

***EVALUATION OF THE EUROPEAN  
COMMISSION'S SUPPORT TO THE ACP SADC  
REGION***

Synthesis report

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***The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the countries concerned***

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## INTRODUCTION

This annex contains the data supporting the responses to the ten evaluation questions, which guided the Evaluation of the Commission's support to the Southern African Development Community (SADC).

The text of the ten evaluation questions, as approved during the Desk Phase, and around which the Evaluation was structured, is shown in the table on the next page. Accordingly, this Annex is divided into ten main sub-sections, each of which covers one Evaluation Question.

The responses to the evaluation questions are based on a set of judgement criteria elaborated during the Evaluation's Desk Phase. Each of these Judgement Criteria contains a number of Indicators, which contribute to addressing each judgement criterion. The indicators have been used to structure the data made available to the Evaluation Team during the Desk and Field Phases.

Based on these data, responses have been formulated for each of the Evaluation Questions. These responses are contained in Chapter 6 of the Main Report.

Supporting data on which this annex draws are to be found in:

- Annex 3: Intervention Logic
- Annex 5: List of Projects
- Annex 6: Background to the Region
- Annex 8: Desk Analysis of CSP/NIPs for the SADC Region
- Annex 9: Country and Sector Reports from the Field Visits

In addition, Annex 7 contains a list of reference documents and documents which were consulted during the evaluation.

It may be noted in particular that the information contained in Annex 9 is a result of those interviews carried out with the persons and institutions detailed in Annex 10 (List of persons met). Team members asked respondents for their views and, in order to allow for an as free and frank a discussion as possible, it was agreed that the remarks would be non-attributable. In addition, many of the points included in Annex 9 were made by several commentators – and hence, direct citing of individuals has mostly been avoided.

**Box 1: The Ten Evaluation Questions**

EQ 1	To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) <i>relevant to and coherent with</i> the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?
EQ 2	What is the degree of SADC's and its Member States' <i>ownership</i> of the Commission's support and to what extent is the support <i>aligned</i> with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?
EQ 3	To what extent is the Commission's support to the SADC region <i>complementary to</i> and <i>coordinated with</i> EU Member States' development interventions and <i>harmonised</i> with other donors' development assistance?
EQ 4	To what extent are the planned and/or ongoing Regional Integration and Trade interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
EQ 5	To what extent are the planned and/or ongoing Transport and Communications interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
EQ 6	To what extent are the planned and/or ongoing Food Security, Agriculture and Natural Resources interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
EQ 7	To what extent are the planned and/or ongoing interventions in the Non-Focal Sectors likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
EQ 8	To what extent has the Commission's support had an <i>impact</i> on key stakeholders' capacity (through applied instruments – policies, protocols - and allocated resources) to promote regional integration and economic growth, and to what extent will these be <i>sustainable</i> ? {Key stakeholders include the following: - SADC institutions at regional and national level, national governments, private sector, civil society/NSA.}
EQ 9	To what extent has the Commission's support had an <i>impact</i> on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be <i>sustainable</i> ?
EQ 10	To what extent has the Commission's support to SADC had an <i>impact</i> on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be <i>sustainable</i> ?



## EQ 1

To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) relevant to and coherent with the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?

### Evaluation and other Assessment Criteria: Relevance and coherence

**Coverage of the question:** This question relates to the link between the strategic objectives of the Commission's programmes and interventions in the SADC region and its overall cooperation objectives. It attempts to assess the justification for the central objective of promoting regional integration and to verify on which basis this has been defined. It intends to verify 1) the extent to which the EC programming documents clearly set out the rationale (relevance) for the promotion of regional integration as a response to the main development needs of the region; 2) whether the objectives of both national (NIPs) and regional programmes (RIPs) are coherent with the promotion of SADC regional integration (e.g. SADC's RISDP); 3) the overlap between SADC and other regional initiatives, and in particular, overlapping memberships of different RIOs, 4). In addition the question addresses the issue of coherence with other EU policies (trade, agriculture, etc...) and funding instruments

JC1 The Commission's strategic and programming documents clearly set out the rationale for the promotion of regional integration

*1.1.a NIPs; RIPs and other programming documents establish the link between the objectives pursued in the main sectors of intervention and the promotion of regional integration*

#### RSP/RIP9

Annex 1 of the RSP contains the ILs for each sector of intervention, which aims at illustrating the link between the aim (overall objectives) and the specific objectives for each sector.

#### RIP8

The link is less clear because regional economic cooperation and integration considered not as an overall objective

While the RIPs set out the rationale for regional integration this is not the case with the NIPs. The NIPs tend not to touch on the regional dimension at all.

*1.1.b NIPs, RIPs and other programming documents establish the link between the promotion of regional integration and sustainable development, and the overall objective of poverty reduction*

#### RSP/RIP9

The main strategy being followed to achieve poverty reduction through higher levels of export led economic growth is macro-economic liberalisation (including liberalisation of trade policy, harmonisation of tax policy and more efficient and effective forms of economic management) as well as promotion of investment and supply-side measures to assist the region to increase production. The specific

challenge is the full implementation of the SADC Free Trade Area by 2008. Most countries in the region have undergone major structural adjustment programmes that make it more likely that regional integration measures will succeed. These reform programmes at regional level build on the policies implemented at the national level. (RSP, p.iv)

The main objective of SADC is to achieve poverty reduction, development and economic growth, through deeper regional integration, built on democratic principles and equitable and sustainable development. Integration into the world economy will help SADC to achieve the economic growth needed to realise SADC's main goal of poverty reduction. (RSP, p.8)

The analysis of the regional situation and the assessment of regional integration for the SADC region indicate that countries in the region accept that poverty reduction depends upon achieving levels of economic growth of 6% or more per annum and presupposes an equitable share of such growth. To achieve this, the region needs to attract significant levels of investment into the productive sectors of the region, hence the pre-condition of creating a conducive investment climate. To a large extent a conducive to investment regime is dependent on improved access to larger markets, a stable economic regime, adequate infrastructure to allow business transactions to take place within the region and a peaceful and politically stable environment. Economic growth will also result from the contribution of those productive sectors based on the sustainable exploitation of natural resources. (RSP, p.27)

#### Box 2: Relation between RISDP and 9<sup>th</sup> EDF RSP/RIP

The March 2001 SADC summit decision to restructure SADC and its institutions occurred during the formulation period of the 9<sup>th</sup> EDF RSP/RIP. The result is a clear overlap between the objectives of the RISDP and those of the RSP/RIP.

The objective of the restructuring of SADC was to increase the efficiency and effectiveness of SADC policies and programmes and to implement a more coherent and better co-ordinated strategy to eliminate poverty in the Region. In order to underpin the restructuring of SADC institutions, the SADC Secretariat prepared a Regional Indicative Strategic Development Plan (RISDP). The purpose of the RISDP is to deepen regional integration in SADC, and to provide SADC Member States with a consistent and comprehensive programme of long-term economic and social policies.

The first priority for the RISDP is regional integration and the promotion of trade and economic liberalisation. The establishment of a SADC Common Market is an important element for achieving these ends, but implies a focus on strategies, which include enhancement of competitiveness; harmonisation of policies, and legal and regulatory frameworks for the free movement of factors of production. The SADC Trade Protocol and Transport and Communications Protocol are key elements in realising these objectives. (See also: the analysis in the Joint Progress Report – 2005 - on Co-operation between SADC and the EC)

Within the sector defined in SADC as **Food, Agriculture and Natural Resources (FANR)**, the RISDP emphasises sustainable food security as a priority. Here the focus is on improving food availability; access to food and nutritional value of food; minimisation of food losses; prevention, mitigation and recovery from adverse effects of natural disasters, including improved forecasting; and finally, improvement of the institutional framework. The basis for this approach is contained in the 2004 Dar es Salaam Declaration on Food Security.

#### RSP8

The Medium term objective of the RSP 8 was "to support sustained economic growth in order to raise standard of living and in the long term to secure pace and structural stability for the future" (RSP p.8). Poverty reduction is not mentioned in the document (it was not a priority of the 8EDF).

Again, while the RIP/RSP9 takes up the link between poverty reduction and regional integration, this is not taken up in the NIPs (See also: the analysis of the CSPs in Annex 8)

JC2 The objectives of national and regional programmes reflect the views and priorities of the SADC countries with respect to the promotion of regional integration

*1.2.a The Commission's programmes and interventions are based on diagnostic reviews of the priorities and objectives of SADC countries.*

### RSP9

In recognition of the changing environment and the new challenges, SADC, following a substantial review process, established revised priorities in 2001 for the organisation. Although it was decided to move towards a more centralised institutional set-up, the principle of subsidiarity was adopted. As a result of the decision on the restructuring of SADC, substantive amendments to the protocols will be undertaken after the Regional Indicative Strategy Development Plan (RISDP) has been developed, with the possibility of merging protocols that are interrelated. (5)

The Regional Indicative Strategic Development Plan currently being formulated will reinforce the linkage between national objectives and priorities and regional programmes. The SADC regional priorities include trade facilitation, investment harmonisation and infrastructure development, aimed at reducing transaction costs within the region, and conflict prevention and resolution. The SADC Trade Protocol aims to use regional integration as a building block towards increased participation within the world economy. The negotiation of the SADC Free Trade Area has contributed to increased capacity through 'on the job' learning as Member States identified their strengths, weaknesses and opportunities. Further liberalisation will require Member States to enhance their capacity to ensure they are able to maximise benefits. (19-20)

However, as became evident during the field phase, there is a major gap between policy decisions taken by SADC leaders and the domestication of these policies. The SADC Secretariat has only limited capacity and negotiations on customs unions and free trade areas are far behind schedule.

### RSP8

The RIP specifies that priorities contained in the document have been agreed on by both parties. (p.3). In the RSP (p.6) some consultative mechanisms between EU and SADC are mentioned (Annual Consultative Conference and EU-Southern Africa Ministerial Conference of 1994 in Berlin). The RIP specifies the sectoral policies as set by the SADC protocols and how the European Community will support them. (RIP 4-7).

A diagnostic review of SADC priorities is not mentioned in the documents. There is no evidence to suggest that the EU has ever critically examined the objectives set out in the SADC protocols and assessed to what extent they have been correctly identified by SADC institutions.

*1.2.b The Commission's strategy addresses the issue of SADC countries' overlapping membership to different RIOs.*

RSP9

The Southern African region is characterised by a multiplicity of regional integration initiatives and institutions. There is a significant overlap in the membership of regional organisations as SADC also includes members of COMESA, EAC, ECCAS, IOC and SACU (see Annexes 4 and 5). In addition, a number of SADC countries were active participants in the Cross-Border Initiative (CBI), which was supported by the AfDB, EC, IMF and the World Bank during the 1990s, and which has been succeeded by the Regional Integration Facilitation Forum (RIFF). The RIFF is linked to the same international institutions and regional organisations. These cooperating partners provide a support mechanism for those countries that wish to undertake 'fast track' structural reforms aimed at improving market efficiency.

The SADC and the E&SA RSPs (the latter covering COMESA, EAC, IGAD and IOC) have been harmonised to the greatest extent possible, particularly with respect to the Regional Integration and Trade focal sector. There is also agreement between the Regional Integration Organisations (RIOs) comprising the E&SA and SADC RSPs that programmes will be harmonised. SADC and the other RIOs have established the Inter-Regional Coordination Committee (IRCC) for just this purpose (see RIP Annex 13). Delegations to the IRCC may include representatives of Member States and/or non-state actors. (4)

However, as became clear during the field phase, SADC withdrew from formal membership of the IRCC and retained only observer status – and, in fact, only rarely participates as an observer. Thus, while the IRCC appears to effectively coordinate COMESA, EAC, IGAD and IOC, activities related to the SADC RIP are not dealt with by the IRCC and there is no effective coordinating mechanism.

In the medium term the region is dependent on the ability of the RIOs to resolve the potential inconsistencies between the overlapping regional trade regimes of SADC, SACU COMESA and EAC. SACU is already a customs union within the SADC Free Trade Area. COMESA plans to establish a Customs Union by 2004 and EAC intends to establish a Customs Union and a Free Trade Area by 2004. It is not possible for countries to be a member of overlapping Customs Unions unless they have identical common external tariffs. Within a free trade area, imports originating in member countries are free of duty. It will be necessary to try and ensure that, within SADC and the E&SA region, importers in a specific country do not face different tariff regimes when importing under different trade regimes from the same country (20)

The Cotonou Agreement provides for the strengthening of Regional Integration Organisations (RIOs) in order to deepen integration in the ACP. Given the overlapping membership of these institutions, there is room for coordinating those activities or programmes that are of mutual interest to the RIOs. SADC and COMESA have different RIPs but there will be need to coordinate certain activities where there are common interests. This is so in the area of regional integration and trade. (See RIP Annex 14)

The various Delegations within the SADC region with regional responsibilities (Botswana, Zambia, Namibia and Tanzania) focus on "their own" region and, hence, there is little communication between regional delegations on regional matters, even though the Southern African sub-continent is characterised by a number of overlapping regional organisations.

At the level of the regional organisations an inter-regional coordinating committee (IRCC) has been established, which includes COMESA, EAC, IGAD, IOC). SADC choose to remain outside the IRCC and has observer status – but normally SADC officials do not come to the meetings.

Hence, SADC is not very involved in regional alignment nor in tackling the issues arising out of the multiplicity and overlap of the regional organisations – and, by consequence, neither is the Delegation in Botswana. The pattern is the same throughout the region, with the Delegation in Zambia essentially dealing with COMESA and not with SADC; and the Delegation in Tanzania dealing essentially with the EAC – even though both Tanzania and Zambia are members of SADC. By the same token, the Delegation in Botswana does not take up issues related to SACU even though Botswana is also a member of SACU – leaving this up to the Delegation in Namibia. There is also very little contact with the Delegation in South Africa, and there is a general under-spending of EPRD funds earmarked for regional support.

There is still considerable debate within the whole southern African region in relation to membership of future customs unions. Thus, while certain decisions may have been taken at a head of state or senior government minister level in respect of the individual country's membership of a certain grouping, the logic of these decisions is not always shared, neither by state nor by non-state actors. Particularly the desire to see Tanzania as part of a SADC EPA and Zambia and Zimbabwe as members of an E&SA EPA are logics which are not widely shared at the national level, even though these may be decisions which have been taken at the level of Head of State.

A strong desire was expressed by the Delegation in Botswana that the Commission facilitate more inter-action between regional delegations to tackle some of these challenges. At present there are no budget lines that would allow this to happen and there is no established practice for doing so.

#### RSP/RIP8

Other regional organisations are mentioned in the RSP (SACU; COMESA) but the issue of overlapping membership is not really taken into consideration (RSP p.4). The issue of overlapping membership just mentioned in the framework of the discussion on other sources funding (i.e. Mauritius and Tanzania being able to use funding under ESA programme) (RIP p.2)

JC3 The programmes at regional and national level have been designed to be compatible with each other – and with other regional initiatives - in the promotion of regional integration.

*1.3.a NIPs refer to regional integration process and include activities to strengthen it.*

#### RSP9

The region also benefited from complementary funds from the NIPs of SADC Member States, in particular in the transport and fisheries sectors. The three main sectors of the EDF8 NIPs in the region were: (1) productive sectors including private sector development; (2) transport and infrastructure; (3) social sectors (health and education).

It is worth noting that only one of the region's EDF8 NIPs actually included a reference to the possibility of providing NIP resources for regional initiatives. On the other hand, the EDF8 RIP specifically mentions the requirement for regional funds to be supplemented by the NIPs. This contrast may explain why so few projects were actually co-funded.

The lack of coherence between RIPs and NIPs under RSP9 has been recognized by the Commission. The point was made during the field visits that the EDF10 programming exercise had identified this problem and that this would be rectified as part of EDF 10 programming.



*1.3.b Regional programmes take into account programmes supported through other programmes – EPRD, E&SA RSP – and other RIOs (COMESA, SACU).*

Additional funding was also provided from the European Programme for Reconstruction and Development (EPRD) for South Africa. The EPRD provides that upwards of 15% of the assistance be allocated annually to regional activities. Under this arrangement complementary co-financing funding has been provided for activities covering agriculture, illicit drugs, HIV/AIDS and Trade, Finance and Investment. While the additional funds originating from the EPRD have been appreciated, the cumbersome procedures experienced when co-funding projects has meant delays and complications at the project preparation stage. To address these issues, SADC and South Africa will sign a Memorandum of Understanding in 2002 covering all aspects of programming and implementation and assigning specific responsibilities to both parties (22)

In practice, while a number of projects were co-funded utilising EPRD funds for SADC activities there is significant under-programming and limited absorption capacity, and much of the regional allocation earmarked for SADC remains unused. Attempts are being made to re-allocate some of these funds to NEPAD and AU activities.<sup>1</sup>

**Box 3: EPRD Contributions to RIP**

An indicative allocation of 10% of South Africa's Multi-Annual Indicative Programme was earmarked for regional cooperation. Between 2000 and 2002, the EPRD contributed to two SADC regional projects financed under EDF 8 (HIV/AIDS – 8 ACP RAU 14; and EU-SADC Investment Promotion Programme - ESIPP), two regional projects funded in total by EPRD funds (SADC Regional Water Sector; HIV/AIDS awareness – Soul City) and a third project to address the impacts of EU SA TDCA (SACU-BNLS Support Programme). For the 2003-2006 programming period, € 52.5 million was made available for regional cooperation. To date, no SADC sponsored projects have been co-funded from the EPRD, but funding has been allocated on the basis of requests received from the ACP Secretariat and the AU/NEPAD Secretariats.

Source: SADC EDF 9 RSP/RIP. End of Term Review. (2005)

RSP/RIP8

See above

**JC4 The EC regional objectives of cooperation with SADC supported or impeded by the provisions of other EU policies or other EU assistance instruments**

*1.4.a NIPs and RIPs refer to other EU policies with external dimensions.*

RSP9

In addition to their development cooperation, SADC and the EC have long-standing commercial links based on the preferential provisions of the successive Lomé Conventions and the current Cotonou Agreement. Of particular value in this context have been the Sugar and Beef Commodity Protocols. Under the successive ACP-EC agreements since 1975, the region's traditional meat exporters are able to sell beef and veal to the EU internal market at a substantial reduction in import levies. Although the region has not recently been able to take full advantage of these arrangements, exports to the EU market nevertheless generate a significant flow of

<sup>1</sup> Reference is made to the comments from the Delegation in Gaborone, to the End of Term Review (SADC EDF9 RSP/RIP) and to the 2005 Joint Progress Report.

resources to the relevant economies. SADC has, however, expressed concerns about the coherence of the EU's agricultural and consumer health policies, as it fears that EU policies in the area of sanitary and phytosanitary measures may have a rather negative impact on the countries in the region, notably in cases where transitional periods for introducing new regulations are short and exporting countries do not have the capacity to adapt their production to the new requirements. EU enlargement, on the other hand, will increase the size of the EU market and might be a chance for ACP suppliers to increase exports to the acceding states. (24)

Marine Fisheries provide a large but decreasing proportion of foreign exchange earnings for two (Mozambique and Namibia) of the five SADC coastal countries. The EC is the main market for the region's exports and it has concluded a number of Fisheries Agreements with countries in the region. Initially based on the commercial interest of the EU fishing fleet, such agreements are bound increasingly to take account of sustainable resource management and the development objectives of the partner countries concerned. The EC's policies in these areas must be consistent with Council Resolution on Fisheries and Development of November 2001. (25)

In the area of Common Foreign and Security Policy (CFSP), political dialogue and conflict prevention, the EU-SADC dialogue has deepened since the launch of the Berlin Initiative in 1994, and has provided a framework for intense dialogue in political matters, as is evident from the assistance provided to the Lusaka Peace Process since 1999. The existence of political dialogue has also opened the door for sharing experiences and exchanging ideas on regional integration as well as deepening and strengthening democracy in the region. There is within SADC considerable interest in how the CFSP is conducted and the potential impact it may have on traditional common development policies as well as EU Member States' bilateral foreign policies towards the region (26)

#### RSP/RIP8

The document does not seem to refer to other EU policies

*1.4.b NIPs and RIPs refer to other assistance instruments (EIB funding, Budget lines etc)*

#### RSP9

In addition to the EDF and the South Africa EPRD, SADC regional programmes have been financed in recent years from a number of EC Budget Lines, including Co-financing with NGOs, Decentralised Cooperation, Food Security, Democracy and Human Rights, Environment and Tropical Forests (...). The European Investment Bank has a major programme of financing infrastructure in the SADC region, with a current portfolio amounting to € 1.25 billion and annual inflows into the region of some € 200 million. (23)

In defining the RSP, the parties have taken into consideration the need to support preparations for the negotiation and implementation of EPAs. Particular attention has to be paid to the development of the region's supply capacity. In this context close coordination and synergies will be sought with the EU-SADC Investment Promotion Programme (ESIPP). Intra-ACP funding in support of the private sector (EBAS, PROINVEST, etc.) and the Cotonou Investment Facility to be managed by the European Investment Bank. (27)

The European Investment Bank has identified a number of possible measures (notably in the transport and water sectors) that it could support either alone or in cooperation with the European Commission and other institutional (bilateral and multilateral) and commercial financiers. (29)

#### RSP/RIP8

EIB funding mentioned. Particularly relevant at regional level in the following sectors: energy and infrastructure and telecommunication. However, very little EIB investment projects in the industrial and small business sectors have been done at regional level. (RSP 11)

Reference is made to funding from

- EIB (Annex 1 of the RIP);
- Projects and programmes funded under the ESA regional strategy (RIP p.2);
- Projects and programmes funded by the EPRD (RIP p.2)
- National programmes (RSP8)

#### *I.4.c. Coordination mechanism between the programming of the RIPs and the programming of other EU assistance mechanisms are in place*

#### RSP9

In defining the RSP, the parties have taken into consideration the need to support preparation for the negotiation and implementation of EPAs. Particular attention has to be paid to the development of the region's supply capacity. In this context close coordination and synergies will be sought with the EU-SADC Investment Promotion Programme (ESIPP), Intra-ACP funding in support of the private sector (EBAS, PROINVEST, etc.) and the Cotonou Investment Facility to be managed by the European Investment Bank. (27)

The EPRD provides that upwards of 15% of the assistance be allocated annually to regional activities. Under this arrangement complementary co-financing funding has been provided for activities covering agriculture, illicit drugs, HIV/AIDS and Trade, Finance and Investment. While the additional funds originating from the EPRD have been appreciated, the cumbersome procedures experienced when co-funding projects has meant delays and complications at the project preparation stage. To address these issues, SADC and South Africa will sign a Memorandum of Understanding in 2002 covering all aspects of programming and implementation and assigning specific responsibilities to both parties (22)

#### RSP/RIP8

Reference is made to other source of funding:

- EIB (Annex 1 of the RIP);
- Projects and programmes funded under the ESA regional strategy (RIP p.2);
- Projects and programmes funded by the EPRD (RIP p.2)
- National programmes (RSP8)

Need for coherence among the different funding sources is mentioned (RIP p.2) but no coordination mechanism is specified in the documents.



## EQ 2

What is the degree of SADC's and its Member States' ownership of the Commission's support and to what extent is the support aligned with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?

Evaluation and other Assessment Criteria: Ownership and alignment

**Coverage of the question:** This question deals with the principles of the Paris Declaration, which are also recalled in the European Consensus (5.3). It intends to assess to what extent the EC respects SADC countries' leadership in the region's development process & helps them strengthen their capacity to exercise it. It also explores whether EC programmes and interventions use SADC own systems and procedures to the maximum extent possible and foster SADC stakeholders' participation in the planned activities.

JC1 The implementation of the programmed activities takes into account the institutional capacity of the partner countries' and of the SADC Secretariat.

*1.1.a The Commission uses the countries/region's own institutional frameworks and procedures to implement the planned activities.*

### RSP8

Depending upon the agreed activities to support the regional strategy, the particular methods and channels of implementation will be examined to ensure the most effective means of delivery. While this can be based on SADC structures, it may also include other implementation mechanisms open to SADC countries, as provided for in the Lomé Convention. (RSP 12)

During the field phase it became clear that SADC as an institution has emerged considerably weakened from the centralisation process, certainly as regards procedures. Where Directorates were formerly housed in host countries and benefited from considerable institutional support, from additional funding and from additional staff, the Secretariat in Gaborone is understaffed and under-funded, and has yet to develop clear and simple procedures. This makes it difficult for any ICP to use the organisation's institutional framework and procedures.

*1.1.b The Commission promotes the participation of the SADC Secretariat/national institutions in the implementation of the planned activities*

### RSP9

The involvement of non-state actors (NSA), including local government, is essential for the successful implementation of this RSP. Their involvement could basically be on three levels: contributing with their knowledge and experience to the definition of policies and programmes; implementing projects in their respective fields of competence; and as a beneficiary of projects, notably in the area of capacity building. (29)

The results of the field visits indicate that there was virtually no involvement of non-state actors in the SADC RSP programme. Even in those areas of policy advice involving regional NSA organisation, where SADC is formally involved, this involvement is in name only as the relevant SADC officials rarely participate.

JC2 SADC key stakeholders are involved in the identification and implementation of Commission's interventions.

*1.2.a Number and frequency of meetings between SADC stakeholders and Commission at the programming stage*

There was very little contact between stakeholders and the Commission. Meetings tend to be with the Secretariat. The activities which did take place were mostly information activities, resulting in little input as quick turnaround times were required.

*1.2.b Participation of SADC stakeholders and policy-makers in Commission's funded activities*

RSP9

As for 1.1.b above. (29) Very little participation with NSAs has been achieved.

*1.2.c Initiatives for activities/projects taken by SADC and/or member states*

The EC's RSP/RIP for EDF9 was being prepared at the same time as SADC's own RISDP, although the EC's planning process was finalised before SADC's. EDF9 continues with many of the main areas of concentration and focus as EDF8. It is not clear in how far SADC and its member states contributed to setting the agenda for the initiatives taken under the two EDFs, although there is a clear overlap between the RSPs and the RISDP.

According to information received during the field visits, much of the work preparing the RISDP was also carried out by consultants and it is unclear in how far this was based on involvement with member states. However, the lack of noticeable involvement by state and non-state actors in other parts of the process, would suggest that there was little involvement in setting the agendas for either the RISDP or the RIP.

JC3 RIPs and NIPs are compatible with the procedures of SADC and its Member States

*1.3.a SADC and Member States implementation and financial procedures are taken into account in RIPs and NIPs within the context of regional integration.*

RSP9

The document does not seem to mention SADC implementation mechanisms. Furthermore, interviews during the field visits confirm that SADC's implementation and financial procedures are, at best, unclear. This is further confirmed by the Institutional assessment of the SADC Secretariat (Ernst & Young, 2007) which also notes the absence of standard reporting formats, the absence of QA checks on annual work programmes and budgets, lack of monitoring and control of implementation,

etc. For this reason they note, for example, that: "it is very difficult to assess what activities in the 2006 programme have been achieved".

### RSP8

Depending upon the agreed activities to support the regional strategy, the particular methods and channels of implementation will be examined to ensure the most effective means of delivery. While this can be based on SADC structures, it may also include other implementation mechanisms open to SADC countries, as provide for in the Lomé Convention. (RSP 12)

### EQ 3

**To what extent is the Commission's support to the SADC region complementary to and coordinated with EU Member States' development interventions and harmonised with other donors' development assistance?**

**Evaluation and other Assessment Criteria:** Complementarity and Coordination; Harmonisation

**Coverage of the question:** The European Consensus on Development refers to Coordination and Complementarity in relation to both the EU Member States and other donors (ref: para 5.3 sub-para 32 which refers to the Paris Declaration). Hence issues relating to both Member States and other donors have been included in one question. The question intends verify to what extent the EC strategies and activities take into account other donors – including EU Member States – programmes and activities in the region.

**JC1 Activities implemented under the Commission's support to the SADC region are co-ordinated with other EU Member States' interventions where relevant.**

***1.1.a NIPs and RIPs are complementary with and not contrary to interventions supported by EU member states.***

### RSP9

Several EU Member States and other donors have in the past had programmes supporting SADC. Assistance has taken place at various levels, i.e. directly to the decentralised Sector Coordinating Units in Member States, and funds have also been channelled through the SADC Secretariat. With SADC's decision in March 2001 to restructure the organisation, interest has increased and a number of donors have expressed their willingness to actively step up their cooperation with SADC. More recently, a number of Framework Agreements have been concluded, providing assistance to numerous sectors but under one umbrella, along the lines of the EDF arrangement.

EU bilateral donors include Austria (€3 million in 2000), primarily in infrastructure, Belgium (€2.06 million in 2000) in FANR, infrastructure and regional integration 2000, Denmark, primarily in finance and investment, water and conflict prevention, Germany (€8.1 million in 2000), mainly in trade, private sector and infrastructure, France (€0.6 in 2000) in FANR and statistics, Sweden in infrastructure, capacity/institutional building, water and democracy, Finland (€1.2 million in 2000) in Information Communication Technology and the UK (€7.2 million in 2000/2001), primarily for trade, transport and conflict prevention.

Other bilateral and multilateral donors include Norway (restructuring), the US (trade, finance and investment, transport and democracy), Japan (transport, tourism, SMEs), the UN organisations and the International Financial Institutions. Further details on EU Member States and other donors are presented in annex 11 (23-24)

There are many positive moves by the ICPs to complement and harmonise activities; however, in practice it has proved difficult to move from agreement to implementation. EC RIP projects planned under EDF9 have been slow in starting, and many of the projects are now in a situation where – unless funds can be committed by March 2007 – funds will need to be sent back. During the field visit, the EC Delegation in Botswana was engaged in an exercise with the SADC RAO to reduce project budgets to more achievable targets. Therefore, although there is a willingness to harmonise and complement, the receiving institution has problems managing. Reference is also made to the Institutional Analysis carried out by Ernst & Young (2007).

#### RSP8

The document does not seem to refer to other donors.

#### *1.1.b. Formal coordination mechanisms are in place at national and regional level*

#### RSP9

Donor coordination has in the past been limited to the annual SADC consultative conferences. The decentralised SADC structure in the past also meant that it was difficult to coordinate and pool resources. However, with restructuring and centralisation of the SADC Secretariat, increased coordination will be necessary to avoid duplication and to allow SADC and its cooperating partners to work jointly within a consistent regional policy framework to the maximum extent possible. Four EU Member States are represented in Botswana (Germany, France, Sweden and the UK). The European Commission's Delegation was chosen early in 2002 to act as chef de file for the donor community, especially in the run up to the Donor Conference, which is due to take place in October 2002. (24)

Formal coordination is in place and is being actively pursued – although there are also a number of donors working in parallel to the process, with a focus which is issue-based rather than institution-based.

The coming into force of the Paris Declaration has been widely welcomed and embraced by many donors – although some (sometimes on issued-based projects) still take a separate approach. This is the case for new donors, such as the Chinese, but also for more established donors such as JICA (examples from the Zambia road sector) and USAID (particularly their approach to HIV/AIDS).

However: the EU is the largest donor to the SADC region and major trading partner. The challenge is: How to make the most of this and build on the EC's comparative advantages. The opportunities are there to build on the Paris Declaration and work closely with EC Members States and other donors, particularly as the EU is the lead donor in Botswana. The Delegation in Zambia is also an important "shaker-and mover" in respect of donor harmonisation.

However, the EC's procedures are seen as being an obstacle in the way of moving from planning to implementation. Therefore, one approach that allows for the matching of donors complementarity is to allow the more flexible donors with decentralised decision-making powers spearhead funding and provision of project support and involve EC in the start-up process as a partner – allowing for larger EC support to come in later. The Delegations can participate as sparring partners. The example of the EU Lusaka Delegation and the WHIP – Wider Harmonisation in Practice – approach, and the SADC HIV/AIDS Joint Funding Arrangement with

SIDA as the lead donor (and with the EC for the time being in the position as observer in the joint funding arrangements).

Nonetheless, the challenge: how to make sure that Delegation staff have the time to engage in subject-matter activities rather than in administrative activities. Much of their time seems to be occupied with administrative matters.

#### RSP8

The document does not seem to refer to other donors' activities nor to coordination mechanisms.

JC2 Activities implemented under the Commission's support to the SADC region are co-ordinated with other donors' interventions (multi-lateral and other non-EU bilaterals) where relevant.

*1.2.a NIPs and RIPs are not contrary to interventions supported by other donors (multi-lateral and other non-EU bilaterals).*

See above

*1.2.b Formal coordination mechanisms are in place at national and regional level.*

See above

#### *1.2.c Funding of Joint Programmes*

A number of activities are in place and on-going. Examples which can be mentioned are: The lead donor in the regional HIV/AIDS programme has taken the initiative under the Paris accords to establish joint funding arrangements involving several donors and the SADC Secretariat. Although the EC has not yet come with any funding, they are an observer and co-signatory to this process. Other initiatives include the Regional Trade Facilitation Programme with DFID supporting one-stop border posts), the World Bank and JICA are picking up specific activities in support of the Walvis Bay Corridor Group, the Trade Hub is supporting diagnostic studies on customs and trade facilitation in Angola and Zambia, and USAID is doing the same in Mozambique.

The creation of thematic coordination groups as an important step to the implementation of the objectives of the Windhoek Declaration. The EC has taken over the role of lead ICP in the newly created thematic coordination group on trade, industry, finance and investment and is participating in a number of other thematic groups (food security, HIV/AIDS, water, energy, transport, ...). This is a positive step but is also creating an additional burden on scarce resources. In addition, a lot of formal and informal coordination among donors is already taking place. However the overall capacity of SADC as well as their capacity to engage with the ICPs and take a leading role and ownership of the process remains limited.<sup>2</sup>

#### Box 4: From Gaborone to Paris and Back.

In the assessment of SADC and the donors, Tjønneland notes: (i) the trend amongst donors is disappointment with SADC's performance, especially in relation to implementation and capacity to absorb donor funds; and (ii) the limited institutional capacity of SADC to engage with donor agencies. Nonetheless, the report concludes that the Windhoek Declaration may facilitate a better coordination and harmonisation of donor support, and that the Paris Declaration may make it easier for SADC to put demands on donor agencies and to reduce procedural constraints.

Source: Tjønneland (2006). SADC and Donors – Ideals and Practices.

<sup>2</sup> See for example the analysis of SADC's organisational dynamics in Ernst & Young (2005) op cit: Tjønneland, E.N. (2006). SADC and Donors – Ideals and Practices. From Gaborone to Paris and Back.

## EQ 4

**To what extent are the planned and/or ongoing Regional Integration and Trade interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?**

**Evaluation and other Assessment Criteria:** Relevance, Efficiency, Effectiveness and Outcomes/Impact

**Coverage of the question:** The question covers support to regional integration and trade in goods, services and investment and building capacity in trade policy and negotiations.

The assessment looks at whether activities are likely to effectively address priority regulatory and administrative barriers to trade in goods and services and promoting investment. To what extent can the team be confident that assistance will lead to increased trade and investment?

An important feature of recent support to the SADC region has been their engagement in trade negotiations – including support with EPA negotiations. The team will therefore evaluate the likely effectiveness of capacity building in this area. Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance will be included as crosscutting issues under EQ7.

**Approach to the evaluation:** Two challenges need to be met head on in the evaluation:

- Challenge (1): Most regional programmes of support in regional integration and trade are either yet to start or are in the early stages of implementation.
- Challenge (2): Evaluating impact of activities supporting processes and capacity building is problematic and a recognised area of weakness in the logframe approach<sup>3</sup>. This challenge is compounded by evaluation requiring an assessment of a portfolio of such activities not just the programmes themselves.

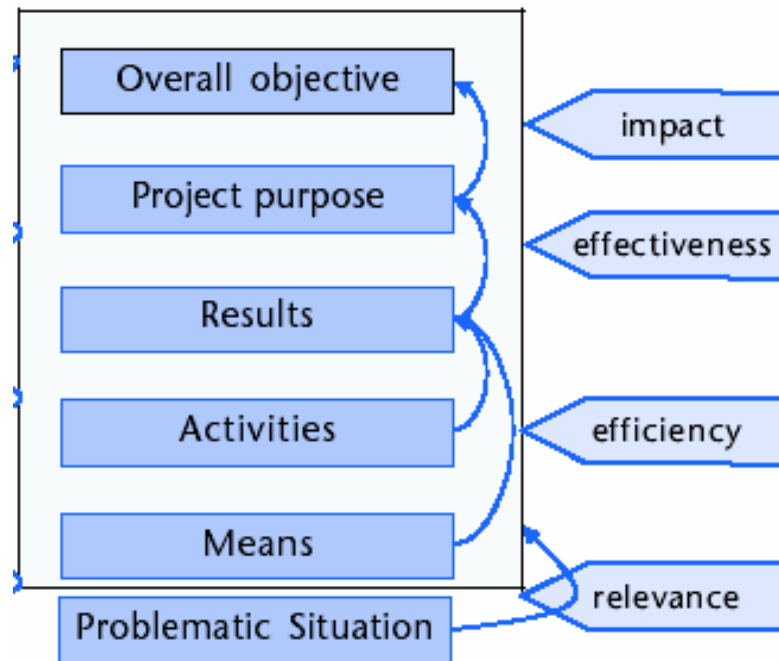
Diagram below relates the objective hierarchy of the logframe objective to the evaluation criteria and provides a framework for how we have addressed Challenge (1).

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<sup>3</sup> P. 59 of "Project Cycle Management Guidelines" European Commission (2004).



Diagram 1: Objective hierarchy of the logframe objective to the evaluation criteria



Given the early stage of implementation, in assessing the likely impact outcome of the activities, **relevance becomes central to the evaluation**. Verification of the problematic situation, the quality of the proposition takes highest priority. Assessment of the likely **efficiency** of the programmes will require us to identify a counterfactual of how else the results may have been achieved – both in terms of activities and alternative institutions. Assessing potential **effectiveness** will involve testing the assumptions and risks of the programme – in particular with regards to the future shape of regional integration<sup>4</sup>. The assessment of the **likely impact** on the indicators and therefore the judgement criteria will be determined in large part by the extent to which the programme is relevant and effective and through consultations with intended recipients and beneficiaries of assistance.

However, the assessment of likely impact requires an evaluation of more than how the programmes are likely to contribute to regional integration. Regional integration is a means to an end – and regional integration needs to be managed if it is to contribute to sustainable development and growth and ultimately poverty eradication. While JC4 below will provide an initial perspective on this issue from the perspective of trade, it is intimately linked with the analysis of other EQs, in particular EQs 9 and 10.

Addressing Challenge (2) is more fundamental. In the evaluation the team need to provide a framework for assessing the link between:

- The activities of the specific programmes (as evaluated under JCs 1, 2 and 3 below) and increased trade.
- And between the purpose of increased trade and impact on the objective of sustainable development and poverty alleviation.

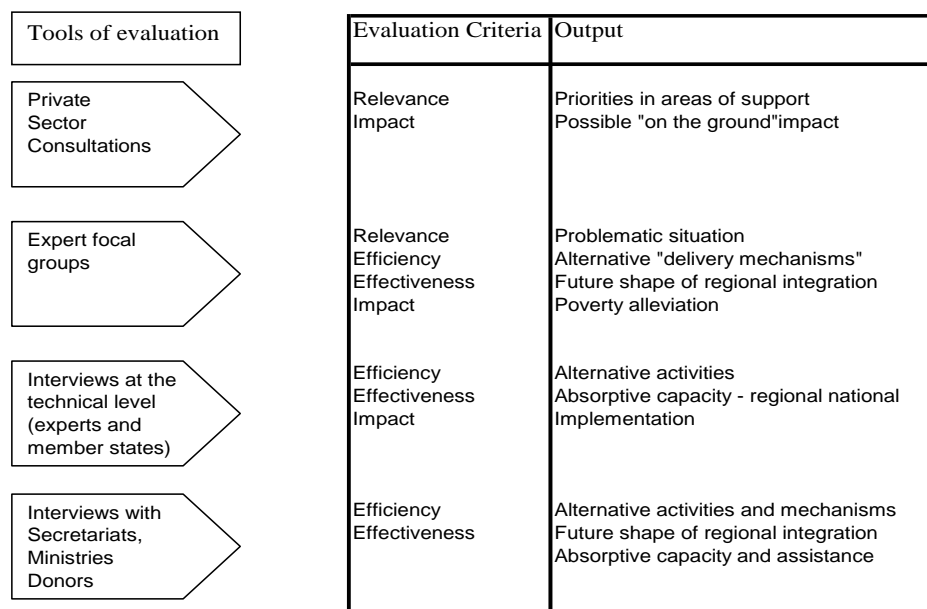
The purpose of the specific programmes is to increase trade volumes and the team therefore include a separate Judgement Criteria, JC.4, which is an aggregate level

<sup>4</sup> To illustrate: A programme whose impact is dependent only on SADC achieving an FTA is less vulnerable relative to one requiring the achievement of a Customs Union.

indicator. However, many of the programmes are only in the early stage of implementation will not be contributing to these indicators.

Rather, the assessment of trade flows is the starting point for the analysis of whether regional integration initiatives are being effective in creating trade and is likely to benefit the poorer countries over the longer term. This issue is addressed in EQs 8, 9 and 10.

Diagram 2: Tools of evaluation during the field phase.



## Judgement Criteria for Regional Trade and Integration

### JC1 Non Tariff Barriers reduced

#### *Relevance.*

As tariffs fall, the danger is that non-tariff barriers take their place. In SADC the perception of the openness of Member States to trade has remained static between 2000 and 2007 – as measured by the trade Index of Economic Freedoms (see table). This would suggest that while the region has liberalised and reduced tariffs through e.g. the SADC Trade Protocol, barriers to trade may be changing shape rather than falling away.

The SADC region is more open than sub Saharan Africa as a whole, similar to the Middle East and North Africa (MENA) and the Americas, but somewhat lagging Asia and Pacific, particularly the better performers in Asia, and well behind Europe.

Table 1: Index of Economic Freedoms: Trade <sup>5</sup>

	2000	2007	% Change
SADC	60	60	0%
Sub Saharan Africa	57	56	-1%
Asia - Pacific	66	64	-3%
Europe	74	74	1%
Americas	61	62	3%
MENA	58	61	4%

<sup>5</sup> Notes: an increase in score indicates economic agents face fewer restrictions – tariff and non-tariff. Source: Heritage Foundation

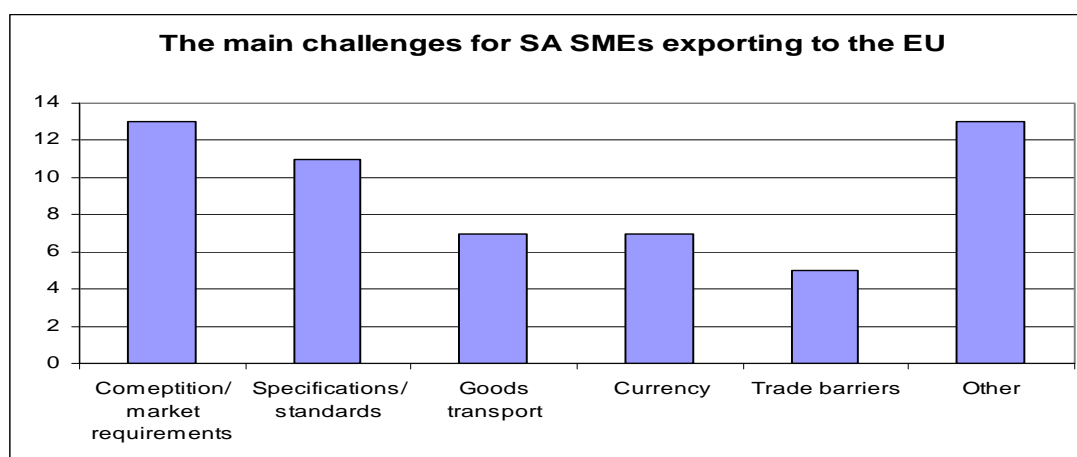


The importance of NTBs to the private sector was highlighted by the Mid Term Review of the SADC Trade Protocol and noted by SADC Ministers of Trade as a key issue. A review of NTBs in the region<sup>6</sup> revealed the following priority areas:

- Agricultural products (including SPS issues and single channel marketing)
- Standards harmonisation
- Visa harmonisation (travel and work)
- Transport and transit (infrastructure, charges, tolls, permits etc)
- Customs procedures and documentation
- Border post management and services
- Import and export permits and licenses (if not covered elsewhere)
- Anti-corruption mechanisms.

In terms of challenges on the EC markets, a recent survey of SA SME exporters<sup>7</sup> revealed standards and market specifications to be very important (see figure below).

Figure 1: The main challenges for SA SMEs exporting to the EU



The relevance of the support to SADC Member States in addressing non tariff barriers through Standards, Quality Assurance, Accreditation and Metrology (SQAAM) (9 ACP SAD 007: €14.2 million), Capacity Building on Maximum Residue Levels in food and feed products (€7.5 million); A Foot and Mouth Disease Control Project (€12.6 million plus €3.2 million from STABEX to Zimbabwe) and the Customs Modernisation Programme (9 ACP SAD, €18 million) is clear.

### *1.1.a The harmonisation of product standards and regulations, and extent to which Member States accept as equivalent other partners' technical regulations*

Our focus group work revealed that the approach SADC has taken to the development of the SQAAM is very much Member State owned and driven, and this suggests that the work will start on a relatively strong base.

However, there are potentially worrying signs in the regions. For example, Botswana, which has until recently relied on the South African Bureau of Standards (SABS) to

<sup>6</sup> "Inventory of Non Tariff Barriers in the SADC Region, Vol 1, Synthesis Report". Imani Development Austral Pty Ltd. (2005)

<sup>7</sup> "The Private Sector's Perspective, Priorities and Role in Regional Integration and Implications for Regional Trade Arrangements" (ECDPM Discussion Paper No. 66). Maastricht : ECDPM Charalambides, N. (2005)

develop and apply standards for imports, has now established the Botswana Bureau of Standards (BOBS) to replace both the regulation and the role of SABS. While this may facilitate exports by introducing new standards – in particular for products that were not a priority for South Africa - replacing SABS standards will fragment the market if not accompanied by a process of Mutual Recognition. As other (SACU) countries are taking Botswana's lead, the SQAAM will become more important.

### *1.1.b A strengthened food safety regulatory framework that is harmonised on international standards*

The need to address the challenges of meeting MRLs requirements and FMD is widely recognised<sup>8</sup> and underlines the relevance of the programmes on Capacity Building on Maximum Residue Levels in food and feed products (€7.5 million) and a Foot and Mouth Disease Control Project (€12.6 million plus €3.2 million from STABEX to Zimbabwe). Agriculture is an area of comparative advantage in the region but the heavy burden of food safety is often too great for small scale producers in particular - unable to meet the high fixed costs. To the extent the smaller producers are reached, these programmes are likely to have a significantly pro poor impact.

Mitigating the extent to which food safety becomes a barrier to trade is also extremely important in liberalising intra SADC trade. Agriculture is a particularly sensitive area and subject to non-tariff restrictions that are due to be removed – under the provisions of the SADC Trade Protocol – in 2008.

Enforcement capacities in food safety standards are accepted by Member States to constitute a significant obstacle to further SADC regional integration. In this regard, compliance with the requirements for the monitoring and enforcement of Maximum Residue Limits (MRLs), a subset of the SPS measures, is one issue considered by SADC to pose a major problem. Discussions within Member States over a period of years highlighted weaknesses in the capacity of the SADC Member States to address the monitoring and enforcement of MRLs<sup>9</sup>.

These abovementioned programmes are now being run by the Food, Agriculture and Natural Resources (FANR) directorate. However there will need to be co-ordination with TIFI. It is also important that support at the regional level is complemented at the national through e.g. the development of laboratories.

### *1.1.c Reduced waiting time at the border*

Trade facilitation through customs modernisation is now recognised as a key win for regional integration support and is widely supported by Donors. The Customs Modernisation Programme (9 ACP SAD, €18 million) though yet to be implemented will play to the comparative strength of SADC in performing a co-ordinating role to ensure assistance is well orchestrated and delivers results.

The inclusion in the programme of diagnostic studies at the member state level will also contribute to the required co-ordination between national and regional activities.

The programme covers all SADC countries, which will require it to co-ordinate across the SADC – COMESA split: a crucial issue if broader regional integration is to be supported. And while the programme encompasses the move by SADC towards a

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<sup>8</sup> For a broader appreciation of the issue of Standards and Trade see <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/TRADE/> and go to Standards.

<sup>9</sup> Appraisal of an intervention to build capacity in SADC region on Maximum Residue Levels, Appraisal Report, Landell Mills, 2006

Customs Union – a move commentators in the region are extremely sceptical about – the greater majority of its activities will deliver impact irrespective of the dynamics of regional integration.

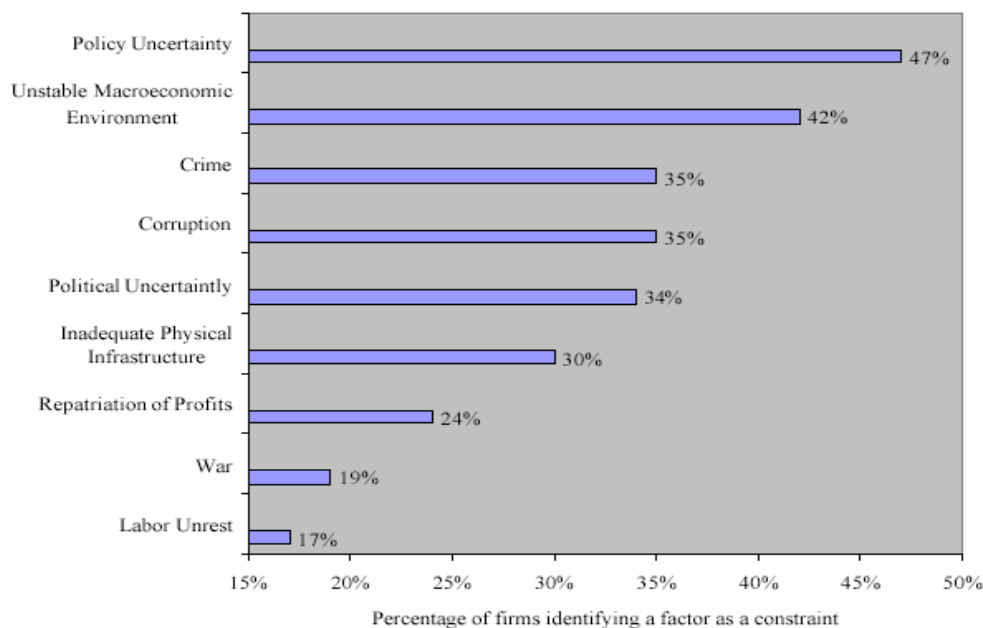
## JC2 The framework for investment improved

### *Relevance:*

Foreign investment in natural resources has increased. South Africa has also witnessed an increase in FDI. However, many countries in the region continue to under perform in attracting capital. Boosting growth to the levels required to reach Millennium Development Goals is unlikely without a substantial increase in inward and intra regional investment.

In terms of what needs to be addressed to increase investment in SADC, policy uncertainty and macroeconomic instability were the most important constraints to FDI in the survey of investors in the SADC region carried out by Jenkins and Thomas (2002). The results, see figure below, show policy uncertainty is a concern for 47% of firms interviewed, macro instability a concern for 42%.

Figure 2: Constraints to Foreign Investment in SADC



Source: Jenkins and Thomas (2002).

To the extent that EC interventions to support the FIP enhance legal certainty for foreign investors and address instability they are likely to have an important role to play in increasing inward and intra regional investment. These objectives should be viewed over the longer term. There are substantial challenges given the refusal of member to limit their sovereignty in these areas.

South Africa is now one of the biggest investors in the region and increasingly investing beyond SACU countries. The use of the SADC framework to promote intra regional investment is appropriate if the objective to encourage and underpin outward investment from South Africa beyond SACU.



Though surveys of South African investors did not explicitly address the importance of trade agreements, no investor cited them (or small markets) as a key concern. Indeed, Kenya, Uganda and Ghana are increasingly important destinations for investment though all trade relations are on a MFN footing. This would suggest that SADC will have a direct on investment in so far as it leads to a reduction in uncertainty and transparency.

With regards to the ESIPP programme, an evaluation of its impact is under consideration at present. The programme has suffered several set backs but is now up and running. A key concern that emerged during the field phase is whether the programme will be interrupted by a possible 6 months before a second phase is implemented. In working with the private sector (as with other non state actors) the "relationship capital" of the programmes is critical in delivering results. Stakeholders have to trust the programme. A major interruption in a programme may be significantly detrimental. Phase II of the ESIPP may face negative sentiment from stakeholders currently working with the programme if an interruption in activities does occur.

*1.2.b Enhanced macro convergence (inflation rates, exchange rate volatility...).*

The indicators for macroeconomic convergence have been established through a Memorandum of Understanding and the RISDP (see table). There are no targets for external debt service, government domestic revenues, interest rates or the stability of the real effective exchange rate<sup>12</sup>. There is a process of monitoring that the Secretariat is co-ordinating, supported by GTZ.

Table 2: Macroeconomic Convergence

<i>Indicator</i>	<i>SADC 2008</i>	
	<i>MoU</i>	<i>RISDP</i>
Inflation annual rate	<9.5%	
Deficit/GDP [2]	<5%	
Debt/GDP	<60%	
Current Account/GDP [3]	<9%	
Economic growth		>7%
External reserves (import cover, months)		>3
External debt service (% exports)		
Central bank credit to govt (% of revenues)		<10%
Govt. domestic revenues (% GDP)		
Domestic savings (% GDP)		>25%
Domestic investment (% GDP)		>30%
Interest rates		
Real effective exchange rate		

With the exception of Zimbabwe, significant steps have been taken towards increasing macro convergence and reducing instability – a key factor deterring inward investment.

<sup>12</sup> These indicators are included in either the EAC or COMESA criteria.

*1.2.c Less discriminatory and harmonised treatment of regional and foreign investors.*

A process of empowerment is being more aggressively pursued in many countries in the region. This sometimes creates a tension between the desire for more foreign investment on the one hand and greater citizen ownership and management on the other. In some cases we are witnessing the withdrawal of government and increasing openness to foreign competition in some key sectors – such as air transport, telecoms – while the restrictions on foreign companies in terms of localising key posts are increasing.

**Table 3: Economic freedoms: Investments**

	2000	2007	% Change
SADC	50	44	-12%
Sub Saharan Africa	47	43	-9%
Asia - Pacific	63	64	2%
Europe	64	64	0%
Americas	48	51	6%
MENA	45	42	-8%

Source: Heritage Foundation

On the basis of the Heritage foundation's index of economic freedom for investment, the outcome between these competing objectives is weighing towards a more restrictive framework for investment.

The finance and investment protocol should provide a framework for the process of managing these two objectives, in particular by providing a framework for discussion between SADC Members States and their private sectors. However, it unlikely to deliver a strong legal framework for investment – creating the certainty required – in the near future. There will not be quick returns to interventions in this area.

*1.2.d Integrated regulatory framework for financial services (banking and securities)*

The process of integration in these areas is very much private sector led. The Johannesburg Stock Exchange (JSE) has been very active in promoting regional listings for companies. The commercial banks of South Africa now have a presence in all SADC FTA countries and are aggressively pursuing expansion into the rest of Africa.

SADC has a role to play in underpinning this integration through the FIP, though it is not clear at present how the FIP will contribute. Furthermore, the use of EC support needs to avoid displacing work that the JSE and Commercial Banks would seek to develop. The principle of additionality needs to be carefully observed in this context.

The EU-SADC Investment Promotion Programme (ESIPP – 8 ACP RAU 010) has attempted to support the involvement of the SADC private sector in the evolving regional economic governance arrangements. However, the programme has been plagued by delays, with, as a result: “much of the intended benefits of funding follow-on initiatives from the Business-to-Business events and other programme initiatives being lost in a confusion of administrative procedures and delays”<sup>13</sup>. While procedures, the complexity of grants to business processes, complexity of the calls-for-proposals mechanisms and the absence of effective “hand-holding mechanisms” to

<sup>13</sup> Ref: Executive Summary, Transtec 2007. Final Evaluation of The EU-SADC Investment Promotion Programme (\*ACP RAU 010)



assist applicants are major constraints slowing effective implementation – and in fact mirror many of the procedural problems described elsewhere in this report – ESIPP has begun to raise the awareness of the region as an investment location and has successfully launched an investment promotion process in the region. The capacity, however, of SADC-based intermediary organisations to sustain this remains a concern<sup>14</sup>.

In the field phase it emerged that certain pro poor aspects of financial services may not receive the attention they deserve and that the intervention strategy needs to take this into account. Two areas in particular are of potential importance:

1. The promotion, through the SADC framework, of a commitment by the Committee of the Central Bank Governors to promote access by the poor to financial services.
2. The development of the nascent cell phone banking systems to the point where cross border transfer of funds can be made in the same manner as transfers through physical bank branches. This was considered to offer real potential in terms of reducing a key cost to the poorest migrant workers having to transfer money to their country of origin.

### JC3 Trade negotiation capacity strengthened

The programmes considered are Support to SADC Regional Integration and its Participation in the Multilateral Trading System (9 ACP SAD 004 for €1.09 million); and the EPA Support Facility (9 ACP SAD 006, €7.5 million).

#### *1.3.a SADC EPA positions developed*

SADC has produced and transmitted to the EC a framework document for the SADC EPA, to which the EC has recently responded by a communication to Council. However, negotiations to date have not even established the scope of what should be negotiated within an EPA.

That being said the programme of Support to SADC Regional Integration and its Participation in the Multilateral Trading System (9 ACP SAD 004 for €1.09 million), implemented by UNCTAD, has been well received by Member States. Through national and regional workshops the understanding of issues relating to services negotiations has been enhanced. Priority service sectors have been evaluated and national assessment studies have been undertaken, providing a baseline of laws and regulations affecting trade in services. This has put member states in a better position to develop positions. However, as noted, it is yet to be finalised whether the EPAs will actually include Services.

The Secretariat has been active in commissioning research on key issues for the EPA, including Fisheries and Trade Facilitation, through the €20 million all ACP EPA programme.

#### *1.3.b SADC/AU positions in the WTO*

No SADC position papers have been lodged with the WTO in the last two years.

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<sup>14</sup> Ref: Executive Summary, Transtec 2007. Final Evaluation of The EU-SADC Investment Promotion Programme (\*ACP RAU 010)

### *1.3.c NIP/CSPs reflecting regional integration activities and their co-ordination between RECs.*

This is a critical issue to address.

Country visits revealed:

- Regional integration is not considered as a strategic factor in developing programmes at the country level. For example, a programme for SME development in Swaziland did not consider the extent to which regional integration, and trade policy commitments, may affect positively or negatively the SME sector and the support programme
- The array of technical assistance programmes available is impressive, and many country indicative programmes have trade and regional integration as non-focal sectors. However co-ordination is very poor, limiting impact. Furthermore the time taken to go from inception to implementation in the country programmes is completely inappropriate given the urgency of the activities that need to be funded in the area of e.g. the EPAs

The overwhelming impression from country visits was that Member States and the Delegations do not think of regional integration and trade as a strategic tool for development. There is a mechanistic, bureaucratic approach taken to "trade" with little appreciation of national self-interest and strategic trade offs in the different negotiations Member States face.

Without capacity at the country level to absorb analysis, it is likely that if the EPA Support Programme only provides intelligence on the EPA at the regional level, it will have no impact and not enhance decision making in Member States. The capacity of the decision making process has to be enhanced at the country level through country programme support.

### **JC4 Trade volumes increase**

This JC is closely related to the overarching evaluation questions of 8, 9 and 10. Accordingly, the assessment here is kept very brief.

#### *1.4.a Increased share of world markets.*

Looking at trade flows on a product specific basis we see regional integration efforts show some signs of unlocking the region's export potential. For example, South Africa's exports to Zambia of plastics and packaging are essential to Zambia's exports of horticultural products to the EU.

#### *1.4.b Volume of regional trade increased, without the displacement of efficient non-SADC suppliers.*

Intra SADC trade reached about 20% of total SADC trade in 1998 and is much the same now. Trade remains focused on OECD and China.

#### *1.4.c Increased non-SACU exports to SACU markets.*

Non-SACU exports to SACU markets remain low. This may reflect the incidence of non-tariff barriers, competitiveness or both.

#### *1.4.d Growth and economic convergence in the region.*

While there is convergence within SACU, there is evidence of growing inequalities amongst SADC and COMESA members, as measured by GDP per capita.



## EQ 5

**To what extent are the planned and/or ongoing Transport and Communications interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?**

Evaluation criteria: Efficiency, Effectiveness and Outcomes/Impact

**Coverage of the question:** The question covers road infrastructure and associated transport services; and rail, air, inland water transport and ports to some extent, as EC's assistance to these transport sub-sectors is much less compared to the road sector. Improvement of regional and national transport policies and regulatory frameworks has been assessed to see to what extent they have had an influence on transport infrastructure and services. An assessment has been made on how EC's interventions have resulted in improved transport infrastructure and services leading to increased access and reduced transport cost and how these benefits in turn have contributed to increased regional trade. Communication in EQ 5 is defined in relation to the transport sector, and does not include telecommunications and water resources management, which potentially are included in EQ 7. The planning, management and implementation arrangements of completed, ongoing and future transport projects (RIPs and NIPs) have been assessed. Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance are included as crosscutting issues. The conclusions in relation to the assessment of the crosscutting issues feed into the overall assessment of the crosscutting issues under EQ7.

**JC1 SADC Member States' transport policies, regulatory framework, and institutional capacity have improved.**

The SADC Protocol on Transport, Communications and Meteorology (PTCM) has been ratified by all Member States and is as such legally binding. Most Member States have a transport policy in place, but inter-modal coordination is generally weak and the regional perspective is not well elaborated. The most common configuration is to have a transport ministry dealing with inter-modal transport and authorities/agencies for each transport mode. Most Member States' Poverty Reduction Strategies place high emphasis on road infrastructure development as a means to economic growth and poverty reduction. The road sector is generally given a much higher priority than air, rail, inland water and maritime transport and ports.

Progress has been made in reforming the institutional arrangements of the Member States' transport sector. Most Member States have embarked on road sector reforms. The most common situation is to have a road authority/agency and board, and road fund and board. There is increasing separation of ownership and operations of seaports, inland water ports, and railways. Autonomous civil aviation authorities continue to be introduced. A part of the railway operations are now based on concessions, which generally have not performed well.

Interventions in the transport sector were previously driven by the individual Member States and were from the outset prepared as national projects with resources primarily drawn from the NIPs and supplemented by the RIP. With the 'regionalisation' there was an uncertainty as to the responsibility for the undertaking of road projects between SADC and Member States. SADC's professional capacity in

regional transport facilitation and coordination has been seriously eroded as a consequence of the restructuring process. This resulted in a corresponding severe setback for regional integration and economic growth as transport infrastructure and services are two of the key determinants. Due to SADC's capacity constraints, it was decided to transfer implementation responsibilities to the NAOs. This raises the issue of whether the SADC Secretariat should have an implementation capacity of its own, or whether it should rather focus on the regional planning aspects and facilitate the effective integration of the regional dimension into the NIPs. The Member States have relatively well functioning road authorities/ agencies, which will be capable of implementing the national components of regional development programmes.

The non-functioning SADC National Committees implies that there are limited driving forces to advocate for the regional perspective and how this could be integrated into national Poverty Reduction Strategies, sector policies, legislation and programming. Short-term national interests frequently overshadow the benefits that can be attained by proper regional integration as opposed to seeing the synergies that can be attained by having a combined national and regional perspective. The lack of a regional perspective – including the need to liberalise transport services and establish regulatory provisions – prevents most Member States from tapping the potential benefits from regional integration.

A higher degree of interface between the RIP and NIPs is clearly warranted. The RIP should outline the framework for support to regional transport systems consistent with SADC's Regional Transport Master Plan (not yet finalised) and should include facilitation support to: development corridors/SDIs; and liberalisation and harmonisation of the regional transport market. The adoption of the Regional SWAp by ICPs is promising, but needs to be supported by adequate SADC capacity. Except for the WB and EC, none of the other ICPs have been involved in regional transport projects. However, the bilateral co-operation between the ICP and the SADC Member States has included substantial interventions of regional significance. This emphasises the need to consider the combined national and regional interventions in the transport sector in a broader perspective. A Joint SADC-ICP Thematic Group on Transport was created in October 2006 with the aim of improving coordination in the spirit of the Windhoek Declaration on a new SADC-ICP Partnership. The overall leadership of the coordination efforts lies with the SADC Secretariat with support from DFID as the 'Lead ICP' in transport.

The Sub-Saharan Africa Transport Programme (SSATP) has played a significant role in policy development and in linking transport and poverty reduction. SSATP also promotes regional integration through the cooperation with RECs. Regional and national transport associations participated actively in regional and national fora.

EC has been instrumental in supporting the regional and national transport frameworks through: the direct support to SADC; the funding contribution to SSATP; and through an active participation in national transport/road SWAp and MTEF arrangements in countries where transport is a focus area.

#### *1.1.a SADC Member States have signed and ratified the Protocol for Transport, Communications and Meteorology*

The SADC Protocol on Transport, Communications and Meteorology (PTCM) entered into force on 6<sup>th</sup> July 1998. However, most Member States are only implementing the PTCM at a slow pace.

*1.1.b SADC Member States have national frameworks that facilitate national and intra regional transport.*

The policy framework outlined in the PTCM, as regards the road sector, requires that are managed and financed on a commercial basis. The institutional requirements are the establishment of autonomous Roads Boards, Road Authorities, and Road Funds. An overview of

Table 4: Status of road sector institutional reforms primo 2006

Member State	Status
Angola	National policy and strategy developed
Botswana	Road Act being revised
Lesotho	Road Board and Road Fund exist
Malawi	Road Board and Road Fund exist
Mauritius	Road Board and Road Fund exist
Mozambique	Road Agency and Road Fund exist and have been separated
Namibia	Road Board, Road Agency and Road Fund exist
South Africa	Road Agency exists
Swaziland	National policy on Road Agency and Road Fund is finalised
Tanzania	Road Board, Road Agency and Road Fund exist
Zambia	Road Board, Road Agency, Road Fund, and Road Safety Agency exist (Nov. 2006)
Zimbabwe	Road Board, Road Agency and Road Fund established

The reform process in the road sector continues in most Member States continues, where the main focus is to separate Road Authorities and Road Funds and for these to have their own specific board. A key challenge is to establish and adequate revenue base for the Road Funds.

Governments and development partners are increasingly adopting the Sector Wide Approach (SWAp) resulting in Medium-Term Expenditure Frameworks (MTEF) of 3-5 years duration, in which development and maintenance priorities have been made in accordance with an established set of criteria. SADC and the international cooperation partners (ICP) have also embarked on the SWAp Approach with DFIP SA being the ICP for transport.

*1.1.c Partnership between SADC/SATCC and SSATP established*

Prior to the restructuring of the SADC the Southern African Transport and Communications Committee (SATCC) and its Technical Unit were much better functioning compared to present situation today. The SATCC and the TU ceased to exist as a consequence of the restructuring process in 2003. The TU had about 20 professional specialists covering a wide range of transport issues. Today there is only one transport planner in the SADC Secretariat confronted with the massive challenge of planning, programming and coordination of regional transport sector interventions. Attempts are now being made to revive the Transport Technical Committee (TTC) comprising senior officials from the Member States with a view to accelerating harmonisation and implementation processes.

EC has been a major contributor to the Sub-Saharan Africa Transport Programme (SSATP) of which the WB is the lead donor – but EC is the main funding contributor. The SSATP is particularly involved in formulating transport policies and in linking transport and poverty reduction. The strategic objective for the 2004-2007 period is

to anchor national transport strategies firmly in national poverty reduction strategies. The Poverty Reduction-Transport Strategy Review (PRTSR) addresses two fundamental questions: a) Does the national poverty reduction strategy provide a sufficient clear framework to orient transport sector strategies?; and b) Does the strategy for the transport sector take fully into account the goals and priorities of the poverty reduction strategy?

A progress report on the PRTSR process was issued in November 2005. The following SADC Member States have completed their PRTSR reviews: Lesotho, Malawi, Tanzania, and Zimbabwe. The following SADC Member States are implementing the recommendations stemming from the reviews: DRC, Swaziland and Zambia. Other SADC Member States that are members of SSATP are Angola and Mozambique.

SSATP also promotes regional integration and trade. During the 2006 SSATP Annual Meeting, the progress in terms of transport and trade facilitation to reduce costs through elimination of physical and non-physical barriers was reviewed. Some of the recommendations were among others: a) Strengthen the coordination links between States, RECs and SSATP; and b) Set up of follow-up mechanisms on the interaction between RECs and Transport Corridor Committees (TCC) in each REC with a view to eliminating all non-physical barriers. The latter is a follow-up on the Bamako Declaration<sup>15</sup> on the resolution "*to integrate regional corridor treaties and relevant international transport conventions into national legislation, and remove all non-physical barriers to transport*".

#### *1.1.d Regional/sub-regional transport associations' capacity to support national administrations increased.*

The PTCM is an expression of a regional integrated policy that promotes the creation of regional private sector associations, which as consultative members to sub-sectoral committees provide input to regional solutions for national implementation. The regional associations are envisaged to play a critical role as equal partners in the implementation of the PTCM. Some of the regional associations that take active part in implementing the PTCM are:

- Federation of East and Southern African Road Transport Associations (FESARTA)
- Federation of Clearing and Forwarding Agencies of Southern Africa (FECFASA)
- Association of Southern African National Road Agencies (ASANRA)
- Airlines Association of Southern Africa (AASA).
- Ports Management Association of Eastern and Southern Africa (PMAESA)
- Southern African Railways Association (SARA)

The national transport associations – which may also be members of FESARTA and FECFASA – are generally represented on the national road authority boards and road fund boards. The interaction national and regional transport association promotes the regional transport perspective and assist in harmonising the national regulatory framework. The national road authority boards and road fund boards have been granted autonomous or semi-autonomous status, which implies that private as well as public sector members exercise substantial influence.

With most SADC Member States continuously reforming the regulatory framework, the private transport associations' participation increases. EC has played a significant role in supporting the reform process in those countries (Tanzania, Zambia, Malawi

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<sup>15</sup> Declaration of the Ministers responsible for transport infrastructure from member countries of the SSATP.

and Mozambique), which have a large EC road sector component. EC's influence is exercised through the pursuance of SWAp and MTEF involving national agencies and development partners.

**JC2 The condition of major regional road transport corridors/ regional axes has improved, and funds are available for development and maintenance both in the short and in the long term.**

The EDF9 RIP has identified support to Angola, Namibia and Mozambique. However, the support to Angola may materialise to a lesser extent, as the Chinese Government has offered to implement the Lubango-Santa Clara Road. The support to Namibia awaits the clarification of the scope for the Walvis Bay Corridor Study. The support to Mozambique for the Milange-Mocuba Road awaits the finalisation of EDF requirements.

The national transport projects with a regional dimension are concentrated on relatively few countries, mainly Tanzania, Zambia, Malawi and Mozambique. The NIPs in Tanzania, Malawi, Zambia and Mozambique have relatively large allocations for road sector development. The road projects have in particular focussed on trunk roads that either form part of the development corridors or are contributor roads to the corridors. These NIPs thus have a significant regional dimension although this particular aspect was not elaborated. The NIPs have encountered serious delays, but the quality of the construction work is generally good. Only a few of the EDF9 NIP projects in the pipeline have progressed further than the planning stage. The road projects of the NIPs Zambia, Malawi, Mozambique and Tanzania (originally included as either EDF6, 7 or 8) have contributed to the Walvis Bay Corridor, North South Corridor, Nacala Corridor, Beira Corridor and the Tazara Corridor through the improvement of the national trunk road networks.

The transport situation in the rural areas has not improved to any large extent. The secondary and tertiary road networks are a main bottleneck for an effective exchange of food products in the countries from surplus areas to deficit areas. Mainly the secondary and tertiary roads are in very bad conditions and create serious difficulties in commercializing the agricultural production. This at the same time is an obstacle for investments in e.g. food processing activities in the rural areas.

The establishment of road funds has implied that much more funding resources are now allocated to maintenance. However, the road fund revenues are generally only adequate to cover routine maintenance operations, whereas periodic maintenance needs heavy support from development partners. Limited public funds are provided for operation and maintenance of rail and inland water transport. The primary road networks are generally in a better condition than the secondary and tertiary networks, which thus hampers interconnectivity between the networks and accessibility to the rural areas. Despite the establishment of road funds, adequate mobilisation of maintenance funding remains a major challenge. The current level of maintenance funding is inadequate to preserve the infrastructure assets. Axle load control remains a challenge in most Member States. As a result of the road sector restructuring in most Member States, the private sector plays a significant role in road construction and maintenance functions.

