the SADC Secretariat and the Government of Malawi, through the National Planning Commission of Malawi, under the theme: *'Promoting Digitalisation for Revival of the SADC Industrialisation Agenda in the COVID 19 Era'* in August 2021, in Lilongwe, Malawi, where the Vice President and Minister for Economic Planning, Development and Public Sector Reforms Dr. Saulos Klaus Chilima was the main speaker. Panellists during the lecture, included several eminent personalities from Malawi and the SADC region. The public lecture was broadcast live on local radio and TV stations as well as streamed live Facebook pages where citizens of the region followed the discussion.



## 10.5 Procurement management

**Improved procurement efficiency and effectiveness.** The mandate of the Procurement Unit is to coordinate and implement the procurement processes of the SADC Secretariat. As extracted in the Guidelines on Procurement and Grants “The Procurement and Grant Function has the overall responsibility of coordination and implementation of the procurement and call for proposal processes of the SADC Secretariat. Consequently, the subscription and license fee procurement management system were fully paid on time, which resulted in the existence of a functional procurement management system. Despite Covid-19 challenges in continuous professional development programmes, some Procurement Officers were exposed to further ICP related procurement processes (AFDB) to facilitate effective engagement by staff in managing donor funds. Some procurement of goods and services were done successfully.

## 10.6 Information Communication and Technology management

**ICT Hardware provided and maintained to enable Secretariat staff to support implementation of regional integration programmes.** Information and Communication Technologies (ICT) Unit is responsible for the effective and efficient use of ICT within the SADC Secretariat and for assisting Directorates and Units in harnessing ICT within SADC programmes. Strategic Objective of the Unit is to enable the transformation of the SADC Secretariat into a truly efficient knowledge organization. As a result,

- (i) The ICT Hardware were provided and maintained and applications were continuously provided to support implementation of regional integration programmes.
- (ii) Ensured secured and reliable ICT infrastructure and applications maintained to support implementation of regional integration programmes. In addition, reliable Internet and data connectivity Services provided to SADC HQ and all satellite offices through the year.
- (iii) Staff were trained on the ICT policy after approval by Council to enhance policy compliance and effective use of technologies at the Secretariat,
- (iv) Technical standards and procedures to harmonize video conference services were developed and approved by Management. In addition, Service desk procedures were developed and will be presented in the next IT Steering Committee. Disaster recovery guidelines have been also developed.
- (v) The SADC website has been developed and the final template approved by Management. In addition, the Disaster Recovery Site has been configured at Sebele satellite office to achieve minimum capability

The SADC Management Retreat reflected that the RISDP 2020-30 is silent on digitalisation, yet digital technologies can be leveraged as an enabler to realising the SADC Development Agenda.

- Digital Transformation must drive the projects as they exist in the RISDP, and
- This requires change in mind-sets. The Secretariat should review its internal business processes, review business and operating model given the impact of Digital Transformation.

## 10.7 Organisational improvements

**Change Management.** The SADC Secretariat has for the past 10 months seen initial work start on the Change Management project which is part of the IICB Strategic objective 2 whose thrust is to strengthen Change and Knowledge Management at the Secretariat with the goal



of making the Secretariat enhance its capacity to provide world-class service to its stakeholders in the regional integration agenda.

This has resulted in a Situational Assessment Report highlighting the state of readiness of the Secretariat for this project and areas requiring changes for the Secretariat to be an agile, adaptive and knowledge-led Institution able to fulfil its mandate as the executing arm of SADC. Issues identified which went through a validation process with the transformation Team, Management focus group and Executive Management range from work behavioural and cultural issues, Leadership and Managerial to System and process bottlenecks.

This strategic plan will therefore address the following organisational and Human Resource issues which are seen as key in transforming the Secretariat into an agile, adaptive and knowledge led Institution able to fulfil its mandate as the executing arm of SADC:

- (i) Decision Making
- (ii) Meeting Administration
- (iii) Succession planning and handover
- (iv) Induction and Orientation
- (v) Secretariat Values integration
- (vi) Leadership and Management capacities
- (vii) Internal Communication
- (viii) Behavioural and Attitudinal Change Interventions
- (ix) Performance Management
- (x) Training/Coaching on Change Management

A key reflection of the SADC Management Retreat was the need for SADC to follow a think tank approach, and this could include:

- The utilisation of Think Tanks for knowledge generation, information, statistics and drawing analysis to support what SADC is doing. A key step towards knowledge-based management working, and better-informed decision making in SADC.
- This could be achieved by leveraging existing think tanks at the national and regional levels and their core competencies to ensure value add from their contributions and support
- Building internal capacities for SADC to be a think tank, such that ideas, information and knowledge generation that informs decision making is drawn from within and reduce dependence on external sources.

In this connection, the Retreat drew inspiration from the words of the late President John Pombe Magufuli (The United Republic of Tanzania) in 2019 who once said “so many years our economic situation is deteriorating yet we have a think tank as the Secretariat. Why are we stagnating or underperforming so much when we have a think tank that we call the Secretariat that is not helping us...?”

# 11 CONTINENTAL COOPERATION AND INTEGRATION

---

## 11.1 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, commonly referred to as the Abuja Treaty, of 1991. The Secretariat participated at the third Mid-Year Coordination Meeting held on the 16th of October 2021, to harmonise and coordinate the implementation of the continental integration programme. The meeting was constituted by the African Union (AU), represented by the Bureau of its Assembly, Chairpersons of the Eight (8) Regional Economic Communities (RECs), as well as Regional Mechanisms (RMs).

The Third Mid-Year Coordination Meeting took note of the Report of the Chairperson of the African Union Commission on the Status of Integration in Africa and the regional perspectives as presented by the Chairpersons of the RECs and endorsed its recommendations. The meeting also requested the AUC, the AUDA-NEPAD and the RECs/RMs to further collaborate with Member States to agree on the remaining sectors concerning the division of the labour. It also called upon the AUC, RECs, RMs and AUDA-NEPAD to work in close collaboration with Member States towards domesticating agreements, protocols and treaties, especially those related to Trade and Free Movement.

The Secretariat also participated at the 35th Ordinary Session of the Assembly of the Union, held on 5th and 6th February 2022. A number of important Decisions, Declarations, and Resolutions were reached at the meeting. Decisions of particular relevance to SADC included:

- (i) Decision on the Report on the Activities of the Peace and Security Council (PSC) and the State of Peace and Security in Africa;
- (ii) Decision on The Progress Report on the African Union Response on COVID-19 Pandemic in Africa;
- (iii) Decision on Mobilizing Financing for Africa's Accelerated Economic Recovery Development and Integration; and
- (iv) Decision on the Report on the Fight Against Terrorism and Violent Extremism;
- (v) Decision on the Report of the AU Institutional Reforms.