The focus on development corridors and SDIs is judged to provide an appropriate strategic framework for the preparation of Regional Transport Master Plan. Road transport and services are particularly important as in some countries as much as 90% of all transport is on roads. An additional aspect to be considered in the Regional Transport Master Plan is to provide access to areas with cyclical or chronic



food shortage – being a combination of regional and national responsibilities to secure access. Strategic Environmental Assessments (SEAs) should ideally be applied in connection with major corridor development plans and programmes to mitigate unwarranted negative impacts.

The 2006 Joint Meeting of Ministers demonstrates – even as the configuration of the RECs has not found its final form – that prioritisation of corridor development and promotion of a liberalised transport market are ongoing and that decisions made will continue to be of relevance despite whatever configuration that will materialise and that interface with NEPAD and AU is pursued. One of NEPAD's main priorities is the promotion of regional integration as the individual African economies are generally too small to generate economies of scale. Development of regional infrastructure is seen as critical for sustaining regional development and trade. NEPAD has prepared a Short-term Action Plan for Infrastructure based on the RECs' initiatives. The Plan will be linked to and complemented with Medium- and Long-term Action Programmes.

It is evident from the assessment of the available information that the NIPs' contribution to regional transport systems is significantly higher than the RIPs'. The theme of harmonising and creating synergies between NIPs and RIPs has been consistently considered by all SADC-EC reviews. The road projects of the NIPs Zambia, Malawi, Mozambique and Tanzania have contributed to the Walvis Bay Corridor, North South Corridor, Nacala Corridor, Beira Corridor and the Tazara Corridor through the improvement of the national trunk road networks.

### *1.2.a Condition of major transport corridors and their interface with lower level transport networks improved*

Corridors in the SADC region have for some time been a focus of regional development initiatives. The corridors, initially based on transport routes, are critical to the achievement of the region's political and economic objectives. Seven of the SADC Member States are landlocked and require efficient transport links to reach the sea. The corridors have become microcosms of regional integration. The SADC Secretariat is in the process of preparing the Regional Transport Master Plan. The point of departure for this process is the concentration on selected trans-national development corridors as identified by SADC. Nine of these have also been identified as Spatial Development Initiatives (SDIs), which among others receive programming support from the Development Bank of Southern Africa (DBSA) with a view to promote private and public investments in infrastructure and productive activities. Some of the most important corridors are.

The transport situation in the rural areas has not improved to any large extent. The secondary and tertiary road networks are a main bottleneck for an effective exchange of food products in the countries from surplus areas to deficit areas. Mainly the secondary and tertiary roads are in very bad conditions and create serious difficulties in commercializing the agricultural production. This at the same time is an obstacle for investments in e.g. food processing activities in the rural areas.

### Box 5: EDF contributions to Transport Corridors

#### *Nacala Development Corridor*

The Corridor aims at linking landlocked Malawi to its nearest Port of Nacala in Mozambique. The Corridor comprises a road network and a railway system.

#### *Beira and Zambezi Development Corridors*

The Corridors links Malawi, Mozambique, Zambia and Zimbabwe. The Ports of Beira and Quelimane are the main outlets to the Indian Ocean. The Corridor comprises a road network and a railway system. The Sena Railway Line was concessioned in 2004.

#### *Limpopo Development Corridor*

The Corridor links Zimbabwe, South Africa and Mozambique and is spatially focussed on the Limpopo River Basin. The Port of Maputo is the main outlet to the Indian Ocean. The main transport line is the Limpopo Railway Line.

#### *Maputo Development Corridor*

The Corridor was the first SDI to be implemented in 1995. It links the Gauteng Province in South Africa and Maputo in Mozambique. Maputo Port is also the nearest Port to Swaziland. The road, railway and port infrastructure and operations have been concessioned in Mozambique.

#### *North-South Corridor*

The Corridor links South Africa to the countries to its north and is the busiest transit transport link in Eastern and Southern Africa. It connects Botswana, DRC, Malawi, Mozambique, Zambia, Zimbabwe and South Africa. It also interlinks with other Corridors including the Trans-Kalahari, Beira, Lobito, Nacala, and Tazara Corridors. The Port of Durban has the largest capacity in the region. Rail traffic handles a significant amount of cross-border freight traffic.

#### *Tazara Development Corridor (Dar es Salaam Corridor)*

The Corridor is a strategic artery Southern Africa with East Africa and Central Africa. The Corridor links Zambia and Tanzania. The Corridor interlinks with the Nacala Corridor, the North South Corridor and the Great Lake Area. The Corridor comprises a trunk road and a railway line.

#### *Mtwara Development Corridor*

The Corridor links Tanzania, Malawi and Mozambique. The Corridor runs from the Port of Mtwara to Mbamba Bay on Lake Malawi. The Corridor connects with the Tazara Corridor and the North South Corridor. The Unity Bridge across Rovuma River will greatly facilitate the connectivity between Tanzania and Mozambique.

#### *Walvis Bay Corridor*

The Corridor serves the Central and southern SADC region: a) via the Trans-Kalahari Corridor linking Botswana, Namibia and South Africa; b) via the Trans-Caprivi Corridor connecting Namibia and Zambia to DRC and Zimbabwe; and c) via the Trans-Cunene Corridor connecting Angola and Namibia. The Port of Walvis Bay offers substantial timesaving and reliability gains for time sensitive cargo from and to the region.

#### *Lobito Development Corridor*

The Corridor links Zambia, DRC and Angola. It provides a strategic outlet to the Atlantic Ocean at the Port of Lobito. It links major mining areas in DRC and Zambia to Western Europe and America. The main transport infrastructure is the Lobito Port, the Benguela Railway Line and the roads.

An overview of how EC's support has contributed to the development of the corridors is provided in the table below. Except for the Walvis Bay Corridor, limited reference is made to the corridors in the RAUs, RIPs and NIPs although EC's support has a substantial impact on their improvements. The RIP projects have not yet

materialised, but there is an anticipation that the funds for the Milange-Mocuba road upgrading may be committed before the deadline in 2007.

**Table 5: EC Support to Development of Corridors**

	Angola	Namibia	Zambia	Malawi	Mozambique	Tanzania
Walvis Bay Corridor	(RIP)	(RIP)	NIP			
North South Corridor			NIP & RAU	NIP		
Nacala Corridor				NIP	NIP & (RIP)	
Beira Corridor				NIP	NIP	
Tazara Corridor					NIP	NIP

It is primarily the NIPs that have contributed to the improvement of the corridors – in particular providing Zambia and Malawi access to seaports, while at the same time improving the national trunk road networks in Zambia, Malawi, Mozambique and Tanzania. The main emphasis of the Tanzanian NIPs has been on the connectivity with East Africa. The NIPs have both specific road sections and general support to periodic maintenance of the trunk road networks that would have a wider national coverage. The general improvement of the national trunk road networks facilitates the connectivity to the corridors.

***1.2.b National budgets include funds for development and maintenance of transport infrastructure***

The road sector is generally given a much higher priority than rail, ports, inland water, maritime, and air transport. Parts of the railway operations are now based on concessions, which generally have not performed well. Inland water transport is generally privately operated. Limited public funds are provided for operation and maintenance of rail and inland water transport.

The establishment of road funds has generally implied that much more funding resources are now allocated to maintenance. The main source of revenue for the Road Funds is the fuel levy. However, the road fund revenues are generally only adequate to cover routine maintenance operations, whereas periodic maintenance needs heavy support from development partners. In most Member States there exists a substantial backlog of routine maintenance. The primary road networks are generally in a better condition than the secondary and tertiary networks, which thus hampers interconnectivity between the networks and accessibility to the rural areas. Axle load control remains a serious problem in most Member States and implies that the road infrastructure deteriorates more rapidly. The secondary and the tertiary road networks get comparatively less attention than the primary network. Although maintenance funding has increased substantially, the level of funding is inadequate to preserve infrastructure assets.

***1.2.c Private sector participates in O&M activities.***

The road sector reforms in the Member States have implied that the private sector construction industry has grown significantly. The earlier approach with large equipment pools and force account labour force are increasingly being abandoned. Large improvement projects will generally require regional or international construction firms. Construction and maintenance contracts are awarded through a tendering process.



JC3 The condition of major regional rail services and ports has improved, and funds are available for development and maintenance both in the short and in the long term.

Rail and port services are generally being divested from public operations through establishment of autonomous authorities, concessions or privatisation with limited or no public funding contributions and outside direct government control and involvement. Regulatory regimes are being established in some of the Member States, but should be further promoted. The level of revenue generated from service provisions are generally neither adequate to improve nor maintain infrastructure and facilities to preserve the assets. The condition of rail and port infrastructure remains at best at the same level. The relative share of rail transport is declining compared to road transport. EC has provided minor support to selected projects in Tanzania, Zambia and Mozambique.

### *1.3.a Condition of rail and port infrastructure improved.*

Several railway systems in Southern Africa have been concessioned. As such several railway operations are now outside the direct government control and involvement, which requires that regulatory regimes – including safety oversight – should be established. The establishment of railway regulators in countries where railways have been concessioned is an ongoing process. So far, South Africa is the only Member State that has established an autonomous Railway Safety Regulator, while in Tanzania a Surface and Marine Transport Regulator has been established. Malawi, Mozambique, Swaziland, Zambia and Zimbabwe are also strengthening their railway regulatory capacity.

The SADC Secretariat monitors the ongoing concessioning of regional railways in two regards: 1) to provide tangible evidence of the involvement of the private sector; and 2) to ensure that appropriate regulatory regimes are put in place. Some of the concessions that have been concluded are not performing as originally envisaged and some are even badly managed. Several of the development corridors include railway systems, which constitute essential complementary transportation means. The rail network is reasonably integrated, but little has happened in terms of maintenance, efficiency improvements, and further interconnectivity. A number of new railway projects are in the pipeline. Only one of the selected EC project is concerned with railway improvement (9 ACP MOZ 17: Limpopo Railway Line Rehabilitation of Facilities in the amount of € 6 million.

The international focus in marine transport is on ship and port security. Ports in Member States have had security audits. The SADC Secretariat monitors the compliance with the international requirements on security and coordinates with the International Marine Organisation (IMO). In 2000, Malawi and Mozambique signed a bilateral "Lake Shipping and Port Services Agreement" covering shipping and port operations of Lake Malawi, which is similar to the agreement signed between Malawi and Tanzania. Other lakes would be in need of agreements, e.g.: Lake Kariba (Zimbabwe and Zambia), Lake Tanganyika (Zambia, Tanzania, DRC and Burundi). A model agreement on shared watercourses is under consideration to develop strategies for water uses and navigation. In July 2004, seven Member States (Angola, Botswana, Malawi, Mozambique, Namibia, Zambia, and Zimbabwe) signed an agreement establishing the Zambezi Water Course Commission. The inland water ports are generally in need of improvements. EC provides support to Mpulungu Harbour (FED/REG/07305/000 and 8 ACP RAU 11) Mpulungu Harbour is located at the furthest end of Lake Tanganyika in Zambia. Lake Tanganyika serves as the

regional inland water route for Zambia, DRC, Tanzania and Burundi. Some of the regional ports are performing well (Walvis Bay and Durban), while other are in need of improvements. EC provides support to the rehabilitation of Zanzibar Port (8 ACP TA 16 and ACP TA 14).

### *1.3.b National budgets include funds for development and maintenance of regional rail and port infrastructure*

The national budgets generally include limited amounts for development and maintenance of rail and port infrastructure as operations are intended to be self-financed through collected revenues for the services. Railway lines are increasingly being commissioned and major ports are operated under an authority structure.

**JC4 Performance, quality and cost of transport services – in particular road services – has improved; and to some extent also rail, air, inland water, and maritime transport and port services.**

Due to the general increase in export and import volumes there has been an increase along the major corridors – particularly as road transport. Despite the physical improvement of the main trunk roads, the transportation costs remains high – in particular so for the landlocked countries – due to the fact that non-physical barriers remain high. The time and cost savings stemming from improved road infrastructure are not adequate to outweigh the costs that are inflicted by the non-physical barriers. Rail and inland water transport are likely to have increased moderately, but their relative share of transport is declining due to the dominance of road transport, whereas air traffic is experiencing increase in countries with high growth and booming tourist industry.

EC has contributed substantially the improvement of road infrastructure, resulting in reduced travel time and costs at the national level in Zambia, Malawi, Mozambique and Tanzania. EC has provided limited support to rail and inland water services. EC has provided substantial support to airport infrastructure in Zambia and Tanzania, which have improved air transport services significantly.

### *1.4.a Increased traffic volumes along major transport corridors, and reduction in travel time and reduction in vehicle and rail operation costs.*

The import and export volumes have increased with 97% and 92% respectively in the SADC Member States in terms of value (USD) from 2000 to 2005. It is estimated that about 90% of all transport is road transport. The main inter-regional transport routes are the main corridors and it is thus evident that road transport has increased significantly. Travel time on trunk roads in good condition has been reduced, but the time spent at border crossings is still substantial. Despite the physical improvement of the main trunk roads, the transportation costs remains high – in particular so for the landlocked countries. Rail and inland water transport are likely to have increased moderately, but travel time and costs have not changed significantly.

In Malawi for example, the transport cost component of imported goods is about 50% and of exported goods about 30%. The travel time by road to from Lilongwe to Dar es Salaam is 24 hrs with one border crossing. The travel time from Lilongwe to Durban is three days with three border crossings – even though the distance is 500 km shorter and indicating that the non-physical barriers still exists. The Durban port is likely to provide more efficient services than the Dar port – suggesting that port

handling, transportation time and cross border transactions are important determinants for choosing a particular route.

#### *1.4.b Increase in air traffic.*

The high growth economies are experiencing an increase in air traffic (Angola, Botswana, Mozambique, and Tanzania). South Africa being the largest economy and the main hub for air traffic in Southern Africa is also experiencing an increase in air traffic. Countries experiencing a large boom in the tourist industry, e.g. Zambia and Tanzania experience increase in air passenger traffic. In the case of Zambia it is partly on the expense of Zimbabwe.

EC has provided for the rehabilitation of Lusaka and Livingstone airports (8 ACP ZA 55) to cater for the increasing inflow of tourists. The purpose of the project is to improve safety, comfort and handling capabilities. The support to the Lusaka International Airport is mainly concerned with the rehabilitation of the taxiways. The Livingstone airport project consists of rehabilitation of the main runway and access road, construction of a new taxiway, extension of the apron, upgrading of navigational and visual aids and meteorological equipment, and other improvements. EC has also provided support to air traffic services in Tanzania (8 ACP TA 6).

Air traffic in the other Member States is relatively constant. Some of the LDCs encounter difficulties in maintaining air traffic infrastructure and equipment, e.g. the navigation equipment at the Lusaka and Blantyre International Airports does not fully meet international requirements, which i.a. has implied the BA pulled out two years ago. Air Malawi has a reduced fleet and encounters financial difficulties, but has been able to open a new route to Dubai.

#### **JC5 Transit and custom facilitation for movement of cargo and passengers in the SADC region have improved**

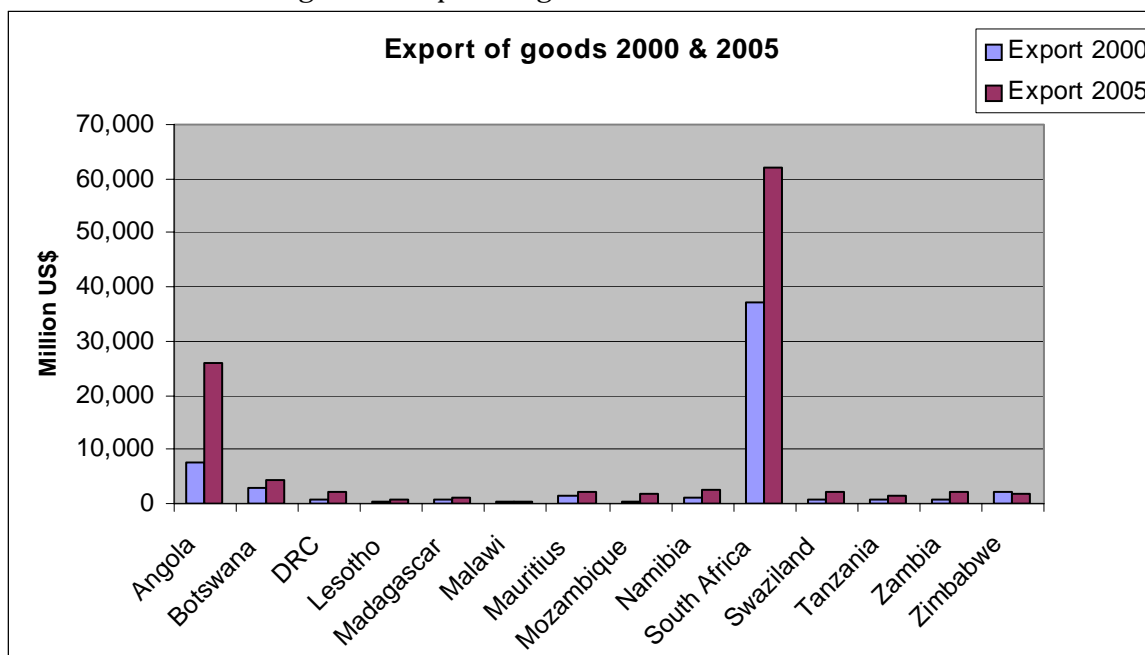
There has been a significant increase in transit and custom facilitation in terms of cargo and passengers, as among others formal and informal trade has increased. However, the impediments to free movements remain high, despite a number of interventions and substantial efforts to improve transit and custom facilities. There exist a number of bilateral agreements among the Member States, but a multilateral agreement for the SADC and COMESA regions that could effectively liberalise the transport market has not yet materialised. As the non-physical barriers continue to hamper free movements, a liberalised transport market will be high on the agenda. Regional transport associations already take active part in such discussions, but their role could further enhanced.

Due to the substantial increase in exports and imports there is a corresponding increase in cargo. Part of the export and import from and to the non-landlocked countries will not cross regional borders, whereas all export and import from and to the landlocked countries, as surface transport will cross regional borders. South Africa is the main trading partner in the SADC region and thus a significant part of the increase is transported across the regional borders. The increase in trade activities will also have an impact on the passenger traffic. Besides the formal trade, there is significant in-formal trade across the borders.

**1.5.a Increase in volume of cargo and passengers crossing major intra region borders,**

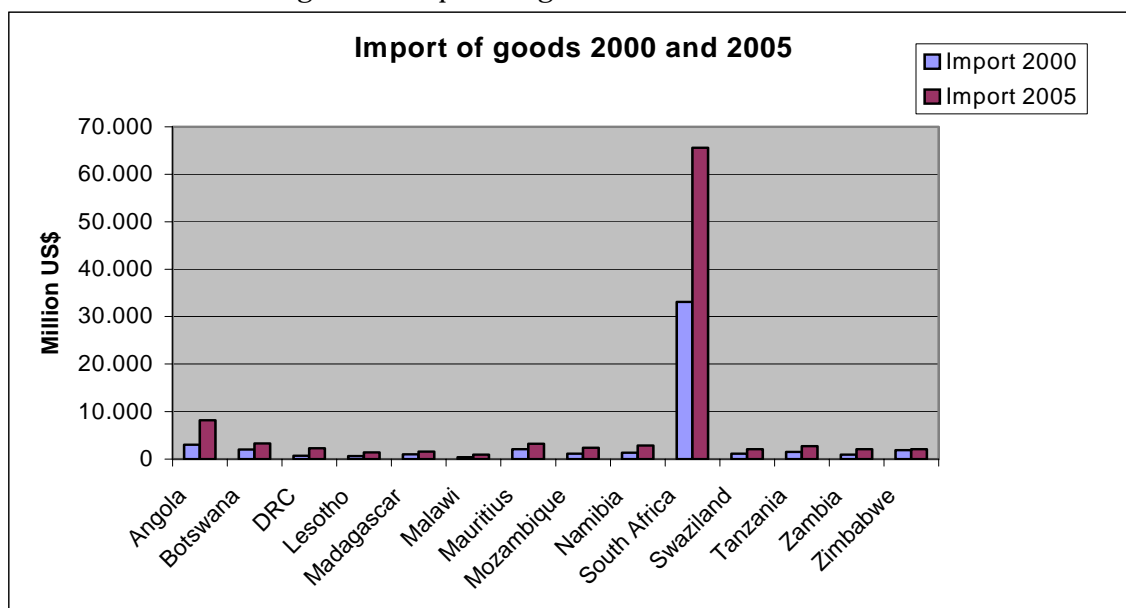
Due to the substantial increase in exports and imports there is a corresponding increase in cargo. Part of the export and import from and to the non-landlocked countries will not cross regional borders, whereas all export and import from and to the landlocked countries, as surface transport will cross regional borders. South Africa is the main trading partner in the SADC region and thus a significant part of the increase is transported across the regional borders. The increase in trade activities will also have an impact on the passenger traffic. Besides the formal trade, there is significant in-formal trade across the borders.

Figure 4: Export of goods 2000 and 2005



Source: SADC Statistics: Facts and Figures 2005

Figure 5: Import of goods 2000 and 2005



Source: SADC Statistics: Facts and Figures 2005

### *1.5.b Reduction of impediments to free movement,*

The issues raised under transport and communications during the field visits to the SADC Member States relate not so much to physical infrastructure – which, as far as the EC goes, is implemented at the national level through the NIPs - but much more to the problems of moving goods along the transport corridors and across the regional borders. This can be divided into three aspects:

- Movement of vehicles (harmonisation of axle loads; harmonisation of vehicle insurances, etc.)
- Transport of the actual goods carried by these vehicles (bonds and bond guarantees, with each country through which the goods passes demanding its own bond payment, making for enormous bank guarantees; difficulties in arriving at agreement because interest groups, such as freight forwarders, are actively working against a regional customs bond guarantee; in addition, SADC and COMESA not working in exactly the same direction.)
- Procedures for going through borders (still takes anything between 2 and 22 days to cross a border post. Customs are not adequately equipped to ensure smooth border crossing – although SADC, COMESA and EAC are working on trying to unify computerised systems and although most of the region is trying to introduce the ASYCUDA – the automated system for customs data – major players within the region still use different systems which have compatibility problems, South Africa for example, but also Mozambique and Angola; finally there are also issues of corruption at border posts, and the delays at border posts are an advantage for those who benefit from the long transit times – informal traders selling food and lodging; prostitution, etc.)

See also EQ4: Judgement Criteria 1 “Non Tariff Barriers reduced”.

### *1.5.c Road and rail transit facilitation reforms in place;*

The SADC RISDP contains a target of 2008 for SADC to have a liberalised regional transport markets as well as harmonised transport rules, standards and policies. In pursuit of these goals, there are three variables in the development of road transport in support of regional integration: 1) liberalisation of market access in respect of carriage of international road freight; 2) introduction of international regulatory mechanisms; and 3) regional harmonisation of road traffic legislation. A task force under the Road Sub-Committee prepared a multilateral draft agreement in 2002 that was submitted to Member States for comments. The Member States decided to postpone the multilateral agreement with a view to drawing on the lessons learned from the regime of bilateral agreements. The SADC Secretariat requested in 2004 to convene a regional meeting to discuss the way forward for liberalisation of the transport market, but limited progress has been made. SADC support the development of an effective strategy on transport agreement for the SADC and COMESA regions.

### *1.5.d Cooperation between regional level bodies and private sector organisations to improve the delivery of transport services exists.*

The abolishment of the SADC/SATCC-TU implied a substantial reduction of SADC's capacity and thus a corresponding decrease of SADC's interaction with the private sector organisations/ associations. The SADC National Committees were intended to provide guidance and directions at the national level on regional integration – including interaction with the private sector organisations – have generally not functioned implying a corresponding low level of cooperation with the private sector. Regional transport associations do, however continue to play a role in its cooperation

with SADC (ref. I.1.d). The SSATP – of which only nine SADC Member States are members – is cooperating with private sector organisations at the national level.

### Regional land transport challenges

The key challenges as regards regional transport development and services:

- a. Finalise of the SADC Regional Transport Master Plan based on the development corridor/ SDI concepts in consultation with COMESA and EAC and regional development banks, e.g. DBSA – which promote inter-modal transport interventions and reduction of non-physical barriers to free movement.
- b. Select eligible regional transport projects from the long list of identified projects or new projects through established criteria, including an appropriate level of Economic Internal Rate of Return (EIRR). Projects identification/selection should facilitate comprehensive transport systems including ports.
- c. Identify transport routes linked to the transport corridors that can provide access to areas that are periodically susceptible to food shortage.
- d. Conduct Strategic Environmental Assessments (SEAs) for each corridor or segments of the corridors.
- e. Develop further the regional level SWAp with SADC and ICPs.
- f. Promote interface between RIP and NIPs and national transport policies and development plans.
- g. Develop further the national level SWAp with national agencies, ICPs and transport operators through the EC delegations.
- h. Define the facilitation role of the SADC Secretariat;
- i. Facilitate regional/national level implementation and management institutional structures for each corridor/SDI and coordination links with the SADC Secretariat;
- j. Promote the implementation of the SADC Protocol on Transport, Communications and Meteorology with a view to liberalise and regulate the transport market and monitor its implementation at the national level.
- k. Advocate for increase of maintenance funding through national revenue generation mechanisms in order to preserve the infrastructure assets.
- l. Promote transport safety and the crosscutting issues.



## EQ 6

**To what extent are the planned and/or ongoing Food Security, Agriculture and Natural Resources interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?**

**Evaluation and other Assessment Criteria:** Efficiency, Effectiveness and Outcomes/Impact

**Coverage of the question:** The question will cover the issues related to regional Food Security programmes and national programmes with a regional significance. It will also include the aspects of Rural Development and the more specific sectors like fisheries, animal husbandry (including animal health) and agriculture. Covered will be also the Natural Resource Management and Environment. Training/capacity building programmes and institutional development related to the above mentioned sectors will also be covered by this question. It will be assessed to what extent the EC's interventions have resulted in sustainable improvements in food security, which means that the assessment will examine whether the relevant interventions have resulted in an increase in access to food in the region. Analysed will be also the consideration of environment and sustainable natural resource management in the context of rural development, in order to secure, in the long run and on regional level, sustainable food production and rural development. The assessment will evaluate the contribution of the EC support to the diversification of household income so that food accessibility is improved, and the contribution of agricultural production to regional economic development and poverty reduction is increased.

Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance will be included as cross-cutting issues. The conclusions in relation to the assessment of the cross-cutting issues will feed into the overall assessment of the cross-cutting issues under EQ7.

The data and information required to verify the below listed indicators is not easily available and will mostly need to be collected during the field phase. Additionally some information might be available from annual reports (Annual Operation Report, Joint Progress Report). In fact the sector's impact is mainly at the national level and there is relatively little data available on the regional dimension.

**JC 1 Agricultural production is increasing, enhancing regional food security.**

***1.1.a Sufficient relevant food products are available in the region and on national levels.***

The analysis of the different statistics shows that no clear answer is possible to this question at regional level. The availability of food products differs from country to country considerably and gives also a different picture every year; thus a clear regional trend cannot be identified. Especially for Maize and other cereals which are traditionally the main food crops for the rural people and the poorer sections of the population. Though chronic deficit countries are Botswana and Namibia and a typical surplus producer is South Africa.<sup>16</sup> Nevertheless, due to the prevailing climatic

<sup>16</sup> Although this was not the case in 2007, where a major drought and demands on crops, such as maize, for biofuels, has had an important impact on regional food security.



dependence of agricultural production, mainly in the countries, where food supply is critical, there are regular shortages. Even within the Member States the availability varies between different sub-regions.

Due the prevailing climatic dependence of the agricultural production mainly in the countries, where food supply is critical, there are regular shortages (e.g. Malawi, Mozambique & Zambia). Even within the Member States the availability varies between different sub-regions.

The regional availability of food products is only an arithmetical sum of the 14 national situations, since Food Security is being addressed purely as national policy and no regional strategy has been observed in concrete political actions. One can speak of a lack of regional thinking with respect of the Food Security issue. A regional food storage mechanism has been under discussion over the last 20 years, but it is only recently that new efforts by the SADC FARN directorate have been undertaken, to move from discussion to implementation.

### *1.1.b The agricultural (food) production and productivity have increased.*

The answer to this question is very much related to the arguments explained for criteria 1.1.a, which means there is no generalisation possible which encompasses the whole region. Increases in food production, which have taken place in some SADC sub-regions, mainly in respect of the different cereal crops, have in general terms not kept pace with population growth. The production of food crops – with the exception of South Africa – relies very much on smallholders with little market orientation, who practise rain-fed agriculture (and thus depend on climatic factors) and who have little access to agricultural inputs and technologies.

### *1.1.c Imports of food products and of emergency food supplies have decreased.*

First we have to differentiate between intra-SADC trade, which means national import from other Member States on one side, and imports from outside the SADC region on the other side. The national import of food products varies with the outcome of the harvest. Import decreases in good years and increases in bad years. There cannot be seen a general trend since there have been a number of extreme situations due to natural disasters (droughts and floods) in the last decade. But imports are also influenced by factors such as trade barriers and poor transport conditions (see EQ 4 and 5). In addition the supply of food products, especially imports, is also a highly political issue of the national politics, and decisions are taken in function of political interests, as it had been recently the case in Malawi and Zambia.

The early warning systems, which are being introduced in most of the countries to prevent emergency situations, could not show any significant effect on the Food Security situation so far; the information produced does not initiate political decisions or actions. Repeatedly the WFP have had to intervene in emergency situations mainly in Malawi, Mozambique – Zimbabwe as special case has not been included in the analysis. In Tanzania, the WFP supplies the refugee camps, since this is considered a special burden for which the Government should not be held responsible.

In the SADC region as a whole structurally food production can be seen as sufficient – at least in statistical terms. This does not imply automatically that under normal

circumstances no external imports are made (i.e. not considering extreme disaster situations). For Tanzania e.g. imports from Kenya or Uganda (EAC members) are much easier to organize than from the far distant SADC member South Africa.

As result of national politics such as trade restrictions and other political decisions (e.g. price regulations) one observes a busy informal trade with food products in border areas, with cross-border prices being higher than transporting in-country to a structurally deficit region.<sup>17</sup> Normally speaking, it is easier for Tanzanian farmers to sell maize to Malawi, where the price is considerably higher, than to transport it to the north of the country which is structurally a deficit region.

#### *1.1.d Innovations, new technology and improved distribution systems have contributed to increased food production.*

The focus on food production is very much oriented to agricultural production, with Governments' concentrating their strategies on primary production without sufficiently including post harvest activities (adequate storage) and processing of agricultural products in their interventions. A clear indicator for this is the fact that the Ministries of Agriculture are the responsible institution for Food Security. Even the Regional Food Security Training Programme concentrate on the production side. As agricultural policy is one of the main pillars for Food Security it is important to also focus on sustainability. This requires that, together with the production issue, the relevant aspects for the sustainable management of natural resources also be included – but this tends not to be included as a relevant element of the national strategies.

However, agricultural policy continues to be based on the conventional production methods dependent of subsidised fertilisers and hybrid seed. In most of the countries the extension services are deficient and not adequate to the needs of the small farmers. The indications in the NIPs are very general and follow the conventional agricultural technology without showing any innovative move.

By contrast, considerable progress has been made in the installation of early warning systems at national and regional level. These systems, which have been financed by other ICPs, are based on the international Famine Early Warning Systems Network (FEWS-NET). In this context the regular vulnerability assessments are part of the information systems and link in with the Regional Vulnerability Assessment committees. In 2007 the FARN directorate created a separate unit to handle vulnerability assessments. However, in many of the SADC Member States these information systems are not linked in an effective way with the policy institutions which, and policy makers who have to take the relevant decisions to mitigate the impacts of any impending food shortage.

The strategy to target the poor and ultra poor smallholders is a uniform strategy based on the middle segment of smallholder farmers, which does not observe the varying needs according to their level of poverty. Smart cards are now introduced in Malawi, which could be used at a larger scale to register subsidies and ensure that these are appropriately distributed – this could be an example to be developed as a pilot project and later good practice.

The agricultural politics which are one of the main pillars of Food Security include, together with the production issue, also the management of natural resources as an important factor to support sustainability – the second part is not really observed as a relevant element of the national policies. A common approach of the SADC countries

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<sup>17</sup> Particular examples which can be mentioned are those in relation to the recent droughts in Zambia and Malawi, where national level pricing policies and export restrictions increased informal cross-border trading.

has not been observed. Due to the very different agro-ecological conditions in the 14 Member States and the socio-economic situation, the innovation and technology aspect has to be treated in different ways in each zone.

Finally new initiatives on bio-fuel, especially in South Africa but also elsewhere in the region, with potential subsidies going to support maize production for bio-fuels may impact on land and water use, but may also have a regional impact on food security if national surplus production is diverted away from food production and food security. This may also impact on the prices of the main staple crops and hence impact negatively on poor households.

**JC2 The food and other agricultural production (of the different sectors) in the rural areas has a constant or increasing share in the GDPs of the SADC region.**

*1.2.a The share of the food production in the economies of SADC Member Countries is increasing*

Due to the variations explained under JC 1 the share of the food production – which means in this context agricultural production – does not show a clear and continuous trend. In most of the SADC countries however agriculture continues to be the backbone of the economy with a percentage of more than 70% of the population living in rural areas and depending on agriculture. In some countries, such as Malawi and Mozambique the percentage is even higher than 80%.

The high level of agricultural production in the GDP gives production figures and indicates availability. This does not give any information on the important element for Food Security, namely the accessibility to food products. This question leads to the purchasing power of the affected population (vulnerability) and the next indicator.

*1.2.b Other productive agricultural activities in the rural areas have been developed*

The NIPs indicate the necessity of non-farm economic activities in the rural areas, but very little has been realized so far. In the national statistics it is not clear enough to be able to specify the industrial investments and the employment situation for the rural areas. The general information obtained during the field visits made it clear that the Governments are aware of the problem, but in real terms it has not been possible yet to improve the employment situation in rural areas significantly; in most SADC countries the rural migration to towns continues.

The poor subsistence smallholders with their mini-farms and the poor households belong to the so-called vulnerable groups of the population. They are often not in the position to acquire food products, even if they are available. Employment and economic activities as precondition for Food Security are not given in the critical areas of the SADC countries, and this has not improved in the last decade.

*1.2.c Intra-regional trade with food products has increased*

The trade within the SADC Member States – not only with food products - still suffers a number of restrictions which are clear hindrances for cross border exchange. This normally does not affect the above-mentioned informal trade. The limiting factor of

deficient infrastructure (bad roads), lack of relevant information and long distances have already been explained. As a result intra-regional trade with food products has not increased substantially – except during emergency situations.

JC3 The natural resources are used and managed in a form that results in a more efficient and effective land use.

*1.3.a Sustainable agriculture is expanding on large and small-scale farms*

A clear answer during the field phase of the relevant national political institutions referring to concepts of sustainable agriculture and ecological farming has been given in the sense that Food Security needs short-term results. The conservation aspect and the long-term soil fertility have to be taken in consideration, but this can only be realized as a second step when Food Security has been achieved. Except for a few pilot projects there is no evidence of an expansion of sustainable agriculture.

The strategy of the SADC FANR Directorate, responsible for the sector, also has no elaborated concept for sustainable management of natural resources, of which eco-farming is an integral part. The issue is in the list of long-term measures of the Dar es Salaam Declaration<sup>18</sup>. No specific research is being done in this particular field under SADC auspices; only NSA and private research institutes and networks (e.g. SARPN, FANRPAN) concentrate on long-term aspects such as water management and natural resource management. The EU-sponsored ICART programme has only recently started.

The main focus of resource management so far has been the disaster risk management and mitigation systems (see above: early warning systems). In most of the Member States disaster risk units are installed and function with a relatively effective programme. The aspect of sustainability (e.g. soil degradation, excessive land use) has only recently been addressed by SADC and some co-operations with research institutions experienced in these fields have been undertaken (FANRPAN, SARPN). FANR has identified in its section 'Environment and Sustainable Development' some focus areas, but realization is still in a very early stage.

*1.3.b Land distribution and land use prioritises the cultivation of food crops on an environmentally sustainable basis, with reduced land degradation.*

Land reform concepts in general are not in the focus of the SADC agricultural and Food Security policy. See also 1.3.a.

JC.4 Food supply and employment in the rural areas has improved

*1.4.a The availability of food products on regional as well as on national level is secured*

Summing up the food production in the 14 SADC countries, the availability for food products can be seen as secured. At national level the situation varies from country to country and within the different years, as mentioned with the indicators 1.1.a and

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<sup>18</sup> Dar es Salaam Declaration and Plan of Action on Agriculture and Food Security in the SADC Region, May 2004

I.1.b. Mainly in the rural areas the road access and the market access is one of the major limiting factor.

Mostly Food Security is related to agriculture as reflected in the Dar es Salaam Declaration. The marine resources (fishery) are for the coastal countries an important alimentary source to be included. With the EC project<sup>19</sup> a substantial improvement and structure has taken place; and the marine fishery sector contributes regularly to the food production

As regards household income diversification, there are no clear answers, since the economic development in the rural areas has not seen substantial changes during the last decade. Reliable statistics, which could have thrown more light on the situation, are not available, neither at national nor at the regional level.

#### *I.4.b Household income diversification has taken place.*

There is definitely no clear answer possible to this question, since the economic development in the rural areas has not made a substantial move in the last decade. The statistics which could give detailed answers are not available, neither on national nor on regional level; only macro data are listed. Nevertheless the necessity is being stated in general terms in the NIPs.

#### *I.4.c The purchasing power of the population in the rural areas allows them to purchase sufficient food products*

The economic situation of the rural population depends on the fluctuation of agricultural production (see I.1.a & I.1.b), since non-farm activities are almost not available. Detailed calculations and data of private rural household and the poorest sections of the population are not available. The overall picture and the macro-data give clear indications that the economic situation of the most vulnerable parts of the population has not increased.

#### *I.4.d Unemployment in the rural areas has been reduced.*

The employment situation in the rural areas in the SADC countries has not changed, and still most of the industrial investments are made in urban or peri-urban areas where the relevant infrastructure is guaranteed. Non-farm activities and agricultural processing factories which could provide employment are still scarce in the rural areas.

However, the overall picture and the macro-data available do give clear indications that the economic situation of the most vulnerable parts of the population has not improved. As regards unemployment and under-employment in the rural areas, this has not changed, and still most of the productive investments are made in urban or peri-urban areas where the relevant infrastructure exists. Non-farm activities and agricultural processing factories, which could provide employment, are still scarce in the rural areas.

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<sup>19</sup> SADC Monitoring, Control and Surveillance of Fishery Activities Programme, 8 ACP RAU 1

JC5 Regional and national government policies supporting food security and sustainable natural resources management have improved.

*1.5.a Relevant SADC and national policies supporting regional food security and agricultural production adequately are in place.*

The official national policies in the SADC countries as well as in the SADC Secretariat in regional terms focus with their Food Security concepts primarily on the food availability which restricts the approach to only one of the three key element of a comprehensive concept covering the issues of

- Availability,
- Accessibility
- Utilization

The limited statistical information available from many Members States does not provide a clear picture on how or whether pro-poor policies have had any impact on Food Security. In the context of the MDG-policies and the national poverty reduction programmes in the Member States the statistical basis is improving and concentrates on international comparability. Within the foreseeable future it should be possible to make more reliable assessments. Referring to Food Security as a main element of a pro-poor policy, the dearth of information and the poorly comparable statistics of the member countries can only give an incomplete answer as regards the real situation. Even the Action Plan of the Dar es Salaam Declaration cannot be characterized as an adequate and comprehensive pro-poor approach to Food Security, which addresses the realization of the MDGs.

A number of relevant long-term aspects such as sustainable natural resources management, sustainable agriculture, and sustainable water management are only briefly mentioned in the document, and very few concrete political actions have been taken implemented so far.

A substantial step forward has been made with the development of the safety net, which has been implemented in almost all member countries in co-operation with FAO and funded by several donors (including the DFID). These information systems for early warning and vulnerability assessments on national level work on the same methodological basis and link with the regional level through the SADC Vulnerability Assessment Committees which have recently been created under SADC FANR auspices.

Apart from initial delays - especially with tender procedures and choice of implementing agency - the regional programme for monitoring, control and surveillance of fisheries (8 ACP RAU 1), which has been evaluated in 2006, has proved to be rather successful. Although to support the sustainability and to guarantee a longer term impact the evaluation report recommends follow up activities. However, in respect of other EC supported programmes, these are still too recent and will still need to be followed up in order to judge their sustainability. Nonetheless interviews in different countries suggest that the regional food security training programme (8 ACP RAU 3) which has been completed only recently is starting to make a positive impact.



## EQ 7

**To what extent are the planned and/or ongoing interventions in the Non-Focal Sectors likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?**

**Evaluation and other Assessment Criteria:** Efficiency, Effectiveness and Outcomes

**Coverage of the question:** A number of sectors have been identified under the Non-Focal category in the EDF RSP/RIP9. These cover: peace and security; gender; human rights and democratisation; and HIV/AIDS.

In addition, a number of sectors have been identified which do not directly fall under the main areas of focus or concentration. These include: water resources management; and mining, hydropower and energy.

Of all these sectors, the sector with the most weight as a sector is the support to HIV/AIDS – and this is also the sector which has received the most focus during the evaluation.

Included under the Non-focal heading are also a number of sectors, which may be regarded both as cross-cutting, and/or as sectors in themselves. This includes in particular: Capacity Building and Human Resources Development (including EC support to the SADC reorganisation), Gender, and Environment. Support to HIV/AIDS interventions and to Human Rights and Democracy interventions are also included. These cross-cutting issues will, therefore, also be taken into account under the three priority sectors (i.e. as part of EQs 4-6). Conclusions on cross-cutting issues from EQs 4-6 will be incorporated into the overall assessment.

An assessment will be made of how the Commission's interventions have contributed to the reduction of HIV/Aids prevalence. In particular how the Commission's interventions have added value to the interventions from both SADC regional institutions, SADC national governments and donors in addressing issues, which are of major concern within the Region, which are politically sensitive and which accommodate many actors.

**JC1 Cooperation on peace and security facilitated, and levels of intra-regional conflict reduced**

### *1.1.a Defence, peace and security protocols in place and initiatives undertaken in intra-regional conflict*

The SADC Protocol on Politics, Defence and Security Cooperation entered into force on 2<sup>nd</sup> March 2004. Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Tanzania and Zimbabwe have ratified the Protocol. Angola, DRC, Swaziland and Zambia are now required to accede to the Protocol since it has entered into force.

Source: <http://www.sadc.int/english/documents/legal/protocols/status.php>

The entry into force of the Protocol on Politics, Defence and Security Cooperation in March 2004, together with the SADC Council's February 2005 decision to establish a fifth Directorate on Politics, Defence and Security, reflect the highest degree of political will and commitment to guaranteeing peace and political stability in the region. To put the Protocol into operation, the SADC Member States have concluded a Mutual Defence Pact and drawn up a Strategic Indicative Plan for the Organ



(SIPO). With these instruments, the SADC Organ on Politics, Defence and Security Cooperation now has a well-defined structure and clear reporting lines, which will allow SADC to play an enhanced role in regional conflict management and to safeguard peace and security in the region. The test for SADC will be how it will use the Organ to resolve the political, and resulting economic, crisis in Zimbabwe

Overall the SADC region is now better equipped to deal with the different types of crisis which the region has faced in the past ten years or so – post-apartheid (South Africa), post-conflict/democratic modernisation (Mozambique), post-conflict (Angola), political (Zimbabwe), post-conflict/pre-election (DR Congo), etc.

The EU-SADC Political Dialogue, set up under the September 1994 Berlin Declaration, provides a forum for discussing all the abovementioned issues and developments within the European Union. (Ref: Mid-Term Review – SADC EDF RSP/RIP9, pp. 2-3)

### *1.1.b Monitoring systems in place*

#### **JC2 Reduced levels of human rights abuses in the region**

Article 4 of the SADC Treaty (1992) stipulates that “human rights, democracy and the rule of law” are principles guiding the acts of its members. Article 5 of the Treaty outlines the objectives of SADC, which commits the Member States to “promote common political values, systems and other shared values which are transmitted through institutions, which are democratic, legitimate and effective. It also commits Member States to “consolidate, defend and maintain democracy, peace, security and stability” in the region.<sup>20</sup>

The SADC has since 1992 produced a series of resolutions, treaties and protocols on human rights issues. However, according to Mutasah (2005)<sup>21</sup>, these treaties must be translated into national legal systems in order to be effective: “Without domestication, excellent regional agreements signed by African leaders are useless nationally, except as fashionable showpieces on the international good governance catwalk”. The problem with SADC and African norms and standards is that not all of them are framed as binding treaty law. The SADC Principles and Guidelines governing democratic elections, for instance, occupy, in the community of SADC regional legal instruments more the place of a set of “principles and guidelines”, and not a full-fledged protocol. (Mutasah 2005).

#### *1.2.a Monitoring systems in place which monitor human rights abuses*

Looking at developments within SADC in the area of human rights shows that different kinds of actions and developments have taken place recently. In August 2005, Botswana's President, Festus Mogae, on taking over the chair of SADC, undertook as one of his five priorities to put in place a monitoring mechanism for protocol implementation in relation to the twenty-three or so protocols that SADC has produced to date. (Mutasah 2005).

This seems to have materialised in concrete action as the following article extract shows: “A regional electoral advisory body and human rights commission are on the cards in 2007. This emerged from the ministerial meeting of the Southern African Development Community (SADC)-European Union (EU) Double Troika held in Maseru, Lesotho, in November 2006. SADC announced at the meeting that it is focusing on further

<sup>20</sup> Source: [http://www.sadc.int/english/documents/political\\_affairs/index.php](http://www.sadc.int/english/documents/political_affairs/index.php).

<sup>21</sup> Source: <http://www.newzimbabwe.com/pages/opinion98.13573.html>

developing and entrenching good governance and democratic practices through the creation of supportive institutions such as the Human Rights Commission and the SADC Electoral Advisory Council (SEAC). Both bodies are scheduled for launch in 2007, according to a joint communiqué issued at the end of the meeting. The main role of the SEAC will be that of advisor to SADC structures and to electoral commissions of member states on observation of elections. The SADC Human Rights Commission will be a regional institution whose main objective is to entrench constitutional democracy in southern Africa through the promotion and protection of human rights. It will, among other things, be responsible for addressing human rights violations and seeking effective redress for such violations; monitoring and assessing the observance of human rights by member states; raising awareness of human rights issues within the region; and educating and training stakeholders on human rights issues".<sup>22</sup>

**JC3 Strong and focused human rights civil society organisations in the region have been established**

*I.3.a Civil society organisations in place and able to operate.*

This situation is by no means clear and varies between countries within the region. It may be noted that:

The media, not for profit non-governmental organizations (NGOs), research organisations, community- based organisations (CBOs), trade unions, faith-based movements and the private sector – collectively referred to as civil society organisations (CSOs) – have an important role to play in ensuring the critical participation of the general public in the process of creating a broader political, economic and social community in Southern Africa. **But civil society in the region remains weak, divided and unable to optimise existing channels for participation or to create new ones.** And to make matters worse, Southern African political leaders have an innate distrust of civil society and often undermine their ability to play a meaningful and participatory role in regional development.

Civil society can and should act, at both the national and regional level, to strengthen democracy by channelling the varied interests of their constituencies to elected parliamentarians. They can provide support for the democratic systems of government by promoting values of citizenship, governance, accountability and transparency. They have a 'watchdog role', and because of their largely bottom-up approach, they tend to focus on people centred rather than donor- or government driven development<sup>23</sup>. Yet, in SADC civil society does not speak with a unified, cross-sectoral voice. This is not surprising considering the disparate levels of development that characterise the region, our weak and young democratic systems, and the legacy of colonial rule and protracted civil conflicts. Nor should civil society necessarily speak with one voice, given that it represents so many different interests outside of the state realm. (ref: SADC Barometer, Issue 4, p.1)

There is very little regionally based non-governmental institutional capacity dealing with governance and civil society and what there is, is based in South Africa. This is also a problem in a region which already sees South Africa as being too dominant. The Botswana-based SADC NGO Coordinating Council is stronger on rhetoric than on actual coordination of regional non governmental institutions and is not a strong alternative to the South African-based institutions. There are a few exceptions, such as the Media

<sup>22</sup> Source: <http://www.sardc.net/editorial/NewsFeature/061031106.htm>

<sup>23</sup> The World Development Report 2004 also has references on the use civil society as a watchdog.

Institute for Southern Africa (MISA) based in Namibia with active national chapters throughout the region. But organisations and institutions active in the region (e.g. Idasa; South African Institute for International Affairs; Southern African Trust; SARPN; etc.) are all based in South Africa.

Most SADC region NGOs dealing with civil society and governance have a national focus.

There is a consensus amongst the NGOs interviewed that the EC can mobilise large amounts of funding but in a highly bureaucratic way; and these processes take time. Therefore, this makes them better at dealing with the long term and with infrastructure, but much less so in dealing with highly flexible and short-term issues such as governance.

CSOs' in SADC are not well developed and they are treated with suspicion. CSOs tend not to be seen as partners to national governments but as critics in most SADC countries – even in those countries, such as South Africa, where CSOs are well developed. In many SADC countries they are not, for these very reasons, well developed. They are only developing very slowly in most SADC countries and their agenda is normally national. Certain exceptions: e.g. HIV/AIDS regional networks. Although even they may be under suspicion (particularly the combination of HIV/AIDS advocacy with Human Rights). Many of them receive donor support – but few receive support from the EC.

For Civil Society to make a difference, it needs to be proactive rather than reactive. Requirement for this is a certain amount of core funding in order to be able to mobilise quickly. EC has not been able to support civil society in any significant way because EC procedures are more geared to a reactive situation – call for proposals, etc., takes a long time and success rates are low. The result: EC's reputation for onerous and lengthy procedures frightens off the CSOs. However: opportunities to work with groups of other donors in joint arrangements following agreed procedures. For example, Southern Africa Trust which has secured start-up funding from DFID (and is going to include SIDA, CIDA, SDC, etc. into the basket)

However, also in this context, there is a certain amount of irritation vis-à-vis South Africa because only they have the capacity to engage at the regional level.

Increasing regional imbalance within the region between transparent, well-functioning NGOs in South Africa which are capable of working both nationally and regionally, and NGOs in the rest of the region which, at best, have the capacity to work nationally – but where, in many cases, their very existence is threatened. This also causes friction between SA and the rest of the region.

## JC4 Drug trafficking and use reduced

### *1.4.a Drug control programmes in place*

The SADC Protocol on Combating Illicit Drugs, entered into force on 20<sup>th</sup> March 1999. Angola is to ratify the protocol and DRC is required to accede to the Protocol.<sup>24</sup>

While not a major area of focus during the evaluation, it may be noted that the EU has funded the SADC Regional Drugs Control Programme (8ACP RAU 009) with €1.99 million.

<sup>24</sup> Source: <http://www.sadc.int/english/documents/legal/protocols/status.php>

## JC5 Levels of organised crime, money laundering, bribery and corruption reduced

### *I.5.a Anti-corruption programme in place*

The SADC Protocol Against Corruption has been ratified by: Botswana, Lesotho, Malawi, Mauritius, South Africa, Tanzania, Zambia and Zimbabwe. Angola, DRC, Mozambique, Namibia and Swaziland are required to ratify the Protocol. The Protocol had not yet entered into force according to the official SADC Website.<sup>25</sup>

### *I.5.b Anti-corruption watch-dogs established*

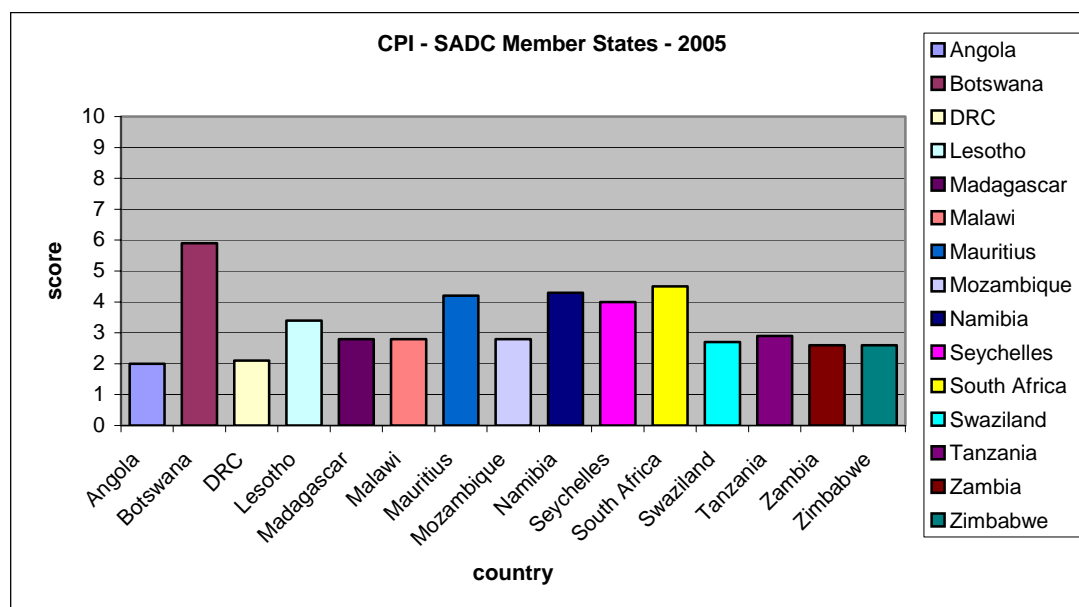
The anti-corruption watch-dogs which exist are mostly at the national level. There is no real regional institution which monitors this apart from a number of South African-based organisation such as Idasa and SAIIA (South African Institute of International Affairs). In addition, local chapters of Transparency International exist and provide data to the Transparency International Corruption Index.

### *I.5.c Transparency International indicators available*

These indicators are available, and a comparative picture is sketched in the tables below..

Although the Transparency International Corruption Index has been criticised for reinforcing negative images in Africa, while ignoring corruption by multinational companies and Western Governments, yet its focus on the bribing of politicians and state officials in developing countries clearly highlights the problem that corruption is rife in many SADC states, with Zimbabwe as one of those which scores high amongst the most corrupt – another pointer suggesting that the solution to the crisis in Zimbabwe is key to the future of the SADC region.

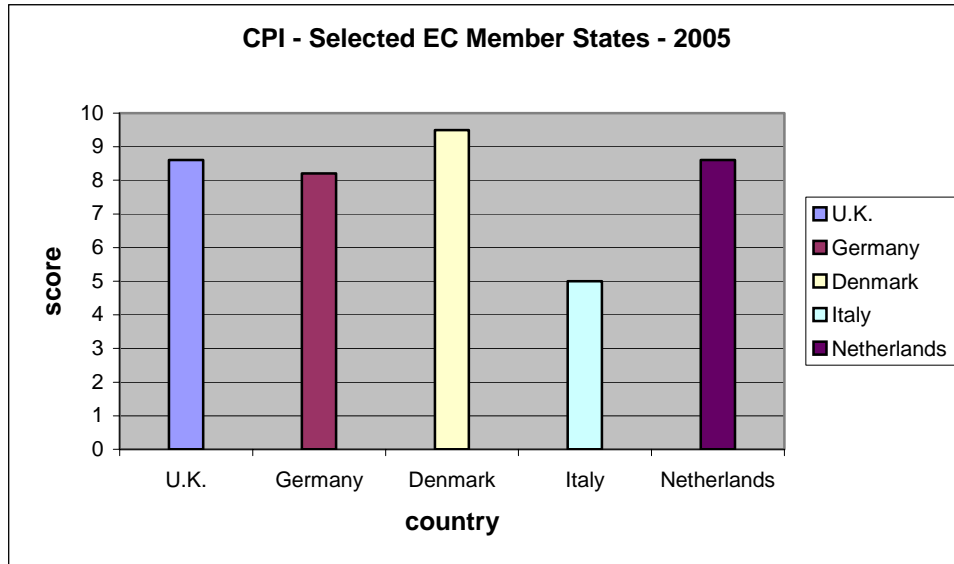
Figure 6: Corruption Perception Index



<sup>25</sup> Source: <http://www.sadc.int/english/documents/legal/protocols/status.php>

For comparative purposes, Transparency International figures for selected EC member states are shown below. Both charts reflect the level of corruption compared to neighbouring countries. A score of 10 indicates a perception of no corruption, while 0 means corruption is seen as being rampant.

Figure 7: Corruption Perception Index for EC Member States



Source: Transparency International, Corruption Perceptions Index 2005, Johann Graf Lambsdorff

**JC6 Gender mainstreaming in peace and security issues (and in other sectors) improved**

***1.6.a Agreed policies to achieve targets set for gender equity in place***

As part of its restructuring, SADC has established a Gender Unit under the responsibility of the Chief Director which assesses all projects as part of the appraisal procedures. (Mid-Term Review – SADC EDF RSP/RIP9, p. 12)

Agreed policies for gender equity are in place (e.g. 30% targets for women’s involvement in public office, etc.) and new targets are being developed raising this to 50%. However, this has been criticised by SADC NGOs (e.g. NGO CC in Zambia) where the point is made that raising targets when the first targets have not been met is a pointless exercise. The Gender Committee has been criticised – particularly by the NGOs - as not being very strong; no monitoring takes place and no system of sanctions exist if targets are not met.

***1.6.b Gender disaggregated data available***

This normally takes place. However there is still a long way to go before statistics throughout the SADC region are harmonised as regards many of the social indicators. Thus, for example, there are no finally standardised definitions of what constitutes a “household” nor what constitutes the “common basket of goods” (important for poverty monitoring), as well as what constitutes the SADC common price index. EC support has been provided to SADC to support the development of improved statistics but this programme is under-staffed and behind schedule. There is now World Bank support coming in to focus on provision of better and more comparable poverty statistics.

JC7 Reduced levels of HIV/Aids, increased knowledge about HIV/AIDS prevention and improved facilities for caring for HIV positive people and AIDS orphans.

#### Introduction:

Efficiency, Effectiveness and Outcome are the criteria by which HIV/AIDS aspect of the Evaluation will be assessed. In the context of EU/SADC assistance the issue of HIV/AIDS is bedevilled by complications which arise from a number of quarters. Some of these generic, in that they apply equally to all sectors highlighted by this Evaluation, while some apply peculiarly to the HIV/AIDS aspects.

There is a relationship between what will be called the *substantive*<sup>26</sup> focuses of this Evaluation, *viz* Regional Integration and Trade, Transport and Communication and the matter of Food Security, on the one hand, and HIV/AIDS on the other. Any inaction or lack of efficacy of activity on the HIV/AIDS front has serious repercussions for the substantive sectors themselves.

The incorporation of HIV/AIDS, as a cross-cutting issue within the substantive areas, denotes the centrality of the illness to the Development Community as a whole. This said, it must be noted that another cross-cutting issue, Gender, is treated differently from HIV/AIDS in the organogram of the SADC Secretariat. Whereas the Gender Unit is located in a reporting relationship directly responsible to the Executive Secretary of the organisation, the location of HIV/AIDS Programme is in the Social and Human Development & Special Programmes (SHD&SP) Directorate<sup>27</sup>, reporting to the Executive Secretary through the Chief Director. While this may seem a trivial matter, it must be noted that in an environment where politics and perception are very important, every issue has significance.

In the HIV/AIDS arena, the efficiency and efficacy of interventions, whether in the focal areas of EU/SADC assistance under EDF8 or EDF9, or purely in the HIV/AIDS sector, would be most easily measured in terms of the 3<sup>rd</sup> criterion, namely the 'outcome'. These outcomes would be reflected in changes, hopefully reductions, in the various metrics which surround HIV/AIDS, of which there are many. It should also be noted that much of SADC data related to HIV/AIDS is unreliable. The South African information, for one set of reasons (denial of the problem, Department of Health wanting to down-prioritise the issue, etc), and other SADC countries for different reasons (poor technical resources and related reasons, large percentage of the population in rural areas far from medical support as well as unreliable medical statistics, etc), all of which conspire to produce poor, unreliable data.

#### I.7.a SADC HIV/AIDS strategy implemented and SADC Health Protocol ratified

As regards the HIV/AIDS strategy, SADC has a dedicated HIV and AIDS programme and policy which is guided by a number of policy statements, including the Maseru Declaration on HIV and AIDS. Following commitments made by SADC member states to international organisations, undertakings to fight HIV/AIDS and other communicable diseases were entered into, and projects and programmes giving effect to these undertakings have been initiated.

The Maseru Declaration aims to combat the pandemic as a matter of urgency through multi-sectoral strategic interventions as contained in the new SADC HIV and AIDS

<sup>26</sup> Also referred to as the focal areas or sectors, as opposed to HIV/AIDS which is spoken of as a non-focal sector of the evaluation.

<sup>27</sup> New SADC Secretariat Organisational Structure as approved by SADC Council of Ministers, 25th February, Grand Baie, Mauritius.



Strategic Framework and Programme of Action 2003-2007. In particular the Declaration outlines five priority areas requiring urgent attention and action and specifies strategies through which to address them:

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

These mechanisms are in place, and as will be asserted below, are of an increasingly effective and coherent nature.

### I.7.b Monitoring systems in place and showing positive trends

In the HIV/AIDS arena, the efficiency and efficacy of interventions, whether in the focal areas of EU/SADC assistance under EDF8 or EDF9, or purely in the HIV/AIDS sector, would be most easily measured in terms of the 3<sup>rd</sup> criterion, namely the 'outcome'. These outcomes would be reflected in changes, hopefully reductions, in the various metrics which surround HIV/AIDS, of which there are many.

In this regard it should also be noted that much of SADC data related to HIV/AIDS could be unreliable. The South African information for one set of reasons (denial of the problem, Department of Health wanting to down-prioritise the issue, etc), and other SADC countries for different reasons (poor technical resources and related reasons, large percentage of the population in rural areas far from medical support as well as unreliable medical statistics, etc), all of which conspire to produce poor, unreliable data.

Unfortunately, as figures below will show, although there may be improvements in data gathering and in monitoring, this has not contributed to a decrease in prevalence rates.

Table 6: Adult (15 - 49 years) Prevalence Rate in SADC Region, 2003 and 2005<sup>28</sup>

Country	Year	Rate	Range <sup>29</sup>
Angola	2003	3.70	(2.3 - 5.3)
	2005	3.70	(2.3 - 5.3)
Botswana	2003	24.00	(23.0 - 31.6)
	2005	24.10	(23.0 - 32.0)
Congo DRC	2003	3.20	(1.8 - 4.9)
	2005	3.20	(1.8 - 4.9)
Lesotho	2003	23.70	(22.3 - 25.1)
	2005	23.20	(21.9 - 24.7)
Madagascar	2003	0.50	(0.2 - 1.0)
	2005	0.50	(0.2 - 1.2)
Malawi	2003	14.20	( 7.0 - 21.5)
	2005	14.10	( 6.9 - 21.4)
Mauritius	2003	0.20	(0.1 - 0.7)
	2005	0.60	(0.3 - 1.8)
Mozambique	2003	16.00	(12.5 - 19.7)
	2005	14.10	(12.5 - 20.1)

<sup>28</sup> Source: The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone

<sup>29</sup> 'Range' refers to the series of numbers within which the 'Rate' can be expressed at the 95% confidence level. Where the range is large, data is less reliable.

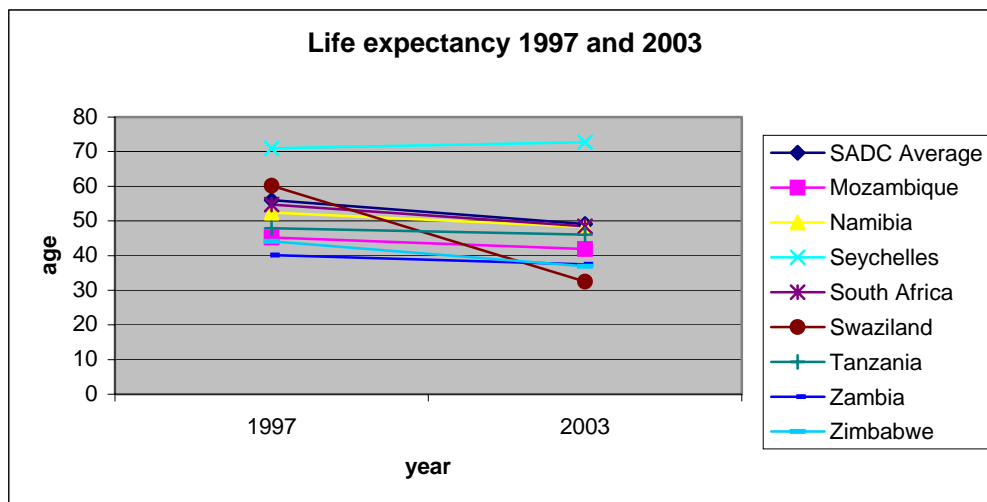


Country	Year	Rate	Range <sup>29</sup>
Namibia	2003	19.50	(8.7 - 30.6)
	2005	19.60	(8.6 - 31.7)
South Africa	2003	18.60	(16.6 - 20.5)
	2005	18.80	(16.8 - 20.7)
Swaziland	2003	32.40	(20.7 - 44.1)
	2005	33.40	(21.4 - 45.3)
Tanzania	2003	6.60	(5.9 - 7.3)
	2005	6.50	(5.8 - 7.2)
Zambia	2003	16.90	(15.9 - 18.0)
	2005	17.00	(15.9 - 18.1)
Zimbabwe	2003	22.10	(14.6 - 30.4)
	2005	20.10	(13.3 - 27.6)

For the latest period for which data is available and the comparative previous period, only very small improvements in the 15 – 49 age-group rate are found amongst only four member state's figures. <sup>30</sup> Only in two, Lesotho and Tanzania, between 2003 and 2005, is there an improvement in the Range data, making the improvements in the figures of the other two member states – Mozambique and Zimbabwe – at least debateable. <sup>31</sup>

The numbers of people living with HIV/AIDS is closely related to life expectancy, which shows a downward trend in many SADC countries, as the Figure 8 below indicates:

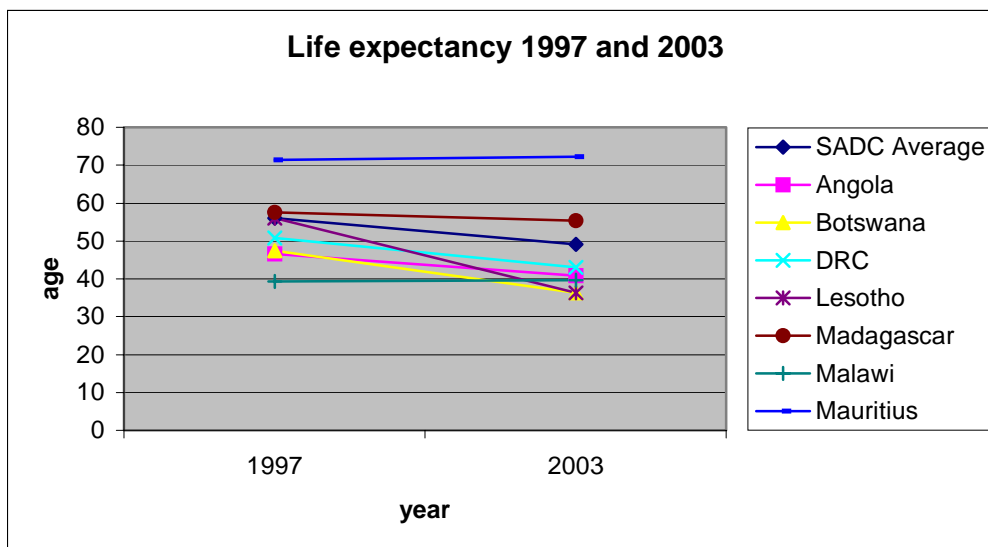
Figure 8: Life expectancy trends<sup>32</sup>



<sup>30</sup> Lesotho, Mozambique, Tanzania & Zimbabwe.

<sup>31</sup> In the case of Zimbabwe the Range is so large (15.8 in 2003 and 14.3 in 2005) as to make the resulting Rate unreliable, and the same holds for Mozambique (Rate < 7.2 in both 2003 and 2005).

<sup>32</sup> The tables are split to simplify the presentation



The picture painted by these statistics is bleak. The results to date *have not been encouraging*, and new data, from more recent investigations, should be critically appraised to see if this negative trend has been reversed in more recent times.

Finally, in Tables below, the total SADC picture is portrayed. This shows the stubbornly and enduringly high prevalence rates, indicating, continentally and globally, the worst HIV/AIDS picture, with a relatively small number of the population who require it, having access to conventional medicines' current best treatment regimes.

These figures have to do with the stage of the epidemic in the region, and while data seems to be more and more accurately recorded and monitored this has not yet been translated into reductions in key indicators.

Table 7: Summary Table of the AIDS Epidemic in the SADC Region  
(Rate, with Range in brackets)<sup>33</sup>

	Estimated number of new infections in 2005	Estimated adult (15 – 49) HIV Prevalence rate – as % - end 2005	Estimated number of people living with HIV, end 2005	Estimated number of deaths due to aids, end 2005	Estimated number of children (< 17) orphaned by aids, end 2005
SADC	1.5 million (1.3 – 1.7)	10.8 (9.7 – 12.1)	14.9 million (13.3 – 16.5)	1.2 million (1.0 – 1.4)	6.3 million (5.5 – 7.1)
Sub-Saharan Africa	2.7 million (2.3 – 3.1)	6.1 (5.4 – 6.8)	24.5 million (21.6 – 27.4)	2.0 million (1.7 – 2.3)	12.0 million (10.6 – 13.6)
Globally	4.1 million (3.4 – 6.2)	1.0 (0.9 – 1.2)	38.6 million (33.4 – 46.0)	2.8 million (2.4 – 3.3)	15.2 million (13.3 – 17.0)

<sup>33</sup> Source: UNAIDS 2006, quoted in The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone

Table 8: Percentage of HIV-infected adults receiving ARV's in selected SADC member states, end 2005<sup>34</sup>

Mauritius	100%
Botswana	85
Namibia	71
Swaziland	31
Zambia	27
South Africa	21
Malawi	20
Lesotho	14
Mozambique	9
Zimbabwe	8
Tanzania	7
Angola	6
D R C	4

If one were to evaluate the *Efficiency, Effectiveness* and *Outcome* of EU support to SADC in the HIV/AIDS sector, the assessment would perform be grim, and this is one reality of the EU/SADC support to the sector.

#### I.7.c Implementation of HIV strategy at all levels of society and in all sectors supported by EC

Another reality must be derived from actual HIV/AIDS projects that have been undertaken at the SADC and the National Member State level with EU support, and the Reviews, Reports and Evaluations of them.

This EU support to SADC totals €7.614 million, with €3.114 million from the EDF and an amount of €4.5 million sourced from the EPDR.

The overall objective of these funds, designed to work in harmony with each other, even though from these different sources, is to:

*“...decrease the number of HIV/AIDS infected and affected individuals and families in the SADC region, so that HIV/AIDS is no longer a threat to public health and to the socio-economic development of SADC member states.”*

Regarding this project, a late 2006 Monitoring Report<sup>35</sup> states:

*“The efficiency levels of the project are beyond any doubt very significant with core deliverables having attained at least 75%...”*

The Monitoring Report summarises the work of the project's *“efficiency of implementation to date”* and *“effectiveness to date”* both as *“very good”*, rating them with *“a”* grades.

Furthermore, it goes on to record that expenditures, with an estimated 18 months until the end date of the project, already exceed 75% of the budget allocated by the EU. Additionally the SADC HIV/AIDS Unit has brought to bear resources from the SADC Fund, adding an amount equal to 90% of the EU's total contribution, effectively doubling the resources made available by the Commission.

In closing, the Report balances the achievements of the findings highlighted above with recommendations regarding the need for increased communications and marketing, and

<sup>34</sup> Source: UNAIDS 2006, quoted in The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone

<sup>35</sup> Re-Monitoring Report, South African Region – RAU – Regional Support for an expanded Multisectoral Response to HIV/AIDS in SADC Region, MR-00838.02-15/12/06.

praising the recent<sup>36</sup> appointment of additional staff to the HIV/AIDS PMU, long in the coming.

While these may seem to be small gains in an apparently overwhelming situation, they do provide a counter to the unrelentingly bleak statistical picture provided by the situation as reflected in the statistics noted above.

*The subjective feelings, and the issues which arose:*

Interviews were undertaken with SADC and Delegation personnel, as well as staff from selected NGO's and other regional bodies. Questions outlined in the desk study were canvassed with them.

Broadly speaking there was/is a positive attitude toward the EU/SADC HIV/AIDS programme, as funded by the Commission, although there is also quite a widespread recognition of shortfalls. Interestingly enough, the shortfalls mentioned are not vastly different from one constituency to another, although the various constituencies, understandably, highlight those which especially impact their facet of work in the HIV/AIDS field.

The HIV/AIDS function of SADC has been one of those areas which shifted geographically, during the restructuring and establishment of the Gaborone headquarters exercise. This was certainly disruptive in the short term but may be of benefit in the long term. Opinion is divided on the long term effect of this restructuring, but, even bearing the difficulties in mind, indications do suggest that after an 'accommodation' phase has passed, and the bedding down of the 'new' organisation has been accomplished, greater rationality and ability to do good work will emerge.

Furthermore, since SADC, from its own resources, is providing 90% again of the EU's funding, this seems to indicate that, at least in the HIV/AIDS arena, and by extension, to the other areas with whom the SADC HIV/AIDS unit interact, there is an ownership of the challenges and issues of the sector.

The HIV & AIDS Programme in the SHD&SP Directorate has published a very large range of pamphlets and handbooks, setting out official SADC positions and decisions, as well as a series of guides and information sheets styled Making a Difference in, *inter alia*:

- Orphans and vulnerable children
- The transport sector
- The Health sector
- Agriculture and Food Security
- Transport, and
- Water Resource Management.

These publications have raised the issues and visibility regarding HIV/AIDS in many segments of SADC's work, and disseminated SADC's decisions and policies widely. This has been seen to be a positive outcome of the EU's involvement.

*Issues that have arisen:*

**Simultaneous funding from the EDF and the EPRD – timing, scheduling and their impact:**

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<sup>36</sup> January 2007

Looking at regional NGO organisations<sup>37</sup>, issues relating to funding from multiple sources, both multi EU funds (EDF and EPRD) and multi-donor and basket funding, arise.

The NGO's spend a good deal of time, and a not insignificant sum of their donor's funding, on evaluations. In many cases these reviews are positive, but the decision making regarding future funding is protracted, leaving the NGO's exposed and vulnerable. This in turn leads to staff uncertainty, staff layoffs and a contraction of the skill base available to the NGOs, only for them to be required to scale up again when eventually funding is made available.

If this matter, a one-off timing and scheduling could be addressed, significant savings and efficacy gains would result.

#### **Regional organisations, their boundaries and responsibilities:**

With different regional organisations, and the overlapping memberships accommodated by them, incongruity, and the accompanying lack of clarity, multiplies.

Some of these regional bodies receive EU funding for HIV/AIDS programmes, for both the directly focused HIV/AIDS activities, as well as in the form of support to *cross-cutting* activities. The formal provision of such support to one organisation does not stop others from benefiting from EU funding, when they are in the guise, or wearing the hat, of a member of a supported organisation.

This need not necessarily lead to confusion, but for outsiders, looking for clean boundaries and specifically allocated responsibilities, it can be.

#### **Some NGOs are powerful enough to act *in spite of* multilateral and national member state inactivity and inaction:**

One of the features of the SADC region is the uneven development of the various member states and the civil society entities contained within them. This must be coupled with very unequal development of the *polity*s within the member states and significant differences in their aims and purposes also.

Within this mix are found some very powerful civil society bodies, with significant capacity. These entities are capable of delivering the full range of HIV/AIDS related services, from policy formulation to palliative care, and everything in between, but these abilities are not found equally distributed, at the same quality level, across all the SADC member states. Where states are weak or indecisive, NGOs may be strong, leading to competition and alienation between government and an NGO sector.

In addition, NGOs in one country may be much more experienced than NGOs in another member state, or more powerful than even a regional HIV/AIDS body, leading to jealousy and/or undermining of the efforts of the skilled and powerful.

This needs to be carefully addressed by the weak as well as the powerful, so that regional, SADC-wide, inventiveness does not fall prey to resentful, dog-in-the-manger, behaviours.

#### **It took a long time for consistency to emerge within SADC:**

SADC has only recently established itself as an organisation based in one place and structured as an integrated body. Prior to 2003 it was decentralised, with a configuration which militated against integrated, rational management of its "nuts-and-bolts" activities. These activities were run, with different SADC member states being

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<sup>37</sup> Such as, but not restricted to, Soul City

responsible for different sectors, from the offices of the relevant government department in the responsible state.

Harmonisation between aspects of SADC's work that was much more difficult in the past is now a distinct possibility, and the short term disruption and difficulties that may have arisen, as a result of the restructuring and establishment of the Gaborone headquarters, must until it is proven otherwise, be seen as a temporary dip in efficiency that will resolve over time – given the necessary commitment and allocation of financial and manpower resources by SADC member states.

### Summary:

In summary, the current picture regarding HIV/AIDS in SADC is as desolate as the topic could be anywhere on the globe, but there are positive portends, and these should not be underestimated or jeopardised.

Fanning the embers of what they foreshadow is the much more positive approach. After the significant investments of the past, the improving SADC environment, and given what may be the tipping point in the region's relationship to the epidemic, such a positive approach is the only optimistic and realistic one to pursue.

JC8. Increased capacity of SADC as an organisation. The institutions developed with the support of EC assistance are capable to survive without further donor assistance.

### *1.8.a Frozen posts established and filled, and recruitment completed for vacant posts*

The capacity of the SADC Secretariat has been a cause for concern, notably the number of unfilled and frozen posts. In order to tackle this:

The SADC Council ... adopted a new recruitment procedure which *inter alia* means that no Secretariat staff, including the top management could be redeployed and that all posts would have to be published and filled through an open competition, taking into account both gender balance and nationality. Of the total establishment of 42 senior management and technical/professional posts responsible for the core business of the RISDP, 27 (64%) posts have been approved for the current recruitment process, whilst the remainder have been frozen pending a future council decision. As of the end of 2005 approximately 20% of the approved technical/professional posts<sup>38</sup> had been filled and a further 35% will be filled when the newly appointed staff take up their posts in early 2006. The remaining posts will be advertised in early 2006 and are expected to be filled by June 2006. At the close of 2005 the core business of the RISDP is being conducted by a number of secondees on extended leave of absence from their governments, regional contracted staff that will be in post until March 2006 and approximately 52 technical assistance personnel. The extended recruitment process and the departure of the majority of the staff seconded at the time of centralisation has resulted in a loss of institutional memory. This together with the relatively low numbers of permanent staff risks putting continued limitations on the Secretariat's implementation and absorption capacity for the foreseeable future. (SADC-EC Joint Progress Report, 2005. p.2)

<sup>38</sup> In terms of the overall approved technical/professional staff the approximate figures for the filled posts as of end 2005, the posts to be filled in early 2006 and those to be filled by mid 2006 are 11%, 36% and 64% respectively

The situation was assessed during the field phase with the following results:

In the SADC Secretariat itself there are too few SADC staff in the established posts; many posts remain either unfilled or frozen. And, in fact, there are probably too few established posts anyway in comparison with staffing levels under decentralisation. Many SADC staff are donor-funded with anything between 50% to 60% of SADC funds coming from donors (See also: (Ernst & Young, 2007). This means that not only are there too few staff, but they are more dependent on donors for their funding than on SADC.

It will be difficult to carry out an institutional assessment until SADC unfreezes frozen posts, and fills and funds these. At present, SADC depends on external support to carry out its mandate – it is also likely that, in fact, more posts would be needed if SADC is to fulfil its mandate. The Centralisation of SADC (seven years ago) has not brought about many positive changes and there is much criticism that the organisation is much weaker now than it was when the Directorates were decentralised. Estimates suggest that the SADC organisation was probably about 7 times bigger at the time but many of the financial implications were “hidden” or integrated into the host country's budgets. Centralisation was a political decision and not an economic one – seems to have come as a shock to Member States what the cost implications of the restructuring were.

Salary levels are also lower than comparative salaries in COMESA and the AU – this is a general problem but, in the case of South Africa, a particular problem. SA does not fill its SADC quota mainly because the salary levels are so low compared to other opportunities in SA – plus SADC is seen as something of a “backwater”. Hence the capacity available from SA is not used in SADC.

As long as SADC member states do not provide the bulk of the Secretariat's funding and unless the Secretariat is adequately staffed, the opportunities linked to the centralisation of SADC will be missed. Donor-funding of around 60% of SADC is not a sound basis for ownership by member states. If this support were to be withdrawn – would/could SADC survive?

There is some progress being made at the Head of State level as regards payment of membership contributions. Payment as a result of a naming and shaming approach. The “carrot and stick” approach which includes with-holding minutes and papers, not allowing the representatives to speak, etc. seems to be working as only DRC and Swaziland in arrears.<sup>39</sup>

Capacity of the SADC Secretariat remains limited because there is no regional commitment – in many ways because national commitment (and national governance) is not strong enough; and there is no domestication of what is decided at regional level. This has major implication for the EPAs and the choices of regional groupings under the EPAs, in fact. (See also Draper and SAIIA). But there is no real alternative. There must be a regional organisation in Southern Africa – and for the moment this is SADC. This means that this is the organisation with which the EC must work.

However, some donors are also by-passing SADC especially as regards implementation. SADC may be involved at an overall policy level, but implementation is done through other regional bodies. This is the approach followed, for example, by USAID – in both the trade and the food security sector.

### *1.8.b SADC national organisations visible and functioning*

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<sup>39</sup> Interview with the Ernst & Young consultants carrying out the Institutional Analysis of SADC



SADC National Committees are to be established in accordance with Article 16A of the SADC Treaty. While these organisations appear to have been established in most SADC member states, reports suggest that they do not function optimally.

The following is noted in the 2004 Monitoring Regional Integration in Southern Africa Yearbook, p. 123

As the mainstay of civil society involvement in SADC affairs, it is discouraging to note that as yet few states have fully established SADC National Committees. Even where they exist they are riddled by questions of legitimacy related to the selection of stakeholders, plagued by a lack of resources and capacity and marginalised in the greater scheme of things because the lines of communication and lines of authority between the national committees and the Secretariat and other structures are not clearly identified (Isaksen & Tjonneland, 2001).

While SADC National Committees may provide valuable opportunities for civil society engagement in SADC security affairs, it is a far from ideal scenario. Other difficulties associated with this model of cooperation reside in the uneven standards of democratic governance among SADC member states and the variations in the strength of national civil society organisations. In many countries, NGO-government relations remain characterised by mutual suspicion and in some, operate under severe restrictions. Governments feel threatened by robust and active civil society organisations and CSOs often see themselves as an extension of government or in opposition to government rather than as a complement to government.

The exact composition of SNCs is the prerogative of governments, as is the appointment of 'stakeholders'. While guidelines for the establishment of SNCs exist, the SADC Secretariat has no power to compel Member States to stick to the guidelines. The annual reports submitted to the Secretariat by Member States on the status of their SNCs are often late, incomplete and come in different shapes and sizes. The Secretariat has no mandate or capacity to carry out an independent audit to verify the information contained in reports and make provision for capacity building where it may be required.

In addition to these general constraints on civil society involvement at the national level, SNCs do not explicitly provide for deliberations issues that fall under the Organ – peace and security issues are left to the line departments within each SADC Member State. According to Isaksen & Tjonneland (2001): "governments in some countries consider these issues too sensitive while others are receptive to a possible inclusion." They further note that the role of parliament and parliamentary oversight are not addressed in the SADC documents discussing national committees.

The conclusion from the field phase – and a conclusion echoed by the Ernst & Young institutional consultants – as regards the SADC national committees, is that these exist in name only and do not function. Getting meetings with them is nigh on impossible. Neither is there any evidence to suggest that NSAs were involved in the discussions leading up to the RISDP.

## EQ 8

**To what extent has the Commission's support had an impact on key stakeholders (through applied instruments – policies, protocols – and allocated resources) to promote regional integration and economic growth and to what extent will these be sustainable?**

## Evaluation and other Assessment Criteria: Impact and sustainability

**Coverage of the question:** The SADC Secretariat in Gaborone has been established as part of the SADC restructuring exercise and its role in regional integration has been formally established and has already produced a Regional Indicative Strategic Development Plan (RISDP). Political commitment to supporting the regional integration functions of the SADC Secretariat is formally in place although, in practical terms, financial support from SADC national governments to support these functions is lagging behind. The key stakeholders for the promotion of regional integration include the: SADC institutions at regional and national level, national governments, private sector and civil society/NSA. One area of focus will be on the SADC restructuring exercise, notably the centralising of functions at the Regional Secretariat in Gaborone and the role to be played at national level by the SADC national committees.

The question will also analyse the extent to which the support given to the capacity development of the key stakeholders to support regional integration has created regional capacities which will also be sustainable after withdrawal of external support – both in terms of the actual capacity of the stakeholders as well as in terms of the flow of financial resources to sustain this capacity.

There will also be an analysis of the changes in regional SADC strategy (notably through the implementation of the RISDP; and in SADC's positioning on EPA negotiations) and the extent to which these changes are reflected in the EC's programming vis-à-vis SADC. The role of other regional organisations – notably COMESA and SACU – are key factors here, with some SADC member states negotiating EPAs as part of the COMESA bloc and with some SACU members (notably South Africa) negotiating agreements bilaterally with the EC. Co-ordination and co-operation between SADC and COMESA on EPA is critical for SADC integration. A secondary consideration is that the aim of the African Union in respect of African integration are also recognized objectives for EU-ACP cooperation, further necessitating consideration of the SADC/COMESA links.

**JC1 The capacity of the regional institutions in the SADC area (notably SADC and COMESA) to negotiate EPA deals which complement each other and which benefit the SADC region as a whole has increased**

*1.1.a Trade negotiations SADC EPA and ESA EPA are likely to result in signing of agreements*

See *1.1.c*

*1.1.b SADC and COMESA have defined clear negotiating positions*

See *1.1.c*

*1.1.c SADC and COMESA negotiators have a common understanding on the EPAs*

SADC EPA preparations have been held back by political indecision resulting from the split in SADC between SADC 7<sup>40</sup> and those negotiating an EPA in the ESA context, and by the problem of how to take account of the existing trade agreement, the TDCA,

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<sup>40</sup> The SADC "Group" is made up of 7 countries: Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania (with South Africa initially participating as an observer but now an officially involved negotiating partner). The other members of SADC – Madagascar, Malawi, Mauritius, Zambia and Zimbabwe - are negotiating as COMESA members in the Eastern and Southern Africa (ESA) configuration or as part of the Central African EPA – DR Congo.

between EU and South Africa. The SADC 7 have recently agreed that the TDCA forms the basis for negotiations of the SADC EPA, and that with regards to trade in goods, the non SACU countries of Mozambique, Angola and Tanzania (which as LDCs benefit from EBA access) are likely to adopt the tariff provisions of the SADC EPA on joining a yet to be established SADC customs union.

Negotiations of the ESA EPA are well advanced. A draft negotiating text already exists. The ESA group is also likely to have an innovative funding mechanism accepted in the Regional Indicative Programme.

Note these two groups do not cover the same agenda e.g. trade in services is included in the ESA negotiations but not as yet in the SADC 7 agenda.

It became clear during the field phase that there was still a lot on ongoing discussion in relation to the final groupings of the two EPAs. Informed observers suggest that there will be delays in the trade negotiations leading to the signing of EPAs – both at the International Level (WTO/Doha, etc.) but also at the regional level as the final regional groupings for the EPAs are not at all clear – and in many cases bases on political ideas rather than economic realities.

An additional issue which emerged was in relation to EPA membership. Interviews in Zambia, Botswana and South Africa suggest that the decisions in respect of which specific EPA grouping to belong to were taken at a level far above that of even senior level state and non-state actors. In addition, in many cases, decisions seem to have been made purely on emotional rather than on economic grounds. Most observers in Zambia were of the opinion that Zambia and Zimbabwe have always belonged to a Southern African group of nations tied together by many historic and economic ties. Negotiating an EPA as part of COMESA is seen by many observers as a wrong decision and a gut reaction to South Africa's economic dominance and perceived political dominance of the region. By the same token, Tanzania's insistence to negotiate as part of SADC also finds little support amongst informed observers.

However, it may also be noted that these decisions are being taken at a level where national informed observers in the state and in the non-state sectors do not have an influence. EC (DG Trade) recommendations to Tanzania that they should not negotiate as party of the SADC EPA only succeeded in raising hackles and in a further digging in of an already entrenched position.

There is also a clear anti-South Africa sentiment within the region because of its dominant position and this has also had a certain influence on EPA positioning. Also the fact that South Africa negotiated the TDCA without involving its SACU partners has underlined the fact that there is an imbalance within the region.

There is also a strong anti-EPA movement within the region fuelled by a global anti-EPA movement, taken up again at the World Social Forum and supported by a number of major international NGOs (e.g. Christian Aid). Comesa's Djibouti Summit also pushed for a more developmental rather than WTO compatible approach to the EPA's. It is therefore difficult to judge what effect the anti-EPA movement will have on future EC support under EDF 10.

Although there is also an understanding of the EC's position, especially amongst the private sector and certain government officials. In the sense that "we should embrace the EPAs but countries should make logical choices based on economic realities and not political unrealities" and then try to negotiate the best deal from a position of (relative) strength.

**JC2 The concentration of the SADC functions in Gaborone, Botswana, has contributed to efforts to give SADC a more regional approach**

### *1.2.a Progress achieved on implementation of RISDP*

The first priority for the RISDP is on regional integration and the promotion of trade and economic liberalisation as a mean of facilitating competitive and diversified industrial development through the establishment of a Common Market. In order to attain this goal, SADC is to accelerate and complete the formation of a SADC Free Trade Area by 2008, begin the negotiations for the establishment of a SADC Customs Union by 2010, which will be followed by a Common Market by 2015. (SADC-EC Joint Progress Report, 2005, p.12)

This seems to be behind schedule. So far, there has been no political decision as to how to implement the Customs Union. Only now is the Secretariat preparing technical background work for consideration by Member States.

### *1.2.b NSA have contributed to RISDP formulation and implementation*

As has been stated elsewhere (EQ 7, 1.3.a), generally speaking, SADC civil society and NSAs are relatively weak – although there is quite some variation between Member States. There is, however, no evidence to suggest that there was any major contribution by NSAs in the formulation of the RISDP, nor that the Secretariat is involving them on discussion related to the EPAs.

JC3 SADC Member States governments taken on board the responsibility of funding the SADC Secretariat and the SADC National Committees, so that these can function without external (donor) funding

### *1.3.a Appointment of staff into vacant and frozen posts*

(See also EQ 7, 8.a)

SADC, as an institution, does not have very well established procedures and this makes it difficult to align interventions with SADC's own procedures. There is general consensus that the situation before centralisation allowed for greater alignment with individual member states own procedures but, since centralisation, the SADC Secretariat has been struggling to establish its own procedures. This is made more difficult by the weakness of the Secretariat vis-à-vis the SADC Heads of State and Council of Ministers. In many ways SADC is still an organisation under development – despite the fact that centralisation took place in 2001. Many posts remain either frozen or unfilled and in the absence of a full complement of staff and with a quota system that does not always ensure that the most competent staff are seconded to SADC, the development of SADC procedures has been problematic.

### *1.3.b SADC national organisations in place and in contact with the regional secretariat*

(See also EQ 7, 8.b).

There is very little evidence of the involvement of the national level in SADC activities – whether through state or non-state actors. SADC national committees are either non-functioning or dormant. Here the evaluation team's findings are supported by those of the Institutional Analysis carried out by Ernst and Young (2007). Hence there is very little ownership of the Commission's support as there is also very little ownership of SADC's own RISDP.

There is a clear overlap at the overall policy level between RISDP and the RIP – however, at the country level there is little ownership of either the RISDP or of the RIP. Before centralisation, when the directorates were still spread throughout the region,

there was much more ownership of the individual programmes at the country level – although not much overall ownership of the whole SADC programme. This was what centralisation should have tackled but the contact between the SADC Secretariat and the Political level, on the one hand, and the national state and non-state actors, on the other, is minimal.

### *1.3.c Budget allocation and actual supply of resources*

It is difficult to carry out a proper institutional assessment of the SADC Secretariat until SADC unfreezes frozen posts, and fills and funds these. At present, SADC depends on external (financial and technical) support to carry out its mandate – it is also likely that, in fact, more posts would be needed if SADC is to fulfil its mandate. The Centralisation of SADC (seven years ago) has not brought about many positive changes and there is much criticism that the organisation is much weaker now than it was when the Directorates were decentralised in the Member States. Estimates suggest that the SADC organisation was probably about 7 times bigger at the time but many of the financial implications were “hidden” or integrated into the host country's budgets. Centralisation was a political decision and not an economic one – and it seems to have come as a shock to Member States what the cost implications of the restructuring were.

Salary levels are also lower than comparative salaries in COMESA and the AU – this is a general problem but, in the case of South Africa, a particular problem. SA does not fill its SADC quota mainly because the salary levels are so low compared to other opportunities in SA – plus SADC is seen as something of a “backwater” for South African bureaucrats. Hence the capacity potentially available from SA is not used in SADC. Member State ownership remains a problem with ICPs paying at least 50% of the SADC budget (Ernst & Young, 2007). This can only be tackled by increased membership contributions.

There is some progress being made at the Head of State level as regards payment of membership contributions. Payment as a result of a naming and shaming “carrot and stick” approach which includes with-holding minutes and papers, not allowing the representatives to speak, etc., seems to be paying some dividends. (See also EQ7, 8a)

However, this will not cover the funds needed for SADC to function as a strong and independent organisation. As long as SADC member states do not provide the bulk of the Secretariat's funding and unless the Secretariat is adequately staffed, the opportunities linked to the centralisation of SADC will be missed. Donor-funding of over 60% of SADC is not a sound basis for ownership by member states.

## EQ 9

To what extent has the Commission's support had an impact on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be sustainable?

Evaluation and other Assessment Criteria: Impact and sustainability

**Coverage of the question:** The question will examine whether the enabling environment in the SADC region has been enhanced and whether there is national ownership of SADC regional policies and regional accords – particularly within the focal areas of Regional Integration and Trade and Transport and Communications. The question will examine whether national governments have committed themselves to regional integration through normative, legislative and economic decrees and implementation instruments.

The question will need to consider that the main bulk of the programmes supporting Trade and Regional Economic Integration are about to commence (SADC SQAM programme, SADC Customs programme) or are under preparation (support to the SADC Investment and Finance Protocol, 9th EDF Capacity Building Project). Assessing impact – not to speak of efficiency and effectiveness - in this situation is difficult.

**JC1 Trade barriers have been reduced and trade has been facilitated as a result of implementation of regional policies and accords**

### *I.1.a Trade statistics show improved inter-, and intra-regional trade*

Intra SADC trade picked up significantly following the end of apartheid with increasing exports of manufactured goods from South Africa. In 1998 intra SADC trade reached about 20% of total SADC trade and remains much the same today. The Table below shows the key features of intra SADC trade<sup>41</sup>.

Table 9: SADC Trade Flows 1998 and 2002

Percentage of SADC Imports by Source (Importers shown in first column, sources in top row)								
	SACU		Non-SACU SADC		Total SADC		ROW	
	1998	2002	1998	2002	1998	2002	1998	2002
SACU	17.1		1.8		18.9		81.1	
Malawi	40.4	42.53	13.6	14.80	54.0	57.33	46.0	42.67
Mauritius	13.5	13.27	0.4	2.42	13.9	15.70	86.1	84.30
Mozambique	30.01	26.73	1.60	1.41	31.61	28.15	68.39	71.85
Tanzania	8.9	13.24	2.3	0.68	11.2	13.91	88.8	86.09
Zambia	39.1	51.46	17.7	10.14	56.8	61.61	43.2	38.39
Zimbabwe	36.2	22.98	2.6	4.39	38.8	27.36	61.2	72.64

ROW – Rest of the World (i.e. all sources outside SADC)

Source: SADC Secretariat

Note: Trade Statistics for Angola and DRC not available from SADC sources  
Madagascar not yet included

<sup>41</sup> SADC. Joint Factual Document on the Status of SADC Regional Integration, 2006, p.5.



- SADC-SACU countries source less than 2% of imports from the rest of SADC and 17% from within SACU.
- In volume and value terms, intra SADC trade is dominated by South Africa. The most heavily non-SACU SADC dependent of the Member States are Zambia and Malawi who source 57% and 54% respectively of their total imports from other SADC members. They both obtain about 40% of their total imports from SACU, virtually all of which originates from South Africa.
- Mozambique and Zimbabwe have low dependence on SADC imports, relying on SADC for 41% and 30% of their total imports respectively, with the bulk of these originating from South Africa.
- Mauritius and Tanzania source a very small percentage of their imports from SADC, with a SADC share in total imports of only 14% and 11% respectively.
- In terms of commodity structure, most SADC countries export raw materials and import manufactures from South Africa.
- South Africa's exports to the Southern African region amount to 19 percent of total exports, of which 13 percent go to other SACU member countries. Most of South Africa's imports from Southern Africa come from other SACU member countries.
- For most BLNS countries, South Africa is their major export market. This is particularly true for non-traditional exports.
- The bulk of imports of SADC Member States originate in the OECD. For Mauritius and Tanzania, Asian sources account for a high proportion of their imports; while for Angola and South Africa, NAFTA is a significant source of their imports.

For Angola and DRC, the team only have data on trade with South Africa. Between the period 1997 and 2002 imports from South Africa rose from 8% to 12% in Angola of total imports; for DRC this figure fluctuated between 22% and 28%. Exports to South Africa account for less than one percent of either countries total exports<sup>42</sup>.

#### *1.1.b Transport statistics show increased cross-border traffic*

*1.1.c Regional trade-related private sector organisations (Chambers of Commerce; Regional Transport associations, Trade Union Confederations) statistics report reduction in trade barriers, changes in trade barriers and improvements in the enabling environment for the private sector.*

The field phase revealed that a key issue to address is the monitoring of the SADC Trade Protocol. Currently the SADC Trade Protocol has no institutionalised monitoring mechanism – though the need to establish this is was recognised by SADC Ministers of Trade in their response to the Mid Term Review of the Trade Protocol. Furthermore, the private sector has no capacity to monitor implementation. The need to address this has been recognised by the Southern African Intermediary Organisations representing the private sector in the EPA negotiations through the Business Trade Forum EU Southern Africa (BTFES) – they are launching a process to identify an appropriate monitoring mechanism for the EPAs and the resultant capacity building requirements. )

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<sup>42</sup> "Co-movement between South Africa and SADC: Is trade a predominant factor?" Kabundi (2005) available at [www.tips.org.za](http://www.tips.org.za)



JC2 Movement of people, factors of production, goods and services has been facilitated

*1.2.a Reports show evidence of cross-border mergers and acquisitions*

It was not possible to access information on this.

*1.2.b Visa, residence and working permit arrangements, which allow for freer movement have been formally enacted*

SADC Protocols on Trade and the amendment provide some basis for this. However, the actual situation on the ground is less clear.

One of the major factors standing in the way of improved regional integration and trade is the internal problems faced by the region. This includes the overlapping membership of RECs but also the situation in Zimbabwe. Zimbabwe is the exception to every regional trend, skews all the regional figures and pulls all the averages down. Zimbabwe is causing an economic haemorrhage within the very heart of SADC, resulting in out-migration from Zimbabwe to neighbouring countries of literally millions of Zimbabweans (SAMP figures suggest over 4 million Zimbabweans in South Africa alone, although 3 million seems to be the generally accepted figure). It is important to note that as long as the Zimbabwean situation remains unresolved, this will impact on a number of protocols – for example the free movement of goods and of individuals

JC3 SADC protocols and policies have created an enabling environment for regional integration.

This Judgement criterion focuses on the sectors supported by the EC: Trade, Transport, Food Security, Good Governance, Peace and Security, HIV/AIDS.

A number of the relevant protocols have been signed and adopted: Protocol on Trade, and the Amendment; Transport, Communications and Meteorology; Protocol against Corruption; Protocol on Combating Illicit Drugs; Peace and Security; Health.

As regards Food Security, SADC has created a broad policy framework for Food, Agriculture and Natural Resources (FANR) as part of the restructuring of SADC. The Directorate was launched in December 2001 as part of SADC restructuring exercise. It is one of four Directorates of the SADC Secretariat. The Directorate replaced the previous system of Sector Coordinating Units in which responsibility for coordination of the FANR sectors was vested in four Member States (Malawi was responsible for Inland Fisheries, Wildlife and Forestry, Botswana, for Livestock Production and Animal Diseases Control, and Agricultural Research and Training, Namibia for Marine Fisheries and Zimbabwe for the Overall Coordination of the FANR cluster and Crop). The FANR cluster of sectors is the largest within SADC, accounting for more than 50% of all SADC programmes of action.

The FANR cluster comprises the following technical areas of co-operation: <sup>43</sup>

- i. Food Security;
- ii. Crop Development;
- iii. Livestock Production and Animal Disease Control;
- iv. Natural Resources Management comprising Forestry, Wildlife and Fisheries; and
- v. Agricultural and Natural Resources Research and Training,

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<sup>43</sup> source: [http://www.sadc.int/english/fanr/fanr\\_about/index.php](http://www.sadc.int/english/fanr/fanr_about/index.php)

In respect of HIV/AIDS, the programme is guided by the **Maseru Declaration on HIV and AIDS**, the SADC Strategic Framework is a multidimensional response to HIV and AIDS, aimed at consolidating interventions to address the devastating impact of the pandemic in a comprehensive and complementary way. The revised Strategic Framework (2003 - 2007) mainstreams HIV and AIDS within all SADC policies and programmes and reaffirms the region's approach to HIV and AIDS as a developmental challenge aggravated by poverty.<sup>44</sup>

In respect of **Governance**, the following may be noted:

SADC participates in both the African Union and NEPAD. To this end, by strengthening the implementation capacity of SADC, it was recognised that success in NEPAD would be enhanced. It was decided that the development of the RISDP and the SADC restructuring process should take NEPAD into account, and where appropriate, SADC and NEPAD programmes should be harmonised. SADC should also take NEPAD into account in the ongoing review of SADC programmes.

On **Political Governance** and the African Peer Review Mechanism, the Committee considered and strongly supported the Draft Report on Good Governance and Democracy as well as an African Peer Review Mechanism (APRM). Essentially, the proposals adopted seek to ensure the implementation of objectives contained in such documents as the Constitutive Act of the African Union, the African Charter on Human and Peoples' Rights, the Protocol on the Establishment of an African Court on Human and Peoples' Rights and the Framework for an OAU Response to Unconstitutional Changes of Government.<sup>45</sup>

The **Monitoring Regional Integration in Southern Africa** research facility considers that: *Peer review is potentially the single NEPAD initiative that could accelerate regional development through compliance. Regional economic communities and their organs can leverage their knowledge and constituency base to play an important role in this regard.* (ref. *Monitoring regional integration in Southern Africa*, Vol 4., p137). However, membership remains voluntary, and not all SADC member states are members. Thus while the African Peer Review Mechanism can be invited to intervene where "bad governance" may be taking place, yet participation remains voluntary. Zimbabwe, for example, has not signed up to the initiative. Currently, 25 countries have formally joined the APRM by signing the MOU on the APRM including the following SADC countries: Mauritius, Mozambique, South Africa, Malawi, Lesotho, Tanzania, Angola and Zambia.

Here it is worth noting that while a number of SADC countries have signed up for the African Peer Review Mechanism, a significant number have refused. These include: Zimbabwe, Swaziland, Botswana and Namibia. Moreover, South Africa – one of the countries which launched the initiative and which carried out an APRM exercise during 2006 – has been criticised for alleged attempts by the Government to sanitise the report and edit out critical issues, such as the perceptions on crime, before allowing the report to be presented to the AU.

<sup>44</sup> Source: [http://www.sadc.int/index.php?action=a1001&page\\_id=mainpage\\_hiv](http://www.sadc.int/index.php?action=a1001&page_id=mainpage_hiv)

<sup>45</sup> Source: [http://www.dfa.gov.za/au.nepad/nepad\\_overview.htm](http://www.dfa.gov.za/au.nepad/nepad_overview.htm) - 6

### *I.3.a Adherence by SADC Member States to signed and ratified protocols and policies.*

The SADC-wide finding here is the lack of domestication of protocols and policies. There is very little evidence of domestication of signed and ratified protocols with national priorities taken precedence over regional. Within this context, Angola – after its civil war and with its oil wealth - is even reported to have withdrawn from the SADC Trade Protocol.

### *I.3.b TI Corruption Perception Index shows positive trends*

See also EQ 7, 1.5.c. Although the Transparency International Corruption Index has been criticised for reinforcing negative images in Africa, while ignoring corruption by multinational companies and Western Government, yet its focus on the bribing of politicians and state officials in developing countries clearly highlights the problem that corruption is rife in many SADC states, with Zimbabwe as one of those which scores high amongst the most corrupt – another pointer suggesting that the solution to the crisis in Zimbabwe is key to the future of the SADC region.

Incidences of corruption are widespread but are receiving more visibility and are less likely to be swept under the carpet. However, a strong civil society is necessary if this is to be achieved throughout the region and, as already mentioned, the strength of civil society varies throughout the region.

Research carried out by SAMP suggests wide spread collusion by the South African Department of Home Affairs, not only in helping goods cross the borders but also in the provision of South African Identity Documents outside official channels. This should be a key area of intervention. However, the goods which cross into Zimbabwe – legally or illegally – are mainly destined to support poor families left behind in Zimbabwe who depend for their survival on goods being brought in. Provision of support to tackling the poor functioning of South African Home Affairs should not be at the expense of the people living in poverty in Zimbabwe who depend on the estimated 4 million Zimbabweans living in working in South Africa – as well as other parts neighbouring countries.

### *I.3.c HIV/AIDS statistics indicate that the rate of infection and spread of the disease is slowing down, reducing or being contained*

As stated under EQ 7:

Monitoring systems are in place but the trends are not very positive.

"The prevalence rates of HIV/AIDS are extremely high in parts of Southern Africa and there are increasing numbers of countries in SADC with HIV/AIDS infection rates among adults in excess of 20%. The adult rate of HIV/AIDS prevalence in SADC is 13,7% compared with 9% for Sub-Saharan Africa as a whole. It is estimated that no less than 14 million adults and children are currently infected with HIV in the SADC region, accounting for 51% of all infections in Africa (equal to 37% of the global total of those living with HIV). While overall HIV prevalence rates are extremely high within SADC it is still the case that there is a considerable variance between the Member States. Some countries, such as Seychelles and Mauritius have low rates of HIV infection, whereas the rate varies in the rest of the region between 5% in Angola and DRC, to over 30% in Botswana, Lesotho, Swaziland and Zimbabwe. (Source: *SADC HIV/AIDS Strategic Framework and Programme of Action 2003-2007*, July 2003, p. 8)"

## EQ 10

To what extent has the Commission's support to SADC had an impact on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be sustainable?

Evaluation and other Assessment Criteria: Impact and sustainability

**Coverage of the question:** This question focuses on the overall objective of EC assistance to the ACP states and stands at the core of the EC's approach to development assistance during the EDF9. The focus on poverty alleviation will continue under EDF 10 as the EC, EU Member States and other donors attempt to support developing countries in the achievement of the Millennium Development Goals. Poverty reduction has been clearly linked to economic growth in the EU's regional strategy for SADC where it is contended that: "Poverty reduction depends on achievement of economic growth levels of 6%" (ref: RSP-9EDF – p.27) – with regional integration being one of the factors which stimulates growth – and hence "poverty reduction".

Attributing direct causal links between EC interventions and poverty trends in the SADC region is very difficult to document as numerous factors influence these economic developments. Assessing impact – not to speak of efficiency and effectiveness - in this situation is hence difficult, if not impossible.

However, this chapter *will* illustrate economic trends in the region and hence conclude with some remarks on EC programmes in the countries that face both positive and negative developments and how they can be judged to contribute to these developments.

### JC1 Increased integration of the region into the world economy

#### *I.1.a EPAs negotiated according to agreed timetable*

See also EQ 8 1.1.a

### JC2 Increased regional integration

#### *I.2.a Progress made towards the creation of regional common market and customs union according to the agreed timetable*

Many commentators are questioning the likelihood of SADC moving to a Customs Union; indeed SADC still has several issues to address before establishing an effective Free Trade Area and no political decisions have been made regarding implementation. Furthermore the split in SADC, reflected in the EPA configuration, would suggest a customs union beyond the SADC 7 would be very difficult achieve in the immediate future.

#### *I.2.b Creation of regional institutions – cultural, social, educational*

There is no evidence that there has been any significant amount of EC support to the establishment of regional cultural, social and educational institutions. The difficulties of the EC procedures referred to earlier explain why this has not occurred.

There is very little regionally based cultural, social and educational capacity and what there is, tends to be based in South Africa. This is also a problem in a region which already sees South Africa as being too dominant. The Botswana-based SADC NGO Coordinating Council is more strong on rhetoric than on actual coordination of regional non-governmental institutions and is not a strong alternative to the South African-based institutions. There are a few exceptions, such as the Media Institute for Southern Africa (MISA) based in Namibia with active national chapters throughout the region. But organisations and institutions active in the region (e.g. Idasa; South African Institute for International Affairs; Southern African Trust; SARPN; FANRPAN; etc.) are all based in South Africa.

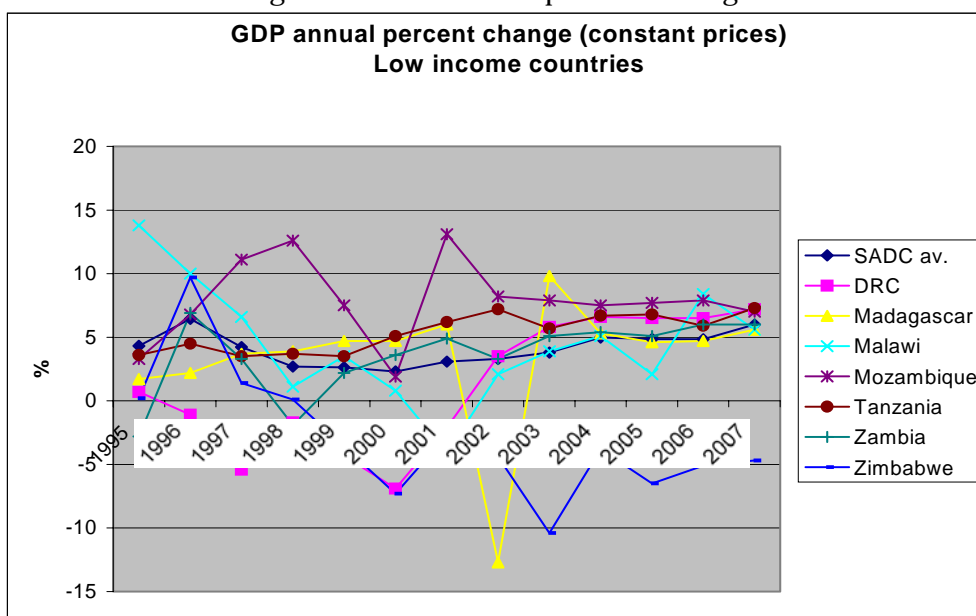
### JC3 Sustainable social development

#### *I.3.a Poverty reduction in SADC countries based on international recognised data (IMF and UNDP figures)*

The following graphs show the GDP annual growth rates in the SADC countries from 1995 – 2007<sup>46</sup>. For the purpose of visual overview the tables have been grouped into low, lower-middle and upper-middle income countries.<sup>47</sup>

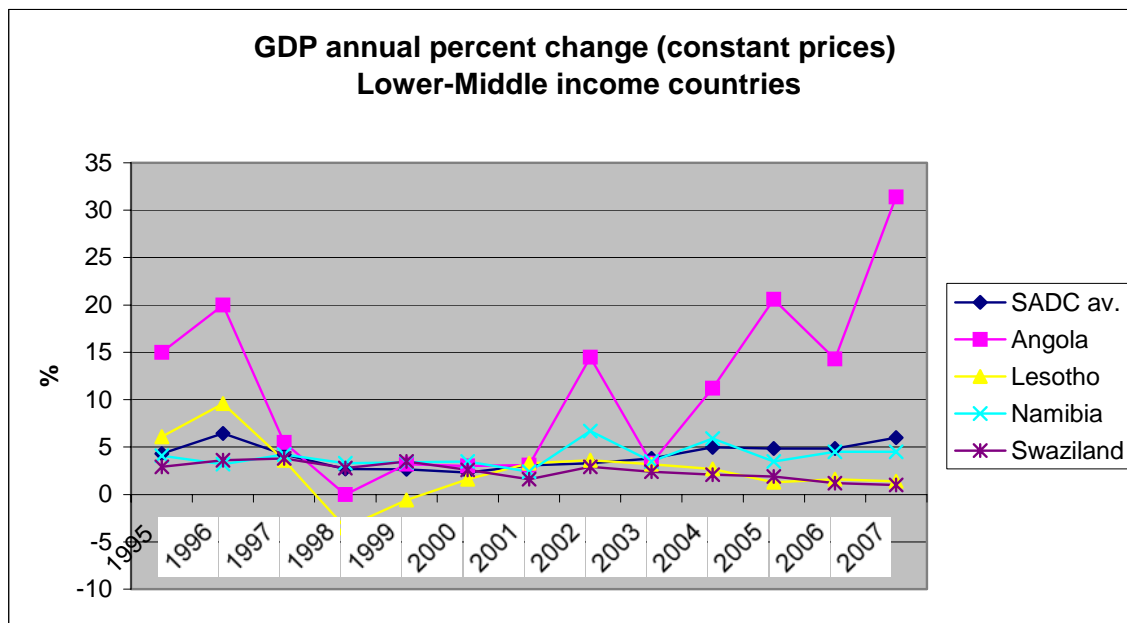
The graphs show that SADC average growth rate is between 3 and 4 % in the period 2002-2003. This growth rate is less than half the target rate of 7%, which must be reached if the region is to achieve the Millennium Development Goals of halving poverty by 2015. (EC/SADC Annual Operational Review, 2003 – p.4). NB: Figures for 2005-2007 are IMF estimates. "SADC av" means SADC average.

Figure 9: GDP annual percent change

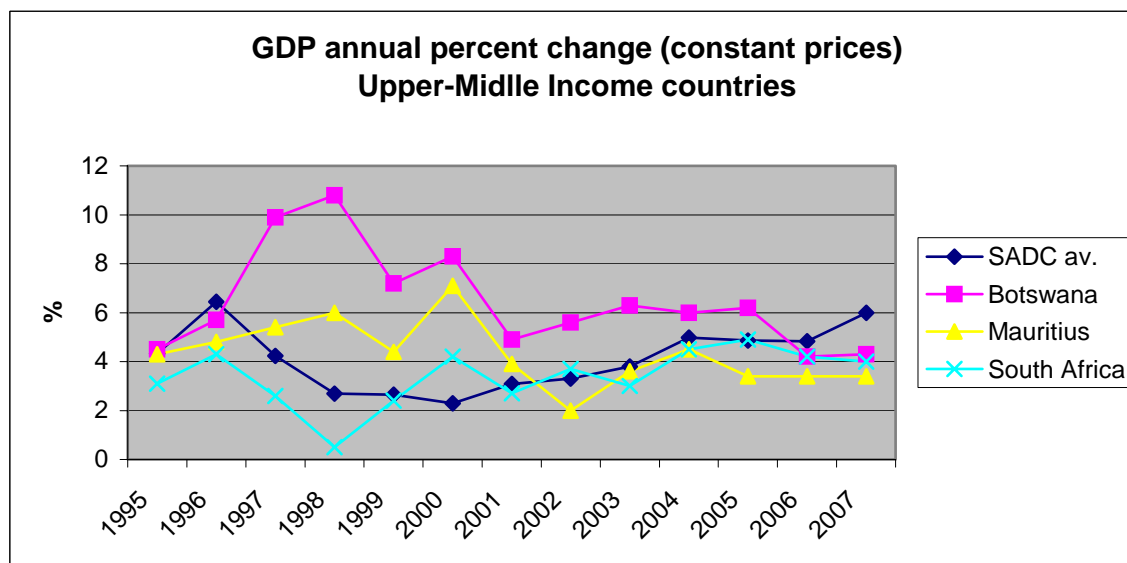


<sup>46</sup> Source: IMF data and statistics. Reports are generated from: <http://www.imf.org/external/pubs/ft/weo/2006/02/data/weoselgr.aspx>

<sup>47</sup> This grouping is based on the World Bank's definition on low, lower-middle and upper-middle income countries. Criteria are: low income \$875 or less; lower middle: \$876 - \$3,465; and upper middle income: \$3,466 - \$10,725; (and high income: \$10,726 or more.). Source: [www.worldbank.org](http://www.worldbank.org)



Here it should be noted that the figures for Angola relate to the expected growth as a result of the oil factor in the economy. It also needs to be remembered that the 2005 – 2007 figures remain IMF estimates.



#### JC4. Increased economic growth

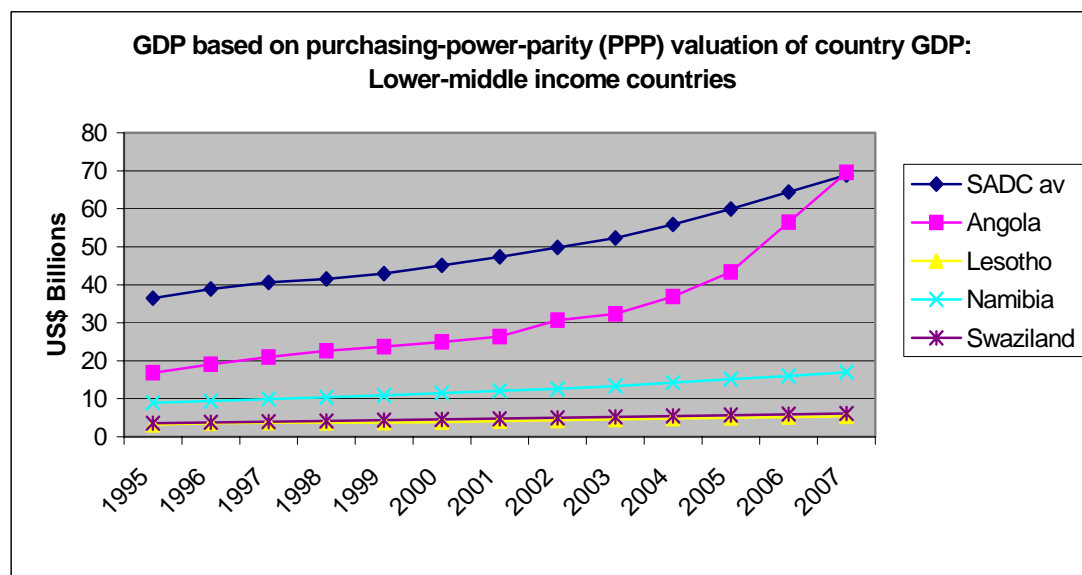
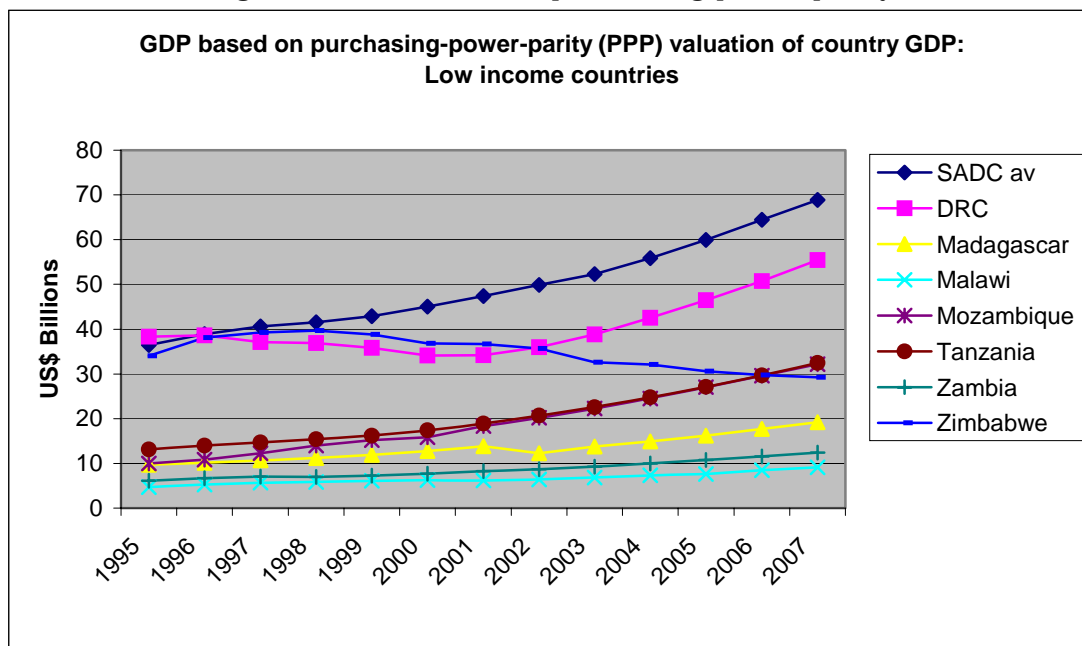
##### I.4.a Change in GDP in SADC countries 1995-2007

The following three tables show GDP based on purchasing-power-parity (PPP) valuation of country GDP.<sup>48</sup> The tables are grouped in low, lower-middle and upper-middle income countries.

<sup>48</sup> These indicators are calculated by dividing a country's nominal GDP in its own currency by the PPP exchange rate. This measure of a country's GDP is used in the WEO online database to construct aggregate indicators (weighted

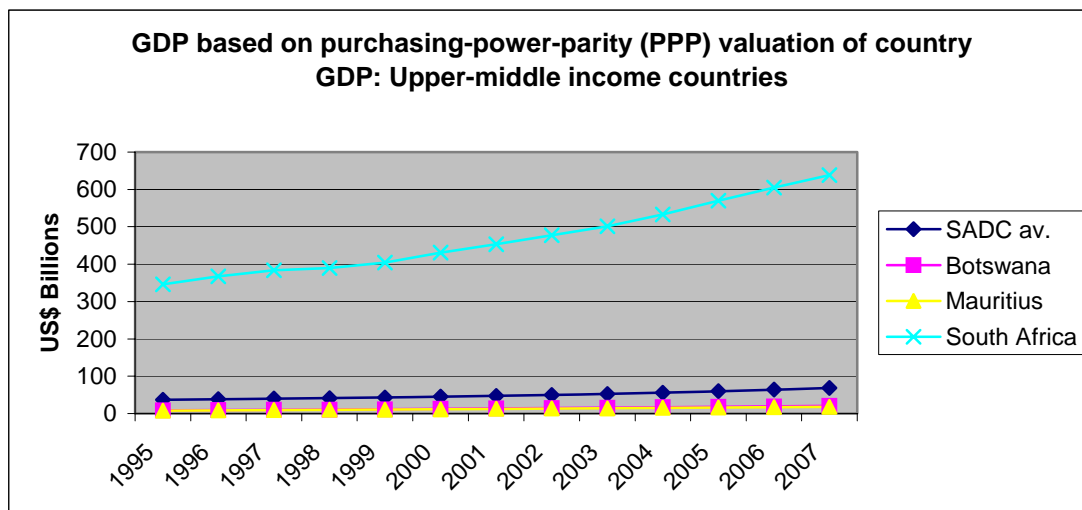
Note that intervals on the Y-axis are not similar in all three graphs. Figures for 2005-2007 are IMF estimates. "SADC av" means SADC average.

Figure 10: GDP based on purchasing-power-parity



averages) of changes for example in consumer prices, nominal and real GDP growth, and nominal and real GDP per capita growth for groups of countries when the indicator being measured is expressed in local currency" Source: <http://www.imf.org/external/pubs/ft/weo/faq.htm> Reports are generated from: <http://www.imf.org/external/pubs/ft/weo/2006/02/data/weoselgr.aspx>





As demonstrated, there is great variation in the GDP growth rates among the SADC member states. According to the estimates, those countries which may be expected to reach a growth rate of minimum 6 % (requisite for poverty reduction) in 2005-2007 are Angola, Botswana, DRC, Malawi, Mozambique, Tanzania and Zambia.

Improvements in GDP growth rate in some of the SADC economies are attributed, amongst other things, to dividends associated with peace, increased oil output (notably in Angola although the country is still suffering from effects of the civil war), and improved management of macroeconomic policies in most SADC Member States. Improved performance in the largest economy in the region – South Africa – contributes also to more economic stability in the SADC region. (EC/SADC Annual Operational Review, 2003 – p.4)

This slowdown largely reflected a temporary decline in the pace of economic growth in South Africa, an economy that accounts for nearly 70% of the region's GDP. However, an improvement is expected from 2004 on as real GDP growth in South Africa rebounded to an annual rate of approximately 3%. Elsewhere in the region, growth performance was mixed with strong growth rates being achieved in a number of countries (Angola, DRC, Mozambique, Tanzania and Zambia). To some extent this reflects a surge in oil production in the case of Angola, improved harvests in some countries and the effects of sound economic policy management, including reforms of financial institutions in several cases (Botswana, Mauritius and Namibia). Unfortunately, GDP levels have again declined in a number of countries, particularly in Zimbabwe, as a result of continuing political crises, weak economic policies and natural disasters. (Source: Mid-Term Review – SADC EDF RSP/RIP9, p. 3)

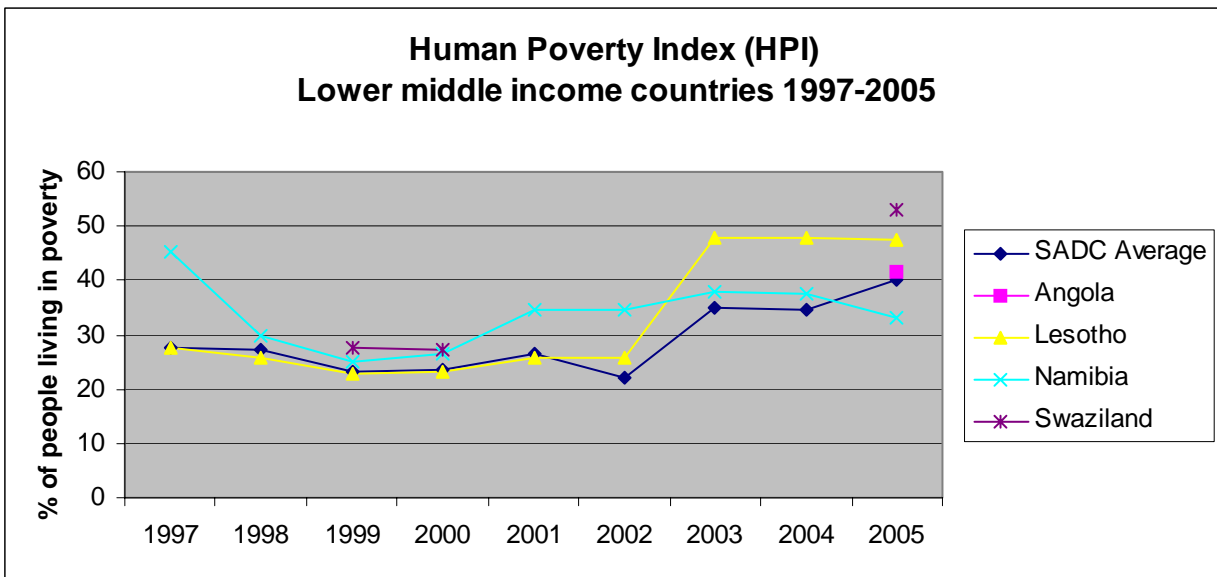
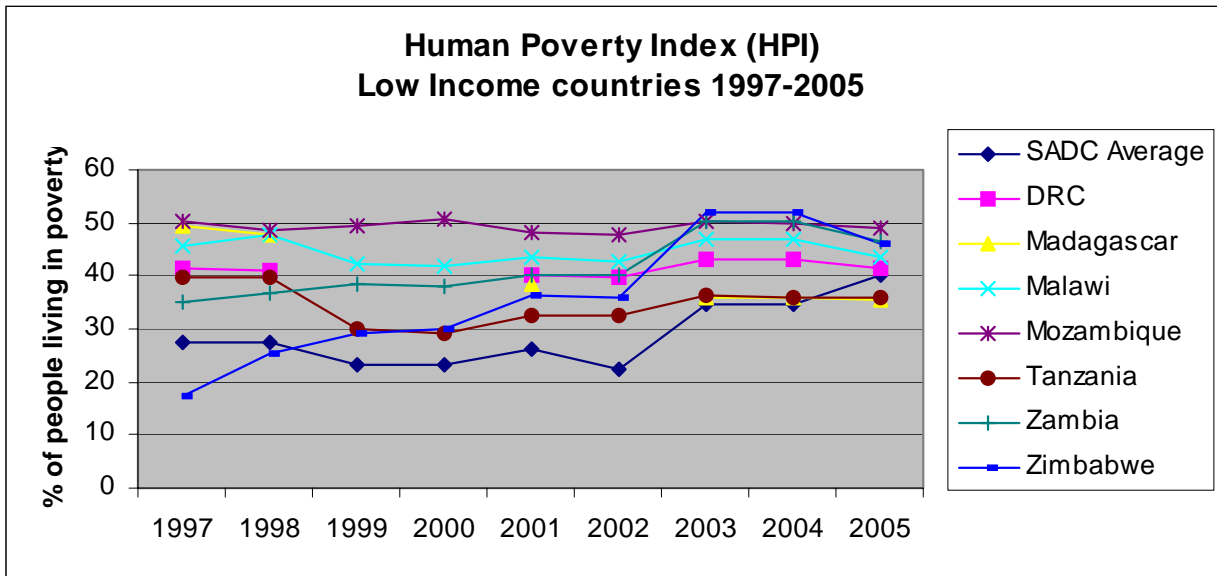
### Human Development Index (HDI)

Concerning poverty reduction and the Human Development Index, the progress in economic terms is not sufficient neither to achieve the Millennium Development Goals (MDGs), requiring inter alia an average annual growth rate of at least 6-7%, nor to improve the HDI<sup>49</sup>. (EC/SADC Annual Operational Review, 2003 – p.5)

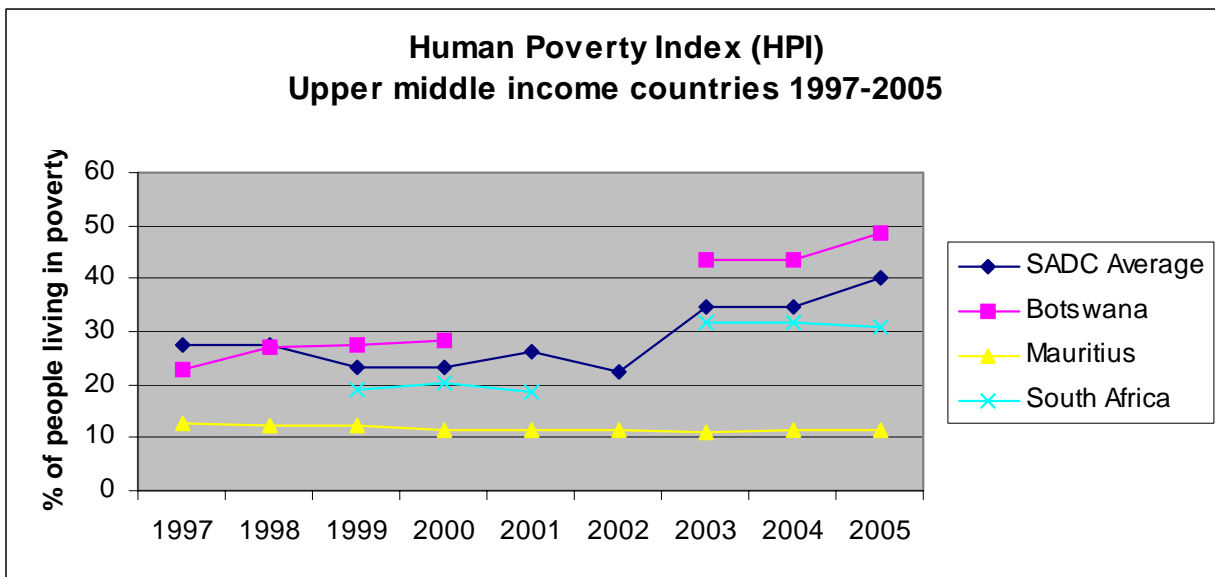
<sup>49</sup> Rather than measure poverty by income, the HPI uses indicators of the most basic dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources. The HPI concentrates on the deprivation in the three essential elements of human life already reflected in the HDI: longevity, knowledge and a decent standard of living." Source: <http://hdr.undp.org/hdr2006/statistics/indices/tools.cfm>

NB: The tables are based on Human Development Reports 1996-2005. For some countries information was not complete which explains why some graphs are not complete.

Figure 11: Human Poverty Index



Figures for Angola were not available before 2005; note also that there is a gap in the HPI for Swaziland between 2000 and 2005.



### Conclusion

Although the SADC region has an aggregate GDP of approximately \$168 billion an estimated 40% of the region's population lives below the poverty datum line of \$1 a day and about 70% below \$2 a day. The growing incidence of HIV/AIDS, tuberculosis and malaria is pushing up mortality rates, skewing the demographic profile and adding to the numbers of orphaned and vulnerable children. These factors, together with food shortages in many parts of the region, accompanied by weak social and economic governance structures have meant that human poverty appears to be deepening in all SADC countries, with the exception of Mauritius. In terms of the Millennium Development Goals (MDG) this apparent trend, together with levels of economic growth below those required to finance the necessary investment in infrastructure and social services, suggests that it is unlikely that any of the MDG will be achieved by 2015. (Reference is also made to the: Mid-Term Review – SADC EDF RSP/RIP9, p. 7)

JC5 EC regional interventions specifically focus on poverty alleviation

#### *1.5.a EC programmes set clear definitions and benchmarks for poverty alleviation.*

Poverty reduction has been clearly linked to economic growth in the EU's regional strategy for SADC where it is contended that: "Poverty reduction depends on achievement of economic growth levels of 6%" (ref: RSP-9EDF – p.27) – with regional integration being one of the factors which stimulates growth – and hence "poverty reduction".

Delays in the regional integration process, the unresolved issues between SADC and COMESA, the high incidence of HIV/AIDS in the region and slower economic growth rates of many countries in the region (below 6%) have made it difficult to either prove or disprove whether "enhanced regional integration" and "sustainable economic and social development" will actually lead to "poverty reduction".

*I.5.b EC interventions in focal and non-focal sectors are based on an ex ante analysis of the direct/indirect impact on the most vulnerable groups and sectors*

There is little evidence to support this. As has been stated elsewhere, little evidence was found of involvement of NSAs (the private sector, non-government institutions and civil society organisations) in the preparation of either the RSP or the RISDP. Moreover, there was no evidence to suggest that the CSPs linked in with the RSP.

The EC transport sector projects – mainly road infrastructure – are generally an integral part of the country's 'road sector investment programme', which to some extent has been shaped by the country's poverty reduction strategy. The EC road programmes comprise national roads and local roads. The local roads have the potential to address poverty more directly by increasing accessibility to markets and social amenities, whereas the national roads address macro level economic, political, and social considerations, which are equally important for alleviation of poverty. The SSATP has attempted to address the poverty-transport linkages (*ref. EQ5, I.1.c*) and has initiated a process where these linkages are more explicitly incorporated in the country's poverty reduction strategy, transport policy, and road sector investment plan.

Food security tends to be tackled at a national level and is also influenced by PRSPs - however the focus tends to be national rather than regional. And, in many cases, food security interventions tend to be as a response to a natural disaster (floods, drought, etc.) or to a political situation (e.g. movement of refugees). Regional Integration and Trade activities tend to be based on the hypothesis that increased regional integration and trade will – automatically – contribute to poverty alleviation. While this may well be true, the period of time required to achieve such objectives is probably longer than that contained within the timeframe of one EDF.

*I.5.c EC interventions analyse poverty alleviation and explicitly include poverty alleviation related activities.*

There was a distinct shift between EDF8 and EDF9 following the adoption of the MDGs, and poverty alleviation has now become the major overall objective for EC interventions. However, the time horizons within which the effects on poverty alleviation become visible may extend beyond the time horizon of a single EDF. Poverty alleviation – certainly within the SADC context which includes both political and economic uncertainties, as well as the HIV/AIDS pandemic and frequent natural disasters - is not something that will be achieved within the short or medium term – but will require a longer time horizon and commitment.

There is a major challenge to involve NSAs in poverty alleviation programmes – particularly in a situation where the regional institutions seem unequal to the challenge. The discussion above has already raised the importance of provision of core funding to NSAs to allow for a more long term instead of *ad hoc* focus on poverty alleviation. These are, to a certain extent, some of the challenges which are starting to be addressed by ESIPP (8 ACP RAU 10) through its investment promotion activities. Within this context, there should be room for innovative process which seek actively to combine modern technologies with services to poor people. Cellular phones are increasingly become a vehicle note just for communication between the urban elite but also a way for poor people to communicate both within and across national and regional boundaries. The text box below gives an example of such an initiative.

**Box 6: Using regional integration to improve financial services for the poor**

On the information currently available for Botswana, Lesotho, Namibia and Swaziland access to financial services, apart from for savings, is poor. Access to credit ranges from below 2% of the adult population in Lesotho to around 14% in the other countries<sup>50</sup>.

The impact of regional integration on financial services is assumed to work through increased competition leading to products diversification – pushing financial intermediaries to offer services to the “unbanked”. Experts in the region suggested the competition emerging from the spread of predominantly South African Financial Institutions through the region is highly beneficial to existing customers but is not sufficient to lead to a change in business practice.

To promote access to financial services the lessons of South African in setting targets should be drawn on. Accompanying the FIP, the Committee of Central Bank Governors should commit SADC to setting targets for access for countries in the region. This would then be accompanied by assistance in Member States, with experiences being shared at the SADC level.

Enabling remittances to be transferred through cell phone banking transfers has also been identified as an area where regional integration could have a significant pro poor impact. Experts have commented that “To transfer 100 Rand from South Africa to Mozambique seems to cost 100 Rand”. Support should be considered to enable low transaction costs regional transfers, in particular for financial services aimed primarily at the poor – such as cell phone banking.

<sup>50</sup> <http://www.finmarktrust.org.za/documents/2003/MARCH/>



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## Mandate and objectives

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC), as a means of accounting for the management of the allocated funds and of promoting a lesson-learning culture throughout the organisation. Of great importance also, particularly in the context of the programmes of the so-called Relex Family of Directorates-General<sup>51</sup>, is the increased focus on impact against a background of greater concentration of external co-operation and increasing emphasis on result-oriented approaches.

The evaluation of the Commission's co-operation with **the Southern African Development Community (SADC)** is part of the 2005 evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with **SADC**.
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

## Background

**The Southern Africa Development Community, SADC** has 14 Member States: Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Malawi, Madagascar (from 2005), Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The region covers a total area of 9,277 square kilometres with a combined population of 195 million.

Although the SADC region has an aggregate GNI of approximately \$168 billion it is estimated that approximately 40% of the region's population lives below the poverty datum of \$1 a day and about 70% below than \$2 a day.

Poverty and HIV/AIDS continue to be the major challenges facing the SADC Region and the gains that had been made in the health and education sectors during earlier years continue to be eroded by the effects of the epidemic.

SADC was established in 1992 as a successor to the earlier Southern African Development Coordination Conference (SADCC), which had been established in 1980 by front line states to reduce economic dependence on Apartheid South Africa. With the democratic transition in South Africa in 1994, SADC was transformed into a regional integration organization committed to promoting economic growth and poverty reduction through establishing increased cross-border trade and investment. In 1996 eleven Member States signed a Trade Protocol aimed at establishing a free trade area. The implementation started in 2000. In recognition of the changing environment and the new challenges, SADC in 2001 following a substantial review process, established revised priorities for the organisation. Although it was decided to move towards a more centralised institutional set-up, the principle of subsidiarity was adopted. All programmes and activities should be undertaken at levels where they can

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<sup>51</sup> Directorates General of External Relations, (RELEX), Development (DEV), Enlargement (ELARG), Trade (TRADE) and the EuropeAid Co-operation Office (AIDCO).

best be handled based on consultations between governments and stakeholders. The involvement of institutions, authorities, and agencies outside SADC structures to initiate and implement regional programmes using their own resources should be promoted and encouraged.

In order to operationalise the restructuring process and provide a clear orientation for SADC's policies and programmes over the medium to long-term, a Regional Indicative Strategic Development Plan (RISDP) is being developed. The Plan is intended to set up a logical and coherent implementation programme of the main activities necessary for the achievement of the broader SADC developmental and integration goals.

In accordance with Article 177 of the Treaty establishing the European Community, and in application of Article 1 of the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, development cooperation policy puts the main emphasis on the objective of reducing and eventually eradicating poverty.

Cooperation between the Community and the Southern African Development Community shall pursue these objectives.

Article 28 of the Agreement presents the general approach for regional cooperation and integration. "Cooperation shall provide effective assistance to achieve the objectives and priorities, which the ACP countries have set themselves in the context of regional and sub-regional cooperation and integration. In this context cooperation support shall aim to: a) foster the gradual integration of the ACP States into the world economy; b) accelerate economic cooperation and development both within and between the regions of the ACP States; c) promote the free movement of persons, goods, services, labour and technology among ACP countries; d) accelerate diversification of the economies of the ACP States; and coordination and harmonisation of regional and sub-regional cooperation policies; and e) promote and expand inter and intra-ACP trade and with third countries".

A Regional indicative programme (RIP) between the EU Commission and SADC has been signed in 1996.

Within the framework of the EDF 9 SADC a Regional Strategy Paper and a Regional Indicative Programme (RSP/RIP) was signed in November 2002 for the period 2002-2007 with an initial indicative envelope of €101 million. Following the closure of the accounts of EDFs 6, 7 and 8, some €60 million was transferred to EDF 9.

The overall aim of the RSP/RIP is to increase economic growth and reduce poverty through higher levels of regional economic integration. The **first focal sector of Regional Integration and Trade** (allocated between 35% and 45% of the envelope) is the core area and supports SADC's regional integration agenda and the preparations for the Economic Partnership Agreement (EPA); **the second focal sector of Transport and Communications** (also allocated between 35% and 45% of the envelope) facilitates regional integration by improving missing links on, and rehabilitating, strategic transport networks which are vital for inter regional and international trade. **The non focal sector** (allocated up to 20% of the envelope), in addition to financing operations which had previously been earmarked for support under EDF 8, makes provision for support to the region's peace and security agenda and measures to combat, on a regional level, HIV/AIDS.

The implementation of the SADC RIP has been slower than originally scheduled as indeed is the case of most other regional programmes. In the present case, this underperformance is due to a number of factors the principal of which has been SADC's concentration in the past few years on its own organisational restructuring and its reflections on its Regional Indicative Strategic Development Plan (RISDP). Other contributing factors are the revisions to the EDF Financial Regulation (which has caused difficulties for regional organisations) and, until fairly recently, understaffing of the Commission's Delegation in Gaborone.

Despite these setbacks and the complexity of regional cooperation, it is important to continue EC support toward regional integration and to assist SADC in its EPA (European Partnership agreement) negotiations, even more so as it is identified as one of the focal areas of support in the Cotonou Agreement. The Commission considers that the strategy, agreed in 2002, is still relevant especially since the launching in 2004 of SADC's own Regional Indicative Development Plan (RISDP) which gave a new impetus to SADC's regional integration agenda by setting out detailed road maps for the establishment of a Free Trade Area by 2008 and a Customs Union by 2010.

The situation regarding the EPA negotiation is complex and requires particular attention due to the overlapping memberships and mandates of the Regional Integration Organisations (RIOs) in Eastern and Southern Africa. Accordingly, the SADC group of countries for the EPA negotiations is composed of Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania - South Africa participating in the negotiations as an observer. The remaining SADC countries (Malawi, Mauritius, Zambia and Zimbabwe which are members of the COMESA Free Trade Area as well as DRC) chose to negotiate in the Eastern and Southern Africa (ESA) group.

The SADC-EU EPA negotiations were launched in Windhoek, Namibia on 8 July 2004. The negotiations in 2005 were focused on regional integration, Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary measures (SPS). On the SADC side Botswana is the Chief Negotiator while an EPA Support Unit has been established in the Secretariat SADC.

## Scope

The scope of the evaluation is the Commission's co-operation with SADC and their implementation for the period 1996-2007.

The Consultant should assess:

- the relevance, coherence<sup>52</sup> and complementarity of the Commission's co-operation regional strategies for the period 1992-2007;
- the consistency between programming and implementation for the same period;
- the coherence and complementarity between the Commission strategies at regional and country level, (RSP and CSPs of the SADC countries); and complementarity to the ESA (East and Southern Africa) RSPs and RIPs.
- the implementation of the Commission's co-operation, focusing on effectiveness, impact and efficiency for the period 1992-2002, and on intended effects for the period under the programming cycle 2002-2007;

the following co-operation focal areas (1) Regional economic integration and Trade, (2) Transport (3), Institutional capacity building and Human resources, (4) Rural development, Environment and Food security.

- NB: Previous relevant evaluations, at country level as well as global thematic evaluations relating to the country and evaluations of instruments are important reference material to be taken into account. The Consultant should not deal the points already covered by these evaluations but use them and carry out further analyses.

## Methodology and Approach

The evaluation basic approach will consist of **five phases** in the course of which several methodological stages will be developed. The Consultant's contribution is essentially the area marked grey in the table below, to which the launch note should be added.