The Secretariat continued to participate in various other AU strategic interventions including the preparation of the Status of Integration Report 2022, and monitoring implementation of Agenda 2063, and its first Ten Year Plan. Secretariat is also following up on developments on the AfCFTA and providing technical support whenever needed. Consolidation of the SADC FTA can be linked to the COMESA-EAC-SADC Tripartite FTA, the AfCFTA, and other multilateral trade agreements

## 11.2 SADC – COMESA – EAC Tripartite Agenda

The implementation of the COMESA-EAC-SADC Tripartite pillars, namely: (1) market integration; (2) industrial development; and (3) infrastructure development, as well as the horizontal work on resource mobilisation and movement of business persons, are evolving slowly in pillars (1) and (2), and satisfactorily in pillar (3).

### 11.2.1 Market Integration

The slow signature and ratification of the TFTA Agreement is the main constrain. Although the Tripartite agenda is still relevant now, it might be overtaken by the events underway at other continental stages and decrease the momentum of this agenda. Therefore, it appears as

urgent the need to convene meetings of the Tripartite organs (especially the Council of Ministers and the Summit) to adopt the instruments already finalised at the technical level but also to consider strategies to finalise the outstanding issues, including that of ratification.

### **11.2.2 Industrial Development**

The Tripartite integration process is moving slowly, explained by the lack of funds to undertake the main activities such as the establishment of Tripartite Industrial Development Coordination Unit (TIDCU) in each REC; drafting the Import replacement and export development strategy to harness opportunities arising from the negative trade balances in the agro-industrial sector; identification of existing institutions to serve as Centres of Excellence, for Tripartite Agro-processing (SADC and EAC already have some Centres of excellence that can be extended to the Tripartite); and Investment in Tripartite Agro-processing and Trade Logistics Hubs to address the challenge of post-harvest losses and availability of agro raw materials.

### **11.2.3 Infrastructure development**

Has a satisfactory performance, and their intervention was also appreciated during the hit of COVID-19 transit restrictive measures, as for example the CTMS, an electronic monitoring and surveillance system to support the implementation of the Tripartite Guidelines on the Movement of Goods and Services during the COVID 19 pandemic, which was piloted on sections of the Trans Kalahari, North South, and the Walvis Bay-Ndola-Lubumbashi Corridors, with the participation of Botswana, Namibia, Zambia, and Zimbabwe. Under the pillar 3, several documents have been developed and cleared by the Tripartite Sectoral Ministerial Committee on Legal Affairs (TMCLA) and are awaiting their final approval by Council of Ministers and the Summit.

### **11.2.4 Resource Mobilisation**

Work is ongoing to finalise the Tripartite Resource Mobilisation Strategy's Action Plan to be comprised by actions towards funding all activities under the Tripartite that are currently not supported/funded under the Tripartite Capacity Building Project, Phase II (TCBP II), especially those under the pillar 2 (industrial development), and details on REC's contributions for the Tripartite activities.

### **11.2.5 Movement of Business Persons**

The Movement of Business Persons (that generally comprises investors, business visitors, specialists, intra-corporate transferees, independent professionals, contractual service suppliers and servicers) will be guided by the COMESA-EAC-SADC Tripartite Agreement on Movement of Business Persons. That instrument has been adopted by the Tripartite Sectoral Ministerial Committee on (TSMC) on Trade, Finance, Customs, Economic Matters and Home/Internal Affairs and now awaits submission to the Tripartite Council of Ministers for final adoption to be followed by signature and ratification by Tripartite Member/Partner States.

## 12 DEVELOPMENT COOPERATION AND RESOURCE MOBILISATION

---

### 12.1 SADC – ICP Dialogue Platform

International Cooperating Partners (ICPs) continue to play an integral role in the implementation of the SADC regional integration agenda. SADC, represented by the Double Troika engages with ICPs through a Dialogue Platform, annually in fulfilment of the provisions of the Windhoek Declaration (2006) and the SADC-ICP Partnership Statement (2012), informed by the guiding principles enshrined in the SADC Resource Mobilisation Strategy (2014). The Platform is Co-Chaired by the Chairperson of SADC Standing Committee of Senior Officials and the EU Delegation in Botswana, in their capacity as the ICP Chair.

At the lower level, there are nine (9) Thematic Groups co-chaired by SADC Secretariat and ICPs, namely: (1) Energy; (2) Water Strategy Reference Group (WSRG); (3) Health Equity and Inclusive Development; (4) Trade Industry Finance and Investment (TIFI); (5) Agriculture and Food Security; (6) Transport; (7) Information, Communication and Technology (ICT); (8) Peace and Security; and (9) Climate Change and Disaster Risk Management. All Platforms continue to be critical for engaging ICPs, 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.

During the period under review, the SADC-ICP Dialogue Platform Meeting was convened on 30 November 2021 to discuss as follows:

- (i) impact of COVID-19 and recovery strategies;
- (ii) updates on the priorities of the SADC Vision 2050 and RISDP 2020-2030;
- (iii) issues related to peace and security in the SADC Region; and
- (iv) draft consolidated Multi-Year Action Plans for SADC-ICP Thematic Groups.

For the next period, the main focus will be on:

- (i) reviewing and operationalising the Multi-Year Action Plans for SADC-ICP Thematic Groups;
- (ii) convening bi-annual Thematic Group meetings to undertake technical discussions on sector issues that are key in the implementation of the RISDP 2020-2030; and
- (iii) convening 2022 annual SADC-ICP Platform.

As a complement to the SADC-ICP Dialogue Platform, the Secretariat undertakes bilateral engagements with distinguished ICPs through official courtesy meetings, technical consultations and missions, and negotiation platforms, to further strengthen development cooperation and resource mobilisation. An account of achievements on bilateral engagements with some of the key partners such as the European Union, Germany, African Development Bank, World Bank, the United States of America, amongst others, is presented below.

### 12.2 SADC – EU Cooperation

The EU remains a key strategic partner for SADC and continues to support the implementation of regional programmes that contributes to the regional integration agenda. For the period under review, there has been continued collaboration with the EU Delegation in Botswana in the implementation of the ongoing 10th and 11th European Development Fund (EDF)

Programmes. The current portfolio consists of thirteen (13) regional programmes with an overall resource envelope of over Euro 150 million.