1. Preparation Phase	<ul style="list-style-type: none"><li>▪ Reference group constitution</li><li>▪ ToR's drafting</li><li>▪ Launch Note (Consultant)</li></ul>

<sup>52</sup> COM (2005) 134 of 12/4/05

<sup>53</sup> These components are not entirely sequential.

<p>2. Desk Phase<sup>54</sup> 3. Field Phase 4. Synthesis phase (seminar in the country)</p>	<ul style="list-style-type: none"> <li>▪ Structuring of the evaluation</li> <li>▪ Data Collection<sup>55</sup>, verification of hypotheses</li> <li>▪ Analysis</li> <li>▪ Judgements on findings</li> </ul>
<p>5. Feedback and Dissemination</p>	<ul style="list-style-type: none"> <li>▪ Quality Grid</li> <li>▪ Summary for the Commissioners concerned</li> <li>▪ Evinfo (summary for OECD and Commission databases)</li> <li>▪ <i>Fiche contradictoire</i> (a statement of key recommendations followed by the Commission's response)</li> </ul>

- PREPARATION PHASE

The evaluation manager identifies the Commission services to be invited to be part of the reference group, taking care that the objectives are met: an input of expertise and information, the expression of a range of pertinent opinions from the Commission and the legitimacy of the evaluation process.

The reference group acts as the main professional interface between the Consultant and the Commission services. The group's principal functions will be:

- to provide an opinion on the Terms of Reference prepared by the Evaluation Unit ;
- to provide the Consultant with all available information and documentation about the object of the evaluation;
- to examine the inception note and subsequent reports produced by the Consultant;
- to provide a judgement on the quality of the work of the Consultant;
- to assist in assuring feedback and the update of the findings and recommendations from the evaluation into future programme design and delivery.

The evaluation manager prepares the ToR of the evaluation and sends it to the Consultant.

The Consultant will present a *launch note*<sup>56</sup> which should contain: (i) his understanding of the ToR; (ii) the provisional composition of the evaluation team with CVs; (iii) a budget proposal. The launch note will be referred to the reference group for comments.

<sup>54</sup> It includes interviews in Brussels and could include a short mission

<sup>55</sup> The study will draw on the contents of (i) all relevant documentation supplied by the Commission Services, and (ii) documentation from other sources (to be precised).

<sup>56</sup> In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

- DESK PHASE

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage, which leads to the production of an inception report.

The main part of the work consists in the analysis of all key documents which are to the Commission's co-operation (past and present) with **SADC (Southern African Development Community)** (in particular the strategy and programming documents). The Consultant will also take account of the documentation produced by other donors and international agencies.

On the basis of the information collected and analysed, the Consultant will:

- a) reconstruct the intervention logic of the EC in the framework of its co-operation with **SADC**. The reconstructed logic of the intervention will be shaped into one or more logical diagrams of effects which must be based strictly on official texts. Prior to the elaboration of the effects diagram(s), the Consultant will have (i) identified and prioritized the co-operation objectives as observed in official texts;(ii) translated these specific objectives into intended effects. These intended effects will form the "boxes" of the diagram(s). Possible "gaps" in the intervention logic should be indicated and filled on the basis of assumptions to be validated by the reference group. The logical diagram(s) of effects will help to identify the main evaluation questions;
- b) propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements;
- c) identify appropriate judgement criteria and preliminary indicators for each evaluation questions selected. For each question, at least one judgement criterion should be identified, and for each such criterion appropriate a limited number of quantitative and qualitative indicators should be identified;

*A first meeting will be held with the reference group to explain and approve the logical diagram(s) and the evaluation questions.*

- d) include a description of the development/co-operation context of the Commission with SADC.
- e) propose suitable working methods to collect data and information in the Commission's headquarters and in the country and present appropriate methods to analyse the collected data and information, indicating any limitations.

The report will also confirm if necessary, (i) the final composition of the evaluation team and (ii) the final calendar. These two latter points will be agreed and confirmed through a formal exchange of letters between the Consultant and the Commission.

This phase may include a short preparatory and exploratory visit in the field by the Consultant and/or a representative of the Evaluation Unit.

Upon approval of the inception report, the Consultant proceeds to the final stage of the desk phase during which he will:

- present the finalised quantitative and qualitative indicators;
- present the first elements of responses to the evaluation questions and the first hypotheses to be tested in the field;
- present suitable methods of data and information collection in the country indicating any limitations and describing how the data should be cross-checked; for example: interviews both structured and unstructured interviews, focus groups, questionnaires, additional literature, seminars or workshops, case studies, etc. The consultant will also indicate selection criteria and suggest the **countries to be selected for case studies**. It is expected that a limited number of countries (4 – 5), will be selected as case studies.
- propose appropriate methods of analysis of the information and data collected, again indicating any limitations of those methods;
- propose a list of activities, projects and programmes for in-depth analysis in the field, examples of project assessment sheets, examples of interview guides, etc.

At the conclusion of this work, the Consultant will present a draft desk phase report<sup>57</sup> setting out the results of this first phase of the evaluation including all the above listed tasks (the major part of the Inception report will be put as an annex of the desk phase report). **The field mission may not start until the proposed methodology will be approved by the evaluation manager.**

- FIELD PHASE

Following acceptance of the desk phase report, the Consultant undertakes the field mission in the countries selected as case studies. The fieldwork shall be undertaken on the basis set out in the desk phase report and approved by the reference group in accordance with the relevant Delegations. If during the course of the fieldwork any significant deviations from the agreed methodology and/or schedule are perceived necessary, the Consultant must have received the approval of the Evaluation Unit before they can be applied. At the conclusion of the field study, the Consultant presents the preliminary findings of evaluation:

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<sup>57</sup> See annex 2 for the draft outline structure of the desk phase report



- (1) during a de-briefing meeting with the Delegations;
- (2) to the reference group, shortly after his return from the field.

- FINAL REPORT-WRITING PHASE

The Consultant will submit the draft final report in conformity with the structure set out in annex 2 with account being taken of comments received during de-briefing meetings with the Delegations involved and the reference group (cf.4.3).

If the evaluation manager considers the report of sufficient quality (cf. annex 3), he will circulate it for comments to the reference group, which will convene to discuss it in the presence of the evaluation team.

On the basis of comments expressed by the reference group and the Evaluation Unit, the Consultant will make the appropriate amendments. The revised draft final report will be presented at a seminar to be held in Botswana or if not possible, in Brussels. The purpose of the seminar is to present the results the conclusions and the preliminary recommendations of the evaluation to the National Authorities, to the Delegations as well as to all the main stakeholders concerned by the co-operation (representatives of civil society organisations, other donors, etc.).

The Consultant should prepare a presentation (*power point*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports.

On the basis of the comments expressed at the seminar and on the basis of further comments from the reference group, the Delegation and/or the evaluation manager, the Consultant will prepare the final report. The Consultant may either accept or reject the comments but in case of rejection he must motivate (in writing) his reasons (the comments and the Consultant's responses are annexed to the report).

The presentation (*power point*) will be revised in accordance to the final report.

- DISSEMINATION AND FOLLOW-UP

After approval of the final report, the Evaluation Unit proceeds with the dissemination of the results (conclusions and recommendations) of the evaluation. The Evaluation Unit (i) makes a formal judgement on the quality of the evaluation (cf. annex 3); (ii) prepares an evaluation summary following the standard DAC format (EvInfo); (iii) prepares and circulates a "Fiche contradictoire". The final report, the quality assessment grid, the EvInfo and the "Fiche contradictoire" will be published on the Website of the Evaluation Unit.

## evaluation questions

The evaluation will be based on the criteria endorsed by the OECD-DAC: relevance, impact, effectiveness, efficiency and sustainability. The criteria will be given different weightings in based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Relevance of the strategy/programme:** this includes both relevance to the general objectives of the EC and relevance to the needs and priorities of **SADC** (including the choice of target groups).

- **Design of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen are adequate in relation to the objectives set out in the programming documents. The Consultant will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) are appropriate to the objectives.
- **Consistency of the implementation in relation to the strategy:** the Consultant shall verify the extent to which the calendar and implementation of the intervention programming (type of interventions, geographical and sectoral distribution, instruments, aid delivery channels, etc.) are consistent with the regional strategy. He shall demonstrate who are the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.
- **Achievement of main objectives:** the Consultant shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended. The Consultant will also identify the changes with occurred in the areas on which EC programmes were supposed to produce an impact.

**Efficiency of the implementation:** it will be necessary to question to what extent funding, human, resources, regulatory, and/or administrative resources contributed to, or hindered, the achievement of the objectives and results.

- **Sustainability of the effects:** an analysis of the extent to which the results and impact are being, or are likely to be, maintained over time.

**Key cross-cutting issues:** for example gender, environment human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent that account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention.

- **The 3Cs (co-ordination, complementarity and coherence):**

Co-ordination and complementarity with EU Members States, and other donors; coherence with EU policies (including the Member State own policies).

## Responsibility for the management and the monitoring of the Evaluation

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group (cf.4.1).

## The Evaluation Team

The evaluation team should possess a sound level of knowledge and experience in:

- evaluation methods and techniques in general and, if possible of evaluation in the field of development and cooperation; and a sound knowledge of the Commission procedure (particularly those related to EDF);
- the region;
- the following fields: trade and regional integration, transport, capacity building and human resources, rural development, environment and food security.

- the following languages: English and, Portuguese in case of missions in one or more PALOP countries.

The Evaluation Unit strongly recommends that the evaluation team should include local consultants (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

## Timing

The dates mentioned in the following section may be changed with the agreement of all concerned.

<i>Evaluation Phases and Stages</i>	<i>Notes and Reports</i>	<i>Dates</i>	<i>Meetings</i>
RG Composition	Notes	December 2005	
ToR	Draft	January 2006	
	Final	End- January 2006	
Starting Stage	Launch Note	February 2006	
<b>Desk Phase</b>			
Structuring Stage	Short presentation (logical diagram and EQ)	End-February	RG Meeting (kick off meeting)
	Draft Inception Note	March 2006	
	Final Inception Note	March 2006	
Desk Study	Draft Desk Report	April 2006	RG Meeting
	Final Desk Report	April 2006	
<b>Field Phase</b>			
	Presentation	May 2006	RG Meeting
<b>Final Report-Writing Phase</b>	Draft Final Report		
	1 <sup>st</sup> draft Final	June 2006	RG Meeting
	2 <sup>nd</sup> draft Final	June 2006	
	Seminar	July 2006	
	Final Report	August 2006	

## Cost of the Evaluation

The overall cost of the evaluation is expected to be around 240 000[€]

This amount includes a provision (reimbursable costs) of maximum €7.000 for the organisation of the seminar in the country.

The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

### 10. Payments Modalities

The payments modalities shall be as follows: 30% on acceptance of the inception note; 50% on acceptance of draft final report; 20% on acceptance of final report. Seminar related costs are to be invoiced, and paid, separately.

***ANNEX I: INDICATIVE DOCUMENTATION FOR THE EVALUATION***

*NB: the following list is indicative and has to be adapted/expanded where appropriate*

All legal texts and political commitments for the periods covered

All Country Strategy Papers/National Indicative Programmes (and equivalent) for the periods covered

All Regional Strategy Papers/Regional Indicative Programmes (and equivalent) for the periods covered.

Annual reports and mid-term reviews

Relevant documentation from local authorities and other local partners

The relevant Commission Regulations

Other Commission/Government Agreements

Key Local Organisations and Government Policy and Planning Documents

Previous Evaluations and Monitoring Reports relating specifically to the ACP Pacific

Previous Evaluations and Monitoring Reports (ROM database) relating specifically to the ACP Pacific

Relevant documentation from other donors

## ***ANNEX 2: OUTLINE STRUCTURE OF THE FINAL REPORT***

The final report should not be longer than approximately 50/60 pages. Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes.

The detailed report structure will be agreed during the evaluation process, taking into account the lessons learnt from the ongoing Country strategy evaluations and the specificity of the present evaluation.

1. Executive summary (5 pages maximum)
2. Evaluation framework: brief background to the evaluation, the purpose of the evaluation, evaluation questions and evaluation methodology.
3. Context (including Commission objectives, overall political economic social situation in **the Southern Africa Development Community, SADC** Commission strategies and programmes for **SADC**, regional programmes if relevant)
4. Findings: they should be presented through answers to the evaluation questions. The analysis leading to findings must be clearly visible in the report.
5. Conclusions: they will be organised by clusters (not necessarily following the order of the evaluation questions). Each conclusion should both include a synthesis of the related findings and express a judgement on the aspect of the EC support considered. This part will also include an overall assessment on the EC support to **SADC**.
6. Recommendations: they should be clearly linked to the conclusions and prioritised, options should be presented)

Annexes should include:

- logical diagrams of EC strategies;
- judgement criteria forms;
- list of the projects and programmes specifically considered;
- project assessment fiches;
- list of people met;
- list of documentation;
- ToRs;
- any other info which contains factual basis used in the evaluation or tables
- etc.

**ANNEX 3 - QUALITY ASSESSMENT GRID**

<b>Concerning these criteria, the evaluation report is:</b>	<b>Unacceptable</b>	<b>Poor</b>	<b>Good</b>	<b>Very good</b>	<b>Excellent</b>
<b>1. Meeting needs:</b> Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
<b>2. Relevant scope:</b> Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
<b>3. Defensible design:</b> Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
<b>4. Reliable data:</b> To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
<b>5. Sound analysis:</b> Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
<b>6. Credible findings:</b> Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
<b>7. Validity of the conclusions:</b> Does the report provide clear conclusions? Are conclusions based on credible results?					
<b>8. Usefulness of the recommendations:</b> Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
<b>9. Clearly reported:</b> Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
<b>Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.</b>					



## Annex 3 Intervention Logic

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## Overview of the Intervention Logic

The Intervention Logic as presented in the Inception Note and re-assessed during the desk phase is further reviewed in the following pages.

The *ex ante* Intervention Logic is based on the Intervention Framework of the RSP/RIP 2002-2007 (EDF9) and the 1996-2001 RIP (EDF8). Although there are significant overlaps between EDF8 and EDF9, there are also significant differences. Therefore it has been necessary to prepare a separate Intervention Logic for each.

The EDF RIP8, at the level of objectives (Global impact) envisages sustained socio-economic development leading to improvements in the standard of living and improved quality of life, and in the long term to the securing of peace and structural stability in the SADC region – with “poverty alleviation” as one of the “outcomes”.

Meanwhile, EDF9 is more in line with the present overall objective of EU cooperation with the developing countries and with the Millennium Development Goals, which place poverty eradication as the primary and overarching objective of EU development policy<sup>58</sup>.

In the specific framework of the EC cooperation with ACP countries, the **overall regional objective** acquires a poverty reduction focus. The objective “to increase economic growth and reduce poverty through support for higher levels of regional economic integration”, has **Poverty Reduction** as the intended contribution to the longer term impact. This is envisaged as being achieved through integration of the SADC countries into the world economy, which will lead to increased economic growth and sustainable economic and social development of the SADC countries.

Both the RSP/RIP and SADC’s own RISDP (issued in 2004) follow the vision of the Cotonou Agreement. Although the Cotonou Agreement was only signed in 2000, both EDF8 and EDF9 can be seen as fitting within the framework of the intentions of the Agreement in respect of Regional Co-operation and Integration.

As outlined in the Windhoek Declaration SADC has identified four sectoral co-operation and integration areas: <sup>59</sup>

- Trade/Economic Liberalisation and Development
- Infrastructure Support for Regional Integration and Poverty Eradication
- Sustainable Food Security
- Human and Social Development

These overlap to a large extent with the EC’s own sectors of co-operation from EDF7, through EDF8 to EDF9. Thus (i) Trade and Investment and (ii) Infrastructure remain major areas of concentration. In addition, regional integration remains the key thrust of both the EDF8 and EDF9.

Food Security, Agriculture and Natural Resources, an important component under EDF8, was not retained under EDF9. However, as previously agreed Food Security will be retained in this Evaluation as a third area of priority on the basis both that there are projects under implementation <sup>60</sup> and also that Food Security is likely to feature more strongly under EDF10. Particularly the link between food security, the

<sup>58</sup> European Consensus on Development 2005.

<sup>59</sup> Windhoek Declaration, para. 41., p.10

<sup>60</sup> Food Security projects make up some 5% of “planned disbursements” – as compared to 9% for Regional Integration and Trade and 40% for Transport and Communications. The pie chart .in section 6.1.2 gives a complete overview of planned distribution based on the projects thus far identified.

rural economy and poverty alleviation was strongly underlined as a further reason for inclusion under EDF10 (reference is made to the statement by Louis Michel, Commissioner EC Development and Humanitarian Aid <sup>61</sup>).

The situation in SADC during the EDF9 period has also been characterised by a number of unforeseeable climatic problems and resultant food shortages. This has had a strong influence on the economic development of a number of the countries in the SADC region and hence on the regional integration process.

Separate intervention logic diagrams for EDFs 8 and 9 were developed during the Inception Phase, incorporating all focal and non-focal areas. The respective Intervention Logic structures for both EDF8 and EDF9 are shown below. In addition, separate sectoral intervention diagrams, based on the respective Intervention Logic structures for both EDF8 and EDF9, have been developed for Trade, Transport, and Food Security. For Trade and Transport these cover both EDF8 and EDF9; for Food Security, which was not a sector under EDF9, only EDF8 interventions are shown. The diagrams are shown as part of the discussion of each sector. The diagrams have been particularly useful in the development of the Evaluation Questions. Each statement in the Intervention Logic diagrams is supported by a reference to an official EC text. These references are included at the end of this Annex.

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<sup>61</sup> Louis Michel: Regional Programming Seminar 2006. Speech to Plenary Session, 25<sup>th</sup> February 2006 – Gaborone, Botswana.

Diagram 3: Intervention Logic: EDF8

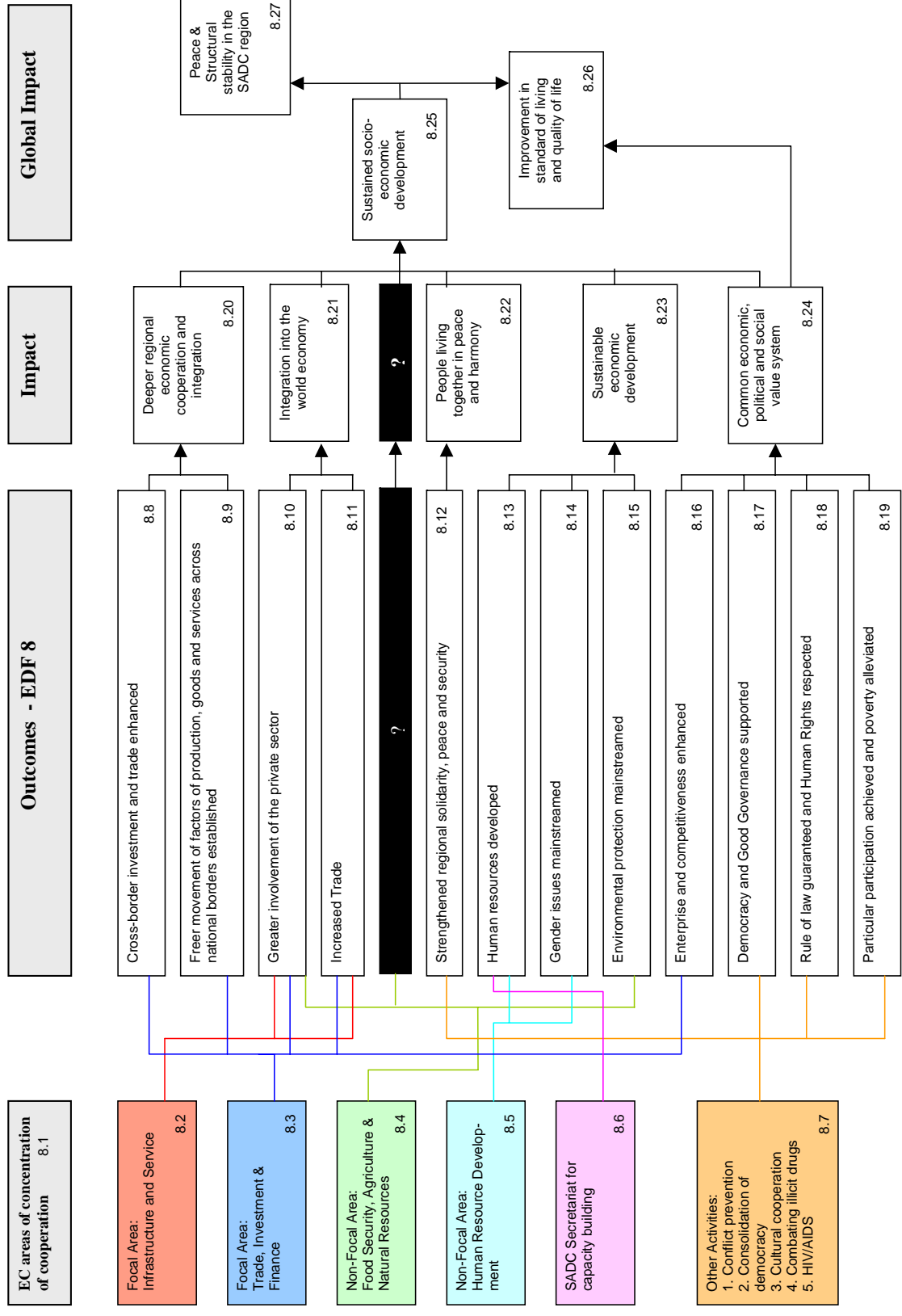
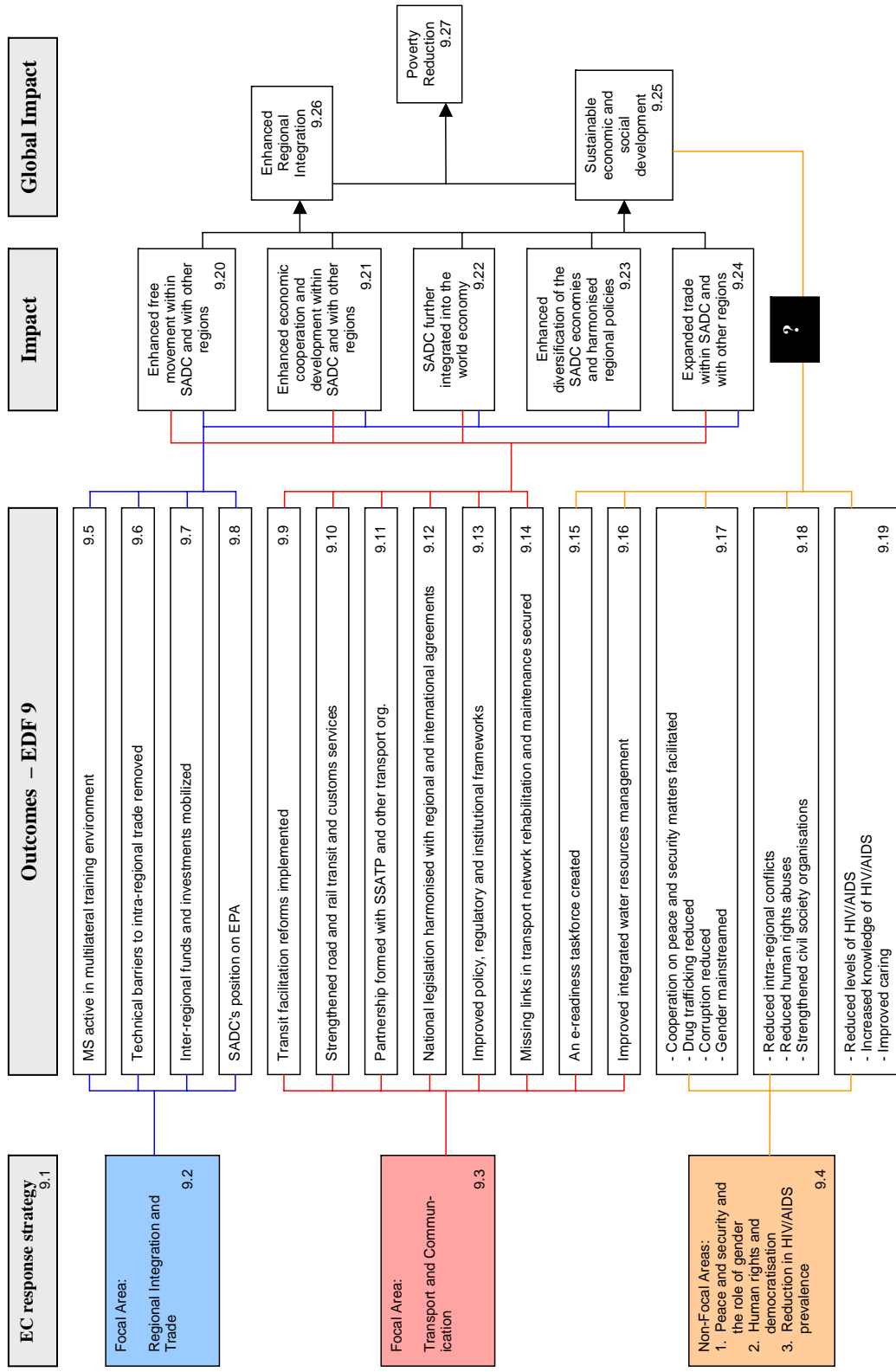


Diagram 4: Intervention Logic: EDF9



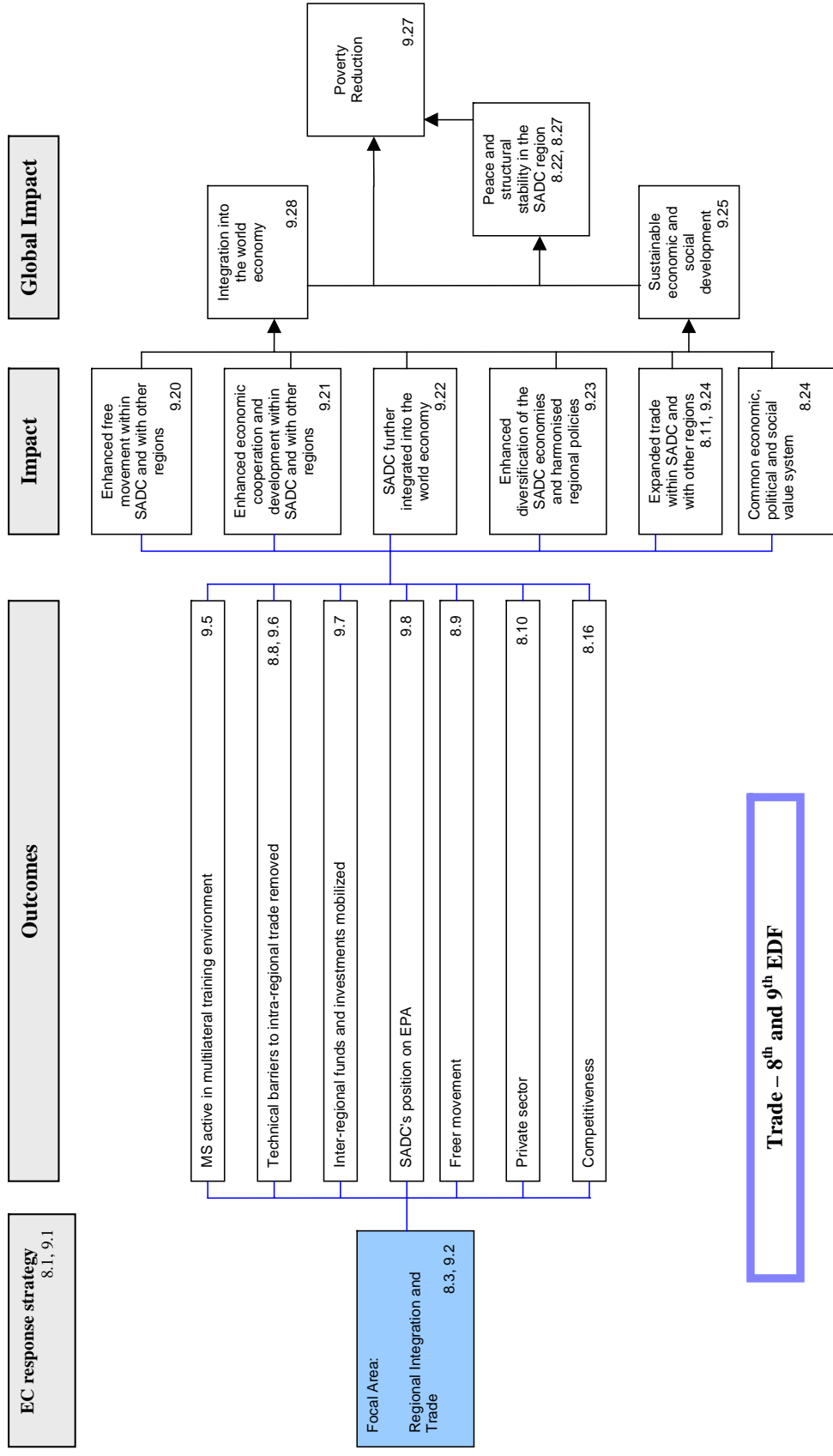
## Regional Integration and Trade

- INTRODUCTION

Regional integration and trade has been an increasingly important element in EC support to the region, reflecting the growing emphasis of these two issues in development and poverty reduction, as articulated in the Cotonou Agreement. The first section contains a review of EC strategy and its alignment with SADC objectives in the area of regional integration and trade. Key areas for support are then set out. The analysis then turns to assessing the challenges for effective and efficient implementation of support.

The Intervention Logic for the Regional Integration and Trade sector outlines the EC response strategy as covered in the EDF8 and EDF9 RIPs. This section will focus on those outcomes and impacts covered by the IL.

Diagram 5: Intervention Logic for the Regional Integration and Trade sector





- STRATEGIES IN RELATION TO REGIONAL INTEGRATION AND TRADE

Regional integration and trade is important in the strategies of both EDF8 and EDF9. Both have as objectives the freer movement of factors of production, goods and services across national borders and integration in the world economy. The EDF8 Regional Strategy Paper is relatively more SADC-specific in the role of regional integration. In particular it identifies the importance of: addressing the restrictive trade policy of South Africa; regulation of a regional labour market already in existence; use of regional instruments for, for example, macro convergence to enhance economic stability; and facilitation of cross border investment through, for example, bank guarantees and direct assistance to entrepreneurs. The strategy paper for EDF9 draws heavily on the consensus reached in the Cotonou Agreement, emphasising support to EPA negotiations, enhancement of investment particularly with the support of a conducive investment climate, and regionalisation as a tool for integration into the world economy.

The importance given to regional integration and trade increased between EDF8 and EDF9 from 20% to 35–45% of the RIP. This is consistent with (1) the greater emphasis on trade as a tool for development, as recognised in the Cotonou Agreement and manifested in the EPA process (2) the comparative advantage of the Commission in the area of trade and development as set out in the European Consensus on Development. The Consensus notes that "Drawing on its own experiences, and exclusive competence in trade, the Community has a comparative advantage in providing support to partner countries for integrating trade into national development strategies and supporting regional co-operation whenever possible."<sup>62</sup>

In terms of the indicative programmes the EDF9 addresses more fully specific activities in support of SADC integration than the activities of the EDF8 RIP (see next section).

The overall objective of EC development co-operation, explicitly stated in EDF9 and implicit in EDF8, is poverty eradication. SADC's objective for regional integration is also to promote poverty alleviation and ultimately its eradication.<sup>63</sup> Furthermore, given that the SADC regional integration process is defined and shaped by the ACP countries themselves, EC support can be considered to be aligned with the principles of ownership and partnership.<sup>64</sup> In principle, therefore, support to SADC is consistent with the broad policies of EC co-operation with the ACP, as set out in the Cotonou Agreement and the European Consensus on Development<sup>65</sup>.

**A fundamental issue of consistency and coherence?** Though coherence and consistency are not fundamental to the Evaluation Question on regional integration and trade, an issue often raised by critics relates to the Commission's assertion that EPAs are to further regional integration in the ACP negotiations. Yet the SADC region has split in EPA negotiations, with the majority of SADC countries that also belong to COMESA negotiating with the EU as part of the ESA group. However, consultations during the field visits have highlighted that with both COMESA and SADC aiming to become Customs Unions, countries with overlapping membership of the two Regional Economic Communities would have had to choose which Customs Union to belong to, irrespective of the EPA. EPA negotiations may have only catalysed this process.

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<sup>62</sup> Paragraph 49.

<sup>63</sup> Article 5 of the Declaration and Treaty of the Southern African Development Community.

<sup>64</sup> Ownership and partnership to be lacking in the development of trade arrangements under the EPA can be questioned.

<sup>65</sup> Joint Statement, "The European Consensus on Development" 2005 (14820/05, ANNEX I)

Under EDF8, support to regional integration and trade was provided through two programmes. The EU–SADC Investment Promotion Programme (ESIPP 8 ACP, €16.3 million) aims to promote investment through enhancing the capacity of regional investment promotion agencies and bringing together potential investors from SADC, the EU and third countries. The SADC Regional Statistical Training Project (8 ACP, €4.8 million) aims to help SADC countries improve the availability of relevant statistical data.

EC assistance proposed under the EDF9 is now more focused on supporting the development of an appropriate regulatory framework for regional integration and trade and building capacity in, *inter alia*, trade negotiations.

More specifically under EDF9 there are the following:

- **A greater focus on Technical Barriers to Trade**

Programmes will include: Support to SADC Member States in Standards, Quality Assurance, Accreditation and Metrology (SQAM) (9 ACP SAD 007: €14.2 million); Capacity Building on Maximum Residue Levels in food and feed products (€7.5 million)<sup>66</sup>; and a Foot and Mouth Disease Control Project (€12.6 million plus €3.2 million from STABEX to Zimbabwe).

This is fully in line with the challenges now facing the region – as tariffs decline Technical Barriers to Trade (TBT) become more important. It is also appropriate given the increasing difficulties of the region in accessing EU markets as a result of food and safety regulations. If implemented effectively, the programme is likely to be of significant relevance to the region.

- **Trade facilitation**

Programmes will include a Customs Modernisation Programme (9 ACP SAD, €18 million).

As with TBTs, administrative barriers at the border are central to reducing the cost of trade and therefore the cost of doing business. These measures are particularly relevant for landlocked countries, which are generally poorer. Also, administrative costs are a relatively greater constraint for small, poor traders which are the conduit for so much trade in the region; small-scale cross border trade is estimated to account for as much as 50% of all trade.<sup>67</sup> If implemented effectively, the programme is likely to be of significant relevance to the region.

- **Direct support to negotiations**

Programmes will include: Support to SADC Regional Integration and its Participation in the Multilateral Trading System (9 ACP SAD 004 for €1.9 million); the EPA Support Facility (9 ACP SAD 006, €7.5 million).

This reflects the increasing burden on countries in the SADC region in the light of the EPA negotiations. It is also appropriate; given the greater complexity of “behind the border measures” in, for example, trade in services, which are now on the agenda for negotiations, both regionally and multilaterally. Direct support to negotiations is not limited to the SADC EPA group but is open to all SADC Member States. Similarly, this project provides support to SADC to the development of intraregional liberalisation of trade in services and the development of a services annex to the Trade Protocol.

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<sup>66</sup> Sanitary and Phytosanitary (SPS) requirements and the roles these play in TBT are of crucial importance.

<sup>67</sup> Peberdy (2002).

- **Enhancing the framework for investment**

Programmes here include Support to the Finance and Investment Protocol (FIP, €16 million).

With notable exceptions, the region has continued to under-perform in terms of attracting Foreign Direct Investment (FDI). At the same time South Africa has emerged as a major investor in the region – even outside SACU. Support to enhancing the flow of FDI and regional investment remains a central challenge and intervention in this area is of significant relevance to the region. However, implementation of the Memoranda of Understanding outside the banking and financial sector has been patchy and generally poor.<sup>68</sup>

- **Ongoing and planned projects**

In addition to the above, a number of additional ongoing and planned EC funded trade related projects will be integrated into the field phase. These include Mozambique (forthcoming € 5.75 million project to support the Integrated Framework process), Angola (€ 3 million Train For Trade project), Malawi (€ 1.6 million support to the EPA process), Namibia (€ 3 million trade and regional integration project), Swaziland (forthcoming € 1.8 million trade and competitiveness project) and also Tanzania with the tourism training programme (€ 2.5 million) in the field of trade in services.

In assessing whether the implementation of the strategy of support to SADC regional integration and trade is likely to be effective and deliver impact, key challenges need to be taken into account:

- Dynamics of regional integration – in terms of both geographical configuration and level of ambition. To what extent is the likely impact of programmes vulnerable to these dynamics?

A preliminary assessment of trends in the region suggests that future integration will centre on the EAC/ESA and SACU, and the likelihood that SADC will move beyond a Free Trade Area is in doubt. Basing the EPA on the TDCA also brings engagement with South Africa more to the fore.

- **Implementation at the level of the Member States**

The extent to which impact is vulnerable to capacity constraints in Member States and whether this is being addressed needs to be assessed - either through regional or national assistance. Mitigating arrangements are also being put in place within the various programmes (e.g. conditions to improve collaboration between SADC and COMESA for TBT issues, and between SADC, COMESA, EAC and SACU for customs issues, etc...).

- **“Ownership” of the proposed areas of support**

Ownership of the EC support programme cuts across all areas and will be tested in the field phase, especially as this will involve an assessment of the consultation process with stakeholders in the region. However, we can draw on three processes to gain an initial indication of the priority these areas are given within SADC.

In support of the SADC–EC EPA, a Regional Preparatory Task Force (RPTF) has been established. Sanitary and Phytosanitary (SPS) requirements and Technical Barriers to

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<sup>68</sup> “Scoping Study on the Finance and Investment Sector in SADC” Genesis Analytics (2004)

Trade (TBT) were identified as priorities in SADC–EC trade relations and work has already been carried forward by the RPTF in these areas.

The Mid-Term Review of the SADC Trade Protocol was a high profile review of the implementation of the SADC Free Trade Area. The Review indicated that tariff liberalization schedules were generally on track, though needing to be accelerated. Rather the Mid-Term Review identified non-tariff barriers (NTBs) as an emerging key constraint. Of these NTBs, customs administration rated as a high priority.

The recent agreement by the SADC EPA group to base the EPA negotiations on the provisions of the TDCA will have provided a direction that was previously lacking, as this should allow capacity building support to EPA negotiations to accelerate.

Finally, the new Executive Secretary of SADC, Dr. Tomaz Salomão, has issued a statement on priorities for his tenure of office. He has recognised that “the scale of interventions in the RISDP and the SIPO exceed the capacity and resources available to SADC Institutions both at regional and national levels. The only way out is for us to prioritise”. Economic regional integration is one of the three priority areas. The other two priorities are co-operation in peace, defence and security and the development of “an efficient infrastructure and services across the region”<sup>69</sup>.

- Are there alternative mechanisms of delivery that may be more effective and efficient?

The current strategy of support to regional integration and trade works primarily through the SADC infrastructure. An effective regional organisation supporting a process of regional integration, which has strong political backing from Member States, is *prima facie* a very suitable channel for EC assistance.

However, political commitment should not be taken for granted, particularly in a region where trade arrangements are so fragmented and overlap to the extent that they do. There are other significant challenges. Regional integration must be implemented to benefit all countries but currently South Africa is often seen as a predator. National interests in the regional integration agenda often differ, and can be affected by political cycles in Member States. Furthermore, regional approaches are often slow, with many of the benefits accruing to some countries only over the longer term. This dampens the enthusiasm for a project that requires strong political commitment to make regional integration work.

Using SADC as the main vehicle to achieve the objectives of regional integration may be inefficient relative to other delivery mechanisms. For example, this concern has led the Regional Trade Facilitation Programme<sup>70</sup> of the UK Department for International Development (DFID) to address assistance to regional integration in Southern Africa *via* an **issue-based approach** as opposed to an **institution-based approach**. The activities of USAID's Trade and Competitive Hub in Gaborone are also now independent of SADC structures and processes, although where appropriate it does work in co-operation with SADC.

Where political commitment, ambition or economic self-interest varies widely, it is necessary to evaluate support to SADC regional integration and trade relative to potential alternatives. The use of a range of delivery mechanisms may be a more efficient and effective approach. However, it will also require *an assessment of whether alternative instruments of implementation are available*.

<sup>69</sup> SADC Executive Summary, “Priorities During My Office of Tenure”, available at the SADC website.

<sup>70</sup> [www.rtfp.org](http://www.rtfp.org)

- **SUMMARY**

The strategy of support for SADC regional integration and trade is broadly consistent and coherent with EC policies, although some critics have questioned this with regards to the EPA – probably unfairly. An initial review suggests the evolution of the strategy and the areas of support reflect developments in the SADC region, and the specific areas of support are relevant for regional integration within SADC. Insofar as it is possible to make an assessment during the desk phase, most of the programmes of support can be implemented in large measure irrespective of the dynamics of regional integration, although implementation may be a challenge in countries belonging to both SADC and COMESA or the EAC. However, the customs administration programme and support to the Finance and Investment Protocol need to consider carefully the potential consequences of SADC becoming irrelevant as a vehicle for regional integration beyond a Free Trade Area. There are preliminary indications of ownership in the areas of SPS and TBT, customs administration and support to EPA negotiations. But implementation at the Member State level also needs to be assessed during the field phase. Other donors in the region have been seeking to work with a broader range of mechanisms of delivery at the regional level. The extent to which this is feasible in the key areas of support will be examined in the field phase.

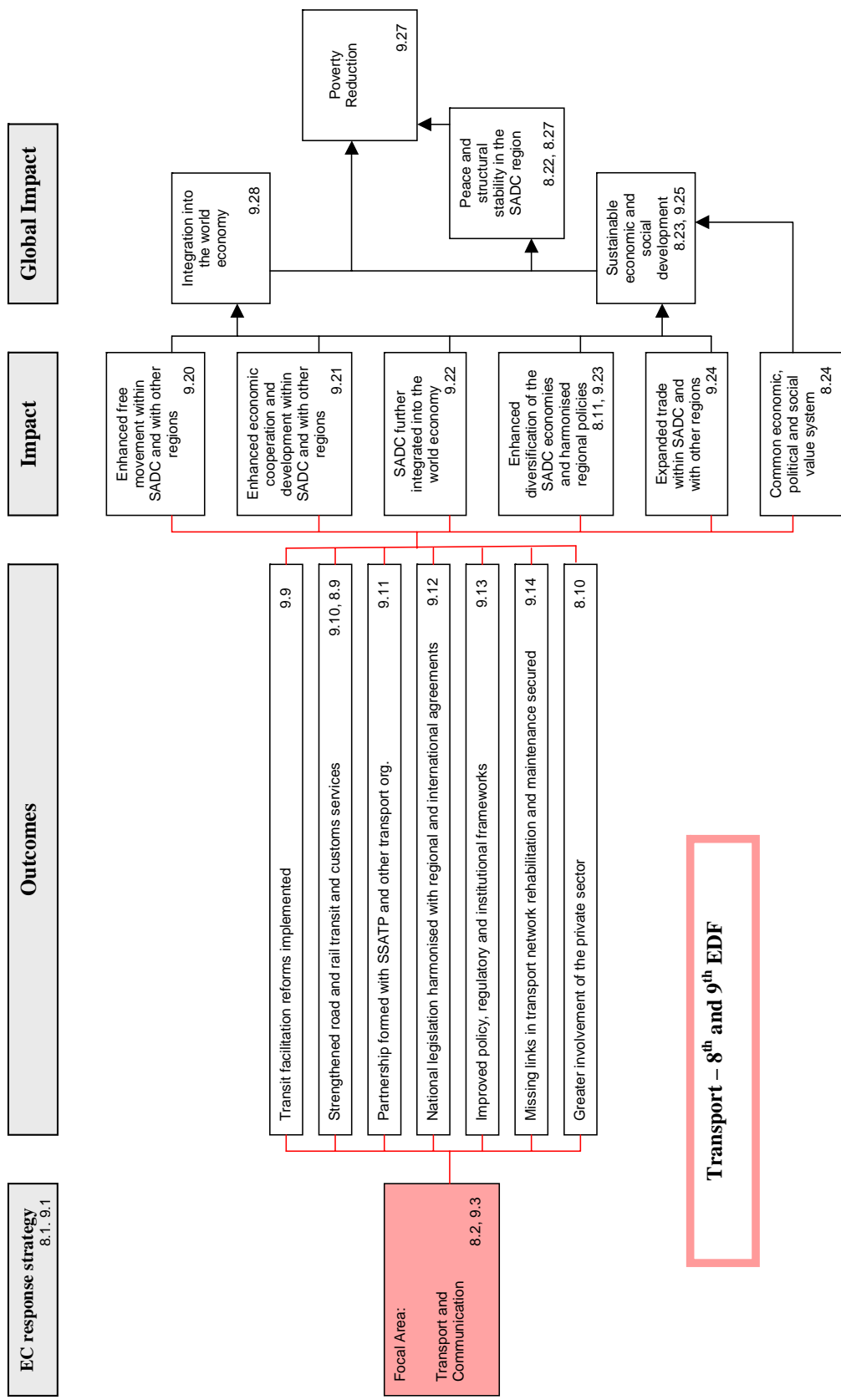
## Transport and Communications

- **INTRODUCTION**

The Evaluation defines 'transport' as road, rail and air infrastructure and services; and 'communications' as telecommunications infrastructure and services. The EDF8 includes support to energy as part of "Infrastructure and Services"; and the EDF9 includes water resources management as part of "Transport and Communications". EC support to energy and water resources management are not included as part of the evaluation's consideration of "Transport and Communications".

The Intervention Logic for the transport sector outlines the EC response strategy as covered in the EDF8 and EDF9 RIPs. This section will focus on those outcomes and impacts covered by the IL.

Diagram 6: Intervention Logic for the Transport and Communication sector





- **EC/SADC Co-operation on Transport and Communications**

The objectives of the EDF8 of the SADC RSP/RIP (1996-2001) related to "Infrastructure and Services" are: enhancement of services in the region; support to regional growth, promotion of intra-regional trade; and sharing of the region's energy resources. On the basis of the commitments of participating governments to sectoral reforms, EDF8 should therefore focus *inter alia* on: support to SADC on the regional legal and regulatory frameworks; restructuring of railway transport systems; rehabilitation and maintenance of the regional road networks; and assistance to the region's port services. The EC will support sectoral policies coherently with other donor interventions on the basis of SADC Member States' commitment to sectoral reforms.

The concentration on infrastructure has focused on regional corridors including ports. The EDF8 RIP allocated € 54 million to the transport sector, with the NIPs contributing €420 million. The transport sector has been relatively slow in absorbing the resources – part of the reason being that a number of the projects proposed in the mid-1990s were not adequately mature and had to be deleted from the pipeline.

The objectives of the EDF9 of the SADC RSP/RIP (2002-2007) in the context of "Transport and Communications" are: promotion of policy, legal and regulatory reforms aimed at creating an environment conducive to private sector investments in the provision, operation, maintenance and management of transport and communications systems; and improvements in transport networks through provision of assistance for establishing missing links or rehabilitating critical parts of the region's transport and communications networks. Investments in the Malawi/Mozambique Milange-Mocuba and Kilimane axes have been identified as one option. The intended effects of the EC's support are an increase in traffic flows throughout the region - which would result in greater regional economic development - and a reduction in transport costs. Substantial infrastructure investments, which have a regional dimension, are envisioned under the following NIPs: Lesotho (20%), Malawi (33%), Mozambique (31%), Tanzania (40%) and Zambia (38%).

The need to work towards a more uniform and systematic implementation of transit facilitation reforms is emphasised in the interests of further improving co-operation at operational level between regional bodies and with private sector organisations. SADC/SATCC (Southern African Transport and Communications Commission) will look into the possibility of forming a partnership with the Sub-Saharan Transport Policy Programme (SSATP) that encompasses the Road Management Initiative, Rural Travel and Transport, Urban Mobility, Railway Restructuring, and Trade and Transport. SSATP is active in eight SADC countries.

The NIPs indicate that Malawi, Tanzania and Mozambique are the countries where transport and the regional dimension are given high priority. According to the EDF9 RSP/RIP Lesotho and Zambia are countries where transport is also given a high priority but is not elaborated in great detail in the NIPs.

**EC/SADC Annual Operational Review 2003, December 2003:** The Review ascertained that implementation of the regional projects is substantially behind schedule. At the meeting between SADC and EC officials, which took place in Gaborone in March 2003, it was *inter alia* discussed how synergy and coherence between regional (RIP) and national (NIPs) initiatives could be ensured. Regional co-operation should not merely be an accumulation of national programmes, but rather it should complement and strengthen what is being done at national level.



South Africa's European Programme for Reconstruction and Development (EPRD) can also finance regional programmes.

**Mid-Term Review of the EDF9 RSP/RIP, 2004:** The 2004 Mid-Term Review confirms that the Strategy agreed in 2002 is still relevant, especially since the launch of RISDP, which gave a new impetus to SADC's regional integration agenda. The transport and communications focal sector will thus continue to facilitate regional integration by bridging missing links and rehabilitating strategic transport networks, which are vital for inter-regional and international trade. Owing to SADC's capacity constraints, the financial allocations were revised, which for the transport programmes implied that management was transferred to the relevant national authorising officers (NAOs). The transport programmes were found to be consistent with the AU/NEPAD priority transport plan and it was therefore suggested that they be earmarked under the proposed EU-Africa Infrastructure Facility.

No commitments had been made for new projects by the end of 2004, but studies and other related work were under way. Financing decisions were expected in 2006/early 2007 for the Lubango-Santa Clara<sup>71</sup> road and the Milange-Mocuba road. The delays in the transport and communications focal sector have been the direct result of the SADC restructuring process. As a result of poor performance within the sector, the Commission has reduced the amount allocated to the sector to €161 million, which will result in postponement or abandonment of certain project proposals already under discussion.

**Joint Progress Report on co-operation between SADC and EC, 2005 (JPR):** The JPR states that implementation of the EDF9 RIP is on average two years behind schedule. The causes of the delay are primarily related to SADC structural reform process and the complexity of EC' project implementation procedures. The JPR recommends no change of in the RSP/RIP strategy for the remainder of EDF9. The experience gained in programming regional EDF resources indicates that particular attention should be given to the complementarities of EDF support at regional and national levels. Both the Commission and SADC (Secretariat and Member States) should take the initiative of ensuring synergy and complementarities between RIPs and NIPs.

The following EDF9 RIP projects have been agreed:

- Investment in the Malawi/Mozambique, Milange Corridor: The RIP identifies the Milange-Mocuba Road, which serves trade between the two countries and links Malawi to the Mozambican ports. The Malawian section of the corridor has been completed using EDF8 RIP funds (€8 million) and EDF8 NIP funds (€28.5 million). The Mozambican section will be constructed using resources from the EDF9 RIP and EDF9 NIP – the NAO-Mozambique has allocated € 15 million.
- Investments in the Trans-Kunene Corridor: The Lubango-Santa Clara Road (415 km) is a key section in the western North-South corridor prioritised by SADC. The road was initially to be financed by the EDF8 RIP/NIP. The rehabilitation of the Lubango-Santa Clara Road will unlock economic development opportunities in the Northern-Southern Corridor and in the adjoining Walvis Bay, Trans-Caprivi and Trans-Kalahari corridors. A financing proposal was to be submitted during the first quarter of 2006 (it is now uncertain if this project will be funded by EDF, as the Chinese Government may fund the project).

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<sup>71</sup> The Chinese Government may undertake the financing of this road.

- The SADC Secretariat is reviewing possible options for future development of the Walvis Bay, Trans-Kalahari, Trans-Caprivi and Lobito corridors. A possible € 1 million is available under the EDF9 RIP for feasibility studies.

There are a number of risks related to the realisation of these three projects in particular as a result of the cut-off date of July 2007 stipulated by the Commission in relation to commitment of funds for these projects. The situation of the Lubango-Santa Clara Road has already been mentioned above; there may be difficulties financing the Milange-Mocuba Road and the Walvis Bay Corridor seems unlikely to be funded.<sup>72</sup>

As elsewhere, previous interventions in the transport sector were driven by the individual Member States and were from the outset prepared as national projects with resources primarily drawn from the NIPs and supplemented by the RIP. With the 'regionalisation' there was initial uncertainty as to the responsibility for the undertaking of road projects between SADC and Member States.

Between 2000 and 2002 the EPRD contributed to five regional projects, none of which was concerned with transport and communications. Under the 2003-2006 Indicative Programme, no SADC projects were co-funded from EPRD. A number of projects were tentatively identified for potential co-financing, but no firm proposals had materialised (December 2005).

### SADC Protocol on Transport, Communications and Metrology, 1998

This Protocol requires that:

- The Member States' general objective should be to establish transport, communications and meteorology systems which provide efficient, cost-effective and fully integrated infrastructure and operations which best meet the needs of customers and promote economic and social development while being environmentally and economically sustainable. Member States shall promote economically viable integrated transport service provision in the Region to support the development of major regional development corridors and facilitate travel between their territories.
- Member States agree to ensure and sustain the development of an adequate roads network in support of regional socio-economic growth by providing, maintaining and improving all roads including primary, secondary and tertiary and urban roads, including those segments which collectively constitute RTRN (regional trunk road network).
- Member States agree to take advantage of international technological developments and to develop national telecommunications networks for the provision of reliable effective and affordable telecommunications services.

### SADC Regional Indicative Strategic Development Plan

The development of seamless, integrated, efficient, safe, cost-effective and responsive transport, communications and meteorology systems are important to the realisation of the general objectives of SADC. The SADC Protocol on Transport, Communications and Meteorology, signed in 1996 and effected in 1998, provides the legal and broad

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<sup>72</sup> As noted by the AIDCO SADC Desk

policy framework for co-operation and defines the strategic goals for the transport, communications and meteorology sectors.

Progress has been made in reforming the institutional and funding arrangements of the Member States' transport sector. The majority of Member States have Road Agencies and Funds, there is increasing separation of ownership and operations in seaports and railways, concessioning of railways has taken place, and autonomous civil aviation authorities continue to be introduced. International conventions in maritime transport and civil aviation are being applied.

The strategy as elaborated in the EDF9 RSP was confirmed to be appropriate by both the 2004 Mid-Term Review and the 2005 Joint Progress Review and to be consistent both with SADC's development agenda and, as regards transport, also with the AU/NEPAD Priority Transport Plan (SADC Transport Plan).

It is evident from an initial assessment of the available information that the NIPs' contribution to regional transport systems is significantly higher than the RIPs'. The theme of harmonising and creating synergies between NIPs and RIPs has been consistently considered by all reviews. Due to SADC's capacity constraints it has been decided to transfer implementation responsibilities to the NAOs. This raises the issue of whether the SADC Secretariat should have an implementation capacity of its own, or whether it should rather focus on the regional planning aspects and facilitate the effective integration of the regional dimension into the NIPs. The SADC Member States have established regulatory and operational agencies, which could undertake the detailed planning and implementation responsibility, as proven in the past. Most of the Member States' transport agencies have separated regulatory and operational functions. Maintenance funding remains, however, a serious challenge.

Except for the WB and EC, none of the other ICPs have been involved in regional transport and communications projects. However, the bilateral co-operation between the ICP and the SADC Member States has included substantial interventions of regional significance. This emphasises the need to consider the combined national and regional interventions in the transport and communications sector in a broader perspective. This situation raises the issue whether a regional sector-wide approach (SWAp) would be relevant, focusing on major development corridors of regional importance.

Implementation of the RIP and NIP transport and communications projects has been significantly delayed for reasons stated above. Most of the available information is related to the EDF8 NIP projects – even though information is available for less than half of them. The road sector is by far the most prominent infrastructure/ transport sector with emphasis on the physical aspects. Apparently there is only limited support to cross-border transport facilitation, even though this aspect is a major dimension of the RSP.

The transport projects with a regional dimension are concentrated on relatively few countries, mainly Tanzania, Zambia, Malawi and Mozambique. The EDF9 RIP has identified support to Angola, Namibia and Mozambique. However, the support to Angola may not materialise, as the Chinese Government may implement the Lubango-Santa Clara Road. Few EDF9 NIP projects appear to be in the pipeline.

## Food Security

### • INTRODUCTION

The Food Security issue has always played a prominent role in the national politics of most of the SADC Member States. Two major factors have to be considered in this context. There have been several natural disasters in the region during the last decade, which provoked serious food shortages for great parts of the population in some countries. On the other hand a few of the SADC countries, such as Botswana and Namibia, have problems of a structural nature securing their food supply from their natural national agricultural production and have to be seen as net food importers in the long run. Others like South Africa can, in the first place, be seen as one of the most important producers of food crops in the SADC region and in fact they supply alimentary products mainly to the SACU neighbours and Mozambique. A group of Member States (e.g. Tanzania, Malawi and Zambia) dispose of favourable or sufficient agricultural potential and would be able to secure the national food demand, under normal conditions. But owing to a number of limiting conditions the supply is far below requirements.

At national level the most relevant limitations are insufficient capacity to prevent the spread of diseases; a failure to deliver products of sufficient quality; inadequate infrastructure; poor storage and marketing facilities; insufficient cargo handling and access roads; high energy costs; poor communication facilities and insufficient use of modern communications technology; and inconsistent flow of input supplies.<sup>73</sup> However, at regional level the shortage of food in one country should be easily compensated for by surpluses in another. Thus the potential for improved, increased intra-SADC agricultural trade is immense; but tariff, non-tariff, technical and bureaucratic barriers are obstacles to increased intra-regional trade. Hence one of the key factors for Food Security is the Trade sector, which at the same time is interrelated with the Transport sector. The transport costs and the cross-border hindrances have an influence not only on the region's trade competitiveness, but also a direct impact on food supplies.

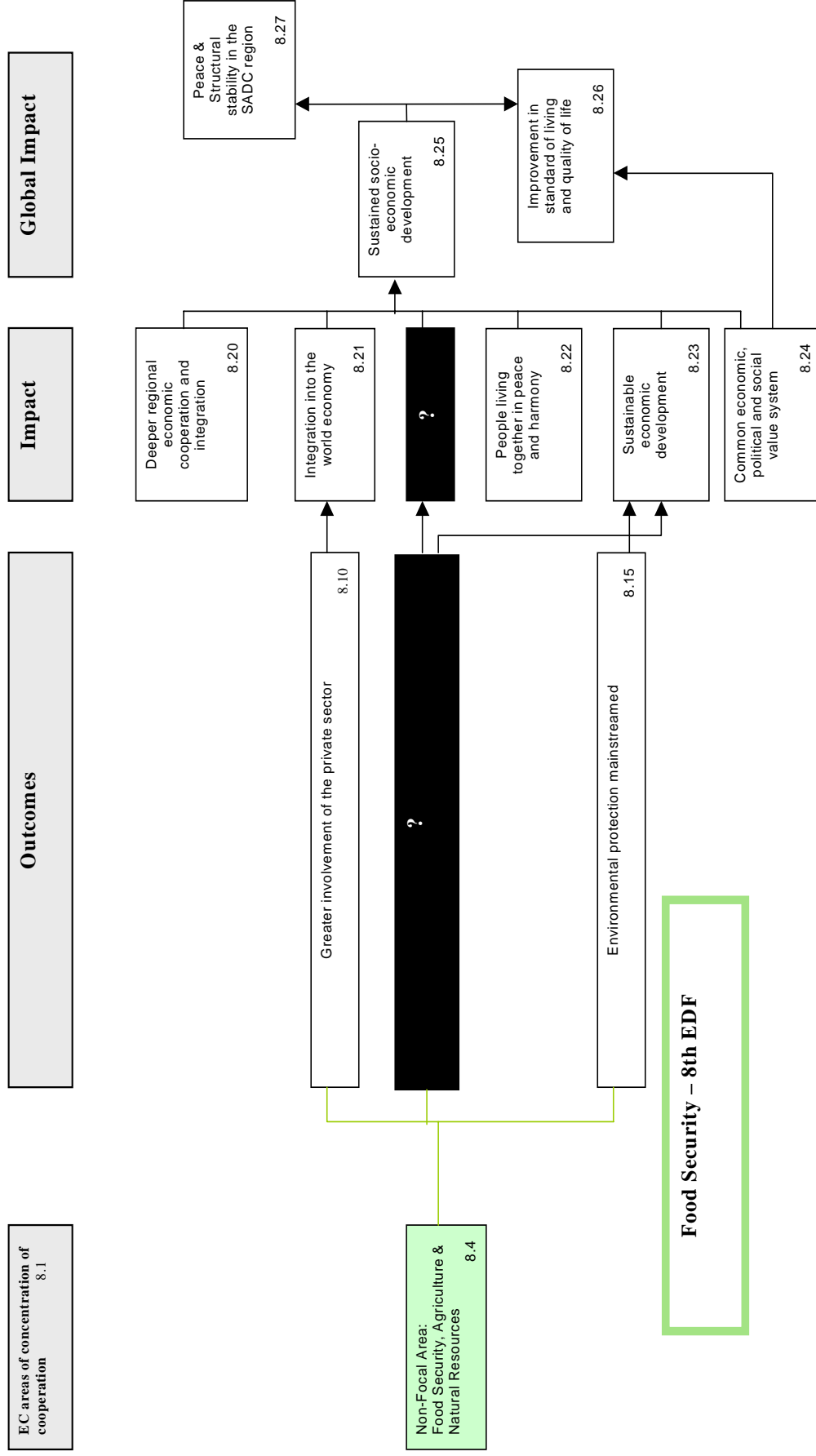
In general terms there are two Food Security strategies: (1) response to emergency situations (floods, droughts) with short-term programmes mainly organizing immediate food supplies for the affected population; and (2) integrated long term programmes with the objective of sustainable Food Security. This second concept is the approach of the projects supported by the EC. The Food Security strategy was clearly explained at the Windhoek Conference in April 2006 when the relationship between Food Security, Agricultural Development and Natural Resources was defined.<sup>74</sup>

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<sup>73</sup> SADC Barometer, Bramfontein, SA, April 2004

<sup>74</sup> Conférence Consultative SADC (Rapport AIDCO/CI), 25-26 April 2006, Annexe 4

Diagram 7: Intervention Logic for the Food Security Sector



- **FOOD SECURITY IN THE RSP & RIP**

In the EDF8 Strategy Paper and Regional Indicative Programme (1996 – 2001) Food Security, Natural Resources and Environment had been defined as one of five priority areas. In the list of the proposed strategies the two focal sectors trade and infrastructure have had to be complemented by two additional areas: human resource development, and agriculture and natural resources. In the RIP, signed 1992 in Maputo, a share of up to 20% of the EC support was to be allocated to these two sectors.

The importance of the Food Security sector was not reflected in the number of regional projects in EDF8, since most of the food security projects were of national nature – and a response to a national situation - with little relevance for the regional integration process.

In EDF9 (2002 – 2007) Food Security has been downgraded in the sense that it is only listed under non-focal sectors for which altogether up to 20% of the RIP indicative budget of €101 million is being allocated. In fact the issue has to be considered in the context of poverty reduction, an issue that was not explicitly defined as an objective in EDF8. Within the Food, Agriculture and Natural Resource sector (FANR) the region has developed an integrated policy and strategy based on the principles of increased food production and productivity, sustainable management of natural resources, and diversification of agriculture-based economies. The overall programme of the SADC FANR sector directorate, created in 2001, includes seven interrelated sub-sectors (research and training, crops, livestock, inland fisheries, forestry, wildlife, and marine fisheries).

In the EDF9 RIP FANR is not considered under the non-focal sector with the result that no new projects have been planned. The sector projects implemented after 2002 are financed through EDF8, or had been planned in earlier phases but are being implemented only now. The most important programme was the 7-year Regional Monitoring, Control and Surveillance of Fishing Activities with a total amount of €13.34 million, of which Angola, Namibia, Mozambique and Tanzania were the beneficiaries (NIPs of the four countries). This programme started in 2000 and was concluded at the end of 2005. Under EDF9 four major projects with regional scope have been approved or are under final preparation<sup>75</sup> (Food Security Training Programme; Agricultural Research and Training; Regional Integration in the SADC Livestock Sector; and ECOFAC contribution to DRC Forest Project)

The funds allocated under the 9<sup>th</sup> EDF to the Regional Food Security Training Project (RFSTP) supplemented the RFSTP funded from the 8<sup>th</sup> EDF. This project was concluded at the end of 2005. Additional food security related projects include the Land and Water Management Applied Research Programme (EDF 8) and the EDF funded SADC Foot and Mouth Disease Project (EDF 9).

Food security is very much related to poverty alleviation in a much broader sense and therefore is not only confined to agriculture-related issues. All sectors of EC cooperation from EDF 8 and EDF 9 are linked to food security in the sense that they promote economic growth and thus improvements in food access. As an example, the whole of EDF 8 contributes to the enhancement of food security in the region by supporting economic growth and regional integration. The regional programme thus attempts to respond to medium- to long-term food insecurity. It complements partially the national programmes and thus tackles food security issues with both agriculture and natural resources projects (ICART, PRINT, L&W) but also trade, economic diversification and capacity building related projects. Transport and infrastructure also clearly have agricultural production and productivity elements.

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<sup>75</sup> Joint Progress Report 2005



The Intervention Logic for the Food Security Sector remained fairly simple, probably as a result of the down-prioritisation of the sector under the EDF9 RIP.

The impact chain of the 'Food Security' sector Intervention Logic indicates the contribution of the sector to the integration process and the global impact. In this context there will be given only a preliminary answer for Judgement Criteria 1 and 2, indicated in the black boxes with a question mark (Food Security Intervention Logic). Under this logic, an outcome in a coherent sense with the SADC policy of the FANR Directorate has to relate to the increased agricultural production as well as to a higher share of food and other agricultural products to the GDPs.

Although the problems are tackled nationally and the projects as well as the relevant government actions seem to have no regional orientation, a number of issues reveal the regional dimension. Climate factors are clearly of regional significance as are the river basins. As mentioned above, when we look at the issue in the form of long term integrated food security policy, there has to be included not only expanded and sustainable agricultural production but also its economic impacts. It has also to take into consideration the effective and efficient use of environmentally suitable and sustainable use of land and other natural resources. The same refers to regional early warnings systems which, so far, are not in place at the regional level; only in some member countries have national programmes recently been started.

As part of this process the activities of programmes under SADC FANR will be considered including the Zimbabwe-based activities of the Regional Vulnerability Assessment Committee (RVAC) and the links with the national Vulnerability Assessment Committees; the Regional Remote Sensing Unit (RRSU) and its links with Famine Early Warning Systems Network (FEWSNET) which also includes a number of SADC countries (Angola, Malawi, Mozambique, Tanzania, Zambia, Zimbabwe); and the Drought Monitoring Centre (SADC-DMC).<sup>76</sup>

There is sufficient potential for the SADC region to be self-sustaining in most of the basic food production requirements necessary to achieve regional food security and even to serve as the bread-basket for much of Southern and Eastern Africa. The regional dimension becomes crucial if this is to be achieved and the aspects of complementarity and coherence with other sectors will play an important role. These sectors are mainly the two other principal sectors covered in this evaluation: trade, transport and communication.

There has been no SADC Protocol signed regarding the policy of the FANR sector. The only protocols, which exist, cover a number of the sub-sectors. These protocols are: Tourism (14/09/1998); Wildlife Conservation and Law Enforcement (18/08/1999); Fisheries (14/08/2001); Forestry (3/10/2002)

A number of documents analyzing the situation in the SADC countries and the integration process indicate that the Food Security issue should be given more priority in future programmes and strategies. In the context of the overall 'Poverty Reduction' objective, food production and the agricultural sector plays an important role since the economic structure of the SADC Member States is to a large extent agriculture-based. Commissioner Louis Michel, in his intervention on EDF10 programming for SADC, has brought Food Security back into focus, suggesting that it again needs to be addressed in a more prominent way.<sup>77</sup>

Agriculture is the backbone of the economy of the SADC region and about 80% of the population of the region depend on agriculture for income and employment. The

<sup>76</sup> It is noted that these organisations are based in Zimbabwe where field visits are not expected to take place as a result of the suspension of the EC's Zimbabwe programme.

<sup>77</sup> Louis Michel; Regional Programming Seminar 2006 Gaborone (speech/06/)



structure of production of SADC countries is dominated by primary sectors of production, namely, agriculture and mining, whose total contribution is, on average, over 50% of total GDP. The performance of agriculture has a strong influence on food security, economic growth and stability in the region. The focus of this sector seems to be addressed mainly in a national context as a contribution to economic development and equitable distribution within the societies of the Member States, and thus as a task primarily for the relevant national governments.

Food Security is a top priority in the SADC Agenda and features prominently in the RISDP as one of the key intervention areas. The regional dimension and the relation of the FANR sector to the integration process have often not been reflected in the relevant national policies and projects.<sup>78</sup> This seems still to be the case despite the Dar-es-Salaam Declaration on a pro-active strategy for regional food security, a Declaration which followed the Extraordinary Summit of SADC Heads of State and Government which took place in Dar-es-Salaam in 2004. It needs to be noted that Food Security also needs to be approached in an overall regional context, since a direct link exists between the Food Security and the national and regional trade (and transport) sector. Looking at the potential within the whole SADC region, food production is likely to be able to supply the needs of all the member countries. The main reason for the need for assistance from the international community is the repeated regional disasters such as extreme droughts or floods that have affected a number of countries in the region. Other causes of food supply problems are the poor management of natural resources, insufficient uptake of agricultural inputs, the HIV/AIDS situation, which has decreased the agricultural workforce, and the lack of a clearly defined food security policy in SADC Member States' governments.

## Confirmation of Intervention Logic

The Intervention Logic as presented in the Inception Note and re-assessed during the Desk Phase is further reviewed in the following pages.

The three main sectors which form the core of the evaluation are closely inter-linked, thus responding to the EC's integrated aim of global impacts in "regional integration", "sustained economic and social development" and "poverty reduction", as well as being coherent with the policies of SADC as contained in the RISDP, and the various protocols and policy declarations.

The table below gives a concise synopsis of the main elements of the sector programmes described in this chapter, and shows the coherence with SADC policy on the one hand and the EC programmes the other. Based on the preliminary impact hypotheses, some key indicators and possible problem areas have been defined.

The table shows the coherence and inter-linkage between the three main sectors, which also underlines the importance of the strategic approach. As indicated in the Intervention Logic structures, all three play an important part in the achievement of the overall objectives of poverty alleviation. HIV/AIDS is an important cross-cutting issue particularly linked to the Food Security and to the Transport sectors.

The EDF8 RIP, at the level of objectives (Global impact) envisages sustained socio-economic development leading to improvements in the standard of living and improved quality of life, and in the long term to the securing of peace and structural stability in the SADC region – with "poverty alleviation" as one of the "outcomes". Meanwhile, EDF9 is more in line with the present overall objective of EU co-operation with the developing countries and with the Millennium Development Goals, which place poverty eradication as the primary and overarching objective of EU development policy.<sup>79</sup> In the specific framework of EC co-operation with ACP

<sup>78</sup> Joint Factual Development of the Status of SADC Regional Integration, January 2006, p. 31 f.

<sup>79</sup> European Consensus on Development 2005.

countries, the **overall regional objective** acquires a poverty reduction focus. The objective "to increase economic growth and reduce poverty through support for higher levels of regional economic integration" has **poverty reduction** as the intended contribution to longer-term impact. This is envisaged as being achieved through integration of the SADC countries into the world economy, which will lead to increased economic growth and sustainable economic and social development of the SADC countries.

However, analysis of some of the most important indicators in relation to poverty reduction for the SADC region are pessimistic as regards the achievement of these objectives, with the conclusion of the SADC/EC Joint Progress Report on Co-operation stating that "human poverty appears to be deepening in all SADC countries, with the exception of Mauritius, and the achievement of the MDGs by 2015 seems rather unlikely".<sup>80</sup>

The trends revealed in some of the principal development indicators relevant to the SADC region seem to confirm these pessimistic conclusions in respect of the region (see also the discussion under EQ 10 in Annex 1)

Nonetheless, achievement of the poverty reduction objectives remains of utmost importance and the Evaluation Team can see no reason to question either the importance of the objectives or the logic for achieving them at this stage.

However, the main conclusion reached is that while the intervention logic is sound, the time dimension has not been sufficiently taken into account. Given the implementation difficulties faced, the time horizon for the achievement of the poverty reduction objectives was not realistic and could not be achieved within the time horizon of a single EDF.