To facilitate close monitoring of the EDF programme portfolio, both the Secretariat and EU Delegation in Botswana continued to engage in the SADC-EU Quarterly meetings platform, which provides a high-level platform for engaging in the implementation of programmes and facilitating exchanges aimed at strengthening and deepening the existing cooperation.

During the period under review, a new Partnership Agreement between the Organisation of Africa, Caribbean and Pacific States (OACPS) and the European Union (OACPS-EU Partnership Agreement) was negotiated and initialled in April 2021, a successor to the Cotonou Agreement of 2000. The new partnership agreement, and the Neighbourhood Development and International Cooperation Instrument (NDICI – Global Europe), introduce enormous changes in the financial architecture and geographical configuration of regional cooperation, which might impact the achievement of regional integration. Given the risks and implications of the new partnership agreement, SADC Council of Ministers commissioned a full assessment of the Agreement in August 2021.

The outcome of the assessment was presented to Council in October 2021, which established the risks and implications of some of the provisions of the new partnership agreement. SADC Member States are continuously assessing the new Agreement and will use the outcome of the consolidated assessment in exercising their sovereign discretion towards the finalisation and signing of the OACPS-EU Partnership Agreement, scheduled to be signed by 30 June 2022.

Parallel to the finalisation of the Agreement, programming is also underway and led by Delegations in Member States and SADC. In December 2021, the EU approved a Multiannual Indicative Programme for Sub Saharan Africa (MIP SSA), for the period 2021-2027. The Secretariat is continuously participating in the joint EU and Regional Economic Communities (RECs) programming dialogue platforms, both at technical and high-level meetings. During the period under review, four (4) programming meetings were held between April – October 2021, at high-level, technical and thematic levels.

To facilitate support under the MIP SSA, the Secretariat developed sixteen (16) Concept Papers and undertook programming consultations with the EU Delegation in Botswana in March 2022. Out of the sixteen, five (5) Concept Papers, have received positive feedback from the Member States and they include: (1) Financial Sector Integration; (2) Support for Youth Skills Development and Employability in SADC; (3) Institutional Capacity Building; (4) Science, Technology and Innovation; and (5) Digital Connectivity. Engagements on concretising potential support under the MIP SSA are ongoing, as part of the wider process for identification and formulation of programmes.

To maintain the relevance of SADC in the AU-EU cooperation framework, the Secretariat participated in the 6th AU-EU Summit held on 17-18 February 2022 in Brussels, Belgium. The Summit endorsed an Africa-Europe Investment Package worth Euro 150 billion to support the promotion of sustainable investments in Digital Transition, Climate and Energy, Transport, Health, and Education and Research.

The Investment Package will be implemented through the MIP SSA, and provides indirect opportunities to support the implementation of the Regional Indicative Strategic Development Plan (RISDP) 2020-2030. The focus during the Financial Year 2022/23 will be on:

- (i) collaborating with the EU Delegation in Botswana to fast-track the implementation of ongoing EDF programmes;

- (ii) collaborating with the EU Delegation in Botswana in the identification and formulation of programmes to be supported under the 2021-2027 Multiannual Indicative Programme for Sub Saharan Africa (MIP SSA);
- (iii) continuously undertaking bilateral meetings through the established SADC-EU Quarterly Meeting Platform, including ad-hoc technical consultations; and
- (iv) participating in the joint EU and Regional Economic Communities (RECs) dialogue platforms, in the context of the ongoing programming of the 2021-2027 Multiannual Indicative Programme for Sub Saharan Africa (MIP SSA).

## 12.3 SADC- EU Political Dialogue

The Political Dialogue provides an avenue to deliberate on global, continental and regional challenges, as well as major political factors affecting development, cooperation and programming. It is also intended to reinforce the relations between SADC and the EU, by providing a unique platform for engaging in trade cooperation and promoting policies aimed at facilitating sustainable development and economic growth.

During the period under review, a virtual SADC-EU Ministerial Political Dialogue was held on 16 June 2021. Both sides committed to:

- (i) cooperate in advancing effective mitigation and recovery measures against the negative socio-economic impact of COVID-19, including equitable and safe roll-out of vaccine;
- (ii) collaborate in addressing global, continental and regional challenges to peace and security, including promoting inclusive, credible and transparent elections in a conducive political environment, and respect for international law, human rights and fundamental freedoms;
- (iii) strengthen and diversify economic and trade relations, and to stimulate regional integration, with the aim to achieve sustainable growth and decent job creation, as well as promoting transformative, competitive, clean, circular and resilient economies; and
- (iv) uphold the role of RECs in providing the framework for policy dialogue and coordination, identification of priorities and implementation of regional programmes jointly identified and agreed upon between SADC and the EU.

To maintain the political momentum between the two regions, the Ministerial Dialogue agreed that a Senior Officials Political Dialogue is convened in 2022 to take stock of the progress made within sector dialogues and in programme implementation and to prepare for the next Ministerial Dialogue in 2023.

## 12.4 SADC/Germany Cooperation

The SADC -Germany Bilateral Negotiations were virtually convened on 11 June 2021, to review the implementation of ongoing programmes and agree on further areas of cooperation under SADC-Germany Cooperation. As a result of the Bilateral Negotiations, Germany committed to extending support to SADC with a value of 20 million Euro for both technical and financial cooperation programmes covering the following priority areas of cooperation:

- (i) Regional Economic Integration;
- (ii) Transboundary Water Management;
- (iii) Transboundary Natural Resource Management and Resilience to Climate Change; and
- (iv) Strengthening National-Regional Linkages (SNRL)

In addition to the above areas of cooperation, both sides also agreed to enhance cooperation in the area of Disaster Risk Management and to continue collaborating within the Study and Expert Fund that will support emerging strategic matters.

The agreed areas of cooperation are aligned and respond to SADC priorities outlined in the SADC's Vision 2050 and the RISDP 2020-2030, and are geared toward achieving SADC's main objective of promoting sustainable economic growth, socio-economic development, and poverty eradication.

Within the context of the Windhoek Declaration (2006) and other international commitments on Aid and Development Effectiveness, Germany continues also to actively participate in the SADC-ICP Partnership Dialogue and is the current lead ICP for the TIFI (Trade, Industry, Finance and Investment) Thematic Group.

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 upon through the SADC-Germany Bilateral Negotiations on Cooperation held once every two years.