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<sup>80</sup> SADC/EC Joint Progress Report on Co-operation, 2005, p.2

Table 10: Sector programmes, coherence with SADC policy and with the other sectors

F/NF	Sector / programmes (RSP & RIP)	Coherence with SADC policy	Coherence with other sectors	Indicator: instruments / mechanisms in place	Possible problems
F	Trade <ul style="list-style-type: none"> <li>- Standards (SPS)</li> <li>- Maximum Residue Levels</li> <li>- Customs modernisation</li> <li>- Negotiations (EPA, WTO)</li> <li>- Finance and Investment</li> </ul>	Trade Protocol and annexes (SPS)  Memoranda of Understanding and draft protocol on Finance and Investment.	Transport	Cross-border facilities Development of transport infrastructure	Physical and regulatory bottlenecks at borders, ports and transport nodes, and "missing" infrastructure.
F	Transport & Communication <ul style="list-style-type: none"> <li>- Rehabilitation and maintenance of missing links in regional transport network</li> <li>- Transport facilitation reforms</li> <li>- Co-operation between regional transport bodies and private sector organisations</li> </ul>	Transport, Communication and Metrology Protocol  RISDP	Trade  Food Security  HIV/AIDS	Condition of transport infrastructure and services.  Size of transport networks.  Food security early warning systems indicating regional requirements  HIV/AIDS monitoring systems established nationally and in the region	Maintenance funding and capacity.  Rate of expansion of the regional network. Inter-regional co-ordination.  Transport of food supplies  Transport corridors as main vectors for transmission of HIV/AIDS

NF	<p><b>Food Security, Agriculture &amp; Natural Resources</b></p> <ul style="list-style-type: none"> <li>- Regional Information systems</li> <li>- Intra-regional trade</li> <li>- Post harvest techniques</li> <li>- Sustainable management</li> <li>- Marine resources</li> <li>- Water &amp; land management                             <ul style="list-style-type: none"> <li>- Diversification of crops and increased productivity</li> <li>- Development of agro-industries</li> </ul> </li> </ul>	<p>* Policy of Directorate FANR</p> <p>* Dar es Salaam Declaration</p>	<p>Trade:</p> <p>Transport:</p> <p>Communication:</p> <p>HIV/AIDS</p>	<p>Intra-regional exchange</p> <p>Cross-border facilities</p> <p>Road conditions</p> <p>Market access</p> <p>Forecast of production and mutual information (functioning early warning systems)</p> <p>HIV/AIDS monitoring systems established nationally and in the region</p>	<p>Availability of information and relevant products</p> <p>Tariff and non tariff barriers, and national policies (including food health standards and customs administration)</p> <p>Storage facilities</p> <p>Post harvest processing</p> <p>Access road to affected and vulnerable rural areas</p> <p>Harmonization of information flow</p> <p>Early warning systems missing at regional level</p> <p>HIV/AIDS morbidity and mortality affects agricultural production</p>
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## APPENDIX 1: References for EDF8 Intervention Logic

This appendix provides the references from the formal EC documentation which supports the Intervention Logic for the 8<sup>th</sup> EDF Regional Indicative Programme for the Southern Africa Development Community

8.1	"Areas of concentration" is the term used in the 8th EDF RIP for the EC support	RIP-EDF8, Section II, pg 3
8.2	Focal Area: Infrastructure and Services	RIP-EDF8, Section II, para. 12.1. pg 3
8.3	Focal Area: Trade Investment and Finance	RIP-EDF8, Section II, para. 12.2. pg 6
8.4	Non-Focal Area: Food, Agriculture and Natural Resources	RIP-EDF8, Section II, para. 13.2. pg 8
8.5	Non-Focal Area: Human Resources Development	RIP-EDF8, Section II, para. 13.1. pg 7
8.6	Capacity Building in the SADC Secretariat	RIP-EDF8, Section II, para. 15. pg 8
8.7	Under "Other Activities", the following are listed: <ul style="list-style-type: none"> <li>• Conflict prevention and consolidation of democracy</li> <li>• Cultural cooperation</li> <li>• Combating of illicit drug trafficking and HIV/AIDS</li> </ul>	RIP-EDF8, Section II, para. 14. pg 8
8.8	Cross-border investment and trade enhanced	RIP-EDF8, Section I, para. 3.a
8.9	Freer movement of factors of production, goods and services across national borders	RIP-EDF8, Section I, para. 3.a
8.10	Greater involvement of the private sector	RIP-EDF8, Section I, para. 3.e
8.11	Increased trade	RIP-EDF8, Section I, para. 3.e
8.12	Strengthened regional solidarity, peace and security	RIP-EDF8, Section I, para. 3.c
8.13	Human resources development	RIP-EDF8, Section I, para. 3.d
8.14	Gender issues	RIP-EDF8, Section I, para. 3.d
8.15	Environmental protection	RIP-EDF8, Section I, para. 3.d
8.16	Enhancing enterprise and competitiveness	RIP-EDF8, Section I, para. 3.b
8.17	Democracy and good governance	RIP-EDF8, Section I, para. 3.b
8.18	Respect for the rule of law and the guarantee of human rights	RIP-EDF8, Section I, para. 3.b
8.19	Popular participation an alleviation of poverty	RIP-EDF8, Section I, para. 3.b
8.20	Deeper regional economic cooperation and integration	RIP-EDF8, Section I, para. 3.
8.21	Integration into the world economy	RIP-EDF8, Section I, para. 3.e
8.22	People living together in peace and harmony	RIP-EDF8, Section I, para. 3.c
8.23	Sustainable socio-economic development	RIP-EDF8, Section I, para. 3.d
8.24	Common economic, political and social value system	RIP-EDF8, Section I, para. 3.b
8.25	Sustained socio-economic development	RIP-EDF8, Section I, para. 4

8.26	Improvement in the standard of living and improved quality of life	RIP-EDF8, Section I, para. 4
8.27	Peace and structural stability in the SADC region secured.	RIP-EDF8, Section I, para. 4

RIP-EDF8	CEC. Regional Indicative Programme for the Cooperation under the Second Protocol of the Fourth Lomé Convention between the Southern Africa Development Community and the Commission of the European Communities, 1996	
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## APPENDIX 2: References for EDF9 Intervention Logic

This appendix provides the references from the formal EC documentation, which supports the Intervention Logic for the 9<sup>th</sup> EDF Regional Indicative Programme for the Southern Africa Development Community

9.1	"Response strategy" is the term used in the 9th EDF RIP for the EC support	RSP/RIP-EDF9, Section 5, p.27
9.2	Focal area: Regional Integration and Trade	RSP/RIP-EDF9, Annex 1, p. 38
9.3	Focal area: Transport and Communications	RSP/RIP-EDF9, Annex 1, p. 39
9.4	Non-focal areas: <ul style="list-style-type: none"> <li>• Peace and security, and the role of gender</li> <li>• Human rights democratisation</li> <li>• Reduction in HIV/AIDS prevalence</li> </ul>	RSP/RIP-EDF9, Annex 1, p. 40
9.5	Member States active in multilateral training environment within the framework of WTO	RSP/RIP-EDF9, Annex 1, p. 40
9.6	Technical barriers to intra-regional trade removed	RSP/RIP-EDF9, Annex 1, p. 40
9.7	Inter-regional funds fore investment mobilised	RSP/RIP-EDF9, Annex 1, p. 40
9.8	SADC position on EPA	RSP/RIP-EDF9, Annex 1, p. 40
9.9	Uniform and systematic implementation of transit facilitation reforms	RSP/RIP-EDF9, para 115, p.34
9.10	Strengthened road and rail transit traffic facilities, customs facilitation, regulatory framework and linking statistics, trade and transport	RSP/RIP-EDF9, para 116, p.34
9.11	Partnership formed with SSATP (Sub-Saharan Transport Policy Programme) and private sector regional transport associations.	RSP/RIP-EDF9, para 117, p. 34
9.12	National legislation updated and harmonised to match regional and international agreements	RSP/RIP-EDF9, para 118, p.34
9.13	Policy, legal, regulatory and institutional reforms creating an environment conducive to private sector investment	RSP/RIP-EDF9, para 119, p.34
9.14	Improved transport network through provision of missing links and rehabilitation and maintenance of existing infrastructure.	RSP/RIP-EDF9, para 120, p.34
9.15	An e-readiness taskforce created focusing on e-participation and on the implementation of ICT in the SADc region	RSP/RIP-EDF9, para 120, p.34
9.16	Improved integrated water resources management	RSP/RIP-EDF9, para 121, p.35
9.17	<ul style="list-style-type: none"> <li>• Cooperation on peace and security matters facilitated</li> <li>• Drug trafficking and use reduced</li> <li>• Levels of organised crime, money laundering, bribery and corruption reduced</li> <li>• Gender mainstreaming in peace and security issues</li> </ul>	RSP/RIP-EDF9, Annex 1, p.40
9.18	<ul style="list-style-type: none"> <li>• Reduced levels of intra-regional conflict</li> <li>• Reduced levels of human rights abuses in the region</li> <li>• Strong and focused human rights civil society organisations in the region</li> </ul>	RSP/RIP-EDF9, Annex 1, p.40
9.19	<ul style="list-style-type: none"> <li>• Reduced levels of HIV/AIDS</li> <li>• Increased knowledge about HIV/AIDS, in terms of prevention</li> <li>• Improved facilities for caring of HIV positive people AIDS orphans</li> </ul>	RSP/RIP-EDF9, Annex 1, p.40
9.20	Promote free movement of persons, goods, capital services, labour and technology	RSP/RIP-EDF9, para 4, p.2



9.21	Accelerate economic cooperation and development both within and between regions	RSP/RIP-EDF9, para 4, p.2
9.22	Foster the gradual integration into the world economy	RSP/RIP-EDF9, para 4, p.2
9.23	Accelerate diversification of the economies, and coordinate and harmonise regional and sub-regional cooperation policies	RSP/RIP-EDF9, para 4, p.2
9.24	Promote and expand inter and intra-regional trade	RSP/RIP-EDF9, para 4, p.2
9.25	Sustainable economic and social development	RSP/RIP-EDF9, para 1, p.2
9.26	Integration into the world economy	RSP/RIP-EDF9, para 1, p.2
9.27	Poverty reduction	RSP/RIP-EDF9, para 1, p.2; and para 19, p.8

RSP/RIP-EDF9	EC. Draft Regional Strategy Paper and Regional Indicative Programme for the period 2002-2007, 2002
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## Annex 4 Methodology

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## OBJECTIVES

The main objective of the evaluation is to assess past and current cooperation with SADC and to produce lessons and recommendations primarily targeted to the European Commission. The evaluation will cover the period 1996 – 2007.

## Methodological Guide to the Field Visits

### • INTRODUCTION

The field phase methodology is structured around the SADC Questionnaire Matrix (SQM - see Appendix 1 as designed for Malawi), which has been designed by the team and follows the same logic as the Evaluation Questions (see Appendix 2). The Evaluation Sheet covers the whole process (from relevance to sustainability), as well as all sectors and selected indicators, following a “building block” approach, such that, by the end of the evaluation, all the blocks will be in place. The SQM will be adapted to each field visit country.

This approach also builds on the assumption that not all questions can be or even need to be answered: by the same interviewee; at the same time; and for every project. Thus the various evaluation team members will focus firstly on their allocated sectors, and through this contribute to building up a broader picture. At project level, initial data will already be available for most projects (even if it is restricted just to project name and number; country of implementation; and financial figures in respect of planned, contracted and paid). This information will be built on during the Field Phase both through more written documentation as this becomes available, as well as through interviews with individuals and focus groups.

For some projects, no further information will be gathered than that already available – i.e. name and project number; amounts planned, contracted and disbursed. Other projects – particularly in those countries to be visited – will be the focus for a more concerted effort to acquire information – particularly through taking up direct contact with the EC Delegations. Emphasis will be placed on selecting projects that clearly demonstrate the comprehensiveness of EC's interventions for the various sectors.

Interviewees will include the EC Delegation (which will also be contacted prior to the field visit and requested to suggest other relevant national and regional actors; representatives from the National SADC Committees, NAOs; relevant PMUs/project staff; civil society/non-state actors (NSAs); other relevant donors. Interviews will follow the structure of the SQM checklist, so that these become structured qualitative interviews as a supplement to the

Based on the approach contained in the SQM, preliminary responses have been prepared for the Evaluation Questions. These will be added to and expanded during the Field Phase such that all information has been automatically structured according to question, judgement criterion, and indicator.

The SQM couples qualitative information - from interviews with individuals and focus groups - with quantitative information - derived from written sources. This includes project-specific quantitative information (for example disbursements and commitments) as well as sector, country and regional quantitative information (such as poverty indexes; GDP figures; HIV statistics; etc.). The function of the SQM is to verify that all relevant data is gathered.

The desk phase has refined the project focus for the field phase. To this end, projects have been subdivided not only into sectors (with each evaluation team member responsible for a specific sector) but also within the sector into regional projects, and national projects with regional implications.<sup>81</sup> Thus the focus is on the RIP programmes undertaken, along with selected national programmes with a view to examining areas of overlap, and co-ordination and complementarity aspects.

• **SCOPE OF THE FIELD VISITS**

The following countries have been selected for field visits: Swaziland; Malawi; Namibia; Tanzania; Zambia and Botswana. In addition, Team meetings will take place in South Africa and meetings will be held with relevant regional organisations based in South Africa. The field visits will have the following objectives:

- To verify data collected during the desk phase
- To collect additional information required for the evaluation
- To answer the evaluation questions
- To have various stakeholders' perception of EC's support to SADC
- To contribute to the preparation of the synthesis report

The following sequence will be followed:

1. Swaziland: (i) test of field methodology; (ii) focus on RIT
2. Remaining field visits (Malawi, Namibia, Tanzania, Zambia)
3. Regional meetings in SA
4. Team meeting in SA and Botswana, drawing conclusions
5. Synthesis visit to Botswana (Regional Delegation and SADC Secretariat)

The proposed dates for the field missions, the responsible team members and their principal areas of responsibility are summarised in the table below.

Team Member/ Country	DN Non-focal areas	PKH Transport	NC Regional Integration & Trade	TM Food Security	SK HIV/AIDS
Swaziland			6-8.12.06		
Malawi		22-27.01.07			
Namibia			22-27.01.07		
Tanzania				22-27.01.07	
Zambia	22-27.01.07				
South Africa	27-30.01.07	27-30.01.07	28-30.01.07	27-30.01.07	28-30.01.07
Botswana	31.01-08.02.07	31.01-02.02.07	31.01-08.02.07	31.01-02.02.07	31.01-08.02.07

Field visit planning will be carried out in close cooperation with the Delegations in the respective countries, with the Regional Delegation in Botswana, and with the SADC Secretariat in Gaborone.

The first field visit to Swaziland revealed a number of issues, which needed to be taken into consideration in the remaining field visits:

- Interplay between the Regional, the Country and the All ACP programme and the potential synergies between them. Key point of focus – the information

<sup>81</sup> Approach based on discussion with the Delegation in Botswana

dissemination of the regional programme and the All ACP programme at the country level.

- Identification of those aspects where regional integration (and the regional programme) can serve the national interest.
- Perception of benefits. Do countries feel that they benefit from the regional programme – and if so, which programme (SADC; E&SA, etc.). Is there a strategic input into the regional programming exercise? Is there any feeling of “ownership” and are there any “citizen empowerment” programmes?
- Is there an increasing feeling of regional identity – and if so, “which” regional identity – or is there, in contrast, a growing economic nationalism. And does this translate into a move away from regional integration. What role do new donors play in this process – e.g. the Chinese?
- Does support to capacity building (public sector; private sector; non-governmental organisations/civil society) build the capacity of those previously under-represented to engage in dialogue?

- **PREPARATION OF FIELD VISITS**

The team members will undertake the following tasks well in advance of the field visits. Each team member will be responsible for organising the field visit programme as per assigned country. The preparatory tasks will include:

- Contact EC Delegations as per instruction provided by the Evaluation Unit.
- Identify relevant sectors.
- Incorporate analysis of CSPs already carried out during Desk Phase and structured based on the Evaluation Questions.
- Establish which projects are relevant for the Evaluation for further scrutiny – both as regards general discussions and for potential visits.
- Request Delegation for additional material – e.g. project documents not available from Brussels.
- Identify – with the Delegation key individuals (project managers, officials in sector ministries, etc.).
- Identify key donors having complementary interventions to those of EC dealing with regional issues within the Evaluation's context; including donors with regional mandates.
- Identify – with the Delegation relevant Non-state actors and SADC national committee.
- Set up meeting (focus group if possible, rather than individual meetings)
- Contact Regional Organisations in South Africa.
- Contact the SADC Regional Secretariat.

- **CONDUCT OF FIELD VISITS**

The field visit will be initiated with a briefing meeting to the EC Delegation and concluded with a debriefing meeting. The debriefing meeting may ideally include other stakeholders met during the field visit. The SQM will be used as the check list for each country, where field visits have been conducted. Information, observations and conclusions will be compiled in the Country and/Sector Reports, and then used to feed into the answering of the Evaluation Questions.

The SADC Evaluation Sheet comprises three sections as follows:

- A.1 Evaluation Questions 1-3: Relevance  
EQ1 – EQ3: essentially a checklist for the meeting with the EC Delegation, but which will be further qualified through consultations with other stakeholders.
- A.2 Evaluation Questions 4-7: Sector Performance Assessment  
EQ4, 5, 6 and 7 – essentially a checklist for the respective sector stakeholders and sums up the assessments of the sector projects.
- A.3 Evaluation Questions 8-10: Impact and Sustainability  
EQ8, 9 and 10 – essentially a checklist for the EC Delegation, SADC national committees, SADC Secretariat, etc.

The 10 Evaluation Questions will be answered on a country basis and compared with the preliminary answers to Evaluation Questions (from Desk Report). Comments will be prepared for each EQ to the extent the 'country answers' are compatible or deviates from the 'desk report answers' based on the field visit observations.

• **REGIONAL MEETINGS IN SOUTH AFRICA/BOTSWANA**

In respect of the coordination and support under the SADC RIP and the EPRD, the assessment will include current and past cooperation partners to elicit their experiences. This group will include:

- The SADC Secretariat
- The GTZ-support programme to SADC
- The Regional Trade Facilitation Programme
- The Southern African Global Competitiveness Hub

In respect of non-state actors (NSAs), five formal associations have been established: the SADC Council of Non-Governmental Organisations (SADC-CNGO), the Association of SADC Chambers of Commerce and Industry (ASCCI), the Southern African Trade Union Co-ordinating Council (SATUCC), the SADC Employers' Group and the SADC Business Forum (SBF). All five organisations and their members are expected to contribute to implementing and monitoring the RISDP.

In relation to the private sector, the SADC policy environment consists of two MoUs with the Association of SADC Chambers of Commerce and Industry (ASCCI) of August 2000 and the Small Enterprises Promotion Advisory Council (SEPAC) of February 2001. In addition, the Team will seek meetings with the SADC Business Forum (SBF) in South Africa and the regional Trade Union organisation (SATUCC) in Botswana.

In relation to the Transport and Communications sector, meetings will be held with the Federation of East and Southern Africa Road Transport Associations (FESARTA) based in South Africa.

In evaluating the framework for the interventions on regional integration, the Team will draw on a strategic focus group of recognized experts on regional integration, trade, and poverty in the SADC region. This will include, amongst others:

- The Regional Trade Facilitation Programme (supported by DFID – <http://www.rtfp.org/>)
- The Trade Law Centre (<http://www.tralac.org/>)
- The Southern African Institute for International Affairs (<http://www.saiia.org/>)
- The Southern African Global Competitiveness hub (supported by USAID – <http://www.satradehub.org/>)

In addition, the team will draw on expertise from and research carried out by the South African Migration Project (SAMP – <http://www.queensu.ca/samp/>) and the South African Regional Poverty Network (SARPAN - <http://www.sarpn.org.za/index.php>). Inputs will be through a focus group meeting in Pretoria during the field phase.

As regards Food Security issues, the evaluation team will contact organisations working within the sector, in particular those that also focus on longer-term food security and the regional implications for food security, rather than organisations supporting emergency food aid. The SARPAN network is involved in this, together with the Pretoria-based Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) (<http://www.fanrpan.org/index.php>) and international organisations such as Oxfam and ODI, which are also active in the region.

- **TEAM MEETING IN SOUTH AFRICA**

The country-based SQM will be presented and discussed with a view to providing consolidated inputs to the 10 Evaluation Questions.

The further process to finalise the synthesis phase will be decided. The table of contents for the Synthesis report will be finalised, initial conclusions drawn and writing activities and schedules will be drawn up.

In addition, the conclusions resulting from the field visits and the team meetings will be summarised into a number of main points for presentation to the Regional Delegation in Botswana and for discussion with the SADC Secretariat.

- **DEBRIEFING/ SYNTHESIS MEETINGS IN BOTSWANA**

The Debriefing meetings in Botswana will be based on the discussions on the fieldwork results as these were detailed during the team synthesis meetings.

In addition to meetings with the Regional Delegation and the SADC Secretariat, the visit to Botswana will include visits to those regional organisations based in Gaborone, including the Regional Council of NGOs. The visit to Botswana will include the HIV/AIDS expert who will focus on the regional aspects of the HIV/AIDS pandemic as coordinated from Botswana, but also on the implementation the programme in Botswana.



## Appendix 1: SADC Questionnaire Matrix for Malawi

	EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTPP
<b>EQ1 Relevance and Coherence</b>											
1.1 Do NIPs; RIPs and other programming documents establish the link between the objectives pursued in the main sectors of intervention and the promotion of regional integration?	X										
1.2 Do NIPs, RIPs and other programming documents establish the link between the promotion of regional integration and sustainable development, and the overall objective of poverty reduction?	X					X					
1.3 Are the Commission's programmes and interventions based on diagnostic reviews of the priorities and objectives of SADC countries?	X					X					
1.4 Does the Commission's strategy address the issue of SADC countries' overlapping membership to different RIOs?	X							X			
1.5 Do NIPs refer to regional integration and include activities to strengthen it?	X	X	X								
1.6 Do NIPs and RIPs refer to other EU policies with external dimensions?	X										
1.7 Do NIPs and RIPs refer to other assistance instruments (EIB funding, Budget lines etc)?	X										
1.8 Are coordination mechanisms between the programming of the RIPs and the programming of other EU assistance mechanisms in place?	X										

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTTP
<b>EQ2</b>	<b>Ownership and Alignment</b>											
2.1	Does the Commission use the countries/region's own institutional frameworks and procedures to implement the planned activities?	X				X	X		X			
2.2	Does the Commission promote the participation of the SADC Secretariat/national institutions in the implementation of the planned activities?	X										
2.3	How many meetings between SADC stakeholders and Commission take place at the programming stage?	X							X			
2.4	Which is the degree of participation of SADC stakeholders and policy-makers in Commission's funded activities?	X					X		X			
2.5	Do SADC or SADC Member States take any initiatives for activities/projects?	X					X		X			
2.6	Do RIPs and NIPs take into account SADC and Member States' implementation and financial procedures within the context of regional integration?	X					X					

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTTP
<b>EQ3</b>	<b>Harmonisation, Complementarity and Coordination</b>											
3.1	Are NIPs and RIPs complementary with and not contrary to the interventions supported by EU member states?	X					X		X			
3.2	Are formal coordination mechanisms in place at national and regional level?	X					X		X			
3.3	Are NIPs and RIPs complementary with and not contrary to interventions supported by other donors (multi-lateral and other non-EU bilaterals)?	X			X		X		X			
3.4	Are formal coordination mechanisms with non-EU donors in place at national and regional level?	X			X							
3.5	Have joint programmes been funded?	X					X					

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MITPSD	MFA	NAC	MEJF	MRTPP
<b>EQ4</b>	<b>Regional Integration and Trade</b>											
4.1	Have SADC Tariff Schedules been implemented?	X					X					
4.2	Have all the discriminatory charges been identified and removed?	X					X					
4.3	Have product standards and regulations been harmonised?	X										
4.4	To what extent Member States accept as equivalent other partners' technical regulations?	X										
4.5	Has there been an increase in cross border investment and foreign direct investment?	X					X					
4.6	Has macro convergence (inflation rates, exchange rate volatility...) been enhanced?	X					X					
4.7	Are regional / foreign investors treated in a less discriminatory and harmonised way?	X					X					
4.8	Is there an integrated regulatory framework for financial services (banking and securities)?	X					X					
4.9	Did coherence in key areas of regional integration (customs documentation, customs bond) and effectiveness of co-ordinating bodies improve?	X					X					
4.10	How many NIP/CSPs reflect regional integration activities and their co-ordination between RECs?	X										
4.11	Have SADC countries gained an increased share of world markets?	X					X				X	
4.12	Has the volume of regional trade increased (since 1996) without the displacement of efficient non-SADC suppliers?	X					X					
4.13	Has there been an increase in non-SACU exports to SACU markets since 1996?	X					X					
4.14	Did growth and economic convergence improve in the region since 1996?	X					X					
4.15	Has there been an increase in the participation of the private sector in trade since 1996?	X					X				X	

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTTP
<b>EQ5</b>	<b>Transport and Communications</b>											
5.1	Have SADC Member States signed and ratified the Protocol for Transport, Communications and Meteorology?		X		X	X						
5.2	Do SADC Member States have national policy frameworks that facilitate national and intra regional transport?		X		X	X						
5.3	Has a partnership between SADC/SATCC and SSATP been established?		X		X	X						X
5.4	Has the regional/sub-regional transport associations' capacity to support national administrations been increased?		X		X							
5.5	Do National budgets include funds for development and maintenance of transport infrastructure?		X		X	X						
5.6	Does the private sector participate in O&M activities?		X		X	X					X	
5.7	Has the condition of rail and port infrastructure improved since 1996?		X		X	X	X				X	
5.8	Do National budgets include funds for development and maintenance of regional rail services and ports infrastructure?		X		X	X	X					
5.9	Has an increase in traffic volumes along major transport corridors taken place?		X		X	X					X	X
5.10	Did travel time and vehicle and rail operation costs decrease?		X		X	X					X	X
5.11	Did air traffic increase?		X		X	X	X					
5.12	Did volume of cargo and passengers crossing major intra region borders increase?	X			X		X					
5.13	Has there been a reduction of the impediments to free movement?	X			X		X				X	X
5.14	Have road and rail transit facilitation reforms taken place?		X		X	X	X					
5.15	Is there cooperation between regional level bodies and private sector organisations to improve delivery of transport services?	X	X		X	X					X	X

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTTP
<b>EQ6</b>	<b>Rural Development, Environment and Food Security</b>											
6.1	Are food products sufficiently available in the region and on national levels?			X							X	
6.2	Have imports of food products and of emergency food supplies decreased?			X								
6.3	Have innovations, new technology and improved distribution systems contributed to the increase in food production?			X								
6.4	Is the share of the food production in the economies of SADC Member Countries increasing?	X		X								
6.5	Have other productive activities in the rural areas been developed?			X							X	
6.6	Has intra-regional trade with food products increased?	X		X								
6.7	Is sustainable agriculture expanding on large and small-scale farms?			X			X					
6.8	Do land distribution and land use prioritise the cultivation of food crops on an environmentally sustainable basis, with reduced land degradation?			X			X				X	
6.9	Is the availability of food products at regional and national level secured?	X		X							X	
6.10	Has household income diversification taken place?			X			X					
6.11	Does the purchasing power of the population in the rural areas allow them to purchase sufficient food products?			X			X				X	
6.12	Has unemployment level in rural areas decreased?			X			X				X	
6.13	Are relevant SADC and national policies supporting regional food security and agricultural production in place?	X		X			X				X	

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MTPSD	MFA	NAC	MEJF	MRTTP
<b>EQ7</b>	<b>Non Focal Sectors</b>											
7.1.a	Have defence, peace and security protocols been put in place and initiatives undertaken in intra-regional conflict?	X							X			
7.1.b	Are Monitoring systems in place?	X							X			
7.2	Is there a system to monitor human rights abuses?										X	
7.3.a	Are civil society organisations in place?										X	
7.3.b	Are they able to operate?										X	
7.4	Are Drug control programmes in place?									X		
7.5.a	Are anti-corruption programmes in place?	X					X				X	
7.5.b	Have Anti-corruption watch-dogs been established?	X					X				X	
7.6	Are policies to achieve targets set for gender equity in place?						X				X	
7.7.a	Has the SADC Health Protocol been ratified?	X										
7.7.b	Has the SADC HIV/AIDS strategy been implemented?						X			X		
7.7.c	Do monitoring systems show positive trends?						X			X		
7.7.d	Has the implementation of the HIV strategy been supported by the EC?	X					X			X		
7.8	Have frozen posts established and filled, and recruitment completed for vacant posts in the SADC Secretariat?											
7.9	Are SADC national organisations visible and functioning? (see also question 8.6)	X								X		



		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MITPSD	MFA	NAC	MEJF	MRTTP
<b>EQ8</b>	<b>Impact on key stakeholders' capacity</b>											
8.1	Are the negotiations of SADC EPA and ESA EPA likely to result in signing of agreements?	X							X			
8.2	Have SADC and COMESA defined clear negotiating positions?	X							X			
8.3	Have SADC and COMESA negotiators a common understanding on the EPAs?	X							X			
8.4	Has some progress on implementation of RISDP been achieved?	X					X				X	
8.5	Have NSA contributed to RISDP formulation and implementation?	X					X				X	
8.6	Are SADC national organisations interacting with the regional Secretariat? (relates to question 7.9)	X							X			
8.7	Which is the Budget allocation and actual supply of resources from Member States to SADC Secretariat?	X					X		X			

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MITPSD	MFA	NAC	MEJF	MRTTP
<b>EQ9</b>	<b>Impact on enabling environment and sustainability – regional integration and economic growth</b>											
9.1	Do Trade statistics show improved inter-, and intra-regional trade since 1996?	X										
9.2	Do Transport statistics show increased cross-border traffic?		X									
9.3	Do Regional trade-related private sector organisations (Chambers of Commerce, Regional Transport associations, Trade Union Confederations) statistics report reduction in trade barriers, changes in trade barriers and improvements in the enabling environment for the private sector?	X										
9.4	Do Reports show evidence of cross-border mergers and acquisitions?	X										
9.5	Have visa, residence and working permit arrangements, which allow for freer movement been formally enacted?	X										
9.6	Do SADC Member States adhere to signed and ratified protocols and policies?	X	X	X		X	X	X	X			
9.7	Does the TI Corruption Perception Index show positive trends?	X					X				X	
9.8	Do HIV/AIDS statistics indicate that the rate of infection and spread of the disease is slowing down, reducing or being contained?						X			X		

		EC RI+	EC TC	EC FS+	WB	MTPW	MEPD	MITPSD	MFA	NAC	MEJF	MRTTP
<b>EQ10</b>	<b>Impact on sustainable economic and social development and sustainability</b>											
10.1	Are EPAs negotiated according to the agreed timetable?	X							X			
10.2	Has progress been made towards creation of regional common market and customs union according to the agreed timetable?	X							X			
10.3	Have regional institutions – cultural, social, educational been created?	X					X		X			
10.4	Have poverty levels reduced by country and SADC as a whole based on internationally recognised data (e.g. HDI index)?	X					X			X		
10.5	Has there been any change in per capita GDP per country since 1996?	X					X			X		
10.6	Has there been any change in absolute GDP by country since 1996?	X					X			X		
10.7	Do EC programmes set clear definitions and benchmarks for poverty alleviation?	X	X	X			X					
10.8	Are EC interventions in focal and non-focal sectors based on an ex ante analysis of the direct/indirect impact on the most vulnerable groups and sectors?	X	X	X								
10.9	Do EC interventions analyse poverty alleviation and explicitly include poverty alleviation related activities?	X	X	X								

## Abbreviations (SADC Questionnaire Matrix – Malawi)

### Organisations to be visited

EC	European Commission
EC RI+	EC Regional Integration and Economic Affairs
EC TC	EC Transport and Communication
EC FS+	Food Security, Rural Development and Environment
MEPD	Ministry of Economic Planning and Development
MEJF	Malawi Economic Justice Framework
MFA	Ministry of Foreign Affairs
MITPS	Ministry of Industry, Trade and Private Sector Development
MTPW	Ministry of Transport and Public Works
MRTTP	Malawi Rural Travel and Transport
NAC	National Aids Committee
WB	World Bank

### Abbreviations in the Questionnaire Matrix

COMESA	Common Market for Eastern and Southern Africa
CSP	Country Strategy Paper (EC)
EIB	European Investment Bank
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
NSA	Non-State Actors
NIP	National Indicative Programme (EC)
O&M	Operation and Maintenance
REC	Regional Economic Communities
RIO	Regional Integration Organisation
RIP	Regional Indicative Programme (EC)
RISDP	Regional Indicative Strategic Development Plan (SADC)
SACU	Southern African Customs Union
SADC	Southern African Development Community
SATCC	Southern African Transport and Communications Commission
SSATP	Sub-Saharan Africa Transport
TI	Transparency International

Note that the full list of organisation, institutions and individuals with whom meetings were held is contained in **Annex 10: List of persons met**. The full list of abbreviations used is contained in the Main Report.

## Appendix 2: SADC Evaluation Questions

This Annex details the ten evaluation questions which were introduced during the Inception Phase of the Evaluation. These EQs were finalised as part of the Desk Phase. During the Inception Phase, for each EQ, judgement criteria and preliminary indicators were elaborated. The sequencing of the EQs is based on the logic which starts with the relevance of proposed interventions and ends with a question on their sustainability. The definitions of the terms used are given below:

The EQs address the five evaluation criteria of **relevance**, **effectiveness**, **efficiency**, **impact** and **sustainability**, defined by the OECD/DAC as follows<sup>82</sup>.

- **Relevance** refers to the extent to which the programmes and activities are suited to the priorities and policies of the target groups, recipients and the donors.
- **Effectiveness** is the measure of the extent to which the programmes and activities attain their objectives.
- **Efficiency** measures the outputs - qualitative and quantitative - in relation to the inputs. In economic terms efficiency signifies that the programmes and activities use the least costly resources possible in order to achieve the desired results. This generally implies comparing alternative approaches to achieving the same outputs, to ascertain whether the most efficient process has been adopted.
- **Impact** measures the positive and negative changes produced by a development intervention directly or indirectly. The examination should be concerned with both intended and unintended results and must also include the positive and negative impact of external factors, such as changes in terms of trade and financial conditions.
- **Sustainability** is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally, socially as well as financially sustainable.

In addition to the OECD/DAC evaluation criteria, the EQs will also cover the 3Cs –which are **Coherence**, **Coordination** and **Complementarity**. These principles are defined in the EU Treaties<sup>83</sup>.

- **Co-ordination** is defined as the ‘activities of two or more development partners that are intended to mobilise aid resources or to harmonise their policies, programmes, procedures and practices so as to maximise the development effectiveness of aid resources’. With regard to co-ordination several levels (international, regional, national, sub-national, sectoral) can be distinguished, as well as differences in content (policies/principles/priorities, procedures, practices) as in intensity (consultation, co-operation, collaboration).
- **Complementarity** is intended to ensure that Community development policy ‘shall be complementary to the policies pursued by the Member States’. This indicates that

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<sup>82</sup> See DAC Principles for the Evaluation of Development Assistance, OECD (1991), Glossary of Terms Used in Evaluation, in 'Methods and Procedures in Aid Evaluation', OECD (1986), and the Glossary of Evaluation and Results Based Management (RBM) Terms, OECD (2000).

<sup>83</sup> Article C; Article 130v; Article 130u, Article 130x of the Maastricht Treaty. However, it has to be précised that the Treaty of Maastricht, as well as the consolidated EC Treaty, refers to consistency of its external activities: “consistency of its external activities as a whole in the context of its external relations, security, economic and development policies”. As it appears, this was later on supposed to mean ‘coherence’. Therefore, strictly speaking, the notion of ‘coherence’ cannot be associated with the EC Treaties, while for ‘coordination’ and ‘complementarity’ this is correct

development co-operation is a shared competence between the Community and the Member States which can be jointly exercised. In the case of complementarity both the Commission and the Member States can have competences and tasks at the same level.

- **Coherence** is defined as: ‘The non-occurrence of effects of policy that are contrary to the intended results or aims of policy’. The Commission has further distinguished between different levels of coherence
  - Coherence I: between different elements of European development policy itself;
  - Coherence II: between different sets or parts of European foreign policy and development cooperation policy; and
  - Coherence III: between development co-operation policies and policies in other fields, which can in theory, be all parts of European policy making.<sup>84</sup>

EQs covering the principles of **Ownership**, **Alignment** and **Harmonisation**, as endorsed by the Paris Declaration on Aid Effectiveness have also been included.

The Paris Declaration’s core principles are derived from the belief that they will increase the impact aid has on reducing poverty and inequality, increasing growth, building capacity and accelerating achievements of the Millennium Development Goals (MDGs). The core principles are:

1.

**Ownership:** Partner countries exercise effective leadership over their development policies, and strategies and coordinate development actions.

- Partner countries commit to translate national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets.
- Donors commit to respect partner country leadership and help strengthen their capacity to exercise it.

**Alignment:** Donors base their overall support on partner countries’ national development strategies, institutions and procedures.

- Partner countries and donors jointly commit to work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems;
- Donors commit to:
  - Use country systems and procedures (including transparent partner government budget and accounting mechanisms; and systems for procurement when the country has implemented mutually agreed standards and processes) to the maximum extent possible.
  - Avoid to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.
  - Align their analytic and financial support with partners’ capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly.

**Harmonisation:** Donors’ actions are more harmonised, transparent and collectively effective.

- Donors commit to:
  - Implement, where feasible, common arrangements at country level for planning, funding, disbursement, monitoring, evaluation and reporting to government on donor activities and aid flows.
  - Work together to reduce the number of separate, duplicative mission to the field and diagnostic reviews.

<sup>84</sup> See TORs Evaluation of Coordination of Trade Capacity Building in Partner Countries (Annex 2)

<p><b>EQ 1:</b> To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) <i>relevant to and coherent with</i> the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?</p> <p><b>Evaluation criteria:</b> Relevance and coherence</p> <p>Coverage of the question: This question relates to the link between the strategic objectives of the Commission's programmes and interventions in the SADC region and its overall cooperation objectives. It attempts to assess the justification for the central objective of promoting regional integration and to verify on which basis this has been defined. It intends to verify 1) the extent to which the EC programming documents clearly set out the rationale (relevance) for the promotion of regional integration as a response to the main development needs of the region; 2) whether the objectives of both national (NIPs) and regional programmes (RIPs) are coherent with the promotion of SADC regional integration (e.g. SADC's RISDP). 3) the overlap between SADC and other regional initiatives, and in particular, overlapping memberships of different RIOs, 4) In addition the question addresses the issue of coherence with other EU policies (trade, agriculture, etc...) and funding instruments</p>	
<p><b>Judgement criteria</b></p> <p>1. The Commission's strategic and programming documents clearly set out the rationale for the promotion of regional integration</p> <p>2. The objectives of national and regional programmes reflect the views and priorities of the SADC countries with respect to the promotion of regional integration</p>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• NIPs; RIPs and other programming documents establish the link between the objectives pursued in the main sectors of intervention and the promotion of regional integration</li> <li>• NIPs, RIPs and other programming documents establish the link between the promotion of regional integration and sustainable development, and the overall objective of poverty reduction</li> <li>• The Commission's programmes and interventions are based on diagnostic reviews of the priorities and objectives of SADC countries.</li> <li>• The Commission's strategy addresses the issue of SADC countries' overlapping membership to different RIOs.</li> </ul>



<p>3. The programmes at regional and national level have been designed to be compatible with each other – and with other regional initiatives - in the promotion of regional integration.</p>	<ul style="list-style-type: none"> <li>• NIPs refer to regional integration process and include activities to strengthen it.</li> <li>• Regional programmes take into account programmes supported through other programmes – EPRD, E&amp;SA RSP – and other RIOs (COMESA, SACU)</li> </ul>
<p>4. The EC regional objectives of cooperation with SADC supported or impeded by the provisions of other EU policies or other EU assistance instruments</p>	<ul style="list-style-type: none"> <li>• NIPs and RIPs refer to other EU policies with external dimensions.</li> <li>• NIPs and RIPs refer to other assistance instruments (EIB funding, Budget lines etc)</li> <li>• Coordination mechanism between the programming of the RIPs and the programming of other EU assistance mechanisms are in place.</li> </ul>

<p><b>EQ 2: What is the degree of SADC's and its Member States' ownership of the Commission's support and to what extent is the support <i>aligned</i> with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?</b></p> <p><b>Evaluation criteria: ownership and alignment</b></p> <p>Coverage of the question: This question deals with the principles of the Paris Declaration, which are also recalled in the European Consensus (5.3). It intends to assess to what extent the EC respects SADC countries' leadership in the region's development process &amp; helps them strengthen their capacity to exercise it. It also explores whether EC programmes and interventions use SADC own systems and procedures to the maximum extent possible and foster SADC stakeholders' participation in the planned activities.</p>	
<p><b>Judgement criteria</b></p>	<p><b>Preliminary indicators</b></p>
<p>1. The implementation of the programmed activities takes into account the institutional capacity of the partner countries' and of the SADC Secretariat.</p>	<ul style="list-style-type: none"> <li>• The Commission uses the countries/region's own institutional frameworks and procedures to implement the planned activities.</li> <li>• The Commission promotes the participation of the SADC Secretariat/national institutions in the implementation of the planned activities</li> </ul>
<p>2. SADC key stakeholders are involved in the identification and implementation of Commission's interventions.</p>	<ul style="list-style-type: none"> <li>• Number and frequency of meetings between SADC stakeholders and Commission at the programming stage.</li> <li>• Participation of SADC stakeholders and policy-makers in Commission's funded activities</li> <li>• Initiatives for activities/projects taken by SADC and/or Member States.</li> </ul>
<p>3. RIPs and NIPs are compatible with the procedures of SADC and its Member States</p>	<ul style="list-style-type: none"> <li>• SADC and Member States implementation and financial procedures are taken into account in RIPs and NIPs within the context of regional integration.</li> </ul>

<p><b>EQ 3:</b> To what extent is the Commission's support to the SADC region complementary to and coordinated with EU Member States' development interventions and harmonised with other donors' development assistance?</p>	
<p><b>Evaluation criteria:</b> Complementarity and Coordination; Harmonisation</p>	
<p>Coverage of the question: The European Consensus on Development refers to Coordination and Complementarity in relation to both the EU Member States and other donors (ref: para 5.3 sub-para 32 which refers to the Paris Declaration). Hence issues relating to both Member States and other donors have been included into one question. The question intends verify to what extent the EC strategies and activities take into account other donors – including EU Member States – programmes and activities in the region.</p>	
<p><b>Judgement criteria</b></p> <p>1. Activities implemented under the Commission's support to the SADC region are co-ordinated with other EU Member States' interventions where relevant.</p>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• NIPs and RIPs are complementary with interventions supported by EU member states.</li> <li>• Formal coordination mechanisms are in place at national and regional level.</li> </ul>
<p>2. Activities implemented under the Commission's support to the SADC region are co-ordinated with other donors' interventions (multi-lateral and other non-EU bilaterals) where relevant.</p>	<ul style="list-style-type: none"> <li>• NIPs and RIPs are not contrary to interventions supported by other donors (multi-lateral and other non-EU bilaterals).</li> <li>• Formal coordination mechanisms are in place at national and regional level.</li> <li>• Funding of Joint Programmes.</li> </ul>

<p><b>EQ 4: To what extent are the planned and/or ongoing Regional Integration and Trade interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?</b></p>	
<p><b>Evaluation criteria:</b> Efficiency, Effectiveness and Outcomes/Impact</p>	
<p>Coverage of the question: The question will cover support to regional integration and trade in goods, services and investment and building capacity in trade policy and negotiations.</p> <p>An assessment will be made of whether activities have effectively addressed regulatory and administrative barriers to trade in goods and services and promoting investment. Have they led to increased trade and investment? Do they reflect the priorities of the private sector? Given the issue of overlapping membership to different Regional Economic Communities (REC) in Southern and Eastern Africa, co-ordination and co-operation amongst the RIO is central to effectiveness and efficiency and will therefore be explicitly addressed. (To illustrate: unless SADC and COMESA co-operate in harmonising standards, companies and consumers in countries with overlapping membership risk facing two different standards depending on which trade regime they use). Overlapping membership also needs to be addressed in a dynamic context – looking at the issue of EPA configuration in the framework of the future strategy for the region and programming, and linking in with EC support to South Africa through the EPRD. Different possibilities need taking into consideration. Thus, for example, what is the situation which arises for SADC regional integration, if ESA SADC members economic integration is driven by COMESA? Will SADC still have a role in ESA/SADC countries – and what will that role be? Does this have implications for regional integration as seen through a focus on regional issues or through a focus on regional institutions. And can regional issues be addressed independently of regional institutions?</p> <p>In evaluating outcomes, an assessment of the extent to which regional integration is promoting trade, and contributing to integration in the world economy will be made. The pattern of trade development and economic convergence in the region are appropriate starting points for this analysis.</p> <p>An important feature of recent support to the SADC region has been to support their engagement in trade negotiations – including support with EPA negotiations. We will therefore evaluate the effectiveness of capacity building in this area. Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance will be included as crosscutting issues. The conclusions in relation to the assessment of the cross-cutting issues will feed into the overall assessment of the cross-cutting issues under EO7.</p>	
<p><b>Judgement criteria</b></p> <p>1. Tariff and Non Tariff Barriers have been removed</p>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• SADC Tariff Schedules implemented.</li> <li>• Discriminatory charges identified and removed.</li> <li>• Harmonisation of product standards and regulations, and extent to which Member States accept as equivalent other partners' technical regulations.</li> </ul>

<p>2. The framework for investment has improved.</p>	<ul style="list-style-type: none"> <li>• Increased cross border investment and foreign direct investment.</li> <li>• Enhanced macro convergence (inflation rates, exchange rate volatility...).</li> <li>• Less discriminatory and harmonised treatment of regional and foreign investors.</li> <li>• Integrated regulatory framework for financial services (banking and securities)</li> </ul>
<p>3. Effective co-ordination and co-operation with SADC and other RECs and Country Strategies is in place.</p>	<ul style="list-style-type: none"> <li>• Coherence in key areas of regional integration (customs documentation, customs bond) and effectiveness of co-ordinating bodies.</li> <li>• Number of NIP/CSPs reflecting regional integration activities and their co-ordination between RECs.</li> </ul>
<p>4. Trade volumes have increased</p>	<ul style="list-style-type: none"> <li>• Increased share of world markets.</li> <li>• Volume of regional trade increased, without the displacement of efficient non-SADC suppliers.</li> <li>• Increased non-SACU exports to SACU markets.</li> <li>• Growth and economic convergence in the region.</li> <li>• Increased participation of the private sector in trade.</li> </ul>

<p><b>EQ 5: To what extent are the planned and/or ongoing Transport and Communications interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?</b></p>	
<p><b>Evaluation criteria:</b> Efficiency, Effectiveness and Outcomes/Impact</p> <p>Coverage of the question: The question will cover road, rail and port infrastructure and associated transport services; and air and surface water transport will be included to some extent depending on the scope of EC's assistance to these two transport sub-sectors. Improvement of regional and national transport policies and regulatory frameworks will be assessed to see to what extent they have had an influence on transport infrastructure and services. An assessment will be made on how the EC's interventions have resulted in improved transport and communication infrastructure and services leading to increased access and reduced transport cost and how these benefits in turn have contributed to increased regional trade. Communication in EQ 5 is defined in relation to the transport sector, and does not include telecommunications and water resources management, which potentially are included in EQ 7. The planning, management and implementation arrangements of completed, ongoing and future transport and communication projects (RIPs and NIPs) will be assessed. Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance will be included as crosscutting issues. The conclusions in relation to the assessment of the cross-cutting issues will feed into the overall assessment of the cross-cutting issues under EQ7.</p>	
<p><b>Judgement criteria</b></p> <ol style="list-style-type: none"> <li>SADC Member States' transport policies, regulatory framework, and institutional capacity have improved.</li> <li>The condition of major regional road transport corridors/ regional axes has improved, and funds are available for development and maintenance both in the short and in the long term.</li> <li>The condition of major regional rail services and ports has improved, and funds are available for development and maintenance both in the short and in the long term.</li> </ol>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>SADC Member States have signed and ratified the Protocol for Transport, Communications and Meteorology;</li> <li>SADC Member States have national frameworks that facilitate national and intra regional transport.</li> <li>Partnership between SADC/SATCC and SSATP established</li> <li>Regional/sub-regional transport associations' capacity to support national administrations increased.</li> <li>Condition of major transport corridors and their interface with lower level transport networks improved</li> <li>National budgets include funds for development and maintenance of transport infrastructure</li> <li>Private sector participates in O&amp;M activities.</li> <li>Condition of rail and port infrastructure improved.</li> <li>National budgets include funds for development and maintenance of regional rail services and ports infrastructure</li> </ul>

<p>4. Performance, quality and cost of transport services – in particular road, rail and port services – has improved; and to some extent also air and surface water transport services.</p> <p>5. Transit and custom facilitation for movement of cargo and passengers in the SADC region have improved.</p>	<ul style="list-style-type: none"> <li>• Increased traffic volumes along major transport corridors, and reduction in travel time and reduction in vehicle and rail operation costs.</li> <li>• Increase in air traffic.</li> <li>• Increase in volume of cargo and passengers crossing major intra region borders,</li> <li>• Reduction of impediments to free movement,</li> <li>• Road and rail transit facilitation reforms in place;</li> <li>• Cooperation between regional level bodies and private sector organisations to improve delivery of transport services exists.</li> </ul>
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<p><b>EQ 6: To what extent are the planned and/or ongoing Food Security, Agriculture and Natural Resources interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?</b></p>	
<p><b>Evaluation criteria:</b> Efficiency, Effectiveness and Outcomes/Impact</p> <p>Coverage of the question: The question will cover the issues related to regional Food Security programmes and national programmes with a regional significance. It will also include the aspects of Rural Development and the more specific sectors like fisheries, animal husbandry (including animal health) and agriculture. Covered will be also the Natural Resource Management and Environment. Training/capacity building programmes and institutional development related to the above mentioned sectors will also be covered by this question. It will be assessed to what extent the EC's interventions have resulted in sustainable improvements in food security, that means that the assessment has to find out if the relevant incentives resulted in an increase in access to food in the region. Analysed will be also the consideration of environment and sustainable natural resource management in the context of rural development., in order to secure in the long run and on regional level sustainable food production and rural development. The assessment will evaluate the contribution of the EC support to the diversification of household income so that food accessibility is improved, and the contribution of agricultural production to regional economic development and poverty reduction.</p> <p>Capacity building and human resources development, gender, and environment, HIV/AIDS, and good governance will be included as cross-cutting issues. The conclusions in relation to the assessment of the cross-cutting issues will feed into the overall assessment of the cross-cutting issues under EQ7.</p>	
<p><b>Judgement criteria</b></p> <p>1. Agricultural production is increasing, enhancing regional food security.</p> <p>2. The food and other agricultural production (of the different sectors) in the rural areas has a constant or increasing share in the GDPs of the SADC region.</p> <p>3. The natural resources are used and managed in a form that results in a more efficient and effective land use.</p>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• Sufficient relevant food products are available in the region and on national levels.</li> <li>• The agricultural (food) production and productivity have increased</li> <li>• Imports of food products and of emergency food supplies have decreased</li> <li>• Innovations, new technology and improved distribution systems have contributed to increased food production.</li> <li>• The share of the food production in the economies of SADC Member Countries is increasing</li> <li>• Other productive agricultural activities in the rural areas have been developed</li> <li>• Intra-regional trade with food products has increased</li> <li>• Sustainable agriculture is expanding on large and small-scale farms</li> <li>• Agricultural productivity has increased</li> <li>• Land distribution and land use prioritises the cultivation of food crops on an environmentally sustainable basis, with reduced land degradation.</li> </ul>

<p>4. Food supply and employment in the rural areas has improved</p>	<ul style="list-style-type: none"> <li>• The availability of food products on regional as well as on national level is secured</li> <li>• Household income diversification has taken place.</li> <li>• The purchasing power of the population in the rural areas allows them to purchase sufficient food products</li> <li>• Unemployment in the rural areas has been reduced.</li> </ul>
<p>5. Regional and national government policies supporting food security have improved.</p>	<ul style="list-style-type: none"> <li>• Relevant SADC and national policies supporting regional food security and agricultural production adequately in place.</li> </ul>

2.

<p><b>EQ 7: To what extent are the planned and/or ongoing interventions in the Non-Focal Sectors likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?</b></p>	<p><b>Evaluation criteria:</b> Efficiency, Effectiveness and Outcomes</p> <p>Coverage of the question:- A number of sectors have been identified under the <b>Non-Focal</b> category. The weight given to each of those sectors will be determined when the project portfolio is analysed. One conclusion may be that some of the interventions may be found as being too “light” to warrant taking further, and hence do not warrant the same level of analysis as those interventions included under EQs 4-6. Some of these may also fall away altogether if they can be eliminated from the basket of regional projects.</p> <p>Therefore, the first task will be to determine those interventions which are important and relevant for regional integration. The focus of the judgement criteria is on the cross-cutting issues. Additional judgement criteria will be developed when it is agreed which sectors will be incorporated for further analysis. The screening process will determine which sectors should be reviewed based on a number of selection criteria related to regional integration: e.g. budget size; coverage over different EDFs; duration of the implementation process; participation by other donors. The result of this exercise may be that some of the judgement criteria will be removed and replaced by others.</p> <p>The “light sectors” so far identified based on the initial project listing includes: Peace and security; Drug trafficking; Energy, Water resources management, Natural resources management, Telecommunications, Mining, Fisheries. Included under the Non-focal heading are also a number of sectors which may be regarded both as cross-cutting, and/or as sectors in themselves. This includes in particular: Capacity Building and Human Resources Development (including EC support to the SADC reorganisation), Gender, and Environment. Support to HIV/AIDS interventions and to Human Rights and Democracy interventions are also included. These cross-cutting issues will, therefore, also be taken into account under the three priority sectors (i.e. as part of EQs 4-6). Conclusions on cross-cutting issues from EQs 4-6 will be incorporated into the overall assessment.</p> <p>An assessment will be made of how the Commission’s interventions have contributed to improved peace and security in the Region, in the promotion of human rights and democratisation, and in the reduction of HIV/Aids prevalence. In particular how the Commission’s interventions have added value to the interventions from both SADC regional institutions, SADC national governments and donors in addressing issues which are of major concern within the Region, which are politically sensitive and which accommodate many actors. It is noted that many of the issue tackled under the non-focal sectors are extremely sensitive politically.</p> <p><b>Judgement criteria:</b></p> <p>(Preliminary) Indicators:</p> <ol style="list-style-type: none"> <li>1. Cooperation on peace and security facilitated, and levels of intra-regional conflict reduced</li> <li>2. Reduced levels of human rights abuses in the region</li> </ol> <ul style="list-style-type: none"> <li>• Defence, peace and security protocols in place and initiatives undertaken in intra-regional conflict</li> <li>• Monitoring systems in place</li> <li>• Monitoring systems in place which monitor human rights abuses</li> </ul>
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<p>3. Strong and focused human rights civil society organisations in the region have been established</p>	<ul style="list-style-type: none"> <li>• Civil society organisations in place and able to operate.</li> </ul>
<p>4. Drug trafficking and use reduced</p>	<ul style="list-style-type: none"> <li>• Drug control programmes in place</li> </ul>
<p>5. Levels of organised crime, money laundering, bribery and corruption reduced</p>	<ul style="list-style-type: none"> <li>• Anti-corruption programme in place</li> <li>• Anti-corruption watch-dogs established</li> <li>• Transparency International indicators available</li> </ul>
<p>6. Gender mainstreaming in peace and security issues (and in other sectors) improved</p>	<ul style="list-style-type: none"> <li>• Agreed policies to achieve targets set for gender equity in place</li> <li>• Gender disaggregated data available</li> </ul>
<p>7. Reduced levels of HIV/Aids, increased knowledge about HIV/AIDS prevention and improved facilities for caring for HIV positive people and AIDS orphans.</p>	<ul style="list-style-type: none"> <li>• SADC HIV/AIDS strategy implemented and SADC Health Protocol ratified</li> <li>• Monitoring systems in place and showing positive trends</li> <li>• Implementation of HIV strategy at all levels of society and in all sectors supported by EC</li> </ul>
<p>8. Increased capacity of SADC as an organisation. The institutions developed with the support of EC assistance are capable to survive without further donor assistance.</p>	<ul style="list-style-type: none"> <li>• Frozen posts established and filled, and recruitment completed for vacant posts</li> <li>• SADC national organisations visible and functioning</li> </ul>

<p><b>EQ 8:</b> To what extent has the Commission's support had an <b>impact</b> on key stakeholders' capacity (through applied instruments – policies, protocols - and allocated resources) to promote regional integration and economic growth, and to what extent will these be <b>sustainable</b>?</p>	
<p><b>Evaluation criteria:</b> Impact and sustainability</p> <p>Coverage of the question: The SADC Secretariat in Gaborone has been established as part of the SADC restructuring exercise and its role in regional integration has been formally established and has already produced a Regional Indicative Strategic Development Plan (RISDP). Political commitment to supporting the regional integration functions of the SADC Secretariat is formally in place although, in practical terms, financial support from SADC national governments to support these functions is lagging behind. The key stakeholders for the promotion of regional integration include the:- SADC institutions at regional and national level, national governments, private sector, civil society/NSA. One area of focus will be on the SADC restructuring exercise, notably the centralising of functions at the Regional Secretariat in Gaborone and the role to be played at national level by the SADC national committees.</p> <p>The question will also analyse the extent to which the support given to the capacity development of the key stakeholders to support regional integration has created regional capacities which will also be sustainable after withdrawal of external support – both in terms of the actual capacity of the stakeholders as well as in terms of the flow of financial resources to sustain this capacity.</p> <p>There will also be an analysis of the changes in regional SADC strategy (notably through the implementation of the RISDP; and in SADC's positioning on EPA negotiations) and the extent to which these changes are reflected in the EC's programming vis-à-vis SADC. The role of other regional organisations – notably COMESA and SACU – are key factors here, with some SADC member states negotiating EPAs as part of the COMESA bloc and with some SACU members (notably South Africa) negotiating agreements bilaterally with the EC. Co-ordination and co-operation between SADC and COMESA on EPA is critical for SADC integration. A secondary consideration is that the aim of the African Union in respect of African integration are also recognized objectives for EU-ACP cooperation, further necessitating consideration of the SADC/COMESA links.</p>	
<p><b>Judgement criteria</b></p> <ol style="list-style-type: none"> <li>1. The capacity of the regional institutions in the SADC area (notably SADC and COMESA) to negotiate EPA deals which complement each other and which benefit the SADC region as a whole has increased</li> <li>2. The concentration of the SADC functions in Gaborone, Botswana, has contributed to efforts to give SADC a more regional approach</li> <li>3. SADC Member States governments taken on board the responsibility of funding the SADC Secretariat and the SADC National Committees, so that these can function without external (donor) funding</li> </ol>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• Trade negotiations SADC EPA and ESA EPA are likely to result in signing of agreements</li> <li>• SADC and COMESA have defined clear negotiating positions</li> <li>• SADC and COMESA negotiators have a common understanding on the EPAs</li> <li>• Progress achieved on implementation of RISDP</li> <li>• NSA have contributed to RISDP formulation and implementation</li> <li>• Appointment of staff into vacant and frozen posts.</li> <li>• SADC national organisations in place and in contact with the regional secretariat</li> <li>• Budget allocation and actual supply of resources.</li> </ul>

<p><b>EQ 9:</b> To what extent has the Commission's support had an impact on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be sustainable?</p>	<p><b>Evaluation criteria:</b> Impact and sustainability</p> <p>Coverage of the question: The question will examine the whether the enabling environment in the SADC region has been enhanced and whether there is national ownership of SADC regional policies and regional accords – particularly within the focal areas of <b>Regional Integration and Trade</b> and <b>Transport and Communications</b>. The question will examine whether national governments have committed themselves to regional integration through normative, legislative and economic decrees and implementation instruments.</p> <p>The question will need to consider that the main bulk of the programmes supporting Trade and Regional Economic Integration are about to commence (SADC SQAM programme, SADC Customs programme) or are under preparation (support to the SADC Investment and Finance Protocol, 9<sup>th</sup> EDF Capacity Building Project). Assessing <i>impact</i> – not to speak of <i>efficiency</i> and <i>effectiveness</i> – in this situation is difficult.</p>
<p><b>Judgement criteria</b></p> <p>1. Trade barriers have been reduced and trade has been facilitated as a result of implementation of regional policies and accords</p>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• Trade statistics show improved inter-, and intra-regional trade</li> <li>• Transport statistics show increased cross-border traffic</li> <li>• Regional trade-related private sector organisations (Chambers of Commerce, Regional Transport associations, Trade Union Confederations) statistics report reduction in trade barriers, changes in trade barriers and improvements in the enabling environment for the private sector.</li> </ul>
<p>2. Movement of people, factors of production, goods and services has been facilitated.</p>	<ul style="list-style-type: none"> <li>• Reports show evidence of cross-border mergers and acquisitions</li> <li>• Visa, residence and working permit arrangements which allow for freer movement have been formally enacted.</li> </ul>
<p>3. SADC protocols and policies have created an enabling environment for regional integration. (This Judgement criterion focuses on the sectors supported by the EC: Trade, Transport, Food Security, Good Governance, Peace and Security, HIV/AIDS ...)</p>	<ul style="list-style-type: none"> <li>• Adherence by SADC Member States to signed and ratified protocols and policies.</li> <li>• TI Corruption Perception Index shows positive trends</li> <li>• HIV/AIDS statistics indicate that the rate of infection and spread of the disease is slowing down, reducing or being contained</li> </ul>



<p><b>EQ 10:</b> To what extent has the Commission's support to SADC had an impact on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be sustainable?</p>	<p><b>Evaluation criteria:</b> Impact and sustainability</p> <p>Coverage of the question: This question focuses on the overall objective of EC assistance to the ACP states and stands at the core of the EC's approach to development assistance during the EDF 9. The focus on poverty alleviation will continue under EDF 10 as the EC, EU Member States and other donors attempt to support developing countries in the achievement of the Millennium Development Goals. Attributing direct causal links between EC interventions and poverty trends in the SADC region will be difficult to document – therefore as proxy indicators, analysis will focus on whether EC interventions specifically include a focus on poverty alleviation, and whether planned activities with a poverty alleviation focus have been implemented.</p> <p>Poverty reduction has been clearly linked to economic growth in the EU's regional strategy for SADC where it is contended that: "Poverty reduction depends on achievement of economic growth levels of 6%" (ref: RSP-9EDF – p.27) – with regional integration being one of the factors which stimulates growth – and hence "poverty reduction". It should be noted that the indicators that will be used to measure achievement will draw on existing reliable data sources (such as UN or World Bank, as well as reliable SADC data). Measurement will not involve a separate data gathering exercise by the Evaluation team.</p> <p>The question will need to consider that the main bulk of the programmes supporting Trade and Regional Economic Integration are about to commence (SADC SQAM programme, SADC Customs programme) or are under preparation (support to the SADC Investment and Finance Protocol, 9<sup>th</sup> EDF Capacity Building Project). This is the case with many of the other programmes being funded under EDF 9. Assessing <i>impact</i> – not to speak of <i>efficiency</i> and <i>effectiveness</i> – in this situation is difficult.</p>
<p><b>Judgement criteria</b></p> <ol style="list-style-type: none"> <li>1. Increased integration of the region into the world economy</li> <li>2. Increased regional integration</li> <li>3. Sustainable social development</li> <li>4. Increased economic growth</li> <li>5. EC regional interventions specifically focus on poverty alleviation</li> </ol>	<p><b>Preliminary indicators</b></p> <ul style="list-style-type: none"> <li>• EPAs negotiated according to the agreed timetable.</li> <li>• SADC Member States are members of WTO</li> <li>• Progress made towards creation of regional common market and customs union according to the agreed timetable.</li> <li>• Creation of regional institutions – cultural, social, educational</li> <li>• Poverty reduction by country and SADC as a whole based on internationally recognised data (e.g. HDI index)</li> <li>• Change in per capita GDP per country since 1996.</li> <li>• Change in absolute GDP by country since 1996.</li> <li>• EC programmes set clear definitions and benchmarks for poverty alleviation.</li> <li>• EC interventions in focal and non-focal sectors are based on an ex ante analysis of the direct/indirect impact on the most vulnerable groups and sectors</li> <li>• EC interventions analyse poverty alleviation and explicitly include poverty alleviation related activities.</li> </ul>



## Annex 5 Project Analysis & List of Projects

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# 1. Project Analysis

## 1.1 SELECTION OF PROJECTS TO BE INCLUDED IN THE EVALUATION

A list of over 100 potentially relevant projects for inclusion in the evaluation has been compiled, based on a search of the EC databases and following a further selection process, which discarded a substantial number of non-relevant entries<sup>85</sup>&<sup>86</sup>. These projects have been grouped into 8 broad categories

- Regional integration and trade;
- Transport and communications;
- Food security, environment and natural resources
- Non-focal sectors: Peace and Security, Gender, Human Rights and Democratisation,
- Institutional capacity building; Human resources development
- Health and HIV/AIDS
- Water resource management (only under EDF8)
- Mining, hydropower and gas

The first four categories follow the broad groupings identified in the RSP/RIP; the last four overlap, to some extent, with the non-focal sectors, but have been separated out for individual analysis as initial indications suggest that (i) they may be of sufficient importance to warrant separate analysis, or else (ii) they are valid categories even though not included in the RSP/RIPs.

A further discussion on the final selection of projects is included under Section 5 in this Annex.

Given that a number of national projects may also have regional elements, the initial database search for SADC projects with regional scope or regional elements has also identified a number of projects with possible regional elements, these being in addition to those projects identified under the RSP and under the EPRD as being Regional. The projects are split both by sector but are also shown as separate categories, that is to say (i) those projects identified as regional under the RSP/RIP and EPRD; and (ii) those projects drawn from the NIPS but which are seen as having potential regional implications.

Regional support to SADC through EDF8 and EDF9 accounts for approximately 21% of EU support to the SADC region. The chart below shows the distribution of national and regional funds<sup>87</sup> (planned, contracted and paid) under both EDF8 and EDF9 RIPs.<sup>88</sup>

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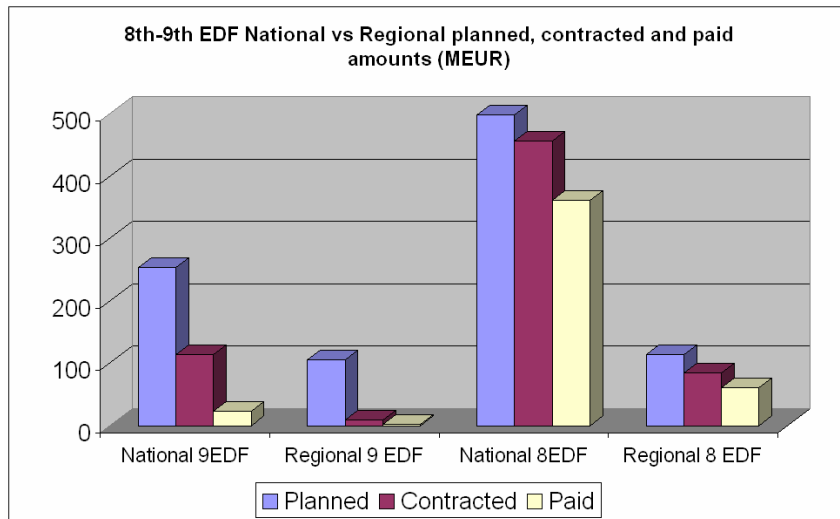
<sup>85</sup> Deleted entries cover such categories as: pre-financial agreements; duplicates; STABEX & SISMYN transfers; riders; audits; SAPs budget; projects with no relevance for SADC regional integration; etc.

<sup>86</sup> It may be noted that, in the context of EC co-operation with the SADC Region, the EC has temporarily suspended programmable aid to Zimbabwe.

<sup>87</sup> Regional funds include also All ACP funds.

<sup>88</sup> The terms "planned"; "contracted" and "paid" are those used by the CRIS database. According to the terminology normally in use, committed or allocated could also be used instead of planned. However, in the interests of consistency, the terms used by CRIS have been retained.

Figure 12: Distribution of national and regional funds (planned, contracted and paid) under both EDF8 and EDF9 RIPs



The chart clearly shows that although the indicative allocation of resources for Regional EDF8 (MEUR 121) and Regional EDF9 (MEUR 101) are roughly in the same order of magnitude, there have been a number of delays in planning and contracting for the Regional EDF9.

### 1.2 PLANNED DISTRIBUTION BY SECTOR

The pie charts below illustrate the distributions of planned amounts by sector under EDF8 and EDF9, clearly showing that the planned amounts also follow the two main focal areas.

Figure 13: Distributions of planned amounts by sector under EDF8

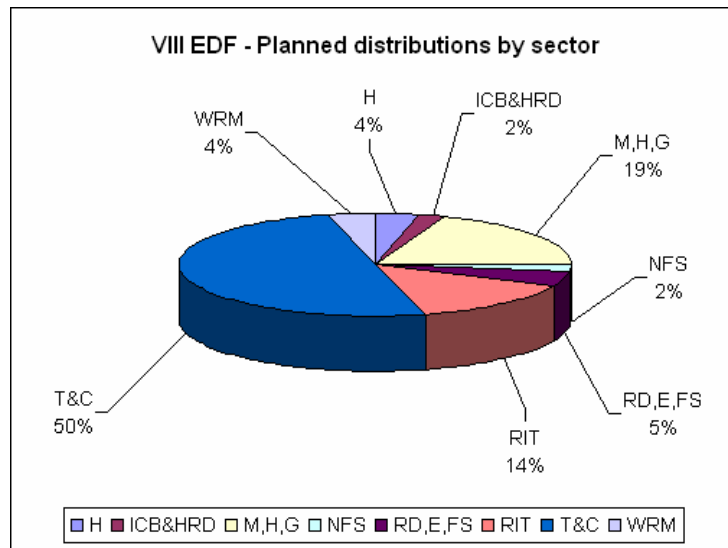
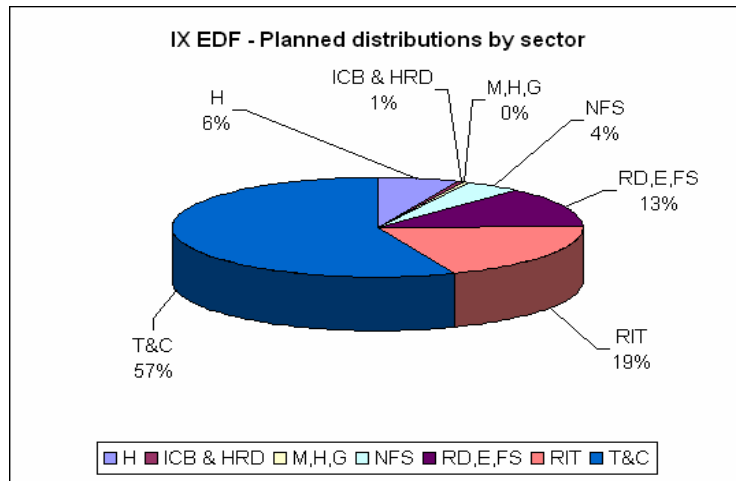
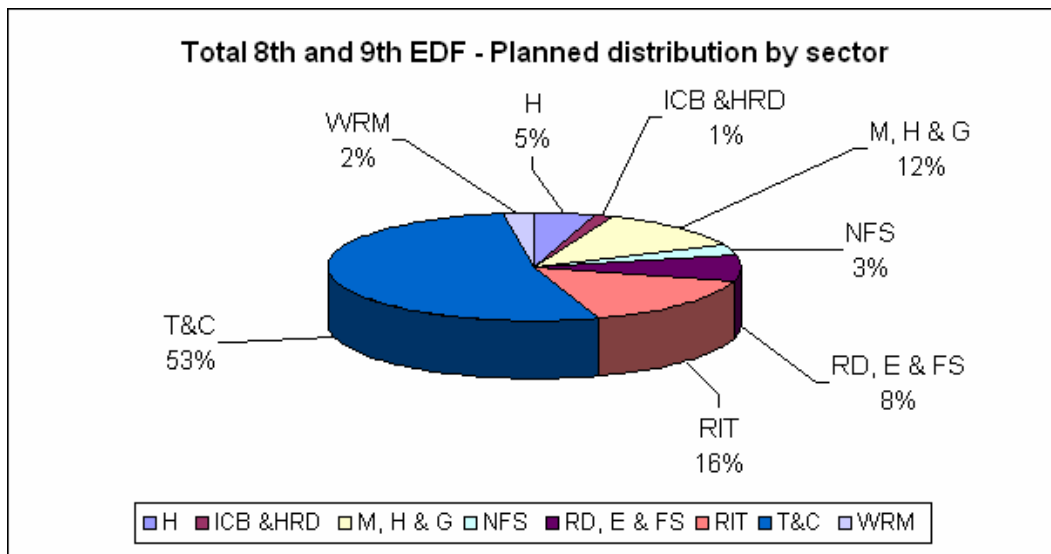


Figure 14: Distributions of planned amounts by sector under EDF9



The third pie chart shows the combined distribution for EDF8 and EDF9.

Figure 15: Combined distribution for EDF8 and EDF9.



### 1.3 ABSORPTIVE CAPACITY

Despite the general agreement on the overall direction and focus of SADC-EC co-operation, a number of problems relating to absorption capacity have contributed to lower-than-expected levels of disbursement.<sup>89</sup> The charts below show the levels of planned, contracted and paid amounts<sup>90</sup> for each sector of intervention under the EDF8 and EDF9 RIPs. The results of the analysis indicate that the reasons for this lie

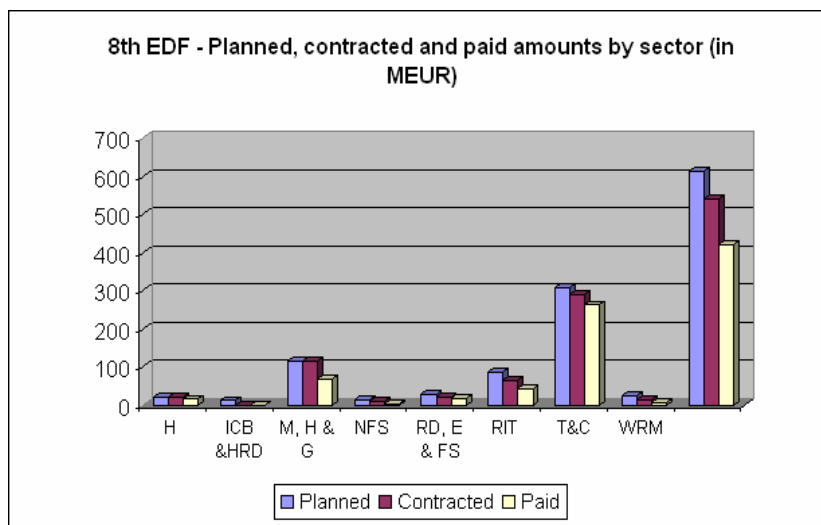
<sup>89</sup> Reference: Joint Progress Report on co-operation between the Southern African Development Community (SADC) and the European Community (EC) – 2005, p.2, p.16, p.29, etc.

<sup>90</sup> Planned, contracted and paid amounts correspond to those recorded in the EC database CRIS consulted in the period March-June 2006.

within both SADC and the Commission. These reasons for the lower-than-expected disbursements were seen as:<sup>91</sup>

- Slow progress in re-organising SADC's institutions after the re-organisation;
- Lack of consistent political guidance within SADC and lack of adequate and skilled staff within the organisation;
- Difficulty of filling posts within SADC following the definition of new recruitment guidelines;
- Redeployment of staff out of the SADC organisation and loss of institutional memory;
- Delays in defining priority projects and formulating realistic timetables;
- Protracted and inflexible EC financial regulations which in many cases are not appropriate for regional organisations, giving rise to a risk that implementation delays could lead to an erosion of SADC Member States' confidence in the SADC Secretariat. These concerns are mirrored by those of other RIOs in the wider East, Central and Southern African region. (As suggested by the Mid-Term Review, one way of countering these concerns could be more systematic recourse to contribution agreements combined with acceptance of SADC procedures – in the spirit of the Paris Declaration.)
- Requirements to adhere to rigid procedures for procuring goods and services; eligibility rules which exclude South African expertise, etc.;
- Reform of the RELEX structures in the Commission, leaving the Regional Co-operation Section in the Delegation understaffed and "totally ill-equipped to deal with the challenges of regional integration up until 2004".

Figure 16: EDF8, Planned, contracted and paid amounts by sector, in MEur



<sup>91</sup> Reference: Joint Progress Report on co-operation between the Southern African Development Community (SADC) and the European Community (EC) – 2005. Especially sections 4.2 and 5.1. Mid-Term Review – SADC EDF9 RSP/RIP – 2005.

Figure 17: EDF9, Planned, contracted and paid amounts by sector, in MEur

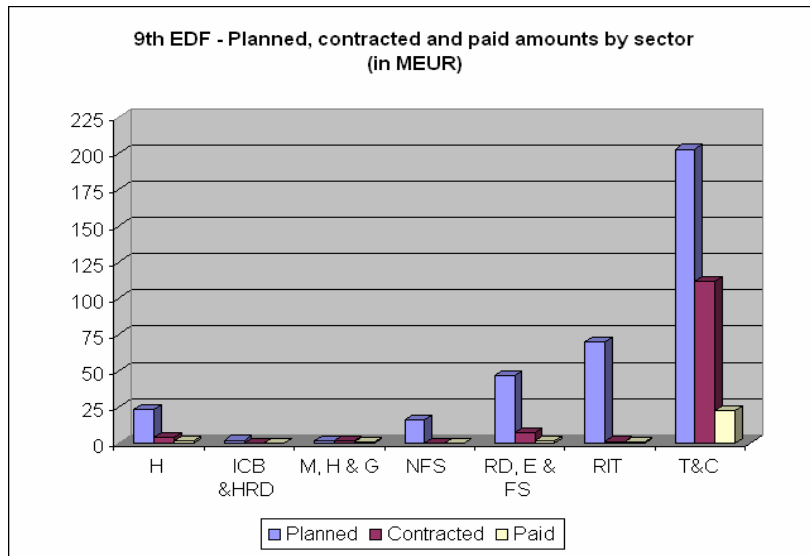
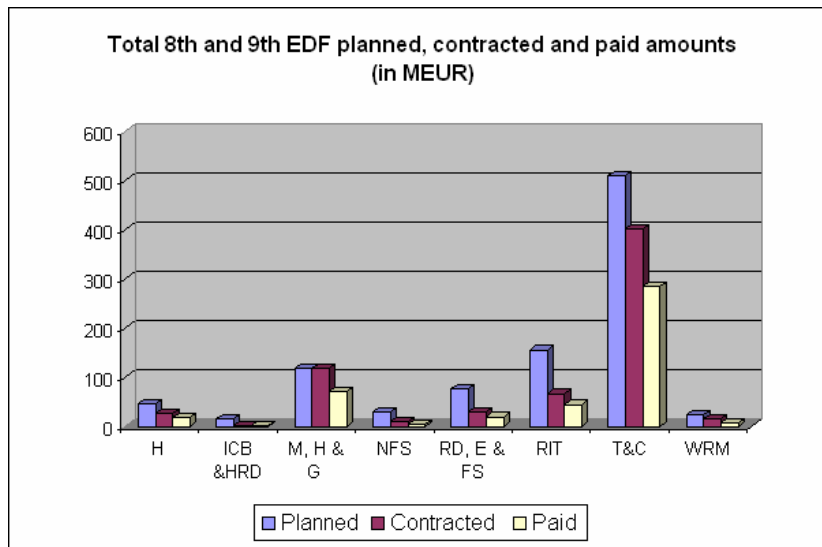


Figure 18: Total EDF8 and EDF9, Planned, contracted and paid amounts by sector, in MEur



The analysis of the projects retained on the project lists for both EDF8 and EDF9 shows the importance in terms of planned disbursements of the two principal sectors – Transport and Communications; and Regional Integration and Trade. This importance is maintained from EDF8 through to EDF9.

Rural Development, Environment and Food Security increases from EDF8 to EDF9 (the result of inclusion of the fisheries projects within this category), whereas there is a marked increase in the Health sector with an increased focus on HIV/AIDS projects.

The Joint Progress Report and the Mid-Term Review resulted in a revision of the financial allocations. This has included:

- Removal of projects in which appraisal and preparation have been slow, thus increasing the risk that they would not be financed before the December 2007 cut-off date;
- Transfer of the responsibility for implementation of a number of transport programmes away from SADC to the relevant NAOs and earmarking these programmes under the proposed EU-Africa Infrastructure Facility;
- Provision for a contribution from SADC to a continent-wide programme, the African Monitoring of the Environment for Sustainable Development (AMESD) programme. This programme will also be supported by other African RIPs.

As part of the achievement of the policy objectives on deepening of regional integration, the EPA process will continue to receive support from the EDF8 Capacity Building Programme as well as from "all ACP" allocations. The EPA Negotiations Support Facility will also provide a boost. This does not detract from the fact that regional integration remains a slow process and depends on the commitment and capacity of the Member States. In addition, the main challenge for SADC must remain how to harmonise the integration agendas of overlapping regions – with only 8 SADC countries negotiating a SADC EPA and the remaining SADC countries negotiating as part of the ESA-EPA.

#### 1.4 COMPLEMENTARITY BETWEEN NIPS AND THE RIP

Complementarity between EDF support at regional level (RIPs) and support at national level (NIPs) has been raised as an issue, also by the Mid-Term Review. This links in with the earlier comments on commitment by SADC Member States to their own RISDP. An initial desk analysis of the CSPs – see **Annex 8** - shows a mainly national focus, with little space given to regional issues. However, despite this, in quite a few cases, NIPs include priority sectors which are also included in the RIPs, and which are also priorities for the regional support, such as trade and investment; transport; agriculture, rural development and food security; health and HIV/AIDS. The table in Annex 8 shows the distribution of focal/non focal sectors for the EDF8 and EDF9 CSPs/NIPs of SADC countries.

As a way of bringing a stronger regional dimension into EDF support at national level, the Mid-Term Review concluded that "the Commission and the NAOs should take the initiative to ensure synergy and complementarity between RIPs and NIPs so as to allow regional initiatives to be implemented at national level where applicable"<sup>92</sup>. One of the first steps here will be delegation of the road infrastructure projects (mentioned above) to the corresponding NAO – and the transferring of the funds earmarked under the RIP to the appropriate NIP.

#### 1.5 PROJECT OVERVIEW BY SECTORS

The projects which have been identified as relevant or potentially relevant are listed in this annex, divided into the principal sectors. The overview below contains the totals for each sector as regards: planned; contracts signed; payments made.

On the recommendation of the Delegation in Botswana, three additional projects were included which were in the appraisal phase and did not yet have OLAS numbers but which will be important building blocks in the implementation of the EDF9 Strategy:

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<sup>92</sup> Mid-Term Review – SADC EDF9 RSP/RIP – 2005. p.15



- Support to the Finance and Investment Protocol (€16 million);
- Capacity building on Maximum Residue Levels (MRL; €7.5 million)
- Capacity Building for Regional Integration (€10 million).

Table 11: Project overview by sectors, totals planned, contracted and paid, in Euros

Project sector		Planned	Contracted	Paid
Health and HIV/AIDS	H	45,731,576	25,531,197	17,274,533
Institutional Capacity Building and Human Resources Development	ICB &HRD	14,506,516	185,406	133,850
Mining, Hydropower and Gas	M, H & G	118,240,431	117,894,436	70,611,437
Non-Focal Sectors	NFS	29,672,376	9,503,434	4,752,468
Rural Development, Environment and Food Security	RD, E & FS	75,649,126	29,652,136	18,944,178
Regional Integration and Trade	RIT	155,452,068	66,597,467	44,273,870
Transport and Communications	T&C	510,809,560	402,170,941	285,130,906
Water Resources Management	WRM	23,852,598	14,412,812	6,904,948
<b>Total</b>		<b>973,914,251</b>	<b>665,947,828</b>	<b>448,026,189</b>

The full project list is contained in this annex sorted by project sector in the order, which it is shown in the summary (above). Each sector is sub-divided into:

- (i) regional projects, and (ii) national projects with a regional scope.

#### 1.6 NOTE ON PROJECT DATA COMPILATION AND ORGANISATION

The CRIS databases (CRIS production and the CRIS Consultation) were the main sources of information on the EC interventions in the SADC region in the period under investigation. The databases display the names of the countries and region where the projects are planned, the titles and identification numbers, the budget planned, contracted and paid and the source of funding as well as the Delegations in charge and in some cases the task managers.

The evaluators used the information collected from the databases to compile comprehensive "project lists" of regional and bilateral projects providing an overview on the Commission interventions in the SADC country and region from 1996 to 2006. The data were also used to draft the charts in the report. The consultation of the databases was conducted in the period March-June 2006. The disbursed and paid contributions therefore refer to the amounts recorded in CRIS in that period. The research was carried out on the basis of geographical criteria. For each SADC country, the full list of projects carried out by the European Commission was downloaded together with the lists of regional (RAU and SADC) and all-ACP projects (TPS). Irrelevant entries were deleted from the list on the basis of the titles and – where possible - the information provided by the Commission documents, especially the Regional Indicative Programme and the National Indicative Programmes, and the projects documents found in the ROM (Results Oriented Monitoring System) database<sup>93</sup>. The ROM database has proved to be a key source of information on the specific interventions. However, not all the projects in the SADC region have been monitored. The evaluators therefore still need documentation on a number of key projects. The column documentation/information available shows the type of documents that at the current stage the evaluators managed to gather. Further project documents will be gathered before/during the field missions.

<sup>93</sup> The documents found in the monitoring database are the following: Financing Agreement (FA); Monitoring Report (MR) or Monitoring Notes (MN); Project Sheet (PS); Logframe (LF); Response Sheet (RS).

Three additional entries were included in the list of regional projects following the suggestions of members of the Reference Group. These entries correspond to projects that are still at the appraisal stage and that therefore were not recorded in CRIS with a project identification number.

The regional and national projects lists were sorted by sector of intervention. Budget lines were also taken into account. However, apart from the EPRD programmes, only one project, the Food Security SADC 2000, was deemed to have regional scope. The lists include projects funded under EDF8 and EDF9 and other funding instruments in the given period. They provide information on the projects' identification numbers and title, sectors of intervention (according to evaluators' own classification), resources planned, contracted and paid and the source of funding. In the case of the national projects, the evaluators listed only the interventions considered to be relevant for the integration of the SADC region.

Programmes funded from other envelopes in support of the SADC region during the study period, that is the ALL-ACP funds, sectoral budget lines (such as Environment and Forests, Private Sector, Food Security, etc.) or other facilities such as EBAS, Pro-Invest and DIAGNOS or the European Investment Bank (EIB), which have a bearing on the regional co-operation objectives and strategy, were also taken into consideration – where relevant.

## 2. Full project list split by sector

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
Regional Southern Africa	<u>8 ACP RAU</u> <u>14</u>	SADC HIV/AIDS - REGIONAL SUPPORT FOR AN EXPANDED MULTISECTOR RESPONSE	H	3,114,000	<u>2,447,506</u>	1,932,797	FED 08	
Regional Southern Africa	<u>8 ACP RAU</u> <u>9</u>	SADC REGIONAL DRUG CONTROL PROGRAMME (SRDCP)	H	1,990,000	<u>1,766,880</u>	1,456,553	FED 08	
			<b>H</b> <b>Totale</b>	5,104,000	4,214,386	3,389,350		

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
Namibia	9 ACP NAM 9	HIV/AIDS RESPONSE CAPACITY DEVELOPMENT PROGRAMME (HRCDP)	H	3,200,000	2,765,000	837,653	FED 09	
South Africa	<a href="#">AFS/1999/004-544 (EC)</a>	1999/27 - SADC Regional Drug Control Programme - SRDCP - Agreement SA/73200-99/27	H	967,576	967,576	967,576		Afrique du Sud
South Africa	AFS/2000/004-553 (EC)	2000/32 - SADC HIV AIDS	H	4,500,000	4,500,000	3,984,000		Afrique du Sud
South Africa	AFS/2004/016-824 (EC)	HIV & AIDS	<u>H</u>	<u>20,000,000</u>	1,148,667	387,954		Afrique du Sud
South Africa	AFS/2002/002-497 (EC)	SA/1010/00 Regional HIV/AIDS Awareness and Education Programme	H	10,000,000	9,998,680	5,915,469		Afrique du Sud
<a href="#">Swaziland</a>	<a href="#">8 ACP SW 19</a>	HIV/AIDS PREVENTION AND CARE PROGRAMME	H	1,960,000	<u>1,936,888</u>	1,792,531	FED 08	
			<b>H Totale</b>	40,627,576	21,316,811	13,885,183	0	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<a href="#">Regional Southern Africa</a>	<a href="#">8 ACP RAU 17</a>	FINALISATION OF THE SADC INTRA-REGIONAL SKILLS DEVELOPMENT PROGRAMME	ICB &HRD	56,516	<a href="#">56,516</a>	56,516	FED 08	
<a href="#">Regional Southern Africa</a>	<a href="#">FED/REG/07431/000</a>	SADC INTRAREGIONAL SKILLS DEVELOPMENT PROGRAMME	ICB &HRD	12,500,000	<a href="#">0</a>	0	PREG-08-RAU	
<a href="#">Southern African Development Community</a>	<a href="#">9 ACP SAD 5</a>	TECHNICAL CO-OPERATION FACILITY (TCF)	ICB &HRD	1,950,000	<a href="#">128,890</a>	77,334	FED 09	
		<b>ICB &amp;HRD Totale</b>		<b>14,506,516</b>	<b>185,406</b>	<b>133,850</b>		

M	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Regional Southern Africa</u>	<u>8 ACP RAU 7</u>	MOTRACO PROJECT - MOZAMBIQUE (20139)	M, H & G	8,200,000	<u>8,200,000</u>	8,200,000	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 6</u>	MOTRACO PROJECT - SWAZILAND (20136)	M, H & G	8,200,000	<u>8,200,000</u>	8,200,000	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 4</u>	SADC EU MINING FORUM (MINES 1999)	M, H & G	1,950,000	<u>1,927,339</u>	1,889,582	FED 08	
		<b>M, H &amp; G Totale</b>		18,350,000	18,327,339	18,289,582		

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
Mozambique	8 ACP MOZ 16	MOTRACO A (20132 )	M, H & G	3,454,997	3,454,997	3,454,997	FED 08	
Mozambique	8 ACP MOZ 47	MOTRACO II (+6 MOZ 113, 8 SW 22) (22127)	M, H & G	580,000	580,000	0	FED 08	
<u>Mozambique</u>	<u>8 ACP</u> <u>MOZ 46</u>	Motraco ii (21883)	M, H & G	1,915,000	<u>1,915,000</u>	0	FED 08	
Mozambique	8 ACP MOZ 44	Rsa natural gas project	M, H & G	35,000,000	35,000,000	0	FED 08	
Swaziland	8 ACP SW 22	Motraco ii (+6 moz 113, 8 moz 47)	M, H & G	1,750,000	1,750,000	0	FED 08	
Swaziland	8 ACP SW 18	SEB II TRANSMISSION PROJECT (20807)	M, H & G	2,190,684	2,190,684	2,190,684	FED 08	
Swaziland	<u>8 ACP</u> <u>SW 5</u>	Seb ii transmission project (21174)	M, H & G	5,000,000	<u>5,000,000</u>	5,000,000	FED 08	
Swaziland	<u>8 ACP</u> <u>SW 25</u>	Seb iii maguga (22105)	M, H & G	7,000,000	<u>7,000,000</u>	0	FED 08	
Tanzania	9 ACP TA 6	SUPPORT TO THE SOUTHERN AND EASTERN AFRICAN MINERAL CENTRE (SEAMIC)	M, H & G	1,499,750	1,176,416	853,727	FED 09	
Zambia	8 ACP ZA 11	Zesco kariba north (71116)	M, H & G	21,000,000	21,000,000	20,322,447	FED 08	
Zambia	<u>8 ACP</u> <u>ZA 5</u>	Zesco vicfalls (71117)	M, H & G	20,500,000	<u>20,500,000</u>	20,500,000	FED 08	
		<b>M, H &amp; G Totale</b>		99,890,431	99,567,097	52,321,855	0	



M	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<a href="#">All countries</a>	<a href="#">8 ACP TPS 90</a>	SADC MEDIAT. DIALOG. CONGOLAIS ACCORDS LUSAKA CONFLIT GRANDS	NFS	2,340,000	<a href="#">2,340,000</a>	1,991,630	FED 08	
<a href="#">Regional Southern Africa</a>	<a href="#">FED/REG/07437/000</a>	SADC REGION - SUPPORT TO THE LUSAKA PEACE PROCESS	NFS	4,000,000	4,000,000	See detail	PREG-08-RAU	
<a href="#">Regional Southern Africa</a>	<a href="#">8 ACP RAU 8</a>	SUPPORT TO THE SADC- MANDATED LUSAKA PEACE PROCESS	NFS	721,664	<a href="#">721,664</a>	721,664	FED 08	
			<b>NFS Totale</b>	7,061,664	7,061,664	2,713,294		

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
South Africa	AFS/2004/ 935 (EC)	016- AU / NEPAD - Capacity Building in Governance and Public Administration	NFS	2,000,000	0	0		South Africa
South Africa	AFS/2002/ 542 (EC)	002- SA 2002 1011/000 Conflict and Governance Facility (CAGE)	NFS	4,000,000	2,441,770	2,039,173		South Africa
South Africa	AFS/2005/ 679 (EG)	017- South Africa Contribution to the Peace Facility for Africa	NFS	7,725,000	0	0		South Africa
South Africa	AFS/2005/ 594 (EG)	017- Support to the South African government in the fight against human trafficking	NFS	6,300,000	0	0		South Africa
South Africa	AFS/1997/ 613 (CL)	005- 1997/06 - SOUL CITY : SERIES 4 & 5 (IUPHC)	NFS	2,585,712				
			<b>NFS Totale</b>	22,610,712	2441770	2039173.47	0	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Regional Southern Africa</u>	<u>8 ACP RAU 3</u>	REGIONAL FOOD SECURITY TRAINING PROGRAMME	RD, E & FS	4,153,000	<u>3,822,509</u>	3,706,413	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 1</u>	SADC REGIONAL MONIT.-CONTROL-SURVEILL. OF FISHING (+8NAM004)	RD, E & FS	5,740,000	<u>5,627,734</u>	5,364,477	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 16</u>	METEOROLOGICAL TRANSITION IN AFRICA	RD, E & FS	2,000,000	<u>1,906,233</u>	904,523	FED 08	
<u>Southern African Development Community</u>	9 ACP SAD 3	Addendum to 8 ACP RAU 03 (Food Security Training Programme)	RD, E & FS	830,000	0	0		
<u>Southern African Development Community</u>	9 ACP SAD 08	ECOFAC (contribution to DRC forest Project)	RD, E & FS	5,000,000	0	0		
<u>Southern African Development Community</u>	<u>9 ACP SAD 1</u>	SADC IMPLEMENTATION AND COORDINATION OF AGRICULTURAL RESEARCH AND TRAINING IN THE SADC REGION	RD, E & FS	15,000,000	<u>2,293,802</u>	533,914	FED 09	
<u>Southern African Development Community</u>	<u>9 ACP SAD 2</u>	SADC PRINT PROMOTION OF REGIONAL INTEGRATION IN THE SADC LIVESTOCK SECTOR	RD, E & FS	7,900,000	<u>5,093,245</u>	807,067	FED 09	
<u>Southern African Development Community</u>		Capacity building on Maximum Residue Levels	<b>RD, E &amp; FS</b>	7,500,000				
			<b>RD, E &amp; FS Totale</b>	48,123,000	18,743,523	11,316,394		

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
Angola	8 ACP ANG 1	SADC REGIONAL MONITORING, CONTROL & SURVEILLANCE OF FISHING	RD, E & FS	2,320,000	2,175,256	1,941,321	FED 08	
Madagascar	8 ACP MAG 13	A.T. AU COMMISSARIAT GENERAL AU DEVELOPEMENT INTEGRE DU SUD (CGDIS)	RD, E & FS	114,802	114,802	114,802	FED 08	
Malawi	9 ACP MAI 19	INSTITUTIONAL DEVELOPMENT AGRI-FOOD SECTOR (IDAF)	RD, E & FS	7,970,000	0	0	FED 09	
Mozambique	<a href="#">8 ACP MOZ 6</a>	SADC REGIONAL MONITORING, CONTROL & SURVEILLANCE OF FISHING	RD, E & FS	2,280,000	<a href="#">2,186,914</a>	1,244,609	FED 08	
<a href="#">Namibia</a>	<a href="#">8 ACP NAM 4</a>	SADC REGIONAL MONIT.-CONTROL-SURVEILL. OF FISHING+8RAU001	RD, E & FS	840,000	<a href="#">818,058</a>	454,420	FED 08	
South Africa	AFS/1998/ 005-570 (EC)	1998/08 - REINFORCING THE PARTICIPATION OF SOUTH AFRICA IN MWIRNET	RD, E & FS	421,324	421,324	421,324		
South Africa	AFS/1999/ 004-545 (EC)	1999/01 - SADC Regional Monitoring Control and Surveillance (MCS) of Fishing Activities Programme	RD, E & FS	2,420,000	1,032,260	772,219		
South Africa	FOOD/2000/ 002-336 (EC)	FOOD SECURITY 2000 SADC	RD, E & FS	2,000,000	2,000,000	705,726		
<a href="#">Tanzania</a>	<a href="#">8 ACP TA 4</a>	SADC REGIONAL MONITORING, CONTROL & SURVEILLANCE OF FISHING	RD, E & FS	2,160,000	<a href="#">2,160,000</a>	1,973,362	FED 08	
Tanzania	9 ACP TA 18	TOURISM TRAINING PROGRAMME	RD, E & FS	2,500,000	0	0	FED 09	
<a href="#">Zambia</a>	<a href="#">FED/REG/05406/002</a>	ANIMAL HEALTH AND PRODUCTION PROGRAMME	RD, E & FS	4,500,000	<a href="#">0</a>	0	PIN-08-ZA	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
			<b>RD, E &amp; FS Totale</b>	27,526,126	10,908,613	7,627,784	0	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>All countries</u>	<u>8 ACP TPS 154</u>	ECONOMIC INTEGRATION SUPPORT PROGRAMME TO THE BLNS - PHASE I (REPLACES 8 RAU 15 AS AGREED IN RIDER NO.2 TO FA 6377/REG)	RIT	3,000,000	<u>164,629</u>	90,203	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 5</u>	SADC REGIONAL STATISTICAL TRAINING PROJECT	RIT	4,800,000	<u>3,135,301</u>	1,366,951	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 10</u>	SADC ESIPP INVESTMENT PROMOTION PROGRAMME	RIT	16,325,000	<u>10,654,857</u>	4,198,087	FED 08	
<u>Regional Southern Africa</u>	<u>8 ACP RAU 13</u>	SADC REGIONAL INTEGRATION & CAPACITY BUILDING	RIT	15,615,000	<u>13,522,931</u>	8,294,044	FED 08	
<u>Southern African Development Community</u>		Capacity Building for Regional Integration	RIT	10,000,000				
<u>Southern African Development Community</u>	<u>9 ACP SAD 6</u>	ECONOMIC PARTNERSHIP AGREEMENT (EPA) SUPPORT FACILITY	RIT	7,500,000	<u>0</u>	0	FED 09	
<u>Southern African Development Community</u>	<u>9 ACP SAD 4</u>	SADC SUPPORT TO THE SADC REGIONAL INTEGRATION AND THE MULTILATERAL TRADING SYSTEM	RIT	1,090,000	<u>1,090,000</u>	500,800	FED 09	
<u>Southern African Development Community</u>	<u>9 ACP SAD 7</u>	SUPPORT TO SADC MEMBER STATES IN STANDARDIZATION, QUALITY ASSURANCE, ACCREDITATION AND METROLOGY (SQAM)	RIT	14,200,000	<u>0</u>	0	FED 09	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Southern African Development Community</u>	<u>9 ACP SAD 9</u>	SUPPORT TO SADC MEMBER STATES ON CUSTOMS MODERNISATION AND TRADE FACILITATION TOWARDS THE SADC CUSTOMS UNION	RIT	18,000,000	<u>0</u>	0	FED 09	
<u>Southern African Development Community</u>		Support to the Finance and Investment Protocol	RIT	16,000,000				

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Malawi</u>	<u>8 ACP MAI 10</u>	ASYCUDA PHASE 2	RIT	5,044,170	<u>4,907,900</u>	4,804,689	FED 08	
<u>Mozambique</u>	<u>8 ACP MOZ 14</u>	EU-MOZAMBIQUE PRIVATE SECTOR DEVELOPT PROG.	RIT	4,800,000	<u>4,679,512</u>	2,015,044	FED 08	
<u>Namibia</u>	<u>9 ACP NAM 8</u>	NAMIBIA TRADE AND REGIONAL INTEGRATION PROGRAMME (NTRIP)	RIT	3,000,000	<u>0</u>	0	FED 09	
<u>Namibia</u>	<u>8 ACP NAM 22</u>	SUPPORT TO AGRICULTURAL MARKETING AND TRADE NEGOTIATION	RIT	180,247	<u>180,247</u>	180,247	FED 08	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<a href="#">Namibia</a>	<a href="#">8 ACP NAM 9</a>	TRADE & INVESTMENT DEVELOPMENT PROGRAMME (TIDP)	RIT	3,417,491	<a href="#">3,417,491</a>	3,417,491	FED 08	
<a href="#">South Africa</a>	<a href="#">AFS/1998/004-547 (EC)</a>	1998/09 - SUPPORT FOR THE SADC FINANCE AND INVESTMENT PROTOCOL (FISCU)	RIT	1,930,000	1,767,172	1,523,459		Afrique du Sud
<a href="#">South Africa</a>	<a href="#">AFS/1998/000-682 (EC)</a>	1998/03 - FINANCIAL MANAGEMENT IMPROVEMENT PROGRAMME (FMIP)	RIT	8,611,300	7,491,268	7,221,606		Afrique du Sud
<a href="#">South Africa</a>	<a href="#">AFS/1996/000-672 (EC)</a>	1996/14 - Department of Trade and Industry Policy Support Programme	RIT	2,364,000	2,257,390	2,205,884		Afrique du Sud
<a href="#">South Africa</a>	<a href="#">AFS/1996/004-786 (CL)</a>	1996/15 - SADC Finance & Investment Sector Research Project	RIT	974,860	974,860	974,860		
<a href="#">South Africa</a>	<a href="#">AFS/1999/004-550 (EC)</a>	1999/21 - EU-SADC INVESTMENT PROMOTION (ESIP) PROGRAMME	RIT	2,000,000	0	0		
<a href="#">South Africa</a>	<a href="#">AFS/2000/004-551 (EC)</a>	2000/31 - BLNS - ECONOMIC INTEGRATION SUPPORT PROGRAMME TO THE BLNS - PHASE 1	RIT	3,000,000	0	0		



Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Swaziland</u>	<u>8 ACP SW 16</u>	PRIVATE SECTOR SUPPORT PROGRAMME	RIT	5,900,000	<u>5,424,562</u>	3,285,804	FED 08	
<u>Swaziland</u>	<u>8 ACP SW 7</u>	STRENGTHEN GOVT'S TRADE POLICY ANAL., RELATIONS & PROMOTION	RIT	1,200,000	<u>1,054,810</u>	680,394	FED 08	
<u>Zambia</u>	<u>8 ACP ZA 28</u>	EXPORT DEVELOPMENT PROGRAMME II (EDP I: 7ZA013/10000000.00)	RIT	6,500,000	<u>5,874,536</u>	3,514,306	FED 08	
			<b>RIT Totale</b>	48,922,068	38,029,748	29,823,784	0	

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
All countries	FED/REG/07305/000	REGIONAL ZAMBIA/BURUNDI/TANZANIA/DRCONGO/REHABILITATION AND DEVELOPMENT OF MPULUNGU HARBOUR	T&C	3,000,000	1,500,000	See detail	PREG-08-ROR	
Regional Southern Africa	8 ACP RAU 11	MPULUNGU HARBOUR / REHABILITATION + DEVELOPMENT (ZAMBIA)	T&C	569,419	569,419	569,419	FED 08	
Regional Southern Africa	8 ACP RAU 2	REHAB. OF 212 KM OF MONZE-ZIMBA ROAD (+8ZA016/24500000)	T&C	10,983,175	10,983,175	10,983,175	FED 08	
		<b>T&amp;C Totale</b>		14,552,594	13,052,594	11,552,594		

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<u>Malawi</u>	<u>8 ACP MAI 11</u>	KARONGA-CHILUMBA-CHIWETA ROAD	T&C	38,500,000	<u>37,459,928</u>	36,520,057	FED 08	
<u>Malawi</u>	<u>8 ACP MAI 30</u>	LAKESHORE ROAD INFRASTRUCTURE SUPPORT	T&C	11,955,880	<u>4,831,629</u>	3,952,148	FED 08	
<u>Malawi</u>	<u>8 ACP MAI 26</u>	LIMBE-THYOLO-MULOZA ROAD PROJECT-CEILING INCREASE	T&C	4,998,847	<u>4,998,847</u>	4,998,847	FED 08	
<u>Malawi</u>	<u>9 ACP MAI 21</u>	MALAWI BACKLOG ROAD REHABILITATION AND MAINTENANCE PROGRAMME	T&C	38,000,000	<u>0</u>	0	FED 09	
<u>Malawi</u>	<u>8 ACP MAI 21</u>	REHAB & CONSTRUCTION OF GOLOMOTI - MONKEY BAY ROAD	T&C	19,000,000	<u>18,252,495</u>	14,414,698	FED 08	
<u>Malawi</u>	<u>8 ACP MAI 5</u>	ROAD MANAGMENT SUPPORT PROGRAMME	T&C	14,400,000	<u>13,808,508</u>	12,288,270	FED 08	
<u>Mozambique</u>	<u>9 ACP MOZ 14</u>	CONSTRUCTION OF A BRIDGE OVER THE ZAMBEZI RIVER	T&C	25,000,000	<u>24,848,484</u>	0	FED 09	
<u>Mozambique</u>	9 ACP MOZ 17	LIMPOPO RAILWAY LINE REHABILITATIO OF FACILITIES	T&C	6,000,000	<u>0</u>	0	FED 09	
<u>Mozambique</u>	<u>8 ACP MOZ 15</u>	NAMPULA TO NACALA ROAD REHABILITATION	T&C	36,580,000	<u>33,939,138</u>	25,652,832	FED 08	
<u>Mozambique</u>	<u>9 ACP MOZ 1</u>	REHABILITATION OF THE NAMACURRA - RIO LIGONHA ROAD	T&C	65,000,000	<u>64,686,444</u>	16,012,175	FED 09	

<u>Mozambique</u>	<u>9 ACP MOZ 8</u>	RURAL ROADS REHABILITATION AND MAINTENANCE	T&C	6,000,000	<u>0</u>	0	FED 09	
<b>Country</b>	<b>Project Number</b>	<b>Project Title</b>	<b>Type</b>	<b>Planned</b>	<b>Contracted</b>	<b>Paid</b>	<b>From</b>	<b>Delegation in charge</b>
<u>Mozambique</u>	<u>8 ACP MOZ 31</u>	TDM TELECOMMUNICATIONS PROJECT (20906)	T&C	292,689	<u>292,689</u>	292,689	FED 08	
<u>Namibia</u>	<u>8 ACP NAM 7</u>	NAMIBIA SOUTH AFRICA INTERCONNECTOR PROJECT (17767)	T&C	8,520,707	<u>8,520,707</u>	8,520,707	FED 08	
<u>Namibia</u>	<u>8 ACP NAM 8</u>	TELECOM NAMIBIA II SOUTH LINK (17772)	T&C	845,904	<u>845,904</u>	845,904	FED 08	
<u>Namibia</u>	8 ACP NAM 15	WINDHOECK INFRA II (20257)	T&C	2,500,000	<u>2,500,000</u>	2,500,000	FED 08	
<u>Namibia</u>	8 ACP NAM 14	WINDHOEK INFRASTRUCTURE II (20256)	T&C	2,024,773	<u>2,024,773</u>	2,024,773	FED 08	
<u>Tanzania</u>	<u>8 ACP TA 6</u>	Air traffic services project (71118)	T&C	12,621,286	<u>12,621,286</u>	12,621,286	FED 08	
<u>Tanzania</u>	<u>8 ACP TA 22</u>	BACKLOG MAINTENANCE PROGRAMME FOR THE CENTRAL CORRIDOR	T&C	22,000,000	<u>20,929,400</u>	19,087,145	FED 08	
<u>Tanzania</u>	<u>8 ACP TA 20</u>	INSTITUTIONAL & POLICY SUPPORT TO THE TANZANIA ROAD SECTOR	T&C	1,980,000	<u>1,837,502</u>	1,693,359	FED 08	
<u>Tanzania</u>	<u>8 ACP TA 18</u>	REHABILITATION AND UP-GRADING OF MWANZA BORDER-TINTE AND ISAKA-NZGA ROADS	T&C	65,000,000	<u>62,726,673</u>	59,138,538	FED 08	

<u>Tanzania</u>	<u>9 ACP TA 14</u>	REHABILITATION OF MALINDI WHARVES, PORT OF ZANZIBAR	T&C	31,000,000	<u>22,129,727</u>	6,342,763	FED 09	
<b>Country</b>	<b>Project Number</b>	<b>Project Title</b>	<b>Type</b>	<b>Planned</b>	<b>Contracted</b>	<b>Paid</b>	<b>From</b>	<b>Delegation in charge</b>
<u>Tanzania</u>	<u>9 ACP TA 17</u>	REHABILITATION OF MANDELA ROAD	T&C	32,000,000	<u>0</u>	0	FED 09	
<u>Tanzania</u>	<u>8 ACP TA 47</u>	REHABILITATION OF ZANZIBAR PORT	T&C	750,000	<u>724,886</u>	724,886	FED 08	
<u>Zambia</u>	<u>8 ACP ZA 20</u>	REHABILIT. KABWE-KAPIRI MPOSHI AND CHISAMBA ROADS (+7ZA025)	T&C	16,757,544	<u>16,757,544</u>	16,757,544	FED 08	
<u>Zambia</u>	<u>8 ACP ZA 16</u>	REHABILIT. OF MONZE-ZIMBA ROAD (AND 8RAU002 / EUR 13000000)	T&C	23,279,335	<u>23,279,335</u>	23,279,335	FED 08	
<u>Zambia</u>	<u>8 ACP ZA 55</u>	REHABILITATION OF LIVINGSTONE AND LUSAKA AIRPORTS AIRPORT RECONSTRUCTION AND REHABILITATION	T&C	11,250,000	<u>11,102,447</u>	5,910,355	FED 08	
			<b>T&amp;C Totale</b>	496,256,966	389,118,347	273,578,312	0	

M	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<a href="#">Regional Southern Africa</a>	<a href="#">8 ACP RAU 18</a>	SADC LAND AND WATER MANAGEMENT RESEARCH PROGRAM	WRM	4,850,000	<a href="#">2,574,356</a>	920,831	FED 08	
<b>WRM</b>				4,850,000	2,574,356	920,831		
<b>Totale</b>								

Country	Project Number	Project Title	Type	Planned	Contracted	Paid	From	Delegation in charge
<a href="#">Mozambique</a>	<a href="#">8 ACP MOZ 19</a>	WATER RESOURCES MGMT/RURAL WTR SUPPLIES ZAMBESI RIVER BASIN	WRM	11,639,901	<a href="#">8,815,480</a>	4,351,410	FED 08	
<a href="#">Mozambique</a>	<a href="#">8 ACP MOZ 5</a>	ZAMBEZE VALLEY INTEGRATED WATER RESOURCES AND RURAL WATER SUPPLY DEVELOPMENT PROJECT	WRM	73,697	<a href="#">73,697</a>	<a href="#">73,697</a>	FED 08	
<a href="#">South Africa</a>	AFS/2002/ 004-556 (EC)	SA/1008/00 SUPPORT PROGRAMME TO THE WATER SECTOR IN SADC	WRM	7,289,000	2,949,280	1,559,011		South Africa
<b>WRM Totale</b>				19,002,598	11,838,456	5,984,117	0	



## Annex 6 Background to the Region

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Map 1:SADC Region



Source: [www.sadc.int](http://www.sadc.int)

## Overall Policy and Strategy Framework of the Commission's Co-operation with SADC

This chapter builds on and expands the analysis already presented in the Inception Report. The inspiration from the first part of this chapter is taken from SADC's own Regional Indicative Strategic Development Plan (RISDP).

### • OVERVIEW OF THE SADC REGION

The formal establishment of structures to promote regional co-operation and integration started as an initiative of the so-called Frontline States, the original members of which were Angola, Botswana, Mozambique, Tanzania and Zambia. As described in the RISDP:

This initiative was directed initially towards the political liberation of the Southern African region. From 1975 when they were formally constituted, the Frontline States met regularly to co-ordinate efforts, resources and strategies in relation to the National Liberation Movements of Southern Africa which were fighting against colonialism, racism and white minority rule. ... The countries of Southern Africa ultimately achieved political independence, but against a background of mass poverty, economic backwardness and the threat of powerful and hostile white-minority-ruled neighbours. Thus the leaders saw the promotion of economic and social development through co-operation and integration as the next logical step after political independence.<sup>94</sup>

Thus, following the July 1979 Arusha Conference, the Southern African Development Co-ordination Conference (SADCC) was launched by the then nine majority-ruled states of Southern Africa - Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe – who thereby “committed themselves to the pursuit of policies aimed at economic liberation on the basis of the sustainable integrated development of their economies” (SADC RISDP).

The aims of SADCC were to reduce economic dependence particularly, but not only, on South Africa; to forge links with a view to creating genuine and equitable regional integration; to mobilize resources for implementing national and interstate policies; and to take concerted action to secure international co-operation within the framework of the strategy of economic liberation. In pursuance of these objectives, the organization focused on functional co-operation in key sectors through a Programme of Action known as the SADCC Programme of Action (SPA). Above all, SADCC reflected the spirit of Pan-Africanism and the latter's preoccupation with the need for regional integration as the means to African continental unity and to a recovery of African dignity and status in global affairs.

By the late 1980s it had become apparent that SADCC needed strengthening. The attainment of independence and sovereign nationhood by Namibia in 1990 formally ended the struggle against colonialism in the region. In South Africa, the process to end apartheid, and to bring about a constitutional dispensation acceptable to all the people of South Africa, was under way.

In response to both the end of apartheid and the perceived necessity by Southern Africa nations to benefit from the economies of scale afforded by regional integration, the Treaty transforming SADCC into SADC was signed in August 1992, thereby redefining the basis for co-operation between Member States from a loose association

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<sup>94</sup> SADC RISDP, chapter 1.1.

into a legally binding arrangement. The small size of their individual markets, the inadequate socio-economic infrastructure, and the high *per capita* cost of providing this infrastructure, as well as their low-income base, made it difficult for individual SADC Member States to attract or maintain investments. This opened the way for discussions on a deeper economic co-operation and integration as SADC.

In the 1990s, membership of the organization increased to 14 with the accession of Namibia in 1990, South Africa in 1994, Mauritius in 1995, and Seychelles and the Democratic Republic of Congo in 1997.

By 2006, SADC still has 14 Member States (Angola, Botswana, the Democratic Republic of Congo – DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe). It should, however, be noted that the 14 now include Madagascar but not the Seychelles.<sup>95</sup>

The restructuring of SADC followed an Extra-Ordinary Summit of the SADC Heads of State and Government on March 9, 2001, in Windhoek, Namibia at which they approved a Report on the Restructuring of SADC Institutions. This included under-scoring of the importance of the Summit Meeting of the Heads of States or Governments of all Member States as the supreme policy-making institution in SADC, responsible for the overall policy direction and control of the functions of SADC. The Summit elects a Chairperson and Vice-Chairperson of SADC from among its members for an agreed period on the basis of rotation.

Policymaking is supported by the so-called Troika system consisting of the Chairperson, Incoming Chairperson and the Outgoing Chairperson of SADC, in line with a decision of the Summit at its meeting in August 1999 in Maputo, Mozambique. The Troika system operates at the level of the Summit, the Organ on Politics, Defence and Security, Council and Standing Committee of Senior Officials.

The Organ on Politics, Defence and Security is coordinated at the level of the Summit on a Troika basis, reporting to the Chairperson of SADC, with its structure, operations and functions regulated by the protocol on Politics, Defence and Security Cooperation.

In addition a Tribunal was established, constituted in such a way as to ensure adherence to, and the proper interpretation of, the provisions of the SADC Treaty and subsidiary instruments and to adjudicate on such disputes as might be referred to it. The composition, powers, functions, procedures of the Tribunal and other related matters relating to its operation are as prescribed in the Protocol on the Tribunal and the Rules of Procedure thereof.

However, most observers consider that the Tribunal does not fulfil its watchdog functions adequately with national interests tending to prevail over regional interests, even if these go against the provisions of the Treaty or of the protocols. The SADC parliamentary forum could also potentially provide some oversight but it remains an under-resourced body which does not carry the same weight as the head of state. Its functions still remain purely advisory.

The SADC Troika System vests authority in the incumbent Chairperson, incoming Chairperson who is also the Deputy Chairperson, and the immediate Previous Chairperson, with the aim of reaching quick decisions on behalf of SADC which are ordinarily taken at policy meetings, scheduled at regular intervals, of the Integrated Committee of Ministers (ICM); the Council of Ministers (CM); and the Summit of Heads of State and Government. The Summit and ICM take place annually, while the Council of Ministers meets biannually, in February to approve the Annual budgets

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<sup>95</sup> When the RSP/RIP was signed the Seychelles was still a member of SADC. Although this is no longer the case, negotiations are ongoing with a view to the Seychelles re-joining SADC. Madagascar joined SADC in 2005.

and in August to prepare the Summit agenda. There is also provision for extraordinary summits when the need arises.

The Troika system runs through the structures of SADC at Summit (Heads of State & Government); Council of Ministers (Ministerial Level); and Senior Officials (Permanent/Principal/Secretary - accounting/executive officers for government offices/ministries/departments).

Since its inception, SADC has inculcated a sense of regional belonging as well as a tradition of consultation among the peoples and governments of Southern Africa. Furthermore, SADC has developed protocols in a number of areas of co-operation, which provide the legal framework for co-operation between Member States.

Nonetheless, much of the SADC region remains in a post-conflict situation with substantial challenges to the consolidation of security, stability and democracy. These challenges include: dealing with refugees and displaced persons, trafficking of small-arms and light weapons; de-mining; demobilisation; human trafficking; and drug abuse. SADC institutions and protocols exist to tackle these issues (e.g. Strategic Indicative Plan for the Organ – SIPO – dealing with politics, defence and security, etc.) In the agendas on peace and security, and on democracy and good governance, SADC is aligning itself with the African Union (AU) and NEPAD initiatives, with 8 SADC Member States joining NEPAD's African Peer Review Mechanism (APRM) on governance.

On the political-security front, the Protocol on the Organ on Politics, Defence and Security was viewed by many as an important step in creating a common security and political values system. The concept was further enhanced by the adoption of electoral norms and standards at the 2004 Mauritius summit. However, there is often still a divergence between the values espoused and the SADC-wide implementation thereof. (SADC Barometer, Issue 8, March 2005)<sup>96</sup>

Here it is worth noting that more than half of those members of the African Union signing up for the Peer Review mechanism are in fact members of SADC, making SADC the "most peer-review-aligned region on the continent". This should serve as a positive indicator of regional convergence in the direction of good governance. However, SADC organs are reticent in their criticism of human rights and good governance issues in member states (this includes the governance situation in Zimbabwe as well as "Third Term Movements" elsewhere in the region). Thus while political freedom continues to become stronger in the region as a whole, the average masks large country differences.<sup>97</sup>

The lack of appropriate mechanisms capable of translating the high degree of political commitment into concrete programmes of community building and integration culminated in a decision to restructure the twenty-one existing sectors (located in institutions spread throughout the SADC member countries) into broader clusters under four Directorates located at the SADC Secretariat in Gaborone, Botswana (this took place in 2001). At national level, SADC National Committees were established to co-ordinate the respective individual Member State interests relating to SADC.

The objective of the restructuring was to increase the efficiency and effectiveness of SADC policies and programmes and to implement a more coherent and better co-ordinated strategy to eliminate poverty in the Region. In addition, in order to underpin the restructuring of SADC institutions, the SADC Secretariat prepared a

<sup>96</sup> See for example, the discussion in: SADC Barometer, Issue 8, March 2005

<sup>97</sup> Freedom House indicators – as quoted in the NEPRU Regional Integration Yearbook for 2004 – suggests that the region as a whole has become freer, but with a number of countries (including Angola, Congo and Zimbabwe) still classified as "not free". The 2006 elections in the Congo may well contribute to changing this classification for Congo.

Regional Indicative Strategic Development Plan (RISDP). The purpose of the RISDP is to deepen regional integration in SADC, and to provide SADC Member States with a consistent and comprehensive programme of long-term economic and social policies.

The first priority for the RISDP is **regional integration** and the promotion of **trade and economic liberalisation**. The establishment of a SADC Common Market is an important element for achieving these ends, but implies a focus on strategies which include enhancement of competitiveness; harmonisation of policies, and legal and regulatory frameworks for the free movement of factors of production. The SADC Trade Protocol and **Transport and Communications Protocol** are key elements in realising these objectives.<sup>98</sup>

The RISDP also emphasises **energy and water resources**. The need for focusing investment in the Southern African Power Pool (SAPP) has been identified to pre-empt future energy problems and to further develop water resources management, building on the **Shared Watercourse Systems Protocol**.

Within the sector defined in SADC as **Food, Agriculture and Natural Resources (FANR)**, the RISDP emphasises sustainable food security as a priority. Here the focus is on improving food availability; access to food and nutritional value of food; minimisation of food losses; prevention, mitigation and recovery from adverse effects of natural disasters, including improved forecasting; and finally, improvement of the institutional framework. The basis for this approach is contained in the 2004 Dar es Salaam Declaration on Food Security.

Poverty eradication remains a high priority for SADC with approximately 40% of the region's population living below the \$1 per day poverty datum line and about 70% living under \$2 per day.<sup>99</sup> This situation is compounded by the growing incidence of HIV/AIDS, tuberculosis and malaria, increasing mortality and morbidity rates which are skewing demographic profiles, removing individuals from the workforce and resulting in growing numbers of orphaned and vulnerable children. On this basis, the SADC/EC Joint Progress Report has concluded that: "Human poverty appears to be deepening in all SADC countries, with the exception of Mauritius, and the achievement of the MDGs by 2015 seems rather unlikely".<sup>100</sup>

This gloomy vision is confirmed by the End of Term Review of the SADC EDF 9 RIP/RSP and the Draft EDF 10 RIP/RSP which both note that, although for 2005 the average GDP growth for the region is expected to have increased to 4.7% from the 4.2% achieved in 2004, growth levels remain insufficient to achieve the MDGs which will require a sustained growth rate of 6.5% in order to halve poverty by 2015. Although regional growth rates are expected to rise during 2006 and 2007 (according to IMF September 2006 figures) this mostly reflects the accelerated pace of economic growth in South Africa and the figures for Angola fuelled by oil exports. The conclusion is that: the regional growth rate has generally remained below the average for Sub-Saharan Africa and significant national disparities remain.<sup>101</sup>

The comparative situation for the SADC countries as regards percentage of the population living in poverty is shown in the following two tables, for the periods 1997-2000 and 2001-2005.

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<sup>98</sup> Reference is also made to the analysis in the Joint Progress Report on Co-operation between SADC and the EC (2005)

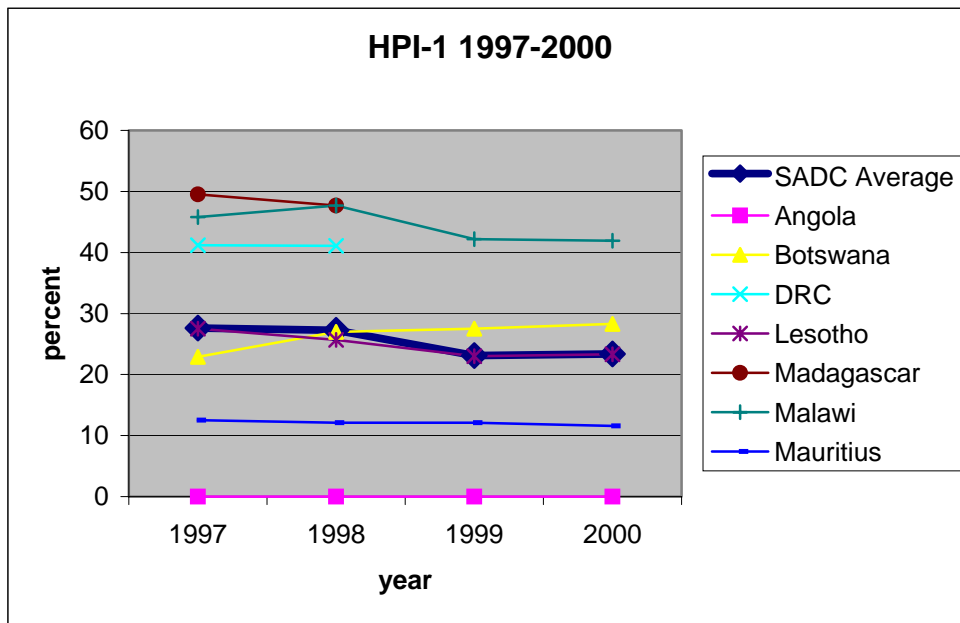
<sup>99</sup> Figures have been taken from the: Joint Progress Report on Co-operation between SADC and the EC (2005)

<sup>100</sup> Joint Progress Report on Co-operation between SADC and the EC (2005), p.2

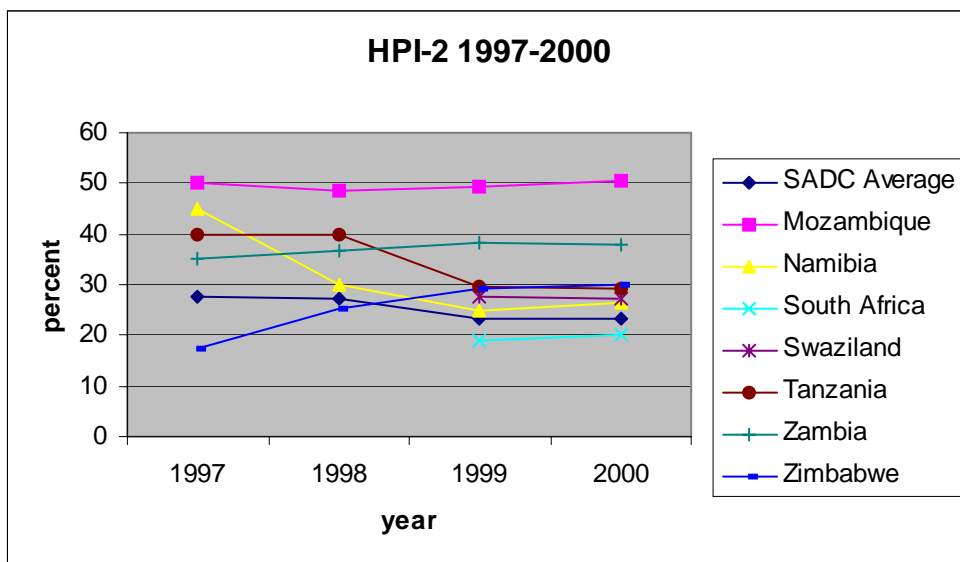
<sup>101</sup> Reference is made to: EC – End of Term Review: SADC EDF 9 RSP/RIP; and EC – (Draft) RSP/RIP for the period 2008-2013.



Table 12: Percentage of the population living in poverty, period 1997-2000

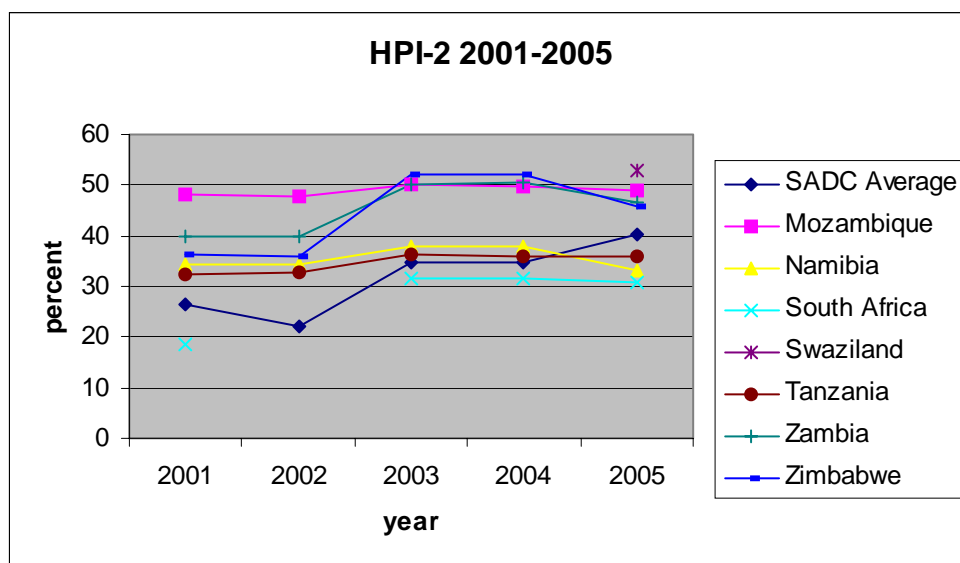
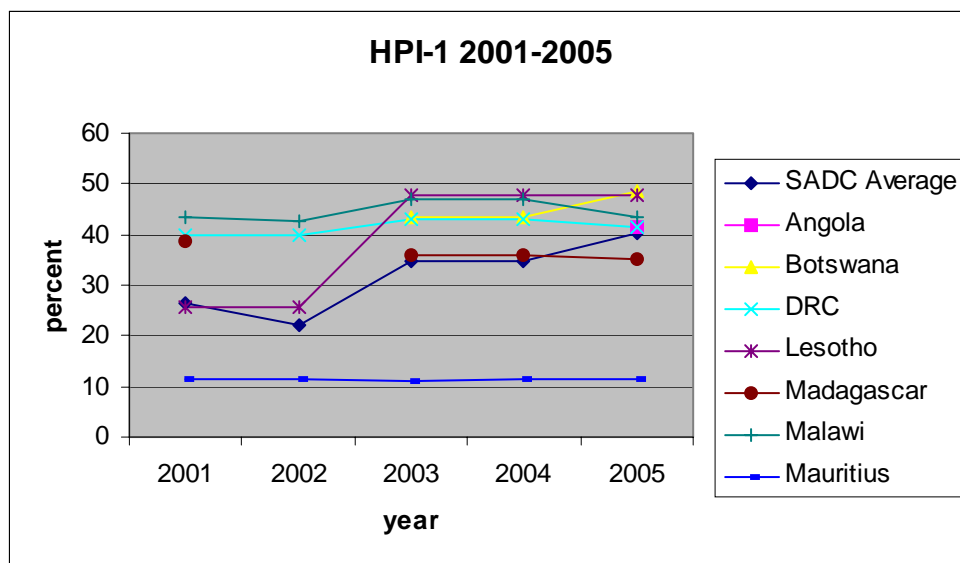


Including the data for all 14 SADC countries into one table, while retaining a legible overview is difficult. Accordingly the data have been split between two tables. Both tables include the "SADC average" to allow for comparison between the tables.



The Human Poverty Index (HPI) was first introduced in 1997 in the Human Development Report (HDR). The objective of the index is to show the prevalence of poverty. Sources for the two tables are from the HDR. A separate table is shown for the period 2001-2005. The two tables (1997-2000 and 2001-2005) cannot be directly linked because, as a result of revisions in data and methodology, the two data sets are not directly comparable.

Table 13: Percentage of the population living in poverty, period 2001-2005



Apart from Mauritius, where poverty levels seem to be stable at around 10%, the rest of the SADC area does not show marked improvements – rather the opposite. Many observers suggest that persistent poverty is linked to the effects of the HIV/AIDS pandemic which continues to ravage the region. Natural disasters – such as droughts and floods – also affect the region, and have a direct impact on Food Security. Recovery after poor harvests is only exacerbated by the HIV/AIDS situation which contributes to reducing the number of able-bodied individuals capable of working in the food production sector.

In addition, much of the SADC region remains in a post-conflict situation with substantial challenges to the consolidation of security, stability and democracy. These challenges include: dealing with refugees and displaced persons, trafficking of small-arms and light weapons; de-mining, demobilisation; human trafficking and drug abuse. SADC institutions and protocols exist to tackle these issues (e.g. the Strategic Indicative Plan for the Organ – SIPO – which deals with politics, defence and



security, etc.) In the agendas for peace and security and for democracy and good governance, SADC is aligning itself with the African Union (AU) and NEPAD initiatives, with 8 SADC Member States joining NEPAD's African Peer Review Mechanism (APRM) on governance.

Major challenges and problems remain. As stated in the SADC Barometer:

On governance and conflict questions, the region is hopelessly divided. On policy harmonisation, leaders are distracted. And in trade liberalisation – arguably the most obtainable SADC goal – leaders are backtracking on agreed schedules.<sup>102</sup>

Member State contributions to the regional agenda are limited, with SADC mostly relying on donor support; policy commitments made by national leaders at regional conferences are slow to be implemented at national level; involvement of NSAs also varies considerably, with at the low end of the scale Zimbabwe which, with its NGO Bill, effectively muzzles non-state actors. Governance issues are of such importance nationally, that little focus appears to have been given to a regional civil society. There are very few regional NGOs and many different traditions for governance within the region – with, on the one hand, the DRC holding its first election in forty years, and on the other hand, Botswana, which has been a multi-party democracy holding regular elections since 1966. The African Peer Review mechanism, spear-headed by the President of South Africa, only counts eight SADC members amongst its ranks.

Finally the region is characterised by a mixture of Least Developed Countries (LDCs) and countries with stronger economies (notably South Africa, but also Botswana, Mauritius, Namibia and Swaziland). South Africa's role as the regional economic powerhouse is regarded with suspicion and jealousy by many of its neighbours, a legacy from the time that SADCC's objective was to make the "front-line" States independent of South Africa's economic hold on the region, and on their countries' economies. Migration to South Africa – much of it illegal – continues as job-seekers are drawn to the prospect of jobs in the region's largest economy. South Africa's dual role is illustrated by its negotiation of a separate economic agreement with the EC (the Trade, Development and Co-operation Agreement – TDCA). Despite not being involved in the negotiations, the other SACU members are implicated in this agreement.

#### • REGIONAL INTEGRATION INITIATIVES AND INSTITUTIONS

The Southern African Region is characterised by a multiplicity of regional integration initiatives and institutions, of which SADC is just one. There is a significant overlap in the membership of regional organisations as SADC also includes members of COMESA, EAC, ECCAS, IOC and SACU (this institutional complexity is illustrated in Figure 1 below).

Apart from the overlapping memberships in various African regional institutions, the Eastern and Southern African countries are also supported by two EC regional programmes, notably the SADC RSP and the E&SA RSP (the latter covering COMESA, EAC, IGAD and IOC). There is a certain amount of overlap between the two RSPs as a number of SADC Member States are also members of COMESA, and thus potentially also benefit from programmes funded under the E&SA RSP. The two RSPs have been harmonised to the greatest extent possible, particularly with respect

<sup>102</sup> SADC Barometer. Issue 3, October 2003. p.21

to the Regional Integration and Trade focal sector. There is also agreement between E&SA and SADC on harmonising the programmes funded under the respective RSPs/RIPs. SADC and the other Regional Integration Organisations (RIOs) have established the Inter-Regional Co-ordination Committee (IRCC) for just this purpose. Delegations to the IRCC may include representatives of Member States and non-state actors.

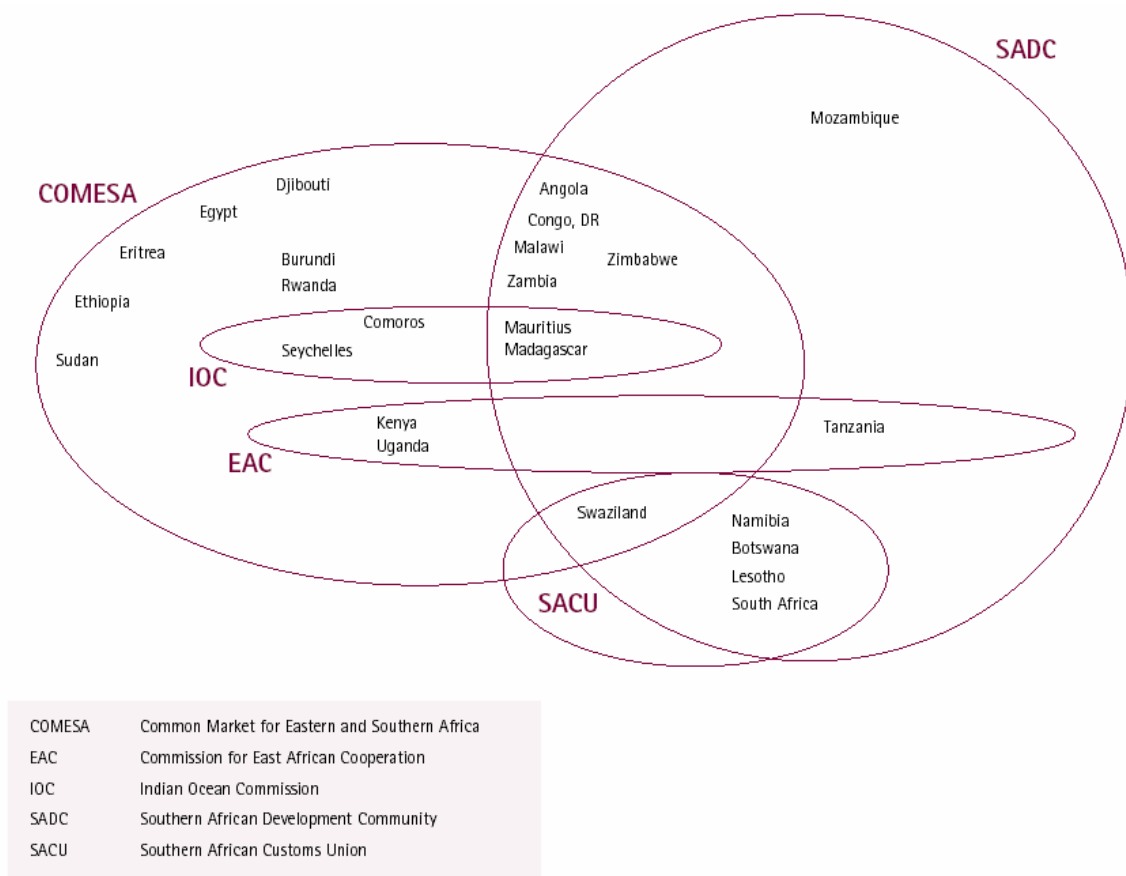
In addition, the Southern African Customs Union (SACU), comprising South Africa, Botswana, Lesotho, Namibia and Swaziland, is another powerful regional organisation within the SADC region, pre-dating the other RIOs. SACU came into existence on 11 December 1969 with the signature of the Customs Union Agreement between South Africa, Botswana, Lesotho and Swaziland, entering into force on 1 March 1970, thereby replacing the Customs Union Agreement of 1910.<sup>103</sup>

As shown in figure below, while a number of SADC Member States are also members of SACU, other Member States participate in the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Indian Ocean Commission (IOC). All SADC Member States are member of at least one other regional organisation, and some are members of three. It may be noted that Rwanda and Burundi, presently members of COMESA are also shortly to join the EAC.

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<sup>103</sup> SACU is the oldest Customs Union in the world. It meets annually to discuss matters related to the Agreement. There are also technical liaison committees, namely the Customs Technical Liaison Committee, the Trade and Industry Liaison committee and the Ad hoc Sub-Committee on Agriculture, which meet three times a year.

Figure 19: Overlapping memberships in regional organisations



Overlapping membership is particularly problematic given the overlapping mandates of the different Regional Economic Communities (RECs). As set out in Table 3, COMESA, EAC, SACU and SADC all overlap in most key areas of economic integration. While SACU and EAC have already established a Customs Union<sup>104</sup>, both SADC and COMESA have also committed themselves to becoming Customs Unions. Note also that Lesotho, Namibia, South Africa and Swaziland are party to a Common Monetary Area within SACU.

<sup>104</sup> The EAC has established a Common External Tariff with the objective of reaching a Common Market by 2008. As regards the Customs Union, this was launched in 2005, but major tariff barriers still exist.

Table 14: Mandates of the Regional Organisation in Southern and Eastern Africa

Mandate	SADC	SACU	IOC	EAC	COMESA
Sustainable growth and development	X	X	X	X	X
Economic Co-operation	X	X	X	X	X
Development of science and technology	X		X	X	X
Natural resource management	X		X	X	X
Food security	X			X	X
Development of social services	X		X	X	X
Cultural co-operation	X		X	X	X
Development of infrastructure	X			X	X
Peace and security	X		X	X	X
Macro harmonisation	X	X		X	X
Investment facilitation	X		X	X	X
Free trade area	2008	N/A	X	Y	Y
Customs union	2010	Y		2005*	2008
Common Market	2015			2008	
Monetary and economic union	2016			X	X
Free movement of persons	X			X	X
Political co-operation	X		X	X	X

Note: X= planned, Y = already achieved, N/A = not applicable. Dates indicate target.

\* = EAC implementation has commenced.

Source: Joint Factual Document on the Status of SADC Regional Integration SADC (2006); Regional Integration in Southern Africa, World Bank (2002); RISDP, COMESA Treaty.

Although not necessarily a problem if the regional organisations aim to strengthen functional co-operation (such as regional food security programmes, peace and security, cultural co-operation, etc.), overlapping mandates – particularly trade related - may present more complications when moving towards a more formal customs union, as “membership of more than one Customs Union (CU) is technically impossible”<sup>105</sup>. In a situation where most Regional Economic Communities in Eastern and Southern Africa wish to move towards a Customs Union, Member States with multiple memberships at present will have to strike the balance of the costs and the benefits of belonging to one CU grouping. The conclusion of the Jakobeit *et al* report on **Overlapping Membership in COMESA; EAC, SACU and SADC** is that: “only fully functional CUs can act as relevant facilitators of trade expansion and can therefore be expected to impact most positively on investment and growth”.<sup>106</sup>

These issues are recognised, and the view held by the SADC Secretariat is that the multiplicity of membership by SADC Member States of several regional economic blocs is a concern and may have negative impacts on regional integration efforts. It is noted that the matter is under discussion at the broader SADC level with a view to ensuring that the Region’s integration agenda remains on course. The **Joint Factual Document on the Status of SADC Regional Integration** concludes that: “the view of SADC is that EPA negotiations should not determine the SADC integration agenda, but should rather support regional efforts in this regard”.<sup>107</sup>

However this view may well be overtaken by events if the logic of trade negotiations under the EPAs ends up splitting the region into two blocs built on the two other organisations – SACU and the EAC, rather than SADC and COMESA. The EAC is also moving forward towards the establishment of a formal customs union built on the former East African Community and, with continued Tanzanian membership in the

<sup>105</sup> Ref: Jakobeit, C et al. 2005. p. vi

<sup>106</sup> Ref: Jakobeit, C et al. 2005. p. vi

<sup>107</sup> SADC. **Joint Factual Document on the Status of SADC Regional Integration**, 2006, p.34

EAC, will mean one fewer country negotiating as part of the SADC EPA.<sup>108</sup> The implications of this are discussed in more detail in the next section.

There is still a lot on ongoing discussion in relation to the final groupings of the two EPAs. Delays are expected in the negotiations at the International Level (WTO/Doha, etc.) but also at the regional level as the regional groupings for the EPAs have not been finally resolved. There are also indications that choice of regional grouping is based on political ideas rather than economic realities, and that the decisions in respect of which specific EPA grouping to belong have been taken at a level far above that of even senior level state and non-state actors.

While the forced geo-political division into trading blocs as part of the EPA negotiations may have impacts for regional integration and trade, non-trade related regional endeavours will continue to transcend such geographical boundaries. Road, rail and air transport are not really dependent on whether the EPA is negotiated as SADC or as SACU (transport in SADC is already linked up with, for example, the Sub-Saharan African Transport Policy Programme; and "regional" transport corridors will link SADC with COMESA countries). The Southern African Power Pool also involves SADC and COMESA Member States.

Both Food Security as well as HIV/AIDS programmes will also need to be dictated by a regional logic which is broader than just SADC (whether in the smaller EPA constellation, or in the larger grouping).

- **SADC TRADE RELATIONS WITH THE EU**

Trade arrangements with the EU add a further layer of complexity to the pattern of relations within Southern and Eastern Africa.

Economic Partnership Agreements (EPAs) will come to represent agreements between the European Union and the African, Caribbean and Pacific (ACP) group on trading relationships. Their objective is to create a regime which is more trade-effective and compatible with the requirements of Article XXIV of the General Agreement on Tariffs and Trade (GATT) and Article V of the General Agreement of Trade Services (GATS). Within this context, the Cotonou Partnership Agreement (CPA) sets the end of 2007 as the date for creating a new trade relationship between the ACP and the EU. This relates to the expiry of a waiver in the WTO that legitimises the preferential trade regime under which ACP countries export to the EU. As a result of this, six regional groupings have been formed to undertake these negotiations, including the **East and Southern Africa group** (with 16 countries) and the **SADC EPA group** (with 7 countries). It should be noted, however, that until such time as a final agreement has been negotiated, countries may still move from one group to another.

Negotiations on the SADC EPA began formally on July 8<sup>th</sup> 2004 in Windhoek, Namibia. The SADC "Group" is made up of 7 countries:

- Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania (with South Africa participating as an observer)<sup>109</sup>

<sup>108</sup> The EAC launched its Customs Union in 2005 and has plans for the establishment of a Common Market by 2008.