## **12.5 SADC – World Bank Cooperation**

Following several engagements at different levels, the SADC Secretariat and the World Bank agreed to enhance collaboration in the implementation of the respective priorities as outlined in the SADC RISDP 2020-2030 and the World Bank Group Regional Integration and Cooperation Assistance Strategy (RICAS 2021-2023).

Subsequently, engagement between the SADC Secretariat and the World Bank Group continues at different levels, intending to develop the priorities related to building infrastructure connectivity, trade and market integration, human capital, and resilience in Southern Africa, agriculture, groundwater and energy, in line with the following agreed actions:

- (i) Infrastructure connectivity including digital economy, energy, and transport;
- (ii) Enhancing regional value chains and private sector development;
- (iii) Human capital and resilience building;
- (iv) Cross-cutting and ongoing priorities: Gender, youth, and climate change; and
- (v) Ongoing collaboration on agriculture and groundwater.

The SADC Secretariat, therefore, aims to firm up the potential collaboration with the World Bank, in line with SADC Vision 2050 and the RISDP 2020-30, and work is ongoing to concretise specific areas of cooperation that will guide future partnerships between SADC and the World Bank.

## **12.6 SADC – African Development Bank Cooperation**

During the period under review, the SADC Secretariat negotiated and concluded two (2) major Protocol of Agreements between SADC and African Development Bank (AfDB), namely, for Macroeconomic Stability and Financial Integration Project worth Five Million Units of Account (UA 5,000,000); and the Programme on Improving Fisheries Governance and Blue Economy Trade Corridors in the SADC Region amounting Six Million Units of Account (UA 6,000,000), both signed in November 2021.

The objectives of the Agreements are respectively to:

- (i) assist SADC in enhancing its financial integration and monetary cooperation;
- (ii) promote sustainable management of fisheries resources within the blue economy context to improve food and nutritional security; and



- (iii) create employment through value chain activities, facilitate intra-regional trade, and build adaptive capacity.

In addition, SADC and AfDB also continue to engage at both strategic and operational levels to discuss and explore areas of mutual interest and develop proposals for projects to be potentially supported by the AfDB in future cooperation, in line with the respective priorities.

## **12.7 SADC – USA Cooperation**

SADC and the USA have restarted to engage at different levels to reinvigorate and strengthen cooperation, following the expiration of the Development Objective Grant Agreement (DOAG) in 2018.

To this effect, discussions have been ongoing to foster collaboration and identify possible areas of cooperation, including the proposal for the establishment of a collaborative forum between SADC and the USA, which is yet to be considered by Council in August 2022.

It is expected that the proposed Forum will guide the development of the successor DOAG and determine the agreed areas of cooperation, in line with the following topics:

- (i) Post Covid-19 Recovery;
- (ii) Economic Development;
- (iii) Climate Change;
- (iv) Regional Peace and Security; and
- (v) Democracy, Human Rights and Good Governance; and
- (vi) Cross-cutting issues of Human Capacity Development.

Both sides will continue to engage and take stock of the ongoing momentum after consideration of the establishment of the SADC-USA Forum by Council in August 2022. This will possibly unpack the potential future areas of cooperation to be featured in the expected successor DOAG.

The SADC Management Retreat made the following key reflections on Development Cooperation and Resource Mobilisation efforts by SADC:

- Limited local resource mobilisation, leading to overreliance of SADC on ICPs for resources. Thus, exposing SADC to possible agenda setting by external parties and questionable sustenance of SADC operations and interventions in the advent of shifting priorities and interests; and

Necessitating the transformation towards forward-looking interactions with ICPs, characterised by: building foundations for future programming, impact analysis, peer exchanges facilitated by DevCo partners (objectively taking stock of progress made by SADC and how SADC fares with the rest of the world), shift of approach from dependency-based to complementary-relations with DevCo partners/ICPs, continuous partnerships.

## 13 EMERGING ISSUES IN THE REGION

---

### 13.1 Regional Peace and Security Status

Emerging issues on the global, continental and regional scenes include: those that threaten world peace and stability such as the impact on global trade and commodity prices of the Ukraine-Russia conflict, terrorism, increasing terrorist insurgencies, trans-border crime, cyber-attacks and the proliferation of weapons of mass destruction; the impact of climate change effects such as extreme weather including cold-fronts and heatwaves, floods, drought, cyclones and tornados; pandemic outbreaks such as COVID-19 and Monkeypox. These are only some of the many factors that disrupt peace, at times leading to violent and deadly conflicts in parts of the world. The range of threats- among them, regional coercion and meddling, transnational terrorism, health insecurity, use of chemical and other unconventional weapons, massive displacement of populations, and overwhelming humanitarian crises- creates a complex operating environment. Traditional tools of response have proven increasingly ineffective against such crises, with the combination of threats and instability presenting novel challenges for policymakers.

### 13.2 Regional Health Status

The COVID-19 Pandemic remains a real threat and big challenge Globally, with the number of weekly cases increased for the fourth consecutive week, after a declining trend since the last peak in March 2022. During the week of 27 June to 3 July 2022, over 4.6 million new cases were reported, a figure similar to that of the previous week. The number of new weekly deaths decreased by 12%, with over 8,100 fatalities reported. A major concern for Africa is the slow pace of vaccination against the COVID-19 virus, with only 14% of the population have been vaccinated in Sub-Saharan Africa.

Monkeypox virus outbreak which has been reported in many countries, with most cases restricted to endemic areas. In early May, 2022, monkeypox cases were reported in the UK, Spain, and elsewhere. The size of the outbreak clusters is growing each day, as is the geographical spread across Europe and North America. Within the first week of the initial report, 24 countries reported suspected and confirmed cases of monkeypox virus, some of which had known travel links to the UK, Spain, Canada, and western Europe. As of June 5, 2022, there have been 920 confirmed and 70 suspected cases. Of 64 confirmed cases with known travel history, 32 were associated with travel from Europe, three from west Africa, two from Canada, and one from Australia. For 26 cases, travel history locations remain unknown.

In Africa, cases of Monkeypox have been on the increase and have been reported from Cameroon, Central African Republic, the Democratic Republic of the Congo, Liberia, Nigeria, the Republic of the Congo and Sierra Leone. The number of cases in 2022 are slightly fewer than half of cases reported in 2021. The two countries which have no history of recorded cases are Ghana and Morocco and have reported five cases and one case, respectively. Additionally, there are seven countries which have reported suspected cases of monkeypox despite having previously not having any incidences. They are: Ethiopia, Guinea, Liberia, Mozambique, Sierra Leone, Sudan and Uganda.

### 13.3 Food Security Situation

Increasing food insecurity is another emerging issue that is a rising concern. This has been exacerbated by rising food shortages due to the effects of the impact of climate change and supply chain disruptions caused by the Ukraine-Russia conflict and ensuing economic sanctions on Russia. These factors have also contributed to rising agricultural commodity prices, including that of fertilizer which may go out of the reach of especially vulnerable groups and communities.

In SADC, low natural soil fertility means that chemical fertilizer is often essential for food production, and several countries have had fertilizer subsidy schemes in place since the Abuja fertilizer summit in 2006 and food price crisis of 2008/2009. Yet, continued climbing prices will further reduce the already narrow fiscal space many African governments are negotiating in the wake of COVID-19. The rising cost of fertilizers will also elevate food costs, which, exacerbated by higher transportation costs could create a vicious cycle and increased food insecurity. A report, released by SADC in July 2020 revealed that close to 44.8 million people in urban and rural areas across 13 Members States of Southern Africa are food insecure.

The 2020 Synthesis Report on the State of Food and Nutrition Security and Vulnerability in Southern Africa also reveals that the number of food insecure people, lacking reliable access to sufficient quantity of nutritious food, has increased by almost 10% in 2020, compared with the data provided at the same time in the previous year. Higher prices at harvest will exacerbate inflationary pressures in the Regional economy, since the supply chain will eventually transfer the costs to the consumer in the form of higher food prices. Coupled with the impact of the pandemic and climate change (including extreme weather), this all adds up to a growing threat to food security.

Food shortages will result in millions of people being pushed into food insecurity and extreme poverty, particularly poor urban households that spend large shares of their income on food. This will likely have adverse long-term consequences, as malnutrition causes persistent damage to human capital and insufficient access to agricultural inputs can lock an economy in a state of widespread, low productivity subsistence farming. Further increases in the prices of food and agricultural inputs would magnify these risks.

## 14 CHALLENGES AND MITIGATION MEASURES

The performance during 2021 Financial Year have been outlined throughout this Report under respective Pillars. The major challenges in the region requiring attention and the associated mitigation measures presented in Table 11 below:

**Table 11: Challenges and Mitigations Measures Put in place**

#	Challenges	Mitigation Measures
1	Slow ratification of protocols by SADC Member States	Engagements by the SADC Executive Secretary with Member States on the ratification of protocols are ongoing to mitigate against the risks of delayed ratification. In addition, the Secretariat intended to engage a Consultant to undertake the study to assess the reasons and implications of the slow pace in the ratification of the Protocols and other Legal Instruments. However, the procurement process for the engagement of the consultant was not concluded by the end of Financial Year 2021/22, which resulted in the budgeted funds to be transferred to the Reserve Fund in terms of the SADC Financial Regulations. The Secretariat will use internal technical capacity to undertake the study to assess the reasons and implications of the slow pace in the ratification of the Protocols and other Legal Instruments. The progress report will be presented at the next meeting of Council.
2	Limited domestic and international investment flows in the SADC region.	Efforts by the Secretariat and Member States to domesticate regional instruments such as development of National Action Programmes for Investment aimed at improving the business and investment environment in the region are ongoing. Mobilisation of resources by the SADC Secretariat is ongoing, through engagement with ICPs, to continuously support Member States in the implementation of regional integration agenda.
3	Limited financial and technical resources at the Member States level to adequately and timely operationalise regional instruments.	
4	Weak alignment of national and regional strategies to ensure implementation of the RISDP 2020-30 and other regional plans.	Closer engagement of SADC Secretariat with relevant partners and Member States is ongoing to address the capacity gap in alignment of the strategies and plans through support of GIZ.
5	The region has a generation capacity shortfall amounting to 5,670 MW. The excess capacity in Angola and Tanzania cannot be accessed by other Member States due to inadequate transmission capacity. Another challenge is missing interconnectors linking Angola, Malawi and the United Republic of Tanzania to other nine (9) mainland Member States.	The short-term measures including rehabilitation of old plants and building of new power generation projects will add more than 10,604 MW to address the overall generation deficit with the target to achieve power supply adequacy by 2023. The power generation mix will comprise coal occupying 37%, hydropower with 46%, gas contributing 2%, wind at 3%, solar at 14%, while biomass and diesel will only occupy 0.2%, respectively. Efforts are underway to interconnect Angola, Malawi and the United Republic of Tanzania.

#	Challenges	Mitigation Measures
6	The increasing crude oil prices from the international oil markets from an average of US\$ 70 to US\$ 115 per barrel.	<p>Developing a Regional Energy Security Plan that promotes intra-regional trade and increased regional oil production; refining of regional crude oil in regional refineries and delivery of petroleum products via strategic regional storage and distribution infrastructure (ports, terminals, maritime transport, rail, etc.) across the Region.</p> <p>Accelerated Development of Gas Infrastructure in the Region: This would provide flexible power generation that can anchor large-scale variable renewable energy production through high-voltage interconnections. Additional benefits would help accelerate regional energy transition, industrialization, raw materials for agriculture, Petrochemicals, etc. as well as fuel in the transport sector. It would also open opportunities export of natural gas to other parts of the Continent and World.</p>
7	Lack of harmonisation of road transport policies, laws, regulations, procedures, and standards caused challenges to law enforcement and regulatory officials as disparities in licence systems create opportunities for corruption and fraud.	Employ champions to lead others and gradually introduce physical workshops as the COVID-19 pandemic subsides.
8	Low uptake of COVID-19 vaccines due to inadequate supply vaccines and vaccine hesitancy in the African continent and the SADC region in particular.	Advance the call for the TRIPS Waiver at the World Trade Organisation (WTO), to scale up manufacturing of COVID-19 vaccines especially in the short to medium term. While the need for local manufacturing is essential to ensuring uptake of vaccines, there is also the need to address vaccine hesitancy through Information, Communications and advocacy campaigns in the Member States. Moreover, the development of national and regional post COVID-19 strategies will facilitate the return to recovery from COVID-19, both in the Member States and in the region.