<sup>109</sup> In the long run, the situation of South Africa's observer status may well be untenable in a situation where South Africa has a separate agreement with the EU whereas the BNLS members of SACU do not and are negotiating a separate EPA.

The other members of SADC – DR Congo, Madagascar, Malawi, Mauritius, Zambia and Zimbabwe - are negotiating as COMESA members in the Eastern and Southern Africa (ESA) configuration.

The table below gives an overview of the way that SADC countries have grouped themselves in respect of the SADC-EC EPA negotiations.<sup>110</sup> It should, however, be noted that, until such time as the negotiations have been concluded, there may still be shifts from one grouping to another. Tanzania, for example, which is also a member of EAC, may well decide to move to the ESA EPA Group; and it would also be more logical for Zimbabwe to negotiate as part of the SADC EPA.<sup>111</sup> The countries marked with an asterisk (\*) in the table below are also members of SACU.

Table 15: SADC groupings for EPA negotiations

SADC EPA	SADC States in ESA EPA
Angola	
Botswana *	Madagascar
Lesotho *	Malawi
Mozambique	Mauritius
Namibia *	Zambia
Swaziland *	Zimbabwe
Tanzania	
South Africa (observer status) *	

The configurations for EPA negotiations in the Southern and East African Region do not reflect existing regional economic communities. EPA negotiations have therefore introduced a further configuration of countries addressing the trade and regional integration agenda.

Under the influence of South Africa, on 7<sup>th</sup> of March 2006 SADC tabled to the EC a proposal which foresees formal association of South Africa in the SADC. This proposal singles out market access as sole issue while rejecting further negotiations on trade-related rules. In return the EU would be offered access to all SACU members currently defined in the TDCA (South Africa, Botswana, Lesotho, Namibia and Swaziland). As for the non-SACU members of the SADC EPA grouping, i.e. Mozambique, Angola and Tanzania (LDCs and therefore EBA beneficiaries), the request is that EBA would be "contractualised" on a non-reciprocal and hence WTO-incompatible basis. The EC is currently debating internally the different elements of this proposal and the question that it raises, notably whether South Africa should be formally associated within SADC EPA (with the implied legal, economic and political implications); whether all commitments on trade-related rules should be excluded, knowing that this would be incompatible with Cotonou and detrimental to development; and finally whether countries like Mozambique, Angola and Tanzania should be excluded from the future agreement, given its focus on SACU. All these questions still need to be debated but in any case, whatever the final EPA format, the future agreement should remain open to the ACPs of the region that wish to join later.

<sup>110</sup> The Democratic Republic of Congo, which initially was negotiating as part of the ESA EPA, has now decided to continue negotiations as part of the Central African EPA.

<sup>111</sup> See for example, the discussion in Jakobeit, C et al. 2005. pp. xiv - xxii

While South Africa is a member of the ACP Group of countries<sup>112</sup>, the provisions of the Cotonou agreement on trade and on development finance co-operation do not apply. Instead, the Trade, Development and Co-operation Agreement (TDCA), signed in Pretoria on 11 October 1999, governs South Africa's trade relations and development co-operation with the European Union (EU). The main objective is to create a free-trade area between South Africa and the EU over an asymmetric, transitional period of 12 years, which means that the EU and South Africa will open their markets to each other at a different pace. In addition to the TDCA, separate agreements on wines and spirits were signed on 28 January 2002. These agreements provide for the reciprocal protection of wine and spirit names, and cover issues such as oenological practices and processes, and product specifications.

The TDCA applies *de jure* to trade relations between South Africa and the EU, while the provisions of Cotonou are applicable to the rest of SACU, although Lesotho also benefits from the Everything But Arms Initiative<sup>113</sup>. To avoid the breakdown of the customs union, the BLNS were constrained to adopt those tariff schedules that provide the EU with enhanced market access to South Africa's markets under the TDCA also apply *de facto* to the other Members of the SACU.

This complex situation calls for an alignment of the two negotiating processes (EC-SADC EPA and TDCA Review); both SACU and TDCA could serve as rules-based agreements and potential building blocks for the new generation of arrangements to be developed by the EC-SADC EPA. In this context, greater economic integration and institutional coherence within SACU would reflect positively on the institutional stability of the SADC Group and on the overall economic stability of SADC. Therefore clarifying the relationship between SACU and the long-term objectives of a more deeply integrated SADC Group would constitute an important element in determining both the regional integration agenda in southern Africa and the EC's bi-regional negotiations with SA.

*The region is at a critical turning point.* The mandate of SADC, COMESA and the EAC to become Customs Unions places the region at a critical turning point. Given "membership of more than one Customs Union (CU) is technically impossible"<sup>114</sup> countries with membership of more than one of these RECs will have to choose which is likely to be the vehicle for deeper economic integration. EPA negotiations have forced the pace of this decision-making process.

The question arises as to the likely future of regional integration – in terms of both geographical configuration and depth of integration. A recent analysis of the issue of overlapping membership in the Southern and East African region<sup>115</sup> identifies three options which are essentially between deeper and faster economic integration on the basis of the existing CUs acting as fast-track RECs, on the one hand, and a larger but shallower integration project for the region as a whole, on the other.

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<sup>112</sup> It is a signatory to the EU-ACP Partnership Agreement signed in Cotonou on 23 June 2000.

<sup>113</sup> A special market access arrangement for LDC's under the EU's Generalised System of Preferences.

<sup>114</sup> Ref: Jakobeit, C et al. 2005. p. vi

<sup>115</sup> Jakobeit et al (2005).



**Option 1** – “Status Quo plus larger integration project”: SACU and EAC with their current members serve as fast-tracking groupings, while SADC and COMESA remain FTAs with a view to forming one larger, integrated Eastern and Southern African trade zone at a later stage.

**Option 2** – “Variable Geometry Option” or “SACU+ and EAC+ Option”: Enlarged SACU and EAC become fully fledged CUs by 2010, and countries not participating in the CUs remain members of the SADC or COMESA FTAs for the time being but with a view to forming separate SADC and COMESA CUs in the medium term

**Option 3** – “Leap Forward Option” where COMESA and SADC move to CUs in the near future: COMESA and SADC become CUs by 2010/12 and merge with the current SACU and EAC respectively. All countries take a decision on their membership of either the SADC or the COMESA CU.

In the last year, there have been several developments pointing to options 1 or 2 as the most likely configurations for the future. The events are:

- The agreement of Kenya, Tanzania and Uganda on an EAC common external tariff and on the establishment of a Customs Union by 2010
- The start of negotiations on Rwanda’s and Burundi’s accession to the EAC
- The agreement in March 2006 by the Senior Officials of the SADC “Group” to base EPA negotiations on the provisions of the TDC, strengthening the focus on SACU as a whole in these negotiations. It is proposed that Mozambique, Angola and Tanzania maintain EBA access as LDCs and adopt the EPA tariff provisions on the formation of the SADC Customs Union. The EC has yet to give an official response on this position.

The likely implications for SADC are:

- (1) If the current EPA configurations prevail, then the establishment of a SADC customs union will be an impossibility
- (2) The agenda for SADC’s trade in goods will be limited to implementation of the SADC Protocol. This will allow non-tariff barriers, including TBT and SPS and customs administration, to be addressed.
- (3) The role of SADC and the SADC Secretariat may become less significant as SACU and the EAC/COMESA gains strength. This is likely to impair the ability of SADC to carry forward integration in the area of services, investment and movement of people and to act as a representative of countries in the region on trade matters.

While acknowledging the conclusion of the **Joint Factual Document on the Status of SADC Regional Integration** that “the view of SADC is that EPA negotiations should not determine the SADC integration agenda, but should rather support regional efforts in this regard”<sup>116</sup>, it is difficult to see how in practical terms this can be avoided, at least with regards to trade in goods.

**An assessment of the likely geographical configuration in the region is an important strategic factor in evaluating the likely impact and effectiveness of EC support to SADC in the coming years**

The next section looks in more depth at the EU’s existing co-operation with the SADC Region.

<sup>116</sup> SADC. Joint Factual Document on the Status of SADC Regional Integration, 2006, p.34

• **GENERAL VIEW OF EC CO-OPERATION WITH THE REGION**

The SADC regional evaluation will cover the Commission's co-operation with the SADC and implementation of this co-operation for the period 1996-2007. While this period covers the EDF8 and EDF9 regional co-operation programmes, the period also includes some projects funded under EDFs6-7 and still in the process of implementation during the 1996-2007 period.<sup>117</sup> However, most projects implemented during this period will fall under EDF8 and to a lesser extent EDF9 – where late implementation and the restructuring exercise undertaken by both the Commission and SADC is reported to have resulted in programming delays.<sup>118</sup>

The Joint Progress Report (on which the Mid-Term review is based) confirmed the pertinence of the focus and strategy of the EDP9 RIP. Thus the pertinence of the two main priority areas for EC assistance

- Focal area 1 – Regional Integration and Trade
- Focal area 2 – Transport and Communications

was also confirmed. It was also stated that within these focal areas of support, HIV/AIDS, gender, capacity building and environmental management will continue to form important cross-cutting thematic issues. The hope was also expressed that there would be increased participation in all programme aspects (design, implementation, monitoring) by non-state actors (NSAs), implicitly recognising that involvement by NSAs, generally speaking, is poor in many SADC Member States. The Joint Progress Report, therefore, also acknowledged that further capacity building support would be required to facilitate appropriate levels of participation.

Thus the main themes from the EDF7 and EDF8 – which both featured Trade and Transport – continue into EDF9. The overview in the table below illustrates the sectors covered under the previous RIPs.

Table 16: Sectors covered under the previous RIPs (EDF7 and EDF8).

<b>EDF7 –RIP</b>	<b>EDF8 –RIP</b>
Transport and Communications (35%)	Infrastructure and Services (45%)
Agriculture and Natural Resources (20%)	Trade, Investment and Finance (20%)
Human Resources Development (15%)	Agriculture and Natural Resources (15%)
Capacity Building (20%)	Human Resources Development (10%)
Trade Promotion and Business (10%)	SADC Secretariat Capacity Building (10%)

<sup>117</sup> The Evaluation focuses only on those projects funded under EDF8 and EDF9.

<sup>118</sup> As noted in the Terms Of Reference for the Evaluation (p.5): "Underperformance is due to a number of factors, the principal of which has been SADC's ... restructuring and its reflections on its Regional Indicative Strategic Development Plan. Other contributing factors are the revisions to the EDF Financial Regulation ... and, until fairly recently, understaffing of the Commission's Delegation in Gaborone". The EDF9 Mid-Term Review confirms that the SADC Secretariat is still understaffed and that its capacity remains weak.

In the discussions on the EDF8 – and subsequently also on the EDF9 – and as a reflection of the 1994 Berlin Initiative<sup>119</sup>, it was agreed that flexibility was required in support of activities in a number of non-focal areas. These have included: conflict prevention, consolidation of democracy, cultural co-operation, combating of illicit drug trafficking and HIV/AIDS.

South Africa, although both a member of SADC and a signatory of the Cotonou Agreement, is not eligible for EDF funding, but has a special funding agreement with the EU, known as the European Programme for Reconstruction and Development for South Africa (EPRD). There is a facility within the EPRD through which EPRD funds can be used for regional projects, and a number of regional projects in SADC have been funded using this facility.<sup>120</sup>

Indicative commitments for EDF8 and EDF9 RSP/RIPs were €121 million for EDF8 and € 101 million for EDF9. In comparison, it may be noted that € 223 million was allocated to the Eastern and Southern African (ESA) RSP as ESA also covers a number of SADC countries and there is a certain overlap. The distribution of these allocations between sectors (focal and non-focal areas) is shown in the following table.

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<sup>119</sup> In recognition of SADC's political mandate as adopted by SADC's Summit in Windhoek in 1992 and the accession of South Africa to SADC in 1994, the EU and SADC launched a political dialogue process with a first Ministerial meeting in 1994 in Berlin – now known as the Berlin Initiative. The Initiative created a structure for enhanced and comprehensive political dialogue between the two parties with a view to contribute to peace, democracy and sustainable development in the SADC region. The format for the dialogue foresees regular meetings of Senior Officials leading up to a Ministerial Conference every second year alternately in Europe and in the SADC Region.

<sup>120</sup> This has included: support to Regional HIV/AIDS programmes; the EU\_SADC Investment Promotion Programme (ESIPP); SADC regional water sector; SACU/BNLS support programme; Pesticide Control; and NEPAD Capacity Building and Governance Programme.

Table 17: Indicative commitments; EDF8 and EDF9

3.  
4.

	Focal Areas						Non-Focal Areas							
	Trade, Investment and Finance	Regional Integration and Trade	Economic Integration and Trade	Infrastructure and Services	Transport and Communications	Management of Natural Resources	Food Security, Agriculture and Natural Resources	Human Resources Development	Capacity building in the SADC Secretariat	Other Activities	Promotion of Peace and security and the role of gender	Promotion of human rights and democratisation		Reduction in the HIV/AIDS prevalence
EDF8 SADC RSP/RIP 1996-2001	20			45			15	10	2	8				EUR 121 m
EDF9 SADC RSP/RIP 2002-2007		35-45			35-45									EUR 101 m
EDF9 ESA 2002 – 2007			45-55		15-25	15-25								EUR 223 m

The figures shown in the table for **Focal** and **Non-Focal Areas** are percentages linked to the indicative allocation of resources between the priority areas – both Focal and Non-focal.

5. Under the EDF9 SADC RSP/RIP, 15-25% of the total allocation has been made available for the “other programmes”, but no allocation between the non-focal areas was made.

The **Focal** and **Non-focal** areas of EDF9 ESA 2002 – 2007 are shown as ESA also covers a number of SADC countries and, hence, a number of ESA-funded interventions are to be found in a number of SADC countries. The countries are shown in Table 1 and in Annex 1.

No major shifts in emphasis occurred from the EDF7 RIP through the EDF8 RIP to the EDF9 RIP. The main priorities for regional support continued to be (i) Regional Integration and Trade, and (ii) Transport and Communications. There is a clear prioritisation of support for the core agenda of SADC regional economic integration, with the percentages of the RIP budget allocated to Trade and Regional Integration increasing from 10% under EDF 7, to 20% under EDF 8 and currently 49% under EDF 9.<sup>121</sup> By its nature, transport and communications remains the heavyweight in terms of actual amounts planned, contracted and paid as the amounts necessary for infrastructure – especially roads infrastructure – are considerable. In terms of volume, transport and communications accounts for over 50% of the total combined budget for both EDFs 8 and 9 although, as noted, transport projects - including those with regional dimensions - have tended to be transferred from the RIP to the NIPs.

The importance of Food Security as part of a regional programme was downgraded from EDF8 to EDF9 but, as a result of ongoing food security problems in the region, and the contribution of food security to poverty alleviation, Food Security is coming back as a sector in EDF10<sup>122</sup>. Food security, during EDF9, was mostly tackled within the national context, even though national deficits (as well as surpluses) have wider regional implications both for trade as well as for emergency relief.

Support to HIV/AIDS programmes became important during EDF8 and increased in importance during EDF9. The HIV/AIDS crisis remains a major concern in the SADC region and there are no indications of major positive changes. However monitoring and reporting systems are reported to be very unreliable and the field phase may need to also check whether national data figures reveal different trends from the international figures.

A major concern remains the absorptive capacity to implement the regional programme. This has caused major delays in a number of important Regional Integration and Trade programmes (to such an extent that these will only be at the approval stage when the Evaluation is in its field phase). This will inevitably present problems in evaluating impact.

As regards the Transport and Communications Sector, the delays in implementation of regional projects resulted in the transferring of implementation responsibility to National Authorising Officers, rather than leaving the responsibility with the SADC Regional Authorising Officer.

The issues of absorptive capacity of both SADC and EC and the steps that have been taken to speed up disbursement capacity will be a central element of focus during the field phase. A critical factor will be whether the SADC Secretariat, which has consistently been under-staffed, now has sufficient staff to undertake the necessary activities.

It has also been noted that, although there is an overlap in priority and focal sectors between the RSP/RIP and the CSP/NIPs, there is very little evidence that the CSPs have considered the regional dimension. Particularly important here is whether there has been any participation of non-state actors in regional issues and whether organisations such as the SADC National Committees have had any impact at all on linking the regional with national dimension and vice versa.

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<sup>121</sup> Source: EC Delegation in Botswana

<sup>122</sup> Louis Michel: Regional Programming Seminar 2006 Gaborone

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SADC: Protocol on Tourism
SADC: Protocol on Trade
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# Annex 8 Desk Analysis of CSP/NIPs for the SADC Region

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# 1 Analysis of CSP/NIPs structured according to the Evaluation Questions

This annex contains the analysis of all the CSP/NIPs prepared for the SADC region focussing on the key themes of the evaluation: Regional Integration and Trade; Transport and Communications; Food Security; and HIV/AIDS. Each CSP is analysed separately. An overview diagram gives the distribution of the main CSP priorities by country for the EDF8 and EDF9. This diagram is included at the end of this introduction, before the start of the country-by-country CSP analysis. The colour coding used relates to the colour coding used in the Intervention Logic for the priority themes of the Regional Evaluation.

The analysis will only deal with issues that are relevant for the Country Strategy Papers and National Indicative Program under EDF9 and will be structured in accordance with the evaluation questions. The analysis is based on the actual text in the CSP/NIP and on the basis of extracts from the CSP/NIP on regional integration, which have been made. The intent of the extracts is to show where and how "Trade, Transport and Food Security" are represented in the CSP/NIPs and the extent to which they have been discussed within the context of regional integration.

**EQ1: To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) *relevant to and coherent with* the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?**

- ANALYSIS OF EQ1

The CSP/NIPs are based on the EC cooperation objectives and the principles and objectives of the national policies. With the help of these national objectives, focal sectors are pin pointed and a strategy is laid out. This methodology underlines the relevance of national priorities and policies as the basis for the choice of sectors, which will be supported by the EC.

A general point emphasised is on the importance of coherence not just between European foreign policy and the development cooperation policy but also an emphasis on coherence with national policies. In a number of countries (e.g. Angola and Namibia) government capacity in terms of financial and human resources is reported to be limited with the consequence that the establishment of coherent policies is also limited. This is why the EC in some CSP's propose to use NIP resources to complement resources from the RIP to establish a coherent policy framework at national, regional and international level. (Seychelles is an example of this – see page 18-19 in the Seychelles CSP/NIP). However, generally speaking, there is little mention of the regional context in the CSP/NIPs.

On the issue for poverty reduction the EC co-operation objectives state that European Community Member States through co-ordination are to assist developing countries in addressing poverty with focus on the specific weakness, and through this help developing countries achieve sustainable economic and social development. There is no doubt that poverty reduction is the main goal of the CSP/NIPs and that the focus of the EC is to reduce poverty through different types of interventions within the identified focal

sectors. For example, in the CSP for Namibia it is stated that because the integrated policy framework to guide the direction for rural development is missing, the land reform process which is intended to improve the living conditions of households in both communal and commercial areas and be part of a broad, medium term poverty reduction strategy which includes efficient land, can be at risk. Therefore the EC intends to collaborate with various organizations and ministries to develop sustainable strategy for rural development in order that the goals for poverty reduction within this focal area can be meet.

EQ2: What is the degree of SADC's and its Member States' *ownership* of the Commission's support and to what extent is the support *aligned* with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?

- ANALYSIS OF EQ2

From the analysis of the CSP/NIPs it is evident that only few countries (e.g. South Africa and Lesotho) actively use regional policies with the intent to, for example, increase trade opportunities for national gain. The question of ownership and alignment is not discussed and there is little evidence in the CSP/NIPs that these issues have been taken into consideration.

EQ3: To what extent is the Commission's support to the SADC region *complementary to* and *coordinated with* EU Member States' development interventions and *harmonised* with other donors' development assistance?

- ANALYSIS OF EQ3

These issues in respect to regional support are not analysed or mentioned in the CPS/NIPs to any great extent. In general the focus tends to be purely national. Harmonisation is rarely mentioned in any context. In all the CSP/NIPs the issue of complementarity is briefly taken into consideration with emphasised on complementarity between other donors and the EC.

EQ4: To what extent have Regional Integration and Trade interventions so far been *efficiently* and *effectively* implemented and produced *outcomes* that contribute to regional integration and economic growth?

- ANALYSIS OF EQ4

This analysis cannot comment on the efficiency and effectiveness of the implementation and on produced outcomes but only on the extent to which Trade has a regional focus in the CSP.

An overall analysis of the CSP/NIPs under the 9<sup>th</sup> EDF underlines the importance of trade and also the importance of trade in a regional context. The CSP/NIPs of Mauritius, Tanzania and Lesotho have the highest level of focus on regional trade integration. All countries in SADC anticipate using the element of trade to boost their economies and step out of poverty.

The EC plays an important role in regards to supporting initiatives and interventions in the area of intra-regional trade at SADC and SACU level. Focus is on trade liberalisation, customs procedures, the removal of technical barriers to trade and investment promotion, the development of a regional capital market and cross-border payments and preparation for international trade negotiations) regional transport, water resource management. The CSP for South Africa states that the EC will support in *"...the SADC regional integration process by contributing, through the EPRD, to the main objectives of the 9th EDF Regional Indicative Programme. These resources should facilitate the participation of South Africa in regional cooperation and should meet the sectoral priorities agreed in this RIP:*

- *Increase regional trade*
- *Improve efficiency in the use of transport and communications and*
- *Improve water resources management.*

*An indicative amount of €50 million is earmarked for support to regional integration and cooperation intervention. EPRD resources will be allocated to the implementation of the SADC Trade Protocol, in particular the removal of technical and financial barriers to trade; at the same time discussions on the possibility of reaching a Regional Economic Partnership Agreement will be held."*<sup>123</sup>

Zambia joined the Free Trade Area in which originating goods move freely without import duties and where non-tariff barriers and other restrictions have been eliminated or substantially reduced. Being a member of SADC the objective is to obtain better access for the countries export products (cement, sugar, textiles) to the region. For Zambia the SACU trade protocol provides immediate access for selected goods to South Africa. *"As a result of its increased regional economic orientation, Zambia has laid a foundation for an integration with its neighbouring countries that provides improved conditions for trade expansion at the regional level. So far, however, actual achievements in the form of increased trade have been modest."*<sup>124</sup>

Those who have committed themselves to SADC and regional trade integration find it difficult because of conflicting institutions. For example, for Botswana trade is the principal area of development and the country is heavily

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<sup>123</sup> CSP/NIP South Africa for the 9th EDF, page 27-28

<sup>124</sup> CSP/NIP Zambia for the 9th EDF, page 9

dependent on the export of diamonds and on the regional market. *"The bulk of Botswana's external non-minerals trade is conducted with its SACU neighbours, above all with South Africa itself."*<sup>125</sup> Botswana is heavily dependent on the regional situation and its relationship to its surrounding countries. *"Botswana is being weakened by the expansion and liberalisation of world trade, and most recently by the conclusion of the agreement between South Africa and the EU (TDCA). One important effect of this trend is the fall in customs and excise receipts that have been traditionally shared out among all five SACU members. This loss is obliging their governments, including that of Botswana, to seek alternative sources of public revenue, notably Value Added Tax."*<sup>126</sup> As the diamond business is volatile, Botswana's strategy is to diversify and to raise the exports of other goods and services and to target new markets both internationally and regionally. This means finding markets outside of its existing economic network – the SACU for example. Because of already established regional settings, Botswana is in a position where it might have to adapt a more international perspective than a regional perspective because of the EU-South Africa agreement and SACU.

This is also a challenge, which Lesotho faces. Lesotho's trading relationships consists of approximately 65% going to SACU countries and of 34% goes to USA. A relationship that is likely to be transformed as a consequence of among other things the SADC Free Trade Protocol. The analysis in the CSP/NIP points out that Lesotho will not only be affected by the liberalisation of agreements of which it is part, but also through its membership of SACU. *Through this Lesotho will feel the impact of the Trade, Development and Cooperation Agreement (TDCA) between the EU and South Africa. The primary concern in this area is the possible impact that the TDCA will have on the customs revenues received through SACU."*<sup>127</sup> A significant element in Lesotho's future economy is closer regional integration and the exploitation of relevant trade agreements to be able to attain sustainable economic growth. To insure this EC has proposed to support institutional development, policy planning and to strengthen the negotiating capacity of Lesotho in trade related issues.

Swaziland plays an active role in regional integration but also suffers from the overlapping regional organisations being a member of SADC, SACU, COMESA, CMA, EAS and the Regional Integration Facilitation Forum *"The Kingdom's trade policy in common with many of its regional neighbours is thus determined by a proliferation of overlapping – and sometimes conflicting – regional trade groupings. This situation is further complicated by the varying nature of Swaziland's bilateral agreements. Some of the latter are based on WTO compliant and reciprocal Most Favoured Nation (MFN) status, while others are ad hoc, preferential or duty-free access agreements."*<sup>128</sup> At both multi-lateral and within the region the changing trading relationships could have a major impact on future macro-economic stability and growth. *"It is thus essential that Swaziland is able to participate in and/or assess effectively the impact of negotiations of inter alia the Free*

<sup>125</sup> Botswana CSP/NIP 9<sup>th</sup> EDF, page 7

<sup>126</sup> Botswana CSP/NIP 9<sup>th</sup> EDF, page 7

<sup>127</sup> CSP/NIP Lesotho for the 9<sup>th</sup> EDF, page 12

<sup>128</sup> CSP/NIP Swaziland for the 9<sup>th</sup> EDF, page 7

*Trade Area within SADC, the Customs Union and free Trade Area within COMESA, the EU-South Africa Trade and Development Agreement and further rounds of trade liberalisation under the auspices of the WTO.”*<sup>129</sup> In the CSP/NIP tax revenue issues are not mentioned, as is the case of many of the other SADC member countries.

Namibia is regarded as an active player in the regional integration field being a member of SADC, SACU and COMESA. Accordingly Namibia has adopted an active regional integration policy and attaches great importance to regional integration being a small economy. *“SACU is an important vehicle for Namibia’s regional integration and coupled with the CMA (Common Monetary Area), represents the deepest integration arrangement providing for duty free access, low transaction costs, significant contribution to the revenue and relief from having to operate an independent customs service. On the other hand, the customs union has led to polarisation of industries in South Africa and a “price escalation” effect due to the Common External Tariff fixed by South Africa 3.”*<sup>130</sup> But being a member of all three regional institutions is a complex situation for Namibia as there is overlapping regional arrangements. *“Together with Swaziland, Namibia benefits from derogation due to the fact that it is in a common external regime under SACU. In addition to the economic rationale, Namibia’s position has reflected the Pan-African premise that the various regional trade blocs will subscribe to a trade regime that is continental in scope as evidenced in Namibia’s active role in the launch of the African Union in May 2001. In terms of market potential the SADC market offers Namibia greater prospects with an estimated combined GDP of US\$ 176 billion and current imports from SADC representing 83% and exports 38%. (However, if one excludes South Africa, trade with SADC becomes more marginal).”*<sup>131</sup>

Mozambique has tried to modernise their economy through implementing a formal trade strategy under the WTO. *“Since 1994, Mozambique’s trade in goods by destination has undergone fundamental changes. This finds its most striking expression in a considerable narrowing of trade with the E.U. (34.7% of exports and 33% of imports in 1994, 27% and 15.8% respectively in 1999) and a corresponding expansion of trade in the sub-region in general (21% of exports in 1994, 31% in 1999), and with South Africa – now the leading source of imports (44% in 1999) - in particular. Although the E.U. is still the main destination for Mozambique’s exports, S. Africa has become increasingly important. This reflects the benefits of closer integration with neighbouring SADC member countries (S. Africa, Zimbabwe, Malawi), whose market shares represent more than 40% of Mozambique’s trade, and shows the importance to the economy of regional links. Mozambique provides access to the sea for several landlocked neighbours, whilst the regional transport corridors to Mozambican ports are an important source of foreign revenue. Hydroelectricity from the Cahora Bassa dam and gas from the Pande fields are also important potential sources of export revenue. These ties provide a basis for further economic integration into the region.”*

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<sup>129</sup> CSP/NIP Swaziland for the 9th EDF, page 7

<sup>130</sup> CSP/NIP Namibia for the 9th EDF, page 8

<sup>131</sup> CSP/NIP Namibia for the 9th EDF, page 8

<sup>132</sup> CSP/NIP Mozambique for the 9th EDF, page 10



Because of the potential losses in revenue from trade-related taxes in the context of SADC regional integration, EC support to macro-economic budgetary support is justified. *“The EC’s support in this area is further justified by the need to: sustain macro-economic stability, taking into account potential losses in revenue from trade related taxes in the context of SADC regional integration; ensure a well-balanced distribution of the fruits of growth through efficient budget expenditure allocation which benefits the poor; implement comprehensive and sound public expenditure management reforms which focus on strengthening financial accountability, in order to improve economic governance and fight corruption; and adopt a set of performance-based indicators in the PARPA priority sectors, which will allow the impact of macro-economic and sector policies to be evaluated, including in terms of financial and human resource management. This area of co-operation will also embrace support for economic integration at the regional and global level, and contribute to improvements in economic governance through support to the envisaged public sector reforms in general, and public finance management in particular. Macro-economic support will also facilitate implementation of the HIPC initiative, to which the EC, alongside the MS, has made a major contribution. The possibility of supporting a multidonor fund to improve the level of salaries of key officials within the context of the Public Sector Reform could also be considered. Co-financing operations with the BWI [Bretton Woods institutions] and other donors, particularly the MS [Member States], could be envisaged here. Macro-economic budgetary support will also be used in support of institutional reforms and capacity-building for sound public finance management, at both central and local levels.”*<sup>133</sup>

As regards Tanzania the country is *“cautiously”* moving towards not just regional integration but also global integration but the RSPS, which has been linked to the CSP, does not include new ideas to develop trade and regional cooperation. This has to some extent been dealt with by implementing the RIP, multilateral schemes and by investment facilities from the EIB. The CSP states that the RSPS is not oriented towards the private sector in spite of this being one of the main economic engines of Tanzania. *“Like for private sector development, EC has not played an active role in the field of trade and regional integration in Tanzania, but will have to consider a new approach under the Cotonou Convention.”*<sup>134</sup> National indicative resources *“may be used to complement resources from the regional Indicative Programme or from trade specific operations, according to needs and availability of funds.”*<sup>135</sup> Tanzania is a member of not just SADC but also East African community. Tanzania is very cautious to the EIB - the underlining reason for this being the limited competitiveness of the Tanzania economy regionally and internationally. This also goes for their SADC membership. Tanzania also participates in the Regional Integration Facilitation Forum. In 2000 Tanzania withdrew its membership from COMESA due to the complexity of overlapping memberships and due to the fear of loosing considerable tariff revenues.

<sup>133</sup> CSP/NIP Mozambique for the 9th EDF, page 19-20

<sup>134</sup> CSP/NIP Tanzania for the 9th EDF – page 18

<sup>135</sup> CSP/NIP Tanzania for the 9th EDF – page 25

Points to note are that at the national level, the EC may well find itself in a position supporting national institutions and trade agreements, which are not coherent with the support that the EC provides to SADC in a regional context. This will be one of the issues that will need to be explored in more depth during the field phase. According many of the SADC countries experience issues with regional integration, which does not further their economic opportunities and therefore is not experienced as a positive intervention in the economy. The consequence has for some been to seek a larger proportion of international trade integration than regional and have proceeded in negotiating international trade agreements which others than countries in the SADC.

**EQ5: To what extent have Transport and Communications interventions so far been *efficiently* and *effectively* implemented and produced *outcomes* that contribute to regional integration and economic growth?**

- ANALYSIS OF EQ5

This analysis cannot comment on the efficiency and effectiveness of the implementation and on produced outcomes but only on the extent to which extent Transport has a regional focus in the CSP.

Transport tends to be a major sector in the landlocked countries – e.g. Malawi and Zambia, and on those countries that provide transport corridors to landlocked countries, e.g. Tanzania and Mozambique. “...*Mozambique plays a crucial role as a transit country for several of its land-locked neighbours, but this has not been addressed by the PARPA.*”<sup>136</sup> The CSPs do not discuss these in terms of regional integration, as such, but more in the context of providing access.

Zambia has been in forefront of policy reforms in Africa regards the availability of an adequate transport infrastructure as a focal point in its poverty reduction strategy. Transport is seen as the main key to growth in GDP but many obstacles still remain. The regional perspective, which indirectly appears is transports role in trade across regional borders, but one must not oversee that Zambia's main priority is national and not regional.

For Mauritius transportation is also crucial and is regarded as the lifeline of the Mauritian economy. There have been substantial investments to improve the road networks, ports and airport facilities over the last decade. These initiatives have proved inadequate. “*With the growing role of Mauritius at the regional level, both the port and airport facilities need upgrading to compete with similar facilities in the region. Issues such as upgrading public transport, introducing cost recovery mechanisms, improving public safety and encouraging a greater role in the sector for private enterprise are also due for review.*”<sup>137</sup>

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<sup>136</sup> CSP/NIP Mozambique for the 9th EDF, page 8

<sup>137</sup> CSP/NIP Mauritius for the 9th EDF, page 9



In contrast to Mauritius and many other countries in SADC, the role of government in the transport sector in Lesotho is limited. South African companies provide rail and air access to Lesotho, while road transport is operated by the private sector. The maintenance of the road network is crucial and has for Tanzania “... *become one of the main hindrances to economic growth and hence to reduction of overall poverty in Tanzania and in the East Africa region.*”<sup>138</sup> The run down roads are just one of the reasons why the private sector has not lived up to the expected level of growth. In the National Transport Policy it is specified, “*the road sector should facilitate main road transport corridor development and ensure that they are furnished with all weather/bitumen roads. Nine priority transport corridors have been identified which, together with their feeder links, would interconnect most parts of the country.*”<sup>139</sup> It is expected that the trans-border strategy will play an important role in the future regional strategy and will be import for future trade development. Driven by the demand from neighbouring countries, transport facilities in Mozambique are improving, even though some national links are still very poor.

**EQ6: To what extent have Food Security, Agriculture And Natural Resources interventions so far been *efficiently* and *effectively* implemented and produced *outcomes* that contribute to regional integration and economic growth?**

- ANALYSIS OF EQ6

This analysis cannot comment on the efficiency and effectiveness of the implementation and on produced outcomes but only on the extent to which Food Security has a regional focus in the CSP. Angola stands out as the country that has the highest level of focus on food security. This can be explained by the current situation where the country has just come out of an extended period of civil war with almost 30% of the population having been displaced. Large constraints have been put agriculture and still many rural areas are unreachable. For this reason it is not surprising that the issue of food security only has a national perspective and that Angola in the CSP is not engaged in regional initiatives but has chosen to concentrate on securing the food situation for the population.

The situation in Botswana is slightly different as food security here is not covered neither as a national focal area nor a regional concern in regards of 40% of the population being classified as very poor and therefore not having sufficient means to cover food requirements. The causes of poverty are not sufficiently analysed and the CSP does not therefore draw a conclusion on whether food security should be a focal area or not. Generally speaking, the issue of food security is seen within a national – rather than a regional – context. Also the Government of Mozambique has gone to great lengths to address the issue of food security at a national level – latest through

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<sup>138</sup> CSP/NIP Tanzania for the 9th EDF – page 9

<sup>139</sup> CSP/NIP Tanzania for the 9th EDF page 10

PROAGRI launch in 1999, which is considered a key element in the Governments strategy toward improving food security but without addressing the issue at a regional level.

In relation to Namibia Food security is briefly mentioned when the CSP refers to the goals of the National Development Program and to the Human Development Index. For Tanzania the RSPS concludes that the food poor have fallen from 27% in 2000 to an estimated 14% in 2010. The CSP only mentions food security when combining it with the HIV/AIDS saying that food shortage is one of the outcomes of the epidemic. "Tanzania has traditionally benefited from substantial budget line funding in areas like food security, NGO co-financing, democratisation and human rights, environment and tropical forests. The budget lines usually provide an average contribution of 5.5 M€ per year, with NGO co-financing corresponding to 3.5 M€."<sup>140</sup> The paper does not indicate whether this is still the current standing of the budget line. It applies for all the above mentioned that none of the CSP/NIPs discuss Food Security in a regional context and in general many countries has not taken Food Security into account as neither a focal or non-focal area some even in regards to the current food situation.

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<sup>140</sup> CSP/NIP Tanzania for the 9th EDF page 26

EQ7: To what extent have interventions in the Non-Focal sectors so far been *efficiently* and *effectively* implemented and produced *outcomes* that contribute to regional integration and economic growth?

- ANALYSIS OF EQ7

HIV/AIDS is the principal non-focal theme in the CSP/NIPs as Southern Africa is the epi-centre of the HIV/AIDS pandemic. Although, here again, focus in the CPS/NIPs tends to be national rather than regional. The country facing the largest challenge is Swaziland. The pandemic has had massive implications for the social and economic development of Swaziland and risk losing the human resources, which have been gained since independence. For this reason "education" is set as the focal sector and "HIV/AIDS as the main cross-cutting issue. *"The outcomes based approach to curriculum presentation and delivery is becoming more widespread in the SADC region and common approaches such as this will harmonise movement of human resources and encourage regional cooperation and transferability of resources."*<sup>141</sup> This is a brief example of the regional vision which has been taken into account in Swaziland's CSP. The CSP highlights ways in which it means that the implementation of SADC protocols can be encouraged for the recognition, transferability and movement of workers for employment reasons but without connecting this directly to possible increased trade outcomes."<sup>142</sup> In general the CSP highlight many regional aspects concerning education expansion of the economy within the SADC. Also for Mozambique is challenged. HIV/AIDS has caused ravage and health matters are a central issue in the EC's funding. The Government recently set up a national AIDS council which, will have a co-ordinating role and an overview of all AIDS related activities at a national level. HIV/AIDS is treated as a non-focal area together with good governance as Mozambique has a very weak public sector, which makes corruption possible. In regards to implementing the PARPA the EC suggests incorporating elements of consultation with various government bodies in order to prioritise the identification of main sources of growth and *"... how they interact at national and regional level."*<sup>143</sup> As Zimbabwe has not signed the 9<sup>th</sup> EDF due to the frozen international assets it is not possible to comment on the current HIV/AIDS situation in this analytical context.

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<sup>141</sup> CSP Swaziland for the 9th EDF - page 6 in appendices

<sup>142</sup> CSP Swaziland for the 9th EDF - page 8 in appendices

<sup>143</sup> CSP/NIP Mozambique for the 9th EDF, page 8

EQ8: To what extent has the Commission's support had an *impact* on key stakeholders' capacity (through applied instruments – policies, protocols - and allocated resources) to promote regional integration and economic growth, and to what extent will these be *sustainable*?

- ANALYSIS OF EQ8

The CSP/NIPs do not touch on these aspects. This will be left to the field phase to analyse at the country level the extent to which key national stakeholders are involved in the promotion of regional integration and economic growth.

EQ9: To what extent has the Commission's support had an impact on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be sustainable?

- ANALYSIS OF EQ9

The CSP/NIPs do not touch on these aspects. This will be left to the field phase to analyse at the country level the extent to which the enabling environment supports the promotion of regional integration and economic growth.

EQ10: To what extent has the Commission's support to SADC had an *impact* on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be *sustainable*?

- ANALYSIS OF EQ10

The CSP/NIPs rarely comment on sustainable economic and social development and poverty reduction **within a regional integration context**. The context tends to be national and the importance of regional integration in poverty reduction is not broached as a theme.

Table 18: National focal sectors EDF8

Country	National Focal Sectors EDF 8				
	F1	F2	F3	FS4	NF
Angola	Primary sector and Rural Development	Transport	Urban development and reconstruction		
Botswana					
DRC	Poverty reduction as a means to achieve political and social stabilisation	Institutional Support aiming at the establishment of rule of Law			
Lesotho	Transport (road)	Social sector			Agriculture; Livestock; Environment
Malawi	Transport	Natural Resource Management	Health and Population		Democracy and Human Rights
Mauritius					Customs Reform
Mozambique	Rural Transport				Structural adjustment
	Water systems rehabilitation				Regional Cooperation
	Construction and renovation of schools and sanitary infrastructures				Macroeconomic support
	Food security; natural resource management and environment				Private sector development
Namibia					Peace and democracy
Seychelles					Transport
South Africa (not EDF programming - 2001-2003)	Poverty reduction	Private Sector Development	Consolidation of democracy	Support to regional cooperation	
Swaziland	Agriculture and Rural Development	Private Sector			Capacity Building
Tanzania	Transport	Social infrastr. and services			Good Governance and Gov capacity
Zambia	Productive Sector	Social Sector	Macroeconomic management and policy formulation		Regional transport (possible)
Zimbabwe	Agriculture and renewable natural resources	Health	Education		Health (possible)
SADC	Trade, Investment and Finance	Infrastructure and Services			Tourism; Natural Resource Management
					Macroeconomic reform; Trade; Tourism Development
					HRD
					Agriculture and Natural Resources

Table 19: National focal sectors EDF9

Country	National Focal Sectors EDF 9			NF
	F1	F2	F3	
Angola	Peace consolidation (Short Term); Food security (Medium Term)	Health	Education	Civil Society; Good Governance; DDDR
Botswana	HRD	Macro-economic support		Sustainable rural livelihoods Micro-projects HIV/AIDS Trade capacity; Regional programmes NSA
DRC	Institutional development (Democratisation and Rule of Law)	Transport		Environment Private sector Regional cooperation Social/Health
Lesotho	Water supply and sanitation	Transport (road)	Macro-economic support and Capacity Building	Fight against HIV/AIDS Trade capacity Micro-projects, NSA's support Regional programmes
Malawi	Agriculture and Natural Resources	Transport	Macro-economic support	Micro-projects, NSA's support
Mauritius	Environment			Decentralised cooperation
Mozambique	Transport	Food Security	Macro-economic support	Good Governance
Namibia	Rural Development	HRD	Macro-economic support	Capacity Building for development planning; Institutional CB for NSA
Seychelles	Environment (solid waste)			Trade and Regional integration Capacity Building, NSA
South Africa (not EDF programming - 2003-2005)	Social services (health, HRD; Water services and sanitation; children)	Equitable and sustainable economic growth	Deepening Democracy	Regional integration and cooperation
Swaziland	Education and Training	Macro-economic support		Irrigation Poverty Reduction Trade and Regional Integration Institutional Capacity Building
Tanzania	Transport (roads)	Macro-economic support	Basic Education	Governance; NSA
Zambia	Transport	Institutional Development and Capacity Building	Macro-economic support	Health, HIV; Education
Zimbabwe	Na	Na	Na	Na
SADC	Regional Integration and Trade	Transport and Communication		Peace and Security; Human Rights and Democratisation; HIV/AIDS;

## Country-by-Country Analysis

The second part of this Annex covers a country-by-country analysis of the **Country Strategy Paper and National Indicative Programme for the 9<sup>th</sup> EDF** in respect of the principal areas of concentration covered by the Evaluation.

This annex includes the following countries:

- Angola
- Botswana
- Lesotho
- Malawi
- Mauritius
- Mozambique
- Namibia
- Seychelles
- South Africa
- Swaziland
- Tanzania
- Zambia
- Zimbabwe



## ANGOLA

### General information:

Angola has gone through one of the worlds longest armed conflicts, which has caused a humanitarian crisis. Almost 30% of the population is war displaced. Angola suffers from food insecurity which is associated with the absence of opportunities for any regular productive activity, namely in agriculture. The main challenges facing Angola are threefold: i) consolidation of the 2002 peace process, promotion of national reconciliation and reconstruction of the country; ii) consolidation of democracy, rule of law and respect of human rights; and iii) good governance. The top priority in the short run are food insecurity issues and how to access critical areas of Angola. *“Thus, the EC will, in the short to medium term, give priority to funding the measures necessary to support the peace process and national reconciliation, including creating the conditions for free and fair general presidential and legislative elections. In the medium to long term, the Commission will gradually increase the focus of its support, concentrating aid on the social sectors and food security in particular. At the same time, in order to support the viability of national reconciliation and the plans for economic recovery, as well as improving the conditions for poverty-reducing economic growth, the EC plans to help reinforce specific areas of good governance, namely the judicial sector, reform of the administration and public finances.”*<sup>144</sup>

The focal areas of the Evaluation Team represented in the CSP:

### Trade:

If the peace in Angola continues it will enable Angola to for fill its goal of be the regions economic powerhouse through long-term investment in the mining industry. *“Angola is a key player in terms of regional integration, and has much to benefit from trade liberalisation now that access to the whole of the country is facilitated. Increases in import/export flows to and from neighbouring countries would give a fillip to the development of the economy in the more neglected inner reaches, whilst promoting the establishment of overland transport links.”*<sup>145</sup> *Trade is extremely important for a sustainable growth and to alleviate poverty. Angola’s trade relations to other countries in the SADC region are not included in the CSP and the regional perspectives are in general scarce.*

### Transport:

Regarding transport there are no regional objectives. Transport is mentioned in relation to transport of aid.

### Food Security:

Food security is the most import issue in Angola at the moment. All initiatives are local and have no regional focus. The main task for the Angolan government are at the time being to establish growth within livestock and agriculture so as the population in the rural areas have a source of income and

<sup>144</sup> CSP/NIP Angola for the 9th EDF, page 5

<sup>145</sup> CSP/NIP Angola for the 9th EDF, page 17

sufficient means of food. The document does not comment on the perspective of regional trade within the agricultural sector.

Relation to other regional organisations:

Angola is a member of SADC and important regional and multi-lateral trade negotiations are under way. So are the negotiations on the EPA, which should be launched soon. *“Economic governance, trade and regional integration issues all feature among the objectives to be pursued by the EU, as expressed in its EU Common Position on Angola of 25th June 2002. The EC will therefore ensure that its policies in these areas are coherent with the objectives of the Common Position in terms of urging the Government to implement transparent management of public resources and full accountability; supporting the pursuit of sound poverty-oriented macroeconomic policies so as to ensure better prospects for poverty reduction, economic growth and sustainable development; and encouraging cooperation and understanding among the countries in the region with the aim of improving regional security and economic development.”*<sup>146</sup> SADC has gained importance in recent years though progress has been mitigated by the politico-military situation.

The focal areas of the Evaluation Team represented in the NIP:<sup>147</sup>

Trade:

Trade is not mentioned in the NIP.

Transport:

Transport is mentioned in the Portuguese part for the NIP on pages 41-44, 49 and 55.

Food Security:

Food security is the main issue in the NIP, but not in a regional context. Therefore no further comments.

Relation to other regional organisations:

Not mentioned.

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<sup>146</sup> CSP/NIP Angola for the 9th EDF, page 30

<sup>147</sup> Parts of the NIP are written in Portuguese and have not been analysed, as I do not read Portuguese.

- BOTSWANA

**General information:**

Botswana is a middle-income country but there remains considerable disparity in income distribution. Because of lack of education and training effecting wage employment, and self-employment opportunities human resource development has in consensus been chosen as the single focal sector for 80% of the 9<sup>th</sup> EDF funding for Botswana. Funding of regional development issues is funded under the remaining 20% where also areas as natural resources conservation and management, community-based initiatives to enhance rural livelihoods, the campaign against HIV/AIDS and trade development are covered.

**The focal areas of the Evaluation Team represented in the CSP:**

Trade:

Trade is the only area of development in Botswana, which has a direct regional (cross boarder) focus in the CSP. Botswana's external trade is heavily dependent on the export of diamonds and according to the analysis in the CSP also dependent on its regional situation. *"The bulk of Botswana's external non-minerals trade is conducted with its SACU neighbours, above all with South Africa itself."*<sup>148</sup> Botswana is heavily dependent on the regional situation and its relationship to its surrounding countries. *"Botswana is being weakened by the expansion and liberalisation of world trade, and most recently by the conclusion of the agreement between South Africa and the EU (TDCA). One important effect of this trend is the fall in customs and excise receipts that have been traditionally shared out among all five SACU members. This loss is obliging their governments, including that of Botswana, to seek alternative sources of public revenue, notably Value Added Tax."*<sup>149</sup> As the diamond business is volatile Botswana's strategy is to diversify and to raise the exports of other goods and services and to target new markets both internationally and regionally. This means finding markets outside of its existing economic network – the SACU for example.

Transport:

The European Investment Bank is focused on supporting projects where the private sector is represented. Furthermore the EIB is interested in supporting projects where the project is not only environmentally and economically viable but also financially and technically feasible and not interested in supporting projects with a direct regional focus. A regional focus is not a mentioned priority in the CSP – only national initiatives are contained.

Food Security:

Botswana has neither a national or regional focus on food security incorporated in the CSP. Only a study performed some years ago is highlighted indicating that approximately 40% of the population in the rural areas were classified as *very poor*, as their income was not sufficient to cover food requirements. The CSP draws no further conclusions on this issue nor

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<sup>148</sup> Botswana CSP/NIP 9<sup>th</sup> EDF, page 7

<sup>149</sup> Botswana CSP/NIP 9<sup>th</sup> EDF, page 7

does it recommend funding for this particular problem, as the causes to poverty in Botswana are not yet sufficiently known.

Relation to other regional organisations:

Botswana is a member of SACU – the Southern Africa Customs Union and “... *it has proved difficult for Botswana to diversify away from its traditional SACU trade partners*” because of historical, geographical and simple commercial reasons.

*“The [SADC] Community already has its secretariat located in Gaborone, and decided in March 2001 progressively to centralise most of its activities there. Among SADC’s wide-ranging objectives are the gradual introduction of free movement of capital, labour, goods and services. In particular the new Trade Protocol is expected to increase the share of intra-regional trade from the present 22% to at least 35% by 2008. At the present time the perspectives for the future trading arrangements between the EU and Botswana and its neighbours remain uncertain. Although the Cotonou Agreement provides that formal negotiations of the new trading arrangements shall start in September 2002, little preparatory work has yet been done by the countries or the groupings of countries within the southern African region. Botswana’s situation is typical: not only is it a member of SACU and of SADC at the same time, but its largest trading partner and fellow-member of SACU (South Africa) is linked to the EU by a commercial regime (TDCA) that is fundamentally different from that applying to Botswana (post Lomé). As an added complexity, most of Botswana’s fellow members of SADC are also members of other regional organizations, with trade and policy agenda that are very different from those of SADC itself. Finally, it should be borne in mind that Botswana has several other pressing trade issues to address during the coming few years apart from those relating to the EU, both at multilateral level and with its other trading partners.”<sup>150</sup>*

The focal areas of the Evaluation Team represented in the NIP:

Trade:

The financing of trade development projects is mentioned on page 22 in the NIP but these are not projects with specific regional intentions. Projects with a regional focus are mentioned also on page 22 but it is not clear if there in regional is meant cross border or internal regions in Botswana.

Transport:

Is not mentioned

Food Security:

Is not mentioned

Relation to other regional organisations:

Is not mentioned

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<sup>150</sup> CSP/NIP Botswana 9th EDF, page 8

- LESOTHO

**General information:**

Lesotho is a small landlocked country, which is surrounded by South Africa. Lesotho has been regarded as a labour pool for the mines in South Africa and for that reason a strong culture for wage employment has been built. Special attention is in the CSP given to water and sanitation and transport, public expenditure management, macro-economic support, capacity building, health and education and public sector reform. Lesotho has very few natural resources, limited agriculture and a highly increasing problem with HIV/AIDS. For Lesotho to gain access to the necessary resources on combating HIV/AIDS the fight against HIV/AIDS must be conducted in close cooperation with South Africa. The CSP stipulates that not only cooperation with South Africa is necessary but also cooperation within the framework of the SADC. Other SADC countries than Lesotho deal with serious HIV/AIDS problems why it is stated in the CSP that it would be sensible to undertake not just a national perspective on HIV but also to take the regional context into consideration and combine national and regional programmes with initiatives undertaken in South Africa.

**The focal areas of the Evaluation Team represented in the CSP:**

Trade:

Lesotho's trading relationships consists of approximately 65% going to SACU countries and of 34% goes to USA. A relationship that is likely to be transformed as a consequence of among other things the SADC Free Trade Protocol. The analysis in the CSP points to that Lesotho will not only be affected by the liberalisation of agreements of which it is part, but also through its membership of SACU. *Through this Lesotho will feel the impact of the Trade, Development and Cooperation Agreement (TDCA) between the EU and South Africa. The primary concern in this area is the possible impact that the TDCA will have on the customs revenues received through SACU. In this regard, the proposed EC support for the development of institutions with a medium and long-term policy planning capacity and the strengthening of Lesotho's analysis and negotiating capacity in trade related issues, particularly for the envisaged Regional Economic Partnership Agreements (REPA) with the EU, will be important. The medium-term challenge facing Lesotho is that of attaining sustained economic growth and of ensuring that the benefits include lasting employment opportunities and are equitably distributed throughout Basotho society. To meet the challenge, GoL has to achieve a balance between the delivery of essential services and the creation of an enabling environment for economic growth.*<sup>151</sup> A significant element in Lesotho's future economy is closer regional integration and the exploitation of relevant trade agreements.

Transport:

Unfortunately Lesotho faces the same problem as many others in the region regarding the spread of HIV/AIDS because of road transport corridors. In contrast to many countries in Sub-Saharan Africa, the role of government in the transport sector in Lesotho is limited. South African companies provide

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<sup>151</sup> CSP/NIP Lesotho for the 9th EDF, page 12

rail and air access to Lesotho, while road transport is operated by the private sector. The main road system in the country is, in general, well developed and maintained in contrast to the rural areas.

Food Security:

Not mentioned in a regional context

Relation to other regional organisations:

The complexities of Lesotho's regional integration arrangements and the underdeveloped links between the public and private sectors are matters to be addressed. "Therefore, complementary to macro-economic support and capacity building and to the two focal sectors, the EC will provide limited support to trade and regional integration. This support will be crucial in preparation for the forthcoming Regional Economic Partnership Agreements (REPA). The assistance could include the strengthening of GoL trade policy analysis and negotiating capacity, assistance to the private sector, trade unions and government agencies for REPA planning and reparation, and studies on impact analysis and other aspects that accompany a changing trade environment." <sup>152</sup>

**The focal areas of the Evaluation Team represented in the NIP:**

Trade:

The trade policy in the region is governed largely by the SACU agreement, resulting in free trade between the five member states.

Transport:

See transport in the above.

Food Security:

Not mentioned

Relation to other regional organisations:

It is highlighted in the NIP that Lesotho actively has implemented different SADC protocols. None of the Evaluation teams focal areas were mentioned except for the trade area as the expansion of exports will be the primary means of boosting economic growth. *"To this end, the government of Lesotho will continue to encourage and take advantage of regional trading initiatives, and will help firms maximize their access to the SADC and other foreign markets by gathering and disseminating information about potential market opportunities. It will also keep the trading system free of quantitative restrictions on imports."* <sup>153</sup> In regards to SACU less than half of GoL revenue is derived from SACU customs receipts. An EDF regional project will provide expertise and assistance to the four SACU countries, which will be affected by the new trade regime between South Africa and the EU. Remaining legal and institutional barriers to trade and foreign investment must be eased, and the share of government expenditure in the economy must be reduced in order to

<sup>152</sup> CSP/NIP Lesotho for the 9th EDF, page 17-18

<sup>153</sup> CSP/NIP Lesotho for the 9th EDF, page 56 in the NIP



avoid severe macro-economic imbalances when customs revenues from the SACU pool begin to fall as a result of the free trade provisions of the South Africa – EU TDCA.

- MALAWI

**General information:**

Malawi is still one of the world's poorest countries in spite of decades of assistance. Severe domestic constraints like budgetary indiscipline, limited absorptive capacity compounded by the HIV/AIDS scourge and land pressure continue to exist.

The focal areas of the Evaluation Team represented in the CSP:

Trade:

Because Malawi is a landlocked country it is dependent on peace or goodwill *"... of their neighbours for access to international markets through trade links to the ocean ports in Tanzania (Dar-es-Salaam), Mozambique (Nacala and Beira) and South Africa (Durban). However with over 90% of trade hauled by road, the economy suffered in the past from the power of the international road haulers who extracted high tariffs and enforced the third party operators restriction to be maintained through a series of bilateral agreements."*<sup>154</sup> The major trading partners for Malawi are; South Africa (34%), Zimbabwe (17%), Zambia (8%) and the UK (4%) for imports and South Africa (13%), US (12%), Germany (10%) and Netherlands (9%) for exports.

In a regional context Malawi competes with regional neighbours who also suffers from the instability in the surrounding countries. *Malawi has not adopted distinct policies nor been able to offer a clear comparative advantage to traders and entrepreneurs in developing commercial relations with the country. Furthermore, relative inexperience in bilateral, regional and global trade negotiations (resulting for example in seriously disadvantaging of the Malawi textile industry following the signing of the SACU agreement) has hampered integration into the world markets based on level playing field terms. Institutional capacity weaknesses, a number of institutions with similar functions/objectives (i.e. MCCI, MIPA and MEPC) and unclear national priorities in potential trade alignments with various regional groups (either SADC and COMESA, one of them probably becoming the Economic Partnership Agreement to which Malawi will adhere) equally remain barriers to increased trade in the region. Malawi is partner to the Sugar Protocol with the EU and has an agreed quantity in each 12 months period of 20,000 metric tons of white sugar. Malawi can also benefit from the recent "Everything but Arms" initiative of the European Union, which eliminates all EU tariff and quota barriers to trade with Least Developed Countries. Similarly, Malawi can benefit from the new EU-ACP trading arrangements, as foreseen in the Cotonou Agreement, by participating in an EPA. The objective of EPAs is to provide the framework for enhancing economic and regulatory stability and to create the dynamic environment, which will attract investors and enhance competitiveness. It will, however,*

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<sup>154</sup> CSP/NIP Malawi 9<sup>th</sup> EDF, page 6



*be difficult for Malawi to benefit substantially from these possibilities in the short term, mainly because of non-diversified exports and limited capacity. Export capacity building and assurances for investors will be necessary to enable Malawi to fully use the opportunities given in the medium and long term.*"<sup>155</sup> Because Malawi is in a weak position for trade negotiating the EC will support Malawi at both a regional and multilateral level and help with implementing new trade policies and structural reforms.

Transport:

In the CSP there is a focus on the maintenance of the roads in Malawi especially transport corridors, as these are important for being able to transport export goods. Here the EC has been a major donor especially in the Northern Transport corridor as well as links to the southern border with Mozambique, and the Tanzanian border in the north. *"Interventions in transport infrastructure will continue to support the National Roads Authority in achieving its objectives of sustainable road maintenance. Past investments in primary roads will be maintained and protected while internal markets will be opened up through the rehabilitation of rural roads providing improved access to the region and the global economy. Key players operating in the transport sector will also receive support in order to strengthen their institutional capacities."*<sup>156</sup> *"Studies have shown that an efficiently operated Nacala corridor, following its full rehabilitation could result in a 50 % reduction of transport costs to Malawi. The possible EC contribution to the rehabilitation of the corridor aims at supporting the government of Malawi's intentions of achieving this objective."*<sup>157</sup>

Food Security:

In the national development strategy food security for all is an objective, which is to be achieved through growth in the agriculture sector. There are no regional objectives.

Relation to other regional organisations:

Malawi is a member of SADC, The Cross Border Initiative (CBI) and COMESA. Besides commenting on the overlapping regional institutions and its barriers no further comments are given to this point in the CSP.

**The focal areas of the Evaluation Team represented in the NIP:**

Trade:

Not mentioned

Transport:

Not mentioned in a regional context

Food Security:

Not mentioned in a regional context

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<sup>155</sup> CSP/NIP Malawi 9<sup>th</sup> EDF, page 7-8

<sup>156</sup> CSP/NIP Malawi 9<sup>th</sup> EDF, page 1

<sup>157</sup> CSP/NIP Malawi 9<sup>th</sup> EDF, page 22

Relation to other regional organisations:

Not mentioned

• MAURITIUS

General information:

Mauritius has gone from being a low-income country to a middle-income country where manufacturing, sugar, tourism and financial services are the pillars in the economy. Environment is the focal sector in Mauritius and intends to address problems as waste water/sewage disposal systems, preservation of natural environment and the safeguarding of areas of economic development – tourism in particular. Mauritius is a member country of the Indian Ocean Commission, which benefits from EDF regional allocations. The choice of environment as a focal area has significant coherence with the on-going cooperation in the South Indian Ocean.

The focal areas of the Evaluation Team represented in the CSP:

Trade:

Mauritius has been active in the pursuit of the opening up of regional and sub-regional groups. The government of Mauritius means this will provide opportunities for greater trade and investment. *“Coherence between development cooperation policy and other EC policies (trade, fisheries, agriculture, environment etc.) relevant for Mauritius will be assessed on a permanent basis. In this context NIP resources may be used to complement resources from the RIP, budget lines and trade specific operations, according to needs and availability of funds. In particular, this may refer to support for efforts by Government departments and Non State Actors to prepare for the establishment of a coherent trade policy framework, with emphasis on preparing for the EPA and on WTO, and assistance for capacity-building for carrying out negotiations in a regional and multilateral context and in implementing the accompanying trade policy and structural reforms.”*<sup>158</sup>

Transport:

Transportation is crucial to Mauritius and is regarded as the lifeline of the Mauritian economy. There have been substantial investments to improve the road networks, ports and airport facilities over the last decade. These initiatives have proved inadequate. *“With the growing role of Mauritius at the regional level, both the port and airport facilities need upgrading to compete with similar facilities in the region. Issues such as upgrading public transport, introducing cost recovery mechanisms, improving public safety and encouraging a greater role in the sector for private enterprise are also due for review.”*<sup>159</sup>

Food Security:

Not mentioned

Relation to other regional organisations:

<sup>158</sup> CSP/NIP Mauritius for the 9th EDF, page 16

<sup>159</sup> CSP/NIP Mauritius for the 9th EDF, page 9

Mauritius sees all regional co-operation and integration initiatives as important for the countries development. Mauritius is a member of IOC, SADC, COMESA and the Indian Ocean Rim Association (IOR-ARC). Additionally it can be anticipated that Mauritius will join in an Economic Partnership Agreement (EPA).

The focal areas of the Evaluation Team represented in the NIP:

Trade:

Not mentioned in a regional context.

Transport:

Not mentioned in a regional context.

Food Security:

Not mentioned.

Relation to other regional organisations:

Not mentioned.

• MOZAMBIQUE

**General information:**

Mozambique faced many challenges but the two most important ones are weak human resources and economic growth. But these are not the only issues to be addressed. HIV/AIDS has caused ravage and health matters are a central issue in the EC's funding. The Government recently set up a national AIDS council which, will have a co-ordinating role and an overview of all AIDS related activities at a national level. HIV/AIDS is treated as a non-focal area together with good governance as Mozambique has a very weak public sector, which makes corruption possible. In regards to implementing the PARPA the EC suggests incorporating elements of consultation with various government bodies in order to prioritise the identification of main sources of growth and *"... how they interact at national and regional level."*<sup>160</sup>

The focal areas of the Evaluation Team represented in the CSP:

Trade:

Mozambique has tried to modernise their economy through implementing a formal trade strategy under the WTO. *"Since 1994, Mozambique's trade in goods by destination has undergone fundamental changes. This finds its most striking expression in a considerable narrowing of trade with the E.U. (34.7% of exports and 33% of imports in 1994, 27% and 15.8% respectively in 1999) and a corresponding expansion of trade in the sub-region in general (21% of exports in 1994, 31% in 1999), and with South Africa – now the leading source of imports (44% in 1999) - in particular. Although the E.U. is still the main destination for Mozambique's exports, S. Africa has become increasingly important. This reflects the benefits of closer integration with neighbouring SADC member countries (S. Africa, Zimbabwe, Malawi),*

<sup>160</sup> CSP/NIP Mozambique for the 9th EDF, page 8

*whose market shares represent more than 40% of Mozambique's trade, and shows the importance to the economy of regional links. Mozambique provides access to the sea for several landlocked neighbours, whilst the regional transport corridors to Mozambican ports are an important source of foreign revenue. Hydroelectricity from the Cahora Bassa dam and gas from the Pande fields are also important potential sources of export revenue. These ties provide a basis for further economic integration into the region."*

*<sup>161</sup> Because of the potential losses in revenue from trade-related taxes in the context of SADC regional integration, EC support to macro-economic budgetary support is justified. "The EC's support in this area is further justified by the need to: sustain macro-economic stability, taking into account potential losses in revenue from trade related taxes in the context of SADC regional integration; ensure a well-balanced distribution of the fruits of growth through efficient budget expenditure allocation which benefits the poor; implement comprehensive and sound public expenditure management reforms which focus on strengthening financial accountability, in order to improve economic governance and fight corruption; and adopt a set of performance-based indicators in the PARPA priority sectors, which will allow the impact of macro-economic and sector policies to be evaluated, including interms of financial and human resource management. This area of co-operation will also embrace support for economic integration at the regional and global level, and contribute to improvements in economic governance through support to the envisaged public sector reforms in general, and public finance management in particular. Macro-economic support will also facilitate implementation of the HIPC initiative, to which the EC, alongside the MS, has made a major contribution. The possibility of supporting a multidonor fund to improve the level of salaries of key officials within the context of the Public Sector Reform could also be considered. Co-financing operations with the BWI [Bretton Woods institutions] and other donors, particularly the MS [Member States], could be envisaged here. Macro-economic budgetary support will also be used in support of institutional reforms and capacity-building for sound public finance management, at both central and local levels."*<sup>162</sup>

#### Transport:

Mozambique's main transport system (originally consisted of transit corridors in an east-west direction to serve the neighbouring landlocked countries. driven by the demand from neighbouring countries, transport facilities are improving, even though some national links are still very poor. At a regional level *"...Mozambique plays a crucial role as a transit country for several of its land-locked neighbours, but this has not been addressed by the PARPA. The Government has, however, ratified the SADC Protocol on Transport, Communications and Meteorology (MTC), which deals with issues such as axle load, truck combinations, calculation of cross border road user charges, and driving licenses."*<sup>163</sup>

#### Food Security:

<sup>161</sup> CSP/NIP Mozambique for the 9th EDF, page 10

<sup>162</sup> CSP/NIP Mozambique for the 9th EDF, page 19-20

<sup>163</sup> CSP/NIP Mozambique for the 9th EDF, page 8

The Government of Mozambique has gone to great lengths to address the issue of food security at a national level – latest through PROAGRI launch in 1999, which is considered a key element in the Governments strategy toward improving food security.

Relation to other regional organisations:

Mozambique is a member of SADC and has signed the SADC Trade Agreement, which aims at establishing a free-trade area.

The focal areas of the Evaluation Team represented in the NIP:

Trade: See transport.

Transport:

As it is mentioned in the CSP the transport system was an important economic factor for Mozambique and generated a net surplus of M\$ 110 in 1973. *“Ten years later, after independence, this surplus had declined by more than 70%. The commercially motivated investments in the transit corridors, supported by SATCC/ SADC, have, however, led to relative neglect of an infrastructure to serve the needs of the domestic transport network. The ports and the railway lines play an important role, but do not constitute the backbone of a transport network that ties the nation together. This is partly due to a poorly developed and poorly functioning coastal 1 Integrated Road Sector Strategy for Mozambique (Draft final report, January 2001) Project Implementation Plan Phase 1 (Draft, April 2001) Other GOM publications “GoM ratified, in 1998, the SADC Protocol on Transport, Communications and Meteorology. The MTC is currently involved in the framework, and as chair, of SATCC to harmonize the internal maximum allowed axle load, overload control, truck combinations, driving licenses and the formula for calculation of cross boarder road user charges with the SADC member States. Mozambique has developed a Concept of Economic Zones for which a special fiscal regime has been created to attract investment, i.e. the Zambezi River Basin, the Maputo Development Corridor from Maputo Port to Witbank in S. Africa, and the Beira, Limpopo and Nacala corridors. MTC is in the process of setting up authorities for these, to establish a new environment for the transport sector. Ideally, all transport services should be provided by the private sector, which should also operate a large part of the transport infrastructure through long-term concession agreements.”*<sup>164</sup> As a part of the Government in Mozambique's commitment under the ROC, the World Bank provided support to develop an integrated road sector strategy where one of the objectives were to *“... set out a strategy for the management, financing and development of the road network in the context of Pan-African, southern-African, national and regional transport policy objectives”*<sup>165</sup> Also the PARPA explicitly identifies that *“...investment in infrastructure as the single most efficient contribution to long-term growth and improved well-being. The programme will address the above goals in several ways. It will help create economic opportunities by improving rural access to markets and services (particularly of densely populated and high agricultural potential areas),*

<sup>164</sup> CSP/NIP Mozambique for the 9th EDF, page 23 in the NIP

<sup>165</sup> CSP/NIP Mozambique for the 9th EDF, page 23 in the NIP



*improving traders' access to neighbouring countries, and maintaining the principal national and coastal links to promote tourism and national unity."*

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#### Food Security:

The EC's main objective in regards to food security is to support sustainable food security at household and national level. *"The FSP advocates a sub-regional approach to food security, incorporating lessons learned across countries, including cross-border interactions and consistency and early warning information systems. A number of sub-regional marketing studies for specific crops are envisaged, leading to the possible negotiation of commodity-specific bilateral trade agreements between Mozambique and neighbouring countries, in particular with Malawi."*<sup>167</sup> One of the critical challenges of improving the food security situation in Mozambique is the liberalization of the agricultural market in Eastern and Southern Africa and how to support productivity improvements in smallholder agriculture.

Relation to other regional organisations: See transport.

#### • NAMIBIA

##### General information:

Namibia is a lower middle-income politically stable country but with exceptionally high levels of inequality and severe poverty. The democracy is young and democratic traditions are still evolving. The economy is resource-based and characterised by moderate growth in the late nineties and an expanding government sector.

The focal areas for Namibia are "rural development" and "human resource development". A quick overview of the 7th EDF shows that the sector programmes in agriculture, education and health and the creation of an appropriate policy environment was highly relevant for poverty reduction. The resources under the 9<sup>th</sup> EDF are in line with both the 7th and 8th EDF, though there has been an attempt to enhance the focus of EC aid by limiting core support to two sectors instead of 10.

The focal areas of the Evaluation Team represented in the CSP:

#### Trade:

Because Namibia faces considerable challenges the EC will provide limited support to trade and regional integration. To be able to exploit potential trade opportunities liberalisation is necessary *"... in the context of the new WTO round and closer regional integration with SACU, SADC and COMESA. Furthermore, preparations for an EPA with the EU will begin prior to most other ACP countries given the fact that the TDCA Agreement between the EU and South Africa implies that while negotiating for an EPA, the BLNS will have to consider the time frame of the TDCA. The change in relative prices resulting from greater liberalisation is expected to encourage economic growth and investment. However, Namibia will need to restructure its more*

<sup>166</sup> CSP/NIP Mozambique for the 9th EDF, page 22 in the NIP

<sup>167</sup> CSP/NIP Mozambique for the 9th EDF, page 30 in the NIP

*vulnerable sectors and will experience a reduction in tariff revenue. Hence, it will be essential for Namibia to make strategic choices in the regional economic integration process and introduce provisions to minimize the impact of adjustment and diversify the revenue base.*"<sup>168</sup> Trends show that, trade, agriculture and fishery will have to be prepared for further liberalization. This entails a more conducive environment for investment and a more open, outward path towards greater access to global markets.

#### Transport:

Transport equipment is one out of the three largest components in import, South Africa accounting for 85%. The EIB's focus on transport is purely national - there is no sign of a regional emphasis or requirements of such.

#### Food Security:

Food security is briefly mentioned when the CSP refers to the goals of the National Development Program and to the Human Development Index. No regional perspective is mentioned.

#### Relation to other regional organisations:

Namibia is an active player in the regional integration field being a member of SADC, SACU and COMESA. Accordingly Namibia has adopted an active regional integration policy and attaches great importance to regional integration being a small economy. *"SACU is an important vehicle for Namibia's regional integration and coupled with the CMA (Common Monetary Area), represents the deepest integration arrangement providing for duty free access, low transaction costs, significant contribution to the revenue and relief from having to operate an independent customs service. On the other hand, the customs union has led to polarisation of industries in South Africa and a "price escalation" effect due to the Common External Tariff fixed by South Africa.*"<sup>169</sup> But being a member of all three regional institutions is a complex situation for Namibia as there is overlapping regional arrangements. *"Together with Swaziland, Namibia benefits from derogation due to the fact that it is in a common external regime under SACU. In addition to the economic rationale, Namibia's position has reflected the Pan-African premise that the various regional trade blocs will subscribe to a trade regime that is continental in scope as evidenced in Namibia's active role in the launch of the African Union in May 2001. In terms of market potential the SADC market offers Namibia greater prospects with an estimated combined GDP of US\$ 176 billion and current imports from SADC representing 83% and exports 38%. (However, if one excludes South Africa, trade with SADC becomes more marginal).*"<sup>170</sup>

The focal areas of the Evaluation Team represented in the NIP:

#### Trade:

The perspective on trade in the NIP is that national goals are to be met if Namibia is to see a positive effect on regional and international trade results. The initiatives are emphasised in the following: *"Supporting trade policy development through providing a facility for studies and targeted technical assistance through support, inter alia, of the International Trade Directorate*

<sup>168</sup> CSP/NIP Namibia for the 9th EDF, page 11

<sup>169</sup> CSP/NIP Namibia for the 9th EDF, page 8

<sup>170</sup> CSP/NIP Namibia for the 9th EDF, page 8



*in MTI. This should include enhancing the capacity of Namibia to adopt domestic policy stances and implementing WTO Agreements – reform of the tariff structure, legislation for standards, licensing and sanitary and phytosanitary facilities and TRIPS (Trade Related Intellectual Property Rights), take into account the new trading environment e.g. Investment, competition and trade facilitation and enhance Namibia's capacity to comply with international standards.*"<sup>171</sup>

Transport:

Not mentioned.