## 15 CONCLUSIONS

---

This report has highlighted the main developments in implementation of SADC regional integration Agenda in 2021/2022 in accordance to RISDP 2020-2030 which is in its second year of implementation. Apart from a detailed regional political and economic outlook provided in the first sections, the Report has provided a comprehensive account of the achievements in implementation of regional integration programmes in pursuing industrial development and furthering market integration as expounded in the three identified pillars (Industrial Development and Market integration, Infrastructural development in support to regional integration and Social and Human Development). These developments are guided by support of Member States in the maintenance of peace and security at regional and national's levels which is the foundation of these developments and improving regional bases for the provision of better services in areas such as Gender, Education, Health (including HIV and AIDS and COVID-19 Pandemic), Disaster and Risk Management as expounded in the Report.

Moreover, as provided in the report, a considerable number of developments have also taken place at the areas of Strategic Management, Continental Cooperation and Integration, Development Cooperation and Resource Mobilisation and Good Governance. It is anticipated that the new Monitoring and Evaluation Framework for RISDP 2020-30 including its plan that is already been developed and is awaiting approval by management and Member States, upon becoming operational, it will further improve the efficiency and effectiveness of the Secretariat in delivering on its mandates and fulfilling the requirements in the implementation of SADC programmes and projects.

The Secretariat has also continued with efforts to increase SADC's visibility in Member States and ability to mobilise funds to support its programmes and projects that benefit all Member States. Significant work has also been done in areas of Information and Communication Technologies in interacting with Member States during this COVID-19 Pandemic era and with external partners locally, regionally and internationally. Additionally, effort has been intensified in disseminating user-friendly information about SADC more widely so that greater numbers in the region are aware of the work done by SADC.

### **SADC Management Retreat – June 2022**

As part of the Secretariat's efforts to ensure the continued improvement of its operations and delivering on its mandates per the SADC Treaty, a Management Retreat was held at the end of June 2022 with a view to critically review and transform its reporting leveraging the Scorecard Reporting System to better demonstrates progress and achievements in a quantitative and measurable manner. There were also reflections on SADC as an institution, and its efforts at driving regional integration and delivery on the SADC Development Agenda, particularly the Regional Indicative Strategic Development Plan (RISDP), 2020-30.

The specific objectives of the retreat were to:

- (i) evaluate and shift the current reporting format - from narrative to strategic and evidence-based reporting that clearly demonstrates progress and achievements made in a quantifiable and measurable manner across MS;
- (ii) build capacities or skills to reflect on and demonstrate achievements related to RISDP strategic objectives leveraging the scorecard methodology and international best practice;
- (iii) enhance overall presentation of Secretariat reports, professionalism and persuasiveness to motivate for strategic discussion among MS;
- (iv) attain technical guidance on measures that effectively produce quality reports that are timely, useful, complete, accurate, and well-informed. This will enlighten Management

- on implementation progress, challenges, lessons learned and mitigation measures; and
- (v) capture success stories and how to present results in performance monitoring reports, Executive Reports and other Strategic Reports.

The next steps will involve:

- Identifying metrics, measures and KPIs for monitoring and tracking performance of SADC;
- Introducing impactful reporting on basis of scoreboard for SADC;
- Reflecting on appropriate models for programming and implementation for SADC
- Think Tank approach (utilisation of think tanks as sources of ideas and knowledge generation, outsourcing (local and regional) and building internal capabilities);
- Effective communication between Secretariat and Member States to motivate for buy-in and political will;
- Strengthening the national and regional linkages (effectively drive change and improve the effectiveness of SADC)
- Leveraging digital (as an enabler for improved delivery)
- Facilitating the prioritisation and agreement on topics of high relevance and impact for the short (2 years) and remaining term of the RISDP to ensure effective delivery on regional integration;
- Capacity building at Secretariat and MS levels (enhance the relevance and impact of the Secretariat, and build capacities to implement regional initiatives and programmes); and
- Forward-looking development cooperation and resource mobilisation is key, coupled with mobilising local resources to fund SADC operations and interventions.

This work will be facilitated by the Secretariat and submitted for the consideration and adoption of the Member States through appropriate SADC structures.



**Table 5: Status of SADC Projects and Programmes**

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
<b>FOUNDATION: PEACE, SECURITY AND GOOD GOVERNANCE</b>						
1. <b>Support to Peace and Security in the SADC Region (SPSS)</b>	Nov 2018-Nov. 2023	European Union	<b>€15 M</b>	75%	Promote peace, security, stability and democracy across the SADC Region in line with the SADC treaty.	<ul style="list-style-type: none"> <li>i) Developed Regional SGBV Training Guidelines</li> <li>ii) Finalised the review of the SADC Protocol on the control of Firearms.</li> <li>iii) Finalised the draft Regional Integrated Strategy to Prevent and Combat Transnational Organised Crime.</li> <li>iv) Infrastructures for Peace in four (4) Member States (DRC, Lesotho, South Africa and Zimbabwe) have been mapped.</li> <li>v) Guidelines for Election Observation Under Public Health Emergencies finalised.</li> <li>vi) Baseline Study to establish SMART indicators completed</li> </ul>
2. <b>Support to African Peace and Security Architecture (APSA IV)</b>	Mar 2020-Feb 2024	African Union Commission	<b>\$4,278,750</b>	58%	Complement the SADC efforts in the implementation of its peace and security agenda in the area of conflict prevention and resolution, in line with SIPO objectives.	<ul style="list-style-type: none"> <li>(i) The project has facilitated the roll-out of SADC Standby Force Civilian Component Operational Guidelines and Procedures for Peace Support Operations to Member States.</li> <li>(ii) Supported SADC – UN engagement to seek consensus on the reconfiguration of the Force Intervention Brigade (FIB) mandate in the eastern DRC in order to make reduction of the troops to create headroom for accommodation of Quick Reaction Forces (QRFs).</li> </ul>
3. <b>Support to Peace, Security and Good Governance in the SADC Region (PSGG)</b>	Oct 2020-Sep. 2022	GIZ	<b>\$442,900</b>	11%	Contribute towards and strengthen the engagement on non-state and state actors in the areas of Peace and Security as well as good governance in the SADC Region".	<ul style="list-style-type: none"> <li>(i) SEAC Strategic Plan developed, SADC Anti-Corruption Strategic Action Plan (2018-2022) reviewed.</li> <li>(ii) A curriculum for capacity building to implement the SADC Anti-Corruption</li> </ul>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						<p>Action Plan has been developed and validated.</p> <p>(iii) A feasibility study on the establishment of a Regional Anti-Corruption Information sharing Centre is underway</p>
<b>PILLAR 1: INDUSTRIAL DEVELOPMENT AND MARKET INTEGRATION</b>						
4. Trade Related Facility (TRF)	Oct. 2014-Sept 2022	European Union	€32M	87%	Enhance the implementation of the commitments made in the STP and the EPA to increase intra-regional and inter regional trade flows in the concerned member states.	<p>(i) To enhance trade promotion, eSwatini has undertaken the development of the EPA implementation strategy to broaden market access for domestically produced goods</p> <p>(ii) Mozambique has promoted the use of the cotton and textiles value chain with collaborative efforts being pursued with Indonesia and India.</p> <p>(iii) Namibia and Zimbabwe have experienced substantial growth in exports to the EU, whilst systematically reducing imports.</p> <p>(iv) Seychelles has increased exports by 61% on an annual basis since 2015 while Mozambique, Namibia, Seychelles and Zimbabwe, have increased their exports to the rest of the world</p> <p>(v) Sanitary and Phyto-Sanitary equipment for laboratories has been procured through the project making improvements in the administration of Rules of Origin and Technical Barriers to Trade.</p>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						<p>(vi) Training has been provided to key staff and stakeholders in SPS, Trade in service as well as technical barriers to trade leading to an increased ability for Member States to use instruments for them to assess/approve imports and exports.</p> <p>(vii) Trade in services is another success area in which Madagascar, Namibia and Zambia have trained negotiators under the EPA, the Tripartite and Continental free Trade Area arrangements.</p>
5. <b>Trade Facilitation Programme (TFP)</b>	May 2019-August 2024	European Union	€15 M	48%	Increase intra-regional trade flows by supporting trade facilitation.	<p>(i) A total of 93 laboratories were trained in ISO 17025; A total 45 inspection bodies were trained on ISO/IEC 17020;</p> <p>(ii) Capacity-building in the form of information booklets on EU market requirements on 5 sectors of export potential to EU (Dried Fruits &amp; Nuts; Herbal Tea; Essential Oils; Vegetable Oils; Spices) have been developed</p> <p>(iii) RCTG Regulation/Procedure Manual and training materials have been developed to facilitate implementation in MS; RCTG Regulation approved by CMT.</p> <p>(iv) Developed Procedure Manuals and Training Materials on Electronic Certificate of Rules of Origin (e-CoO) and Regional Customs Transit Guarantee (RCTG), which are now available for MS to use.</p> <p>(v) Capacity-building on the e-Certificate Framework has been conducted in preparation of Member States to pilot the e- CoO.</p>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
6. <b>Support to improving the Investment and the Business Environment (SIBE)</b>	Oct. 2019-Nov. 2024	European Union	€14 M	35%	Contribute in developing the region into an investment zone, promoting intra-regional investment and FDI in the SADC region, for SMEs.	(i) A compendium on good policies and practices on investment facilitation and promotion has been developed.
7. <b>Support Towards Industrialization &amp; Productive Sectors (SIPS)</b>	Sept. 2019-Aug. 2024	European Union	€18 M	38%	Improve performance and growth of selected regional value chains and related services within the agro processing and Pharmaceutical sectors.	One Grant contract has been awarded to SLIDARIDAN Network Trust for a budget of US500,000.0 to be implemented in Zimbabwe & Tanzania.
8. <b>Sustainable Financing of Regional Infrastructure and Industrial Projects in SADC (RIIP)</b>	Sept. 2019-Dec. 2022	African Development Bank	\$1,500,000	90%	Deepen regional integration through the increase in the regional projects that reach financial close and industrial projects being developed to foster regional mining value chains development.	<p>The outputs are dependent on the delivery of the six (6) ongoing consultancies as follows:</p> <ul style="list-style-type: none"> <li>(i) Operationalisation of the SADC Regional Development Fund;</li> <li>(ii) Development of financial instruments to support implementation of SADC Regional Integration Projects at regional and Member States levels, and Investigate options for disaster risk financing;</li> <li>(iii) Development of regional value chains in selected mining sectors;</li> <li>(iv) Identification, categorization, and development of priority projects from SADC Regional Infrastructure Development Master Plan;</li> <li>(v) Develop project implementation monitoring system through a projects information management portal; and</li> </ul>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						(vi) Consultancy services for capacity building for project prioritization and preparation
<b>PILLAR 2: INFRASTRUCTURE DEVELOPMENT IN SUPPORT OF REGIONAL INTEGRATION</b>						
9. <b>Tripartite Transport and Transit Facilitation Programme (TTTFP)</b>	Apr. 2017-May 2023	European Union	<b>€18 M</b>	99%	Facilitate the development of a more competitive, integrated and liberalized regional road transport market in the EA-SA Region.	<ul style="list-style-type: none"> <li>(i) The Corridor Trip Monitoring System (CTMS) Pilot running at selected corridors and borders in Botswana, DRC, Namibia, Malawi, Mozambique, Zambia and Zimbabwe.</li> <li>(ii) The Draft Tripartite Road Transport Legal Instruments are awaiting approval the Tripartite Council of Ministers following endorsement by Tripartite Sectoral Ministerial Committee on Infrastructure and legal scrubbing by Tripartite Sectoral Ministerial Committee on Legal Affairs</li> <li>(iii) 8 Member States have started the process to domesticate the Tripartite agreements, model laws, regulations, standards and system.</li> <li>(iv) Some road transport standards were approved and adopted by SADCSTAN (SADC standards organization) and Tripartite (COMESA, EAC and SADC) and have now been adopted by ARSO the African Standards Organization and Africa Standards.</li> <li>(v) Specifications and standards for transport systems and facilities developed and adopted. Member/ Partner States have since September 2019 been able to incorporate these standard system specifications in the procurement documents for the upgrading of existing or development of new compliant systems.</li> </ul>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						(vi) Regional Guidelines and Standard Operating Procedures on the Movement of Goods and Services during COVID19 Pandemic developed, adopted and under implementation.
10. <b>Intra ACP Climate Services and Related Applications Programme (CLIMSAP)</b>	Oct 2019-Sep. 2025	European Union	€8 M	32%	Strengthen the climate service value chain through building the capacity of decision makers at all levels to make effective use of climate information and services.	The guidelines for User Interface Platforms (UIPs) completed and Stakeholder consultations conducted.
11. <b>SADC Project Preparation Development Facility (PPDF)</b>	Aug. 2013-Mar. 2023	European Union	€12 M	91%	Support SADC Member States to redress the supply-side infrastructure services constraint affecting economic development within the region.	(i) The programme has approved 11 feasibility studies; three (3) of the projects are water related, while eight (8) are energy projects. The feasibility studies are ongoing to ascertain bankability of the projects.  (ii) A new agreement is yet to be signed with KfW.
<b>PILLAR 3: SOCIAL AND HUMAN CAPITAL DEVELOPMENT</b>						
12. <b>SADC HIV Fund</b>	2021-2023	Member States	\$6,482,000	30%	Enhance the existing regional HIV and AIDS initiatives, without any disturbance on the existing financial flows to individual Member States.	13 Grants worth US\$6.5 million are in implementation and benefiting cross border communities, women and young children and youth in all Member States.
13. <b>Regional Agriculture Policy- RAP PE</b>	Apr. 2018-Jan. 2022	European Union	€1.1 M	75%	Enhance information on agricultural production, sustainability and competitiveness for evidence-based decision-making.	(i) Framework developed to align National Food and Nutrition Security Strategies with the Regional Food and Nutrition Security Strategy

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						<ul style="list-style-type: none"> <li>(ii) Existing best practices for controlling post-harvest losses in small scale fisheries have been documented.</li> <li>(iii) Minimum standards on micronutrient fortification have been developed</li> <li>(iv) The Monitoring and Evaluation (M&amp;E) and Operational Plan of a Regional Food and Nutrition Security Strategy have been developed</li> </ul>
14. <b>COVID-19 Emergency Response</b>	Oct. 2020-Sept. 2022	African Development Bank	\$705,000	29%	Procuring PPEs, diagnostics and biomedical supplies to support 6 member states (Madagascar, Lesotho, Zambia, Mozambique, Malawi and Zimbabwe) in their response to the COVID-19 pandemic	<ul style="list-style-type: none"> <li>(i) All planned procurements have been completed through the WHO procurement portal.</li> <li>(ii) At least 90% of supplies have been delivered in each of the 6 project countries</li> </ul>
<b>CROSS CUTTING ISSUES: Gender, Youth, Environment and Climate Change and Disaster Risk Management</b>						
15. <b>Strengthening Disaster Risk Reduction, Coordination, Planning and Policy Advisory Capacity of SADC Project (SDCEP)</b>	Apr. 2018-Jan.2022	World Bank	\$2,500,000	96%	Contribute to the substantial reduction of disaster risk and losses in lives, livelihoods and health, and economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries in the SADC Region.	<ul style="list-style-type: none"> <li>(i) Hazard-based Simulation Exercises Guidelines developed</li> <li>(ii) Guidelines for SADC Disaster Preparedness and Response developed</li> <li>(iii) Fund; Resource Mobilization Strategy M&amp;E System developed</li> <li>(iv) The Contingency Plan and Standard Operating Procedure (SOP) for SADC Standby Force as well as the Standard Operating Procedures for the SHOC and ERT developed</li> <li>(v) National and Regional DRR Information Management Systems operationalized.</li> <li>(vi) Guidelines for mainstreaming DRR into Agriculture Food Security and Nutrition, Water and Sanitation Hygiene (WASH),</li> </ul>



Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
						Education, Gender and Infrastructure have been developed.
16. <b>Intra ACP Global Climate Change Alliance Plus (GCCA+)</b>	Jun 2019-Jun 2023	European Union	€8 M	78%	Increase the capabilities of SADC Member States to mitigate and adapt to the effects of climate change, in support of the RISDP, Africa Agenda 2063 and Sustainable Development Goals.	<ul style="list-style-type: none"> <li>(i) Eight grants have been awarded.</li> <li>(ii) Member States have been facilitated to revise their NDCs and a few have shared their revisions.</li> <li>(iii) 16 Member States have been supported to ratify the Paris Agreement</li> <li>(iv) Established a COVID-19 emergency project which is being implemented by CCARDESA in four (4) Member States (Eswatini, Mozambique, Zimbabwe and Zambia)</li> </ul>
<b>STRATEGIC MANAGEMENT OF RISDP 2020-30</b>						
17. <b>Strengthening National and Regional Linkages (SNRL)</b>	Jan 2016-Jul 2022 (second phase extended to Aug, 2022 – July 2025)	GIZ and EU	GIZ contribution is €5.5 M	99%	Improve the linkages between the SADC Secretariat and SADC Member States to narrow the implementation gap of SADC priority strategies, policies, protocols, and programmes at the national level.	<ul style="list-style-type: none"> <li>(i) Standards for operationalizing MS coordination structures are applied, e.g., Mozambique and Lesotho have operational models</li> <li>(ii) Implementation status of RI agenda continues to be documented and recorded. This was facilitated by trainings conducted in Tanzania and Mozambique.</li> <li>(iii) MS structures' processes are being used to promote RI implementation, e.g., The programme piloted monitoring of the Protocol on Fisheries, through Fisheries Divisions (Botswana, Malawi and Namibia) to ensure alignment between regional and national levels within the context of sustainable aquaculture development.</li> </ul>

Project Name	Project Duration	Source of Funding	Amount	Utilisation on received funds as at 31 March 2022	Project/Programme Objective	Key Achievements / milestones
18. <b>Integrated Institutional Capacity Building</b> (PAGODA - SO2 IICB)	Apr. 2019- Mar.2023	European Union	<b>€6.5 M</b>	67%	Enhance service delivery by the SADC Secretariat through support with regards to programmes/ projects planning, co-ordination, and knowledge-sharing of regional commitments at country level.	(i) Two grants awarded to civil society organisations in Zambia and Eswatini amounting to US\$657,044. (ii) Project on change and knowledge and management under implementation (iii) Contributed to Secretariat capacity building in managing projects
19. <b>SADC Dialogue Facility</b>	Jun. 2019- Sept. 2022	European Union	<b>€3 M</b>	64%	Improve the quality of regional policy development and implementation of key SADC priorities through facilitating dialogue sessions across various SADC stakeholders.	(i) Conducted Peer to Peer Learning and Exchange of Knowledge and Information on Compliance Mechanism with the EAC Secretariat. (ii) Conducted Peer to Peer virtual meeting with Eurostat (iii) Reviewed and provided recommendations for the improvement of the SADC/ICP Dialogue and the operationalisation of the thematic working groups.



**SADC Secretariat**  
**Private Bag 0095**  
**Gaborone, Botswana**  
**Tel: (267) 395 1863**  
**Fax: (267) 397 2848**  
**Email: [registry@sadc.int](mailto:registry@sadc.int)**  
**Website: [www.sadc.int](http://www.sadc.int)**