Food Security:

Not mentioned besides as an objective under the intervention framework for rural development.

Relation to other regional organisations:

Not mentioned.

• SEYCHELLES

General information:

Seychelles is currently not a member of SADC but has been under both the 8<sup>th</sup> EDF and the 9<sup>th</sup> EDF. Seychelles has evolved immensely in terms of economic and social development in the years since independence. The present budget deficits have led to an economic and financial crisis. A situation, which is gradually worsening.

The focal areas of the Evaluation Team represented in the CSP:

Trade:

As many other countries in SADC Seychelles goal is to adapt to the world trade market. *"Seychelles perceives regional economic integration as a stimulus to trade but has been slow in implementing regional tariff reductions – because of its reliance on import duties for revenue – and reluctant to eliminate domestic price controls. With the gradual erosion of preferential treatment in certain traditional markets on the one hand, and the emergence of more, and more direct, competitors from lower cost countries on the other, competition in both the current export markets and in tourism is likely to become increasingly fierce. Seychelles will need to increase its competitiveness, diversify its markets and improve investor confidence in order to avoid economic decline."*<sup>172</sup>

Transport:

Not mentioned besides under Food Security.

Food Security:

The Food security policy for Seychelles aims at *"... protecting agricultural; reviewing the method of land allocation; providing improved infrastructure,*

<sup>171</sup> CSP/NIP Namibia for the 9<sup>th</sup> EDF, page IX in the NIP

<sup>172</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 11-12

*and promoting self-sufficiency in certain key areas.*"<sup>173</sup> The aim is to create a sustainable policy for agriculture. A new policy "... *has been drawn up covering the period 2000-2010 and is currently being implemented. It provides for the government to increase its role as a facilitator in that sector and to provide the necessary enabling environment for private entrepreneurs.*"<sup>174</sup>

Relation to other regional organisations:

"While Seychelles is committed to implementing certain liberalising trade policy measures through membership of RIFF, SADC and COMESA, progress in implementing these commitments has been slow, involving as it does the dismantling of many of the trade mechanisms currently in place (import permits, foreign exchange controls, quotas, state monopoly trade and price controls). The majority of

private economic operators believe that liberalisation would be beneficial, though any transition would have to be carefully handled given Seychelles' high dependence on import duties for revenue. A properly measured and paced response should serve to enhance stability and to help preserve the social *acquis*." <sup>175</sup> In addition to this it is anticipated that Seychelles will join in an EPA. "NIP resources may be used to complement resources from the RIP, budget lines and trade-specific operations, according to needs and availability of funds. In particular, this may refer to support for efforts by Government and Non-State Actors to prepare for the establishment of a coherent trade policy framework, with emphasis on preparing for an Economic Partnership Agreement (EPA) and for WTO membership, and assistance for capacity-building for carrying out negotiations in a regional and multilateral context and in implementing the accompanying trade policy and structural reforms, including fiscal reform." <sup>176</sup> Further more it is emphasised that Seychelles besides the above will benefit from the RIP for the Indian Ocean. *"The chosen priority sector, environment, is coherent with a number of ongoing regional co-operation programmes in the South Indian Ocean. Seychelles is a member country of the Indian Ocean Commission, which benefits from EDF regional allocations. An ongoing project under the 7th EDF in this region is the Regional Support Programme for Environmental Initiatives. An environmental education programme is also being implemented under the 8th EDF. In addition, the World Bank has approved the financing of a major environmental project for the IOC (oil spillage contingency)."*<sup>177</sup>

The focal areas of the Evaluation Team represented in the NIP:

Trade:

Trade is mentioned in relation to government measures on economic reform. Also the total trade value with the EU is laid out on page 12 in the NIP.

Transport:

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<sup>173</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 7

<sup>174</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 7

<sup>175</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 9

<sup>176</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 19

<sup>177</sup> CSP/NIP Seychelles 9<sup>th</sup> EDF, page 18

Transport is only mentioned in connection with trade as Seychelles export transport equipment and construction equipment to the EU.

Food Security:

Food security is not a priority in the NIP.

Relation to other regional organisations:

Not mentioned.

- SOUTH AFRICA

**General information:**

Even though South Africa has come a long way since 1994 issues as slow economic growth, high and rising unemployment, widening income equality and high levels of crime prevail. The Multi-Annual Indicative Programme (MIP) focuses on equitable access to and sustainable provision of social services, equitable and sustainable economic growth, deepening democracy and regional integration and co-operation. This is not forgetting the HIV/AIDS pandemic, which is having a dramatic effect on South Africa.

The focal areas of the Evaluation Team represented in the CSP:

Trade:

For South Africa a liberal trade policy has been a major source to the country's economic growth. Trade with the EU has grown substantially in value and quantity since the TDCA came into force in 2000. *"The EC will support initiatives and interventions in the area of intra-regional trade (including trade liberalisation, customs procedures, the removal of technical barriers to trade and investment promotion, the development of a regional capital market and cross-border payments and preparation for international trade negotiations) at SADC and SACU level. EC support will also be mobilised in support of the development of regional transport policy and water resource management."*<sup>178</sup>

Transport:

See relation to other regional organizations.

Food Security:

Not mentioned

Relation to other regional organisations:

Since 1994, 65% of EC assistance to South Africa has been allocated to social service delivery in the area of education, training and skills development, health, water and sanitation, housing and local and urban development. Approximately 4% of these resources are allocated in support to SACU and SADC regional co-operation and integration. The EC wishes to promote the active participation of South Africa in the regional integration process in the SADC region and there through promote peace, democracy and good governance on the African Continent. The EC plays an important role in regards to supporting initiatives and interventions in the area of intra-regional

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<sup>178</sup> CSP/NIP South Africa for the 9th EDF, page 20

trade at SADC and SACU level. Focus is on trade liberalisation, customs procedures, the removal of technical barriers to trade and investment promotion, the development of a regional capital market and cross-border payments and preparation for international trade negotiations) regional transport, water resource management. The CSP states that the EC will *"...support the SADC regional integration process by contributing, through the EPRD, to the main objectives of the 9th EDF Regional Indicative Programme. These resources should facilitate the participation of South Africa in regional cooperation and should meet the sectoral priorities agreed in this RIP:*

- *increase regional trade*
- *improve efficiency in the use of transport and communications and*
- *improve water resources management.*

*An indicative amount of €50 million is earmarked for support to regional integration and cooperation intervention. EPRD resources will be allocated to the implementation of the SADC Trade Protocol, in particular the removal of technical and financial barriers to trade; at the same time discussions on the possibility of reaching a Regional Economic Partnership Agreement will be held."*<sup>179</sup>

The focal areas of the Evaluation Team represented in the NIP:

Trade:

The information available in the MIP corresponds with the already described information under the "trade" in the above.

Transport:

Not mentioned

Food Security:

Not mentioned

Relation to other regional organisations:

As mentioned in the above South Africa is a member of the AU, SACU and of the SADC. In 1999, 30% of South Africa export earnings were generated from the African continent. Unfortunately the single actors are not identified in the CSP. According to the CSP *"...the SADC region remains a primary focus in the promotion of regional peace and security and in creating an enabling environment for the expansion of trade and investment."* Without pointing out further information on this issue it is highlighted that South Africa has played an active role regional conflict resolutions. *"Investment promotion and economic integration in the SADC region were supported through three regional co-operation programmes. Through the EPRD support is provided to components of the following SADC initiatives: food security, fishery surveillance, drug control and regional response to HIV/AIDS. Regional integration and co-operation were promoted through projects with SACU and SADC countries aiming at increased regional investment and trade, at improved water resource management and addressing the regional*

<sup>179</sup> CSP/NIP South Africa for the 9th EDF, page 27-28

*dimension of the HIV/AIDS epidemic.”*<sup>180</sup> Commitments in regional programmes were only 2% of EPRD at the end of 2001, as described in the MIP it is expected to increase to 10%.

- SWAZILAND

**General information:**

Swaziland is a middle-income economy, where income distribution is unequal and nearly half the population live below the national poverty line. The structure in economy has shifted from agriculture being the prevailing economic base to manufacturing.

The major challenge is HIV/AIDS, which has had massive implications for the social and economic development of Swaziland and risk losing the human resources, which have been gained since independence. For this reason “education” is set as the focal sector and “HIV/AIDS as the main cross-cutting issue. *“The outcomes based approach to curriculum presentation and delivery is becoming more widespread in the SADC region and common approaches such as this will harmonise movement of human resources and encourage regional cooperation and transferability of resources.”*<sup>181</sup> This is a brief example of the regional vision which has been taken into account in Swaziland’s CSP. The CSP highlights ways in which it means that the implementation of SADC protocols can be encouraged for the recognition, transferability and movement of workers for employment reasons but without connecting this directly to possible increased trade outcomes.”<sup>182</sup> In general the CSP highlight many regional aspects concerning education expansion of the economy within the SADC.

The focal areas of the Evaluation Team represented in the CSP:

Trade:

For Swaziland the development of implementation capacity and medium to long-term planning will remain vital. *“... incorporation into the world economy through closer regional integration and the exploitation of relevant trade agreements, are essential elements in Swaziland’s economic policies.”*<sup>183</sup> The EC has agreed to provide limited support to trade and regional integration complementary to Swaziland’s focal and non-focal sector support. This support aims at linking trade more effectively with the upcoming macro-economic and structural reform, *“and is crucial in preparations of a meaningful contribution to and participation in the forthcoming Regional Economic Partnership Agreements. The support will provide a link between ongoing 8th EDF support in the areas of trade, private sector support, investment promotion, fiscal restructuring, and regional initiatives such as REPAs, BLNS support packages and regional private sector support.”*<sup>184</sup> Swaziland’s balance of payments reflects its openness of the economy and its membership to the CMA and SACU but due to a substantial increase in

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<sup>180</sup> CSP/NIP South Africa for the 9th EDF, Annex 1b

<sup>181</sup> CSP Swaziland for the 9th EDF - page 6 in appendices

<sup>182</sup> CSP Swaziland for the 9th EDF - page 8 in appendices

<sup>183</sup> CSP Swaziland for the 9th EDF - page 9

<sup>184</sup> CSP Swaziland for the 9th EDF - page 15

imports in recent years the trade gap has worsened. Net current transfers, mainly from the SACU, have more than compensated the worsening trade balance. As the only regional country South Africa is mentioned as the main destination for Swaziland's exports followed by the EU. There is a growing dependence on trade tax in the form of SACU receipts. This accounts for more than half of total revenues and is one of the most distinctive features of Swaziland's public finances.

Transport:

Transport is mentioned in regards to the national development plan but with any regional perspectives.

Food Security:

Food security is not mentioned in a regional context and only briefly in a national context.

Relation to other regional organisations:

From a regional perspective Swaziland plays an active role in regional integration and is a member of SADC, SACU, COMESA, CMA, EAS and the Regional Integration Facilitation Forum *"The Kingdom's trade policy in common with many of its regional neighbours is thus determined by a proliferation of overlapping – and sometimes conflicting – regional trade groupings. This situation is further complicated by the varying nature of Swaziland's bilateral agreements. Some of the latter are based on WTO compliant and reciprocal Most Favoured Nation (MFN) status, while others are adhoc, preferential or duty-free access agreements."*<sup>185</sup> At both multi-lateral and within the region the changing trading relationships could have a major impact on future macro-economic stability and growth. *"It is thus essential that Swaziland is able to participate in and/or assess effectively the impact of negotiations of inter alia the Free Trade Area within SADC, the Customs Union and free Trade Area within COMESA, the EU-South Africa Trade and Development Agreement and further rounds of trade liberalisation under the auspices of the WTO."*<sup>186</sup>

The focal areas of the Evaluation Team represented in the NIP:

Trade:

Out of the 31 million Euros, which are intended for the 9<sup>th</sup> EDF envelop A up to 5% are intended for the complementary actions for trade and regional integration.

Transport:

In the NIP transport is mentioned as a national performance indicator. No regional aspects are applied.

Food Security:

Is not mentioned.

<sup>185</sup> CSP/NIP Swaziland for the 9th EDF, page 7

<sup>186</sup> CSP/NIP Swaziland for the 9th EDF, page 7



Relation to other regional organisations:

Is not mentioned in regards to the focal areas but it is in general envisaged that cooperation and regional integration is important for the further development of Swaziland's economy.

• TANZANIA

**General information:**

Tanzania remains one of the poorest countries in the world in spite of massive external support over the last three decades<sup>187</sup>. In spite of the private sector being the economic base of the majority of the population and in spite of growth in the agricultural sector Tanzania has not been able to lift itself out of poverty. As an additional important factor to the situation in Tanzania is the HIV/AIDS epidemic affecting millions of people within the country. Also Tanzania hosts one of the largest refugee populations in Africa.

The CSP for Tanzania identifies two focal sectors being: "Transport and infrastructure" and "basic education". "Governance and General Macro Support" are important non-focal sectors, whereas "Governance, Gender and HIV/AIDS" are more seen as integral parts of all areas. The EC has been involved in not just national but also regional education initiatives concerning Tanzania but has now handed over the coordinating role to the UK.

**The focal areas of the Evaluation Team represented in the CSP:**

Trade:

High on the regional agenda is economic integration through further trade development and at the same time also an important stepping-stone towards world economic integration. Tanzania is "*cautiously*" moving towards not just regional integration but also global integration but the RSPS, which has been linked to the CSP, does not include new ideas to develop trade and regional cooperation. This has to some extent been dealt with by implementing the RIP, multilateral schemes and by investment facilities from the EIB. The CSP states that the RSPS is not oriented towards the private sector in spite of this being one of the main economic engines of Tanzania. "*Like for private sector development, EC has not played an active role in the field of trade and regional integration in Tanzania, but will have to consider a new approach under the Cotonou Convention.*"<sup>188</sup> National Indicative resources " *may be used to complement resources from the regional Indicative Programme or from trade specific operations, according to needs and availability of funds.*"<sup>189</sup>

Transport:

*"Tanzania's road network is an essential outlet for a number of nearby landlocked countries. Rwanda, Burundi and, to a lesser extent, Uganda and Zambia, are dependent on Tanzania for providing stable sea access to international markets. Further, Tanzania has the potential to play a key transport role in the newly reinvigorated Eastern Africa Community. The*

<sup>187</sup> "Tanzania is highly dependent on external aid, which accounted for 10% of GDP and 33% of the Government's budget in 1999/2000" (CSP/NIP – Tanzania for the 9th EDF – page 7)

<sup>188</sup> CSP/NIP Tanzania for the 9th EDF – page 18

<sup>189</sup> CSP/NIP Tanzania for the 9th EDF – page 25



*current state of the network has become one of the main hindrances to economic growth and hence to reduction of overall poverty in Tanzania and in the East Africa region.*"<sup>190</sup> The run down roads are just one of the reasons why the private sector has not lived up to the expected level of growth. In the National Transport Policy it is specified, *"the road sector should facilitate main road transport corridor development and ensure that they are furnished with all weather/bitumen roads. Nine priority transport corridors have been identified which, together with their feeder links, would interconnect most parts of the country."*<sup>191</sup> It is expected that the trans-border strategy will play an important role in the future regional strategy and will be import for future trade development.

#### Food Security:

The RSPS concludes that the food poor have fallen from 27% in 2000 to an estimated 14% in 2010. The CSP only mentions food security when combining it with the HIV/AIDS saying that food shortage is one of the outcomes of the epidemic. *"Tanzania has traditionally benefited from substantial budget line funding in areas like food security, NGO co-financing, democratisation and human rights, environment and tropical forests. The budget lines usually provide an average contribution of 5.5 M€ per year, with NGO co-financing corresponding to 3.5 M€."*<sup>192</sup> The paper does not indicate whether this is still the current standing of the budget line.

#### Relation to other regional organisations:

Tanzania is a member of not just SADC but also East African community. Tanzania is very cautious to the EIB - the underlining reason for this being the limited competitiveness of the Tanzania economy regionally and internationally. This also goes for their SADC membership. Tanzania also participates in the Regional Integration Facilitation Forum. In 2000 Tanzania withdrew its membership from COMESA due to the complexity of overlapping memberships and due to the fear of loosing considerable tariff revenues.

The focal areas of the Evaluation Team represented in the NIP:

#### Trade:

Trade is only briefly mentioned three times in the NIP and only in relation to the transport sector.

#### Transport:

*"Transport has been at the centre of EC assistance to Tanzania since the start of co-operation in 1975. All NIPs have contained important allocations for this sector, with an emphasis on roads."*<sup>193</sup> In the NIP roads of regional importance are named "trunk roads". Out of 85.000 km of paved and unpaved roads in Tanzania 10.300 km are trunk roads.<sup>194</sup> The Tanzania National Roads Agency is responsible for maintaining the trunk roads. The EC propose an indicative allocation of 116 M Euro for the undertaking of three major

<sup>190</sup> CSP/NIP Tanzania for the 9th EDF – page 9

<sup>191</sup> CSP/NIP Tanzania for the 9th EDF page 10

<sup>192</sup> CSP/NIP Tanzania for the 9th EDF page 26

<sup>193</sup> CSP/NIP Tanzania for the 9th EDF page 17

<sup>194</sup> CSP/NIP Tanzania for the 9th EDF page 46

interventions: *“(i) rehabilitation of high priority corridors; (ii) support to road maintenance; and (iii) institutional support to improve the management of the road sector.”*<sup>195</sup> A condition for this implementation is that the Government tackles the sectors financial shortcomings and continues to commit to institutional and policy reform.<sup>196</sup>

Food Security:

Food security is mentioned under the RSPS objective for the following sectors “performance indicators” (roads, macro support) but only stating that the intention of the PSPS is to half the food poor by 2010.

Relation to other regional organisations:

Not mentioned.

• ZAMBIA

General information:

The two main obstacles in Zambia are the lack of infrastructure and insufficient availability and organisation of human capacity. Therefore the focal sectors for the 9<sup>th</sup> EDF are identified as “transport and institutional development” and “capacity building with macroeconomic support”. The GDP in Zambia has stagnated in growth and the life expectancy has fallen to 37 year – this is mainly due to HIV/AIDS, malaria and tuberculosis. Agriculture, tourism and mining are expected to be the key sectors for future development.

From a political point of view, the EU considers its support to Zambia as an important contribution to internal and regional stability. The country suffers from increased strain through refugees and reduced trade opportunities due to on-going regional conflicts. *“A discontinuation of the EU’s substantial support could put Zambia’s stability at risk and would negatively affect the reform process and poverty alleviation.”*<sup>197</sup> Resources in the NIP may be used to complement resources from the RIP, budget lines, and trade-specific operations, according to needs and availability of funds. *“In particular, this may refer to support for efforts by Government departments and Non State Actors to prepare for the establishment of a coherent trade policy framework, with emphasis on preparing for the EPA and on WTO, and assistance for capacity-building for carrying out negotiations in a regional and multilateral context and in implementing the accompanying trade policy and structural reforms, including fiscal reform.”*<sup>198</sup>

The focal areas of the Evaluation Team represented in the CSP:

Trade:

See “Relations to other regional organisations”.

Transport:

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<sup>195</sup> CSP/NIP Tanzania for the 9th EDF page 28

<sup>196</sup> For further in depth information see pages 45-52 in the CSP/NIP.

<sup>197</sup> CSP/NIP Zambia for the 9th EDF, page 16

<sup>198</sup> CSP/NIP Zambia for the 9th EDF, page 23

Zambia who has been in forefront of policy reforms in Africa regards the availability of an adequate transport infrastructure as a focal point in its poverty reduction strategy. Transport is seen as the main key to growth in GDP but many obstacles still remain. The regional perspective, which indirectly appears is transports role in trade across regional borders, but one must not oversee that Zambia's main priority is national and not regional.

Food Security:

Through the National Agricultural Plan 2001.2010 Zambia wants to ensure food security. Otherwise food security is not mentioned.

Relation to other regional organisations:

Besides being a member of SADC and SACU Zambia is also a member of COMESA. Zambia joined the Free Trade Area in which originating goods move freely without import duties and where non-tariff barriers and other restrictions have been eliminated or substantially reduced. Being a member of SADC the objective is to obtain better access for the countries export products (cement, sugar, textiles) to the region. For Zambia the SACU trade protocol provides immediate access for selected goods to South Africa. *“As a result of its increased regional economic orientation, Zambia has laid a foundation for an integration with its neighbouring countries that provides improved conditions for trade expansion at the regional level. So far, however, actual achievements in the form of increased trade have been modest. Available trade data (cf. annex 10) provide an illustration of the increasing balance of trade deficits that have been registered since 1979, mainly due to the deteriorating conditions in the mining sector. The drop in world market designated exports has not been offset by any significant increase of regional exports.”*<sup>199</sup>

The focal areas of the Evaluation Team represented in the NIP:

Trade:

It is stipulated in the NIP that participation in the COMESA free-trade area, and the SADC trade protocol, as well as preferences extended under Cotonou, can provide new opportunities for Zambia to stimulate private sector development. *“Policy areas that would seem of priority concern include preparing for trade negotiations in the context of the WTO, as well as equipping enterprises to understand and take advantage of opportunities created under the COMESA and SADC frameworks. Others might include reviewing existing fiscal and legal frameworks for private sector participation in the economy, as well as contributing to the formulation of government policies.”*<sup>200</sup>

Transport:

No relevant information on transport in a regional perspective.

Food Security:

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<sup>199</sup> CSP/NIP Zambia for the 9th EDF, page 9

<sup>200</sup> CSP/NIP Zambia for the 9th EDF, page 28 in the NIP

Not mentioned.

Relation to other regional organisations:

See trade.

- ZIMBABWE

**General information:**

As the Art. 96 Council Decision is always applying; there is no 9th EDF CSP for Zimbabwe and no prospects to have one in the short term.

Stated by: Joan-Maria Pijuan-Canadell, Desk officer for Zimbabwe

**The focal areas of the Evaluation Team represented in the CSP:**

Trade:

n.a.

Transport:

n.a.

Food Security:

n.a.

Relation to other regional organisations:

n.a.

**The focal areas of the Evaluation Team represented in the NIP:**

Trade:

n.a.

Transport:

n.a.

Food Security:

n.a.

Relation to other regional organisations:

n.a.

# Annex 9 Country and Sector Reports from Field Visits

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## Introduction

The main objective of this annex is to ensure that information gathered during the field phase is captured and structured in a form where it can be used to provide additional background to the details already included in Annex 1 in respect to the answering of the Evaluation Questions. Preliminary answers were already given as part of the desk phase and the field exercise updates these answers and fills in the gaps. This annex therefore links directly with Annex 1 (Answers to the Evaluation Questions). The annex is based on the field mission carried out by the core team members and is based on the series of visits and interviews carried out by each. Accordingly, this Annex contains a number of sub-annexes relating to each team members fieldwork. Different styles are used depending on the team member and the subject being covered.

The first part of the Annex contains reports on field visits by team members structured according to the Evaluation Questions; the second part of the annex contains a more detailed sectoral analysis in respect of: transport and communications; and food security.

The information contained in this annex is a result of those interviews carried out with the persons and institutions detailed in Annex 10 (List of persons met). Team members asked respondents for their views and, in order to allow for an as free and frank a discussion as possible, it was agreed that the remarks would be non-attributable. In addition, many of the points included in this annex were made by several commentators – and hence, direct citing of individuals has mostly been avoided.

## Field visit: Zambia, South Africa and Botswana

EQ1	Relevance and Coherence
	<p>To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) <i>relevant to and coherent with</i> the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?</p>
	<p>The various Delegations within the SADC region with regional responsibilities (Botswana, Zambia, Namibia and Tanzania) focus on “their own” region and, hence, there is little communication between regional delegations on regional matters, even though the Southern African sub-continent is characterised by a number of over-lapping regional organisations.</p> <p>At the level of the regional organisations an inter-regional coordinating committee (IRCC) has been established which includes COMESA, EAC, IGAD, IOC). SADC choose to remain outside the IRCC and has observer status – but normally SADC officials do not come to the meetings.</p> <p>Hence, SADC is not very involved in regional alignment nor in tackling the issues arising out of the multiplicity and overlap of the regional organisations – and, by consequence, neither is the Delegation in Botswana. The pattern is the same throughout the region, with the Delegation in Zambia essentially dealing with COMESA and not with SADC; and the Delegation in Tanzania dealing essentially with the EAC – even though both Tanzania and Zambia are members of SADC. By the same token, the Delegation in Botswana does not take up issues related to SACU even though Botswana is also a member of SACU – leaving this up to the Delegation in Namibia. There is also very little contact with the Delegation in South Africa, and there is a general under-spending of EPRD funds earmarked for regional support.</p> <p>A strong desire was expressed by the Delegation in Botswana that the Commission facilitate more inter-action between regional delegations to tackle some of these challenges. At present there are no budget lines that would allow this to happen and there is no established practice for doing so.</p> <p>One of the results here is that there is no apparent coordination in implementation between the SADC RIP and that of the other regional RIPS which overlap with SADC. Apparently this is less the case with the E&amp;SA RIP, which also links to the IRCC – but this was not the subject of the present evaluation.</p>



	<p>The NIPs under EDF 8 and EDF 9 do not take regional issues into consideration and tend to be purely national. The link between the national and the regional is not explored although this is seen as an insufficiency by the Delegations interviewed. Apparently, the links between the NIPs and the RIPS will be much stronger for EDF 10. (See also Annex 8 - Analysis of CSPs/NIPs for the SADC Region which underlines the absence of any regional vision in the CSP/NIPs prepared for the SADC region.)</p>
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EQ2	Ownership and Alignment
	<p>What is the degree of SADC's and its Member States' <i>ownership</i> of the Commission's support and to what extent is the support <i>aligned</i> with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?</p>
	<p>SADC, as an institution, does not have very well established procedures and this makes it difficult to align interventions with SADC's own procedures. There is general consensus that the situation before centralisation allowed for greater alignment with individual member states own procedures but, since centralisation, the SADC Secretariat has been struggling to establish its own procedures. This is made more difficult by the weakness of the Secretariat vis-à-vis the SADC Heads of State and Council of Ministers. In many ways SADC is still an organisation under development – despite the fact that centralisation took place in 2001. Many posts remain either frozen or unfilled and in the absence of a full complement of staff and with a quota system that does not always ensure that the most competent staff are seconded to SADC, the development of SADC procedures has been problematic.</p> <p>There is very little evidence of the involvement of the national level in SADC activities – whether through state or non-state actors. SADC national committees are either non-functioning or dormant. Here the evaluation team's findings are supported by those of the Institutional Analysis carried out by Ernst and Young (2007). Hence there is very little ownership of the Commission's support as there is also very little ownership of SADC's own RISDP.</p> <p>There is a clear overlap at the overall policy level between RISDP and the RIP – however, at the country level there is little ownership of either the RISDP or of the RIP. Before centralisation, when the directorates were still spread throughout the region, there was much more ownership of the individual programmes at the country level – although not much overall ownership of the whole SADC programme. This was what centralisation should have tackled but the distance between the SADC Secretariat and the Political level, on the one hand, and the national state and non-state actors is minimal.</p> <p>While SADC is more characterised by a lack of procedures – according to observers – the EC is characterised by an excess of procedures which are</p>

both onerous and time consuming.

**EC:**

Onerous procedures cause delays and wrong choices (e.g. comments in the Regional Fisheries Evaluation). Hence have not been able to look at "impact" of many of the projects and have had to concentrate of "relevance". General under-spending except on the infrastructure projects.

- Each EDF has its own procedures as do the Thematic Budget lines. Adds to the administrative burden at the Delegations. Deconcentration has meant that payments are handled faster – but otherwise little has changed. Focus on procedures also means that EC staff cannot focus on content.
- Another example is from the Statistics project. The claim is that the principal reason for the delay was the EC procedures. SADC recruited a programme manager; but it took a further two years to recruit the EC technical assistance. This dragged on for two years, with the project manager almost becoming redundant waiting for the TA and access to the funds. Apparently there were problems evaluating the tenders, EC staff changed, no one to anchor the process, etc. However it was still a struggle to get the SADC Member States to accept the proposed 4 posts in the Statistical Unit and then also to fund them. So far, SADC only funds the two posts.

**Missed opportunities:**

- Deconcentration has not speed up the decision-making process
- The NIPS and the RIPS do not relate to each other.
- Regional delegations do not relate to each other – e.g. Botswana/SADC; Zambia/Comesa; Namibia/SACU; Tanzania/EAC; South Africa/EPRD.
- Present EC regulations prevent the EC hiring regional consultants from SA (because of SA's separate status)

All ACP/Africa Infrastructure Facility is a good way to cut across the confusion of the overlapping RECS. But still unclear on the procedures for accessing this funding and the chances of having proposals funded. Important to make maximum use of the support facility under EDF 10 RIP to prepare "bankable projects".

**SADC**

Lack of capacity within SADC – comments received by the Team include: working with SADC is like "building on a sponge"; and centralisation of SADC has "made them to be better beggars". Generally speaking the centralisation of SADC has not been well perceived.

Difficult to do an institutional assessment until SADC unfreezes frozen posts, and fills and funds these. At present, SADC depends on external support to carry out its mandate – it is also likely that, in fact, more posts would be needed if SADC is to fulfil its mandate. The Centralisation of SADC (seven years ago) has not brought about many positive changes and there is much criticism that the organisation is much weaker now than it was when the Directorates were decentralised. Estimates suggest that the SADC organisation was probably about 7 times bigger at the time but many of the financial implications were "hidden" or integrated into the host

	<p>country's budgets. Centralisation was a political decision and not an economic one – seems to have come as a shock to Member States what the cost implications of the restructuring were.</p> <p>Salary levels are also lower than comparative salaries in COMESA and the AU – this is a general problem but, in the case of South Africa, a particular problem. SA does not fill its SADC quota mainly because the salary levels are so low compared to other opportunities in SA – plus SADC is seen as something of a “backwater”. Hence the capacity available from SA is not used in SADC. .... Plus donors paying at least 50% of the SADC budget (Ernst &amp; Young)</p> <p>As long as SADC member states do not provide the bulk of the Secretariat's funding and unless the Secretariat is adequately staffed, the opportunities linked to the centralisation of SADC will be missed. Donor-funding of over 60% of SADC is not a sound basis for ownership by member states. If this support were to be withdrawn – would/could SADC survive?</p> <p>There is some progress being made at the Head of State level as regards payment of membership contributions. Payment as a result of a naming and shaming approach. “Carrot and stick” approach includes with-holding minutes and papers, not allowing the representatives to speak, etc. Seems to be working as only DRC and Swaziland in arrears.</p> <p>Capacity of the SADC Secretariat – a virtual organisation (and totally donor dependant) but a result of the national primacy over the regional. There is no regional commitment – in many ways because the nations (and national governance) is not strong enough; and there is no domestication of what is decided at regional level. Major implication for the EPAs and the choices of regional groupings under the EPAs, in fact. (See also Draper and SAIIA). But there is no real alternative. There must be a regional organisation in Southern Africa – and for the moment this is SADC. This means that this is the organisation with which the EC must work.</p> <p>However, some donors are also by-passing SADC especially as regards implementation. SADC may be involved at an overall policy level, but implementation is done through other regional bodies. This is the approach followed, for example, by USAID – in both the trade and the food security sector.</p> <p>Donor harmonisation on SADC procedures difficult because SADC has very weak procedures – (or “no procedures” according to some observers).</p>
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EQ3	Harmonisation, Complementarity and Coordination
	To what extent is the Commission's support to the SADC region <i>complementary to</i> and <i>coordinated with</i> EU Member States' development interventions and <i>harmonised</i> with other donors' development assistance?
	The coming into force of the Paris Declaration has been widely welcomed and embraced by many donors – although some (sometimes on issued-

	<p>based projects) still take a separate approach. This is the case for new donors, such as the Chinese, but also for more established donors such as JICA (examples from the Zambia road sector) and USAID (particularly their approach to HIV/AIDS).</p> <p>However: the EU is the largest donor to the SADC region and major trading partner. The challenge is: How to make the most of this and build on the EC's comparative advantages. The opportunities are there to build on the Paris Declaration and work closely with EC Members States and other donors, particularly as the EU is the lead donor in Botswana. The Delegation in Zambia is also an important "shaker-and mover" in respect of donor harmonisation.</p> <p>However, the EC's procedures are seen as being an obstacle in the way of moving from planning to implementation. Therefore, one approach that allows for the matching of donors complementarity is to allow the more flexible donors with decentralised decision-making powers spearhead funding and provision of project support and involve EC in the start-up process as a partner – allowing for larger EC support to come in later. The Delegations can participate as sparring partners. The example of the EU Lusaka Delegation and the WHIP – Wider Harmonisation in Practice – approach, and the SADC HIV/AIDS Joint Funding Arrangement with SIDA as the lead donor (and with the EC for the time being in the position as observer in the joint funding arrangements).</p> <p>Nonetheless, the challenge: how to make sure that Delegation staff has the time to engage in subject-matter activities rather than in administrative activities. Much of their time seems to be occupied with administrative matters.</p>
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EQ4	Regional Integration and Trade
	To what extent are the planned and/or ongoing <b>Regional Integration and Trade</b> interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
	On of the major factors standing in the way of improved regional integration and trade are the internal problems faced by the region. This includes the overlapping membership of RECs but also the situation in Zimbabwe. Zimbabwe is the exception to every regional trend, skews all the regional figures and pulls all the averages down. Zimbabwe is causing an economic haemorrhage within the very heart of SADC, resulting in out-migration from Zimbabwe to neighbouring countries of literally millions of Zimbabweans (SAMP figures suggest over 4 million Zimbabweans in South Africa alone). The governance issues related to Zimbabwe, and the regional xenophobia which is on the increase will be treated in the section on Governance (EQ 7 – below). However, within the context of EQ 4, it is important to note that as long as the Zimbabwean situation remains unresolved, this will impact on a number of protocols – for example the free movement of goods and of individuals

An additional issue which emerged was that in relation to EPA membership. Interviews in Zambia, Botswana and South Africa suggest that the decisions in respect of which specific EPA grouping to belong to were taken at a level far above that of even senior level state and non-state actors. In addition, in many cases, decisions seem to have been made purely on emotional rather than on economic grounds. Most observers in Zambia were of the opinion that Zambia and Zimbabwe have always belonged to a Southern African group of nations tied together by many historic and economic ties. Negotiating an EPA as part of COMESA ("what do we have in common with Egypt?" .....) is seen by many observers as a wrong decision and a gut reaction to South Africa's economic dominance and perceived political dominance of the region. By the same token, Tanzania's insistence to negotiate as part of SADC also finds little support amongst informed observers.

However, it may also be noted that these decisions are being taken at a level where national informed observers in the state and in the non-state sectors do not have an influence. EC recommendations to Tanzania (DG Trade) that they should not negotiate as party of the SADC EPA only succeeded in rising hackles and in a digging in of an already entrenched position.

There is also a clear anti-South Africa sentiment within the region because of its dominant position and this has also had a certain influence on EPA positioning. Also the fact that South Africa negotiated the TDCA without involving its SACU partners has underlined the fact that there is an imbalance within the region.

There is also a strong anti-EPA movement within the region fuelled by a global anti-EPA movement, taken up again at the World Social Forum and supported by a number of major international NGOs (e.g. Christian Aid). Comesa's Djibouti Summit also pushed for a more developmental rather than WTO compatible approach to the EPA's. It is therefore difficult to judge what effect the anti-EPA movement will have on future EC support under EDF 10.

Although there is also an understanding of the EC's position, especially amongst the private sector and certain government officials. In the sense that "we should embrace the EPAs but countries should make logical choices based on economic realities and not political unrealities" and then try to negotiate the best deal from a position of (relative) strength.

Finally, national continues to take precedence over regional as regards RIT. Where short term national interests take precedence over longer term regional priorities, even where SADC protocols should dictate otherwise. Examples of this where the import tariffs on maize in Zambia (seen as being in relation to the need to keep the rural voter happy prior to the elections) and the export tariffs on maize in Malawi (also for domestic reasons).

As regards the EC's RIT programmes, these are mostly characterised as having many starting problems due to a combination of the EC's onerous and complicated procedures, and SADC's lack of procedures.

EQ5 5	Transport and Communications
	To what extent are the planned and/or ongoing <b>Transport and Communications</b> interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
	<p>The issues raised under transport and communications during the field visits to Zambia, Botswana and South Africa related not so much to physical infrastructure – which, as far as the EC goes, is implemented at the national level through the NIPs - but much more to the problems of moving goods along the transport corridors.</p> <p>This can be divided into three aspects:</p> <ul style="list-style-type: none"> <li>• Movement of vehicles (harmonisation of axle loads; harmonisation of vehicle insurances, etc.)</li> <li>• Transport of the actual goods carried by these vehicles (bonds and bond guarantees, with each country through which the goods passes demanding its own bond payment, making for enormous bank guarantees; difficulties in arriving at agreement because interest groups, such as freight forwarders, are actively working against a regional customs bond guarantee; in addition, SADC and COMESA not working in exactly the same direction.)</li> <li>• Procedures for going through borders (still takes anything between 2 and 22 days to cross a border post. Customs are not adequately equipped to ensure smooth border crossing – although SADC, Comesa and EAC are working on trying to unify computerised systems and although most of the region is trying to introduce the ASYCUDA – the automated system for customs data – major players within the region still use different systems which have compatibility problems, South Africa for example, but also Mozambique and Angola; finally there are also issues of corruption at border posts, and the delays at border posts are an advantage for those who benefit from the long transit times – informal traders selling food and lodging; prostitution, etc.)</li> </ul>



EQ6	Rural Development, Environment and Food Security
	To what extent are the planned and/or ongoing Food Security, Agriculture and Natural Resources interventions likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
	<p>In many cases, food accessibility is more an issue in the region than food security. The challenge is often to move food supplies from surplus areas to shortage areas. A focus on national food security does not necessarily solve the problem if it remains difficult to transport food supplies from one part of the country to another. Trade barriers and restrictions still remain which make it difficult to supply across national borders within the SADC region from a surplus to a deficit area. Normally the region is self-sufficient but trade barriers – including imposition of tariffs for political purposes – contribute to aggravating what would normally be a manageable food shortage, into a major catastrophe requiring large-scale international support. For example, the discussion on the supply of GMO maize to Zambia as part of the international food relief programme could have been avoided if maize imports from South Africa had not been blocked due to import tariff increases.</p> <p>There are a number of regional networks working with poverty and food security – SARPN, FANRPAN, FEWSNET, etc. Although they do provide an advice-giving function to SADC FANR – and to Comesa - they are mostly directly funded by donors. USAID is a major contributor here but – even though entering into discussions with SADC FANR about regional priorities - tends to fund regional food security networks directly.</p> <p>There is very little EC funding going towards regional food security institutions. In many cases, this is again because of the procedures related to EC funding. Where EC funding had been accessed this had been through a “Call for proposals” procedure which is found as being too complicated, the chances of success are so slim in relation to the effort required, and the real requirements of organisations working with poverty and food security is to be capable of being pro-active rather than reactive. In order to be pro-active, to be able to engage in a policy dialogue and be to influence policy, a certain amount of core funding is required.</p> <p>Relationships between regional food security institutions and SADC has also suffered since the centralisation of SADC. SADC FANR has far less capacity and influence now than it had at the time that the Directorate was based in Zimbabwe. In fact, many of those who worked in the SADC Food Security Directorate when it was still based in Harare are now scattered throughout the region, working for other regional institutions dealing with these issues.</p> <p>However, the links between these agencies and SADC FANR tends to be very tenuous. For example, FANRPAN is supposed to act as a policy institute for SADC and SADC is supposed to be on the FANRPAN Board – in fact, the contact is</p>



	<p><del>minimal and this is seen as a direct result of the weakening of the organisation following centralisation. This was sketched in contrast with Comesa where there is good, regular and structured communication. Comesa was seen as a much more active and reliable partner; in addition SADC was also seen as forgetting their regional partners and picking their consultants elsewhere.</del></p> <p>The fact that the SADC FANR Directorate has so little capacity makes it difficult to use as a conduit to regional organisations working with Food Security. It has made it difficult for the EC to work through SADC FANR to liaise with and fund regional food security organisations (leaving only call for proposals as option for EC funding) and has resulted in other donors – such as USAID – to directly by-pass SADC and make direct contacts with regional organisations and research institutions.</p>
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EQ7	Non Focal Sectors
	To what extent are the planned and/or ongoing interventions in the Non-Focal Sectors likely <i>efficiently</i> and <i>effectively</i> to produce <i>outcomes</i> which contribute to regional integration and economic growth?
	<p>Governance has been a difficult subject to broach within a SADC context – yet links clearly to many of the problems within the region (EPA membership; SADC capacity; migration and xenophobia). Decisions are made at Head Of State level – national elected and appointed officials by-passed; civil society and private sector by-passed.</p> <p>Consequences:</p> <ul style="list-style-type: none"> <li>• The choice of regional groupings does not reflect the most optimal groupings.</li> <li>• Lack of domestication of regional initiatives/policies/protocols to the national level.</li> <li>• National continues to take precedence over regional)</li> </ul> <p>Issue for example of the way that democracy is being practiced in: Zimbabwe, Swaziland and potentially also Namibia where there is a movement to bring back for another term, former President Nujoma who has already served several terms. In addition, Zimbabwe is causing an economic haemorrhage within the very heart of SADC. Plus huge migration problems and rise of xenophobia in the Region (in SA, vis-à-vis Zimbabweans and Mozambicans; similar situation in Botswana and Zambia). There is an apparent lack of willingness to really tackle these issues – both within SADC but also by the major donors, and by the African Peer Group Mechanism.</p> <p>Zimbabwe is the exception to every regional trend, skews all the regional figures and pulls all the averages down. The migration of Zimbabweans to neighbouring countries to escape from poverty and the political situation contributes to the rise of xenophobia but also to the continuing restrictions on the freedom of movement of people and services. It is unlikely that there will be any real move to loosen restrictions until the Zimbabwe situation is resolved. According to reports – SADC heads of state are engaged in an</p>

	<p>active process but this is happening behind closed doors. Difficult for the EC to engage in this discussion.</p> <p>Certain resentment by certain member states as regards (i) the role of South Africa as the major economic force and "mover and shaker" in the region and (ii) the EC as the largest donor. Irritation by the smaller states of the attempts by SA and EC to set the agenda.</p> <p>There have been discussion to include governance incentives in the E&amp;SA 10 RIP with some form of incentive tranche at the regional level but, as yet, there are no clear ideas how this would function. However, this would also require the preparation of a regional "governance profile" which would also need to be regionally agreed. This, in itself, could cause problems as, especially the SADC region can be said to have differing appreciations of governance standards – as evidenced by the adhesion or non-adhesion to the APRM mechanisms.</p>
	<p>Core funding is an important issue for governance institutions in the region. As core funding goes down so does the efficiency and effectiveness of the institution. Thus, moves towards direct budget support could also, indirectly, remove resources from civil society.</p> <p><del>There is very little regionally based non-governmental institutional capacity dealing with governance and civil society and what there is, is based in South Africa. This is also a problem in a region which already sees South Africa as being too dominant. The Botswana-based SADC NGO Coordinating Council is more strong on rhetoric than on actual coordination of regional non-governmental institutions and is not a strong alternative to the South African based institutions. There are a few exceptions, such as the Media Institute for Southern Africa (MISA) based in Namibia with active national chapters throughout the region. But organisations and institutions active in the region (e.g. Idasa; South African Institute for International Affairs; Southern African Trust; SARPN; etc.) are all based in South Africa.</del></p> <p>Most SADC region NGOs dealing with civil society and governance have a national focus.</p> <p>There is a consensus amongst the NGOs interviewed that the EC can mobilise large amounts of funding but in a highly bureaucratic way; and these processes take time. Therefore, this makes them better at dealing with the long term and with infrastructure, but much less so in dealing with highly flexible and short-term issues such as governance.</p>

EQ8	Impact on key stakeholders' capacity
	<p>To what extent has the Commission's support had an <i>impact</i> on key stakeholders' capacity (through applied instruments – policies, protocols - and allocated resources) to promote regional integration and economic growth, and to what extent will these be <i>sustainable</i>?</p> <p>{Key stakeholders include the following: - SADC institutions at regional and national level, national governments, private sector, and civil society/NSA.}</p>

Informed observers suggest that there will be delays in the trade negotiations leading to the signing of EPAs – both at the International Level (WTO/Doha, etc.) but also at the regional level as the final regional groupings for the EPAs are not at all clear – and in many cases based on political ideas rather than economic realities.

There is also very little evidence that the centralisation of SADC in Gaborone has made any positive contribution towards giving SADC a more regional approach. Not necessarily because centralisation was a bad idea *per se*, but because SADC member states have dedicated neither the resources nor the skilled manpower to run the Secretariat. In addition, the SADC Heads of State have not given sufficient powers to the Secretariat to run the organisation – this in contrast to Comesa, where the Secretariat is much stronger, but where the political agenda is also much more muted.

Although groups such as the Southern African Confederation of Agricultural Unions have tried to get involved in discussions both with the EC and with SADC on trade related issues, their view echoes the views of others, namely that non-state actors in the region (the private sector and NGOs) are not strong enough to force a discussion with SADC and with the EC on regional issues. Furthermore, even when attempts are made to get meetings with SADC officials, they are difficult to get hold of and then don't keep the meetings. The example of registering the EU-Southern African Business Forum and the difficulties of getting this registered through SADC was given. The private sector would definitely want more regional integration but their voice is not a major factor in negotiations.

In the SADC Secretariat itself there are too few SADC staff in the established posts; many posts remain either unfilled and frozen. And, in fact, there are probably too few established posts anyway in comparison with staffing levels under decentralisation. Many SADC staff are donor-funded with anything between 50% to 60% of SADC funds coming from donors. This means that not only are there too few staff, but they are more dependent on donors for their funding than on SADC.

As regards the SADC national committees, these exist in name only and do not function. Getting meetings with them is nigh on impossible and there is no evidence to suggest that NSAs were involved in the discussions leading up to the RISDP.

~~CSOs' in SADC are not well developed and they are treated with suspicion. CSOs tend not to be seen as partners to national governments but as critics in most SADC countries – even in those countries, such as South Africa, where CSOs are well developed. In many SADC countries they are not, for these very reasons, well developed. They are only developing very slowly in most SADC countries and their agenda is normally national. Certain exceptions: e.g. HIV/AIDS regional networks. Although even they may be under suspicion (particularly the combination of HIV/AIDS advocacy with Human Rights). Many of them receive donor support – but few receive support from the EC.~~

For Civil Society to make a difference, it needs to be proactive rather than reactive. Requirement for this is a certain amount of core funding in order to be able to mobilise quickly. EC has not been able to support civil society in any significant way because EC procedures are more geared to a reactive

	<p>situation – call for proposals, etc., takes a long time and success rates are low. The result: EC's reputation for onerous and lengthy procedures frightens off the CSOs. However: opportunities to work with groups of other donors in joint arrangements following agreed procedures. For example, Southern Africa Trust which has secured start-up funding from DFID (and is going to include SIDA, CIDA, SDC, etc. into the basket)</p> <p>Again – irritation with South Africa because only they have the capacity to engage at the regional level.</p> <p>Increasing regional imbalance within the region between transparent, well-functioning NGOs in South Africa which are capable of working both nationally and regionally, and NGOs in the rest of the region which, at best, have the capacity to work nationally – but where, in many cases, their very existence is threatened. This also causes friction between SA and the rest of the region.</p>
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EQ9	Impact on enabling environment and sustainability – regional integration and economic growth
	To what extent has the Commission's support had an <i>impact</i> on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be <i>sustainable</i> ?
	<p>Improved and increased movement of peoples and goods in SADC has been seriously hampered by the situation in Zimbabwe and the apparent inability of the region to resolve Zimbabwe's economic and governance crisis. One result though has been an enormous out-migration from Zimbabwe into neighbouring countries – and an apparent substantial in informal trade across the borders (particularly from South Africa to Zimbabwe – but even Zambia has started exporting basic commodities, such as cabbages, to Zimbabwe). There is also considerable cross-border informal trade between South Africa and Mozambique. But much of this trade is unregistered and also much of this crosses the borders in an “informal” fashion. Zimbabwe, which used to be both a major trade partner and exporter, now has the highest rate of inflation in the world; Zimbabwe also used to participate strongly in many regional for a – now their representatives mostly keep quiet.</p> <p>Research carried out by SAMP suggests wide spread collusion by the South African Department of Home Affairs, not only in helping goods cross the borders but also in the provision of South African Identity Documents outside official channels. This should be a key area of intervention. However, the goods which cross into Zimbabwe – legally or illegally – are mainly destined to support poor families left behind in Zimbabwe who depend for their survival on goods being brought in. Provision of support to tackling the poor functioning of South African Home Affairs should not be at the expense of the people living in poverty in Zimbabwe who depend on the estimated 4 million Zimbabweans living in working in South Africa – as</p>

	<p>well as other parts neighbouring countries.</p> <p><del>Although the Transparency International Corruption Index has been criticised for reinforcing negative images in Africa, while ignoring corruption by multinational companies and Western Government, yet its focus on the bribing of politicians and state officials in developing countries clearly highlights the problem that corruption is rife in many SADC states, with Zimbabwe as one of those which scores high amongst the most corrupt — another pointer suggesting that the solution to the crisis in Zimbabwe is key to the future of the SADC region.</del></p> <p>There is very little evidence of domestication of signed and ratified protocols with national priorities taken precedence over regional. Within this context, Angola – after its civil war and with its oil wealth - is reported to have withdrawn from the SADC Trade Protocol.</p>
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EQ10	Impact on sustainable economic and social development and sustainability
	To what extent has the Commission's support to SADC had an <i>impact</i> on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be <i>sustainable</i> ?
	<p>There is no evidence that there has been any significant amount of EC support to the establishment of regional cultural, social and educational institutions. The difficulties of the EC procedures referred to earlier explain why this has not occurred.</p> <p><del>The economic situation in Zimbabwe, and the HIV/AIDS pandemic have hit the economies of the SADC region. The economic situation in Zimbabwe has had its effects on neighbouring countries, and the HIV/AIDS pandemic has hit the economically and politically active layers of the population, leaving families in disarray and households headed by orphans. Although there are positive indications in a number of countries, the general picture related to poverty is gloomy.</del></p> <p>Finally, there is a danger that when the focus of development assistance to a region is <u>through a regional organisation</u> that the regional context is lost sight of. That there is more focus on getting an organisation to function than on actually achieving higher level objectives.</p>

## Field visit: Tanzania, South Africa and Botswana

Note that the abbreviations in the text refer to the organisation being interviewed. List of abbreviations used is given at the end of this section.

EQ1	Relevance and Coherence
1.1	<p>Do NIPs; RIPs and other programming documents establish the link between the objectives pursued in the main sectors of intervention and the promotion of regional integration?</p> <p>EC: There is far not enough, normally there is very little time for this exercise NCP: These are result of intensive negotiations and co-ordination. We are in contact with ONAO and it is our task to co-ordinate the two programmes and we suppose the links are in place.</p>
1.2	<p>Do NIPs, RIPs and other programming documents establish the link between the promotion of regional integration and sustainable development, and the overall objective of poverty reduction?</p> <p>EC: There is not enough, normally there is very little time for this exercise NCP: this is the overall objective and therefore the RIPs and NIPs focus on integration and economic development and poverty reduction (political answer!) ONAO: we always have to look at both, but our political obligation is in 1<sup>st</sup> place the T. policy. MAFS: In Agriculture is not much co-operation with EC.</p>
1.3	<p>Are the Commission's programmes and interventions based on diagnostic reviews of the priorities and objectives of SADC countries?</p> <p>EC: There is not enough, normally there is very little time for this exercise; there is still a lot improve. NCP: there are not always enough time and resources to make sound studies ONAO: we deal with both types of projects, the national one and the regional. I do not really know if these analyses are always being undertaken. MISA: Most of the projects/programmes are decided in a top down form and often not the result of diagnostics are the basis for a project rather than political interests</p>
1.4	<p>Does the Commission's strategy address the issue of SADC countries' overlapping membership to different RIOs?</p> <p>EC: this question is still a very open one and nobody really wants to take position before the President or the Govt has taken a clear decision NCP: no clear answer on this issue – But SADC is more a political question and part of the history and Africa's liberation struggle against apartheid ("how can Tanzania as a founder leave SADC!"). In terms of economic co-operation the Relation to the neighbouring countries is also very important and vital. But why can T. not participate in 2 RIOs? Others do so as well? ONAO: in the project context this does not play an important role, but we feel</p>

	that the EC does not have a clear policy in this aspect.
1.5	<p>Do NIPs refer to regional integration and include activities to strengthen it?</p> <p>EC: In relation to SADC very little  NCP: yes this is the objective and the activities are discussed and co-ordinated with the relevant Ministries and MPEE is compiling all in order to have a coherent programme also coherent with the integration issue (political answer of the person responsible for SADC in the T.Govt.)  ONAO: certainly they do, but we have the situation, that we have strong links with EAC, which plays an important role for T. So integration does not automatically refer to SADC  MAFS: In agriculture The Action Plan of the Dar es Salaam Declaration is the key link between national and regional policy.</p>
1.6	<p>Do NIPs and RIPs refer to other EU policies with external dimensions?</p> <p>EC: Nothing known about  ONAO: All projects are considered, also those financed by other donors (see also 1.7)  MAFS: see 1.5</p>
1.7	<p>Do NIPs and RIPs refer to other assistance instruments (EIB funding, Budget lines etc)?</p> <p>EC: Nothing really known  NCP: yes sometimes, EC is not funding all necessary activities. EC I not financing 'hardware', but only 'software'-projects.</p>
1.8	<p>Are co-ordination mechanisms between the programming of the RIPs and the programming of other EU assistance mechanisms in place?</p> <p>EC: Coordination mechanisms exist on national level, but not on regional level what is concerned with SADC  ONAO: all the co-ordination mechanism of the programmes is concentrated in our Office.  MAFS: see 1.2.  The main items where more capacity building in the Agricultural Sector is necessary are: assessments in several fields like vulnerability, and agro-economic potential (agro-industries etc.) and policy formulation and planning.</p>
EQ2	Ownership and Alignment
2.1	<p>Does the Commission use the countries/region's own institutional frameworks and procedures to implement the planned activities?</p> <p>EC: Yes it does a lot, but there are almost no SADC activities  NCP: the responsibility for the implementation is with the national institutions; in T. MoF is the implementing and co-ordinating body for the EC-co-operation.  ONAO: all projects with international donors are co-ordinated here and implemented by T. institutions or with their participation</p>



2.2	<p>Does the Commission promote the participation of the SADC Secretariat/national institutions in the implementation of the planned activities?</p> <p>EC: There is almost no contact of the Delegation with SADC/Gaborone ("geographically far away from SADC")</p> <p>NCP: before it was a weak point of projects and the reason for low impact, that project had not been planned well together with EU (and other donors); now it changed</p>
2.3	<p>How many meetings between SADC stakeholders and Commission take place at the programming stage?</p> <p>EC: The Delegation's contacts with SADC and SADC stakeholders are minimal and not institutionalized. "SADC is not an issue"</p> <p>NCP: there are no specific meetings for planning established, only the ordinary meetings with SADC. Anyhow in T. not many EC-projects have a regional focus.</p>
2.4	<p>Which is the degree of participation of SADC stakeholders and policy-makers in Commission's funded activities?</p> <p>EC: taking the example of the Fishery project it was a high degree of participation (⇒ evaluation report). SADC does not play an important role here.</p> <p>CTI: Government and public institutions do not include pro-actively enough the private sector and other NSA. The Govt. is not aware of a number of practical problems related to EQ 4 mainly</p> <p>MAFS: The capacity for negotiations is very low and needs improvement and support; this makes the participation relative. We observe this with the issue of EPA negotiations.</p> <p>MISA: the participation of CSO and private sector is very low; the Government does not actively enough invite them to participate. They feel a control (watchdog role) or opposition by them</p>
2.5	<p>Do SADC or SADC Member States take any initiatives for activities/projects?</p> <p>EC: Not in the context of SADC</p> <p>NCP: in T there is no specific initiative for regional projects with SADC</p> <p>MAFS: we are not aware of co-ordinated initiatives within SADC have been undertaken. But we should need support in capacity building. The regional EC-project managed still from Harare had positive impacts.</p>
2.6	<p>Do RIPs and NIPs take into account SADC and Member States' implementation and financial procedures within the context of regional integration?</p> <p>EC: "SADC is not an issue".</p> <p>NCP: it is difficult to differentiate between the RIOs, but the elaboration of NIC &amp; RIP is part of the planning process in Govt structures. This means it does take it into account. (see 2.1)</p> <p>MAFS: The agricultural policy has to concentrate on national issues. There is very little co-operation on SADC level and with Member States.</p>

EQ3	Harmonisation, Complementarity and Coordination
3.1	<p>Are NIPs and RIPs complementary with and not contrary to the interventions supported by EU member states?</p> <p>EC: Yes are now NCP: see 2.6, so they should not be contrary. A number of activities have an indirect impact on the integration process. ONAO: It is one of our main tasks to look at this issue and to avoid contradictions</p>
3.2	<p>Are formal coordination mechanisms in place at national and regional level?</p> <p>EC: Now there is a lot of co-ordination in place, but in fact more on national level, or related to the EAC. In general there is quite some co-ordination in place at different levels NCP: the general national planning procedures; nothing specific in respect to SADC. But for EAC there exists a specific Ministry for East African Affairs ONAO: our Office MAFS: ⇒ see 2. MISA: The institute acts as a regional body and co-operate in its fields closely.</p>
3.3	<p>Are NIPs and RIPs complementary with and not contrary to interventions supported by other donors (multi-lateral and other non-EU bilateral)?</p> <p>EC: not an issue NCP: see 2.6. &amp; 3.1 ⇒ see 3.1</p>
3.4	<p><del>Are formal coordination mechanisms with non-EU donors in place at national and regional level?</del></p> <p>EC: see 3.2 NCP: regional mechanisms only for EAC ONAO: Nothing institutionalized</p>
3.5	<p>Have joint programmes been funded?</p> <p>EC: no NCP: the fishery project was a success; it included all coastal Member States. Other projects/programmes: foot &amp; mouth disease, FS research, research and training. ONAO: see the list; there are a number of projects of joint financial support, but not on the SADC ticket</p>
EQ4	Regional Integration and Trade

4.1	<p>Have SADC Tariff Schedules been implemented?</p> <p>EC: No NCP: so far no. a tax reform programme is in the pipeline. CTI: With SADC there is no progress in these aspects, we as private sector are more oriented to the EAC. We also think that it would be an advantage for T. to rejoin COMESA. Tanzania should leave SADC – in economic issues and specially trade anyhow EAC plays the main role.</p>
4.2	<p>Have all the discriminatory charges been identified and removed?</p> <p>EC: not really NCP: this has to be asked the MoF, but so far it is related to the Free Trade Area discussions</p>
4.3	<p>Have product standards and regulations been harmonised?</p> <p>EC: nothing known about NCP: There is a project from Germany working on the standards (PTB); with SADC members no decisions have been made or implemented CTI: see 4.1</p>
4.4	<p>To what extent Member States accept as equivalent other partners' technical regulations?</p>
4.5	<p>Has there been an increase in cross border investment and foreign direct investment?</p> <p>EC: due to the geographical situation there is very few cross border activity, at least it is not result of SADC. Foreign investment mainly from South Africa NCP: this development is not to be seen as result of SADC policy. Exact figures and numbers have to be asked from MIT and others. South Africa has increased its investments CTI: foreign investments in general did not increase very much due to the general conditions; the most important role is being played by South Africans.</p>
4.6	<p>Has macro convergence (inflation rates, exchange rate volatility...) been enhanced?</p> <p>EC: no relation seen with SADC NCP: For details please see the respective Govt Departments</p>
4.7	<p>Are regional / foreign investors treated in a less discriminatory and harmonised way?</p> <p>EC: no relation seen with SADC, no significant change observed</p>
4.8	<p>Is there an integrated regulatory framework for financial services (banking and securities)?</p> <p>EC: no NCP: I don't think so CTI: This kind of regulations focuses more on the East African region, SADC</p>

	is not considered as an important issue and it seem more complicated to reach agreements.
4.9	Did coherence in key areas of regional integration (customs documentation, customs bond) and effectiveness of co-ordinating bodies improve? EC: no evidence NCP: it certainly improved, but it is a slow process CTI: Tanzania cannot participate in 2 Customs Unions (WTO regulations)
4.10	How many NIP/CSPs reflect reg. integration activities and their co-ordination between RECs? EC: the issue is not really being addressed EC/NSA: there is clear focus and it seems a clear preference for EAC
4.11	Have SADC countries gained an increased share of world markets? EC: perhaps, but Tanzania cannot be considered as SADC in this context NCP: Details see statistics and other Departments
4.12	Has the volume of regional trade increased (since 1996) without the displacement of efficient non-SADC suppliers? EC: not at all, South Africa is the only important trade partner in SADC. Trade with SADC is very low CTI: T has a high trade balance deficit with SADC, e.g. with SA 1:6. With the EAC countries (now 5 members) T has a small surplus, only with Kenya a small deficit MAFS: The highest part of traded goods are agricultural products, mostly as commodities
4.13	Has there been an increase in non-SACU exports to SACU markets since 1996?
4.14	Did growth and economic convergence improve in the region since 1996? EC: not a relevant question in the SADC context NCP: see 4.11
4.15	Has there been an increase in the participation of the private sector in trade since 1996?

EQ5	Transport and Communications
5.1	Have SADC Member States signed and ratified the Protocol for Transport, Communications and Meteorology?

	NCP: I should think our Govt has signed all protocols ONAO: this is the basis for our project co-ordination
5.2	Do SADC Member States have national policy frameworks that facilitate national and intra regional transport?
5.3	Has a partnership between SADC/SATCC and SSATP been established?
5.4	Has the regional/sub-regional transport associations' capacity to support national administrations been increased?
5.5	Do National budgets include funds for development and maintenance of transport infrastructure?  NCP: there are not enough funds available – we should have more support from SADC & EC
5.6	Does the private sector participate in O&M activities?
5.7	Has the condition of rail and port infrastructure improved since 1996?  NCP: not really MAFS: From the point of view of this Ministry the transport situation in the rural areas has not improved. It is still the main bottleneck for an effective exchange of food products in the county from surplus areas to deficit regions. Mainly the secondary and tertiary roads are in very bad conditions and create serious difficulties in commercializing the agricultural production. This at the same time is an obstacle for investments in e.g. food processing activities in the rural areas (job creation) As infrastructure problem has been mentioned problem the poor flow of the respective information (this seems to be a contradiction to the existence of an early warning system which has been mentioned as functioning!) ⇒ see also 6.1
5.8	Do National budgets include funds for development and maintenance of regional rail services and ports infrastructure?  NCP: we have first to emphasize on the national road network. We do not get support from SADC
5.9	Has an increase in traffic volumes along major transport corridors taken place?  MAFS: The existence of relatively good roads in the South (agr. surplus production) facilitates the (informal) trade with Malawi.
5.10	Did travel time and vehicle and rail operation costs decrease?
5.11	Did air traffic increase?
5.12	Did volume of cargo and passengers crossing major intra region borders increase?
5.13	Has there been a reduction of the impediments to free movement?
5.14	Have road and rail transit facilitation reforms taken place?

5.15	Is there cooperation between regional level bodies and private sector organisations to improve delivery of transport services?
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EQ6	Rural Development, Environment and Food Security
6.1	<p>Are food products sufficiently available in the region and on national levels?</p> <p><b>MAFS:</b> In Tanzania the FS is primarily considered a national issue. Since the exchange (trade) with other Member States is very low and the distance to most of the countries is long the regional focus does not play an important role.</p> <p>In Tanzania the availability of food at macro level normally is sufficient. However there are sub regional differences between south (surplus) and north (deficit) of the country. ⇒ see also 5.7</p> <p>FS is part of the agricultural and rural politics; it has high priority in a country where 87% of the population live in rural areas.</p>
6.2	<p>Have imports of food products and of emergency food supplies decreased?</p> <p><b>WFP:</b> Tanzania normally does not receive support from WFP. The food aid to the country is targeted for the refugee camps in the Western part of the country (DRC, etc.).</p> <p><b>MASF:</b> In normal situations there was and is no need for emergency programmes.</p> <p>The Dar es Salaam Declaration and the Action Plan are not really known in this Ministry.</p>
6.3	<p>Have innovations, new technology and improved distribution systems contributed to the increase in food production?</p> <p><b>MAFS:</b> the increase of agricultural production is an overall objective of the Ministry's policy. The introduction of new technologies and the use of fertilizer.</p> <p><del>Distribution is still a problem, but this depends on infrastructure and lies beyond our capacity and responsibility.</del> ⇒ see 5.7 &amp; 6.1</p>
6.4	<p>Is the share of the food production in the economies of SADC Member Countries increasing?</p> <p><b>MAFS:</b> no knowledge about SADC, Tanzania is more linked with the EAC market.</p>
6.5	<p>Have other productive activities in the rural areas been developed?</p> <p><b>MAFS:</b> It is a major challenge, to create or to attract investments in the rural areas and to create jobs also in non-farm activities. The most value chain would indicate to start with post harvest activities and food processing. Restriction of access roads! Only a small part of the investments come from other SADC countries. The investment in this sector is still at a very low level.</p>

6.6	<p>Has intra-regional trade with food products increased?</p> <p>EC: The extension service of the Government is very bad and thus the relevant information is not available for small peasants. NCP: Occasionally, due to the conjunctural conditions MAFS: see above</p>
6.7	<p>Is sustainable agriculture expanding on large and small-scale farms?</p> <p>MAFS: Soil conservation and sustainable management of natural resources are considered an important factor, but the politics have also to look at direct results in agricultural production – thus industrial inputs are important. Actually this issue has not yet been addressed in a structured form. A precondition for an effective policy is the secure access to land and a land reform as a key issue. The land title can be acquired as person as well as by groups. The model is considered to be a good and successful example which could be a good practice for other also SADC countries.</p>
6.8	<p>Do land distribution and land use prioritise the cultivation of food crops on an environmentally sustainable basis, with reduced land degradation? ⇒ see 6.7</p>
6.9	<p>Is the availability of food products at regional and national level secured?</p> <p>In Tanzania this normally secured and not seen as major issue – the problem lays in the distribution (roads) problem. MAFS: The early warning system and the co-operation with FEWSNET (partly through SADC) is a great support. But still the information has to be used in a more effective way and transformed in political action.</p>
6.10	<p>Has household income diversification taken place?</p> <p>MAFS: The accessibility has been mentioned as a relevant issue of FS. Thus the Ministry established a unit to assess the vulnerability situation in the country and the different regions as an information basis to take actions and/or to formulate policies. However the activities and the policies as well as the strategic orientation is almost completely focussed on the production of agricultural goods and to some extent the distribution (availability).</p>
6.11	<p>Does the purchasing power of the population in the rural areas allow them to purchase sufficient food products?</p> <p>NCP: the poverty reduction policy is a major overall objective of the Govt. policy MAFS: Tanzania belongs to the poorest countries and the incomes are very low. FS policy considers the availability as resolved. Accessibility seems not satisfactory (politically not addressed sufficient), The nutrition value of the diet is not at all an issue.</p>
6.12	<p>Has unemployment level in rural areas decreased?</p> <p>MAFS: due to the conditions and the poor infrastructure this remains a major challenge.</p>



6.13	<p>Are relevant SADC and national policies supporting regional food security and agricultural production in place?</p> <p><b>MAFS:</b> The experience with SADC is not satisfactory. EAC and its departments are more efficient and useful for the Ministry as facilitator. Decisions in EAC are much quicker and being implemented fast. The procedures in SADC are slow and ineffective. The secretariat has very few staff and the capacity of the secretariat in Gaborone is low. The restructuring has not resulted in more efficiency. The decision making process with the Integrated Committee of Ministers duplicates the efforts. It seems that SADC does not have an agricultural policy.</p>

EQ7	Non Focal Sectors
7.1.a	<p>Have defence, peace and security protocols been put in place and initiatives undertaken in intra-regional conflict?</p> <p><b>NCP:</b> Generally this is in line with the Govt policy, as far as I know T has signed all protocols</p>
7.1.b	<p>Are Monitoring systems in place?</p> <p><b>MISA:</b> Systems to Monitor politics in the Member States are officially very weak; the CSO have to play the watchdog role.</p>
7.2	<p>Is there a system to monitor human rights abuses?</p> <p>⇒ see above</p>
7.3.a	<p>Are civil society organisations in place?</p> <p><b>NCP:</b> the contact to the civil society is important. A number of NGOs, international and national ones are active in T. in different fields. They however state, that there is not a very intensive co-operation with State institutions.</p>
7.3.b	<p>Are they able to operate?</p> <p>Yes there are a number of national and international NGOs. The national ones concentrate on their specific issue, but they are mostly politically not very strong.</p>
7.4	Are Drug control programmes in place?
7.5.a	<p>Are anti-corruption programmes in place?</p> <p><b>NCP:</b> yes, there is a special Govt. organization fighting corruption. It undertakes an active publicity programme! <b>MISA:</b> In the legislation exist a number of contradictory regulations and laws</p>

	which impede in reality an effective transparency.
7.5.b	Have Anti-corruption watch-dogs been established? ⇒ see 7.5
7.6	Are policies to achieve targets set for gender equity in place?  The participation of women also in higher post (including Govt.) is relatively high – compared to other countries. In schools and other social activities one finds a significant difference between the urban and the rural areas. 30% of MPs are women. A strong link to the AIDS programmes (⇒ 7.8)
7.7.a	Has the SADC Health Protocol been ratified?  EC: There are no EDF-projects in the AIDS-line; they are managed directly from BRU. AIDS is not a SADC focus with specific regional aspects. The SADC AIDS policy is centralized in Gabs (low grade of knowledge management). In the projects one should integrate more local staff; they are mainly only support persons. More active initiatives in the context of EAC. NCP: yes, the Govt. has a special Unit for the HIV policy. TACAIDS: this protocol is not known in this Department; it is part of the Prime Minister's Office and it does not co-operate with the Ministry of Health (!)
7.7.b	Has the SADC HIV/AIDS strategy been implemented?  EC: The strategy never has been implemented. NCP: see 7.7 TACAIDS: The Tanzanian AIDS programme which includes all administrative levels of the country effectively is purely national. Few contacts or exchange with neighbouring countries or SADC Member States. This should be improved and supported by EC to make use of lessons learnt.
7.7.c	Do monitoring systems show positive trends?  EC / TACAIDS: The infection rate is low and stable (7% national) – see Indicator survey 2003 – 04 ( <a href="http://www.tacaids.co.tz">www.tacaids.co.tz</a> ). 19 – 24 years old persons further increase, 'feminization' of AIDS, not much migration. Low rate of infection in refugee camps. In the country there exists not really a conscious concerning epidemic. AIDS still is not being openly discussed: linked with sex – religious constraints / stigmatization.
7.7.d	Has the implementation of the HIV strategy been supported by the EC? See 7.7.a
7.8	Have frozen posts established and filled, and recruitment completed for vacant posts in the SADC Secretariat?
7.9	Are SADC national organisations visible and functioning? (see also question 8.6)  T. has a Ministry for East African Affairs, but not even a PS for SADC.

	NCP: yes, but the support from Gabs is weak.
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EQ8	Impact on key stakeholders' capacity
8.1	<p>Are the negotiations of SADC EPA and ESA EPA likely to result in signing of agreements?</p> <p>CTI: The Government has not yet defined a clear position. But EPA is a great chance and challenge for T. because it opens doors and can strengthen the regional integration. Too long the protection policy was in place. The overlapping of different RECs is somehow confusing.</p>
8.2	<p>Have SADC and EAC defined clear negotiating positions?</p> <p>EC/NSA: There is a clear focus and preference and focus on EAC, but the membership with SADC is a political issue and has are quite emotional component CTI: T should leave SADC and concentrate on EAC MAFS: ⇒ see 6.13</p>
8.3	<p>Have SADC and EAC negotiators a common understanding on the EPAs?</p> <p>NCP: This still has to be decided. It has been stated that the Government has to analyse the expected benefits for the country. CTI: the private sector has not been included or consulted with the EPA negotiations. It seems there are funds assigned for this (by EC), but not spent on this.</p>
8.4	<p>Has some progress on implementation of RISDP been achieved?</p> <p>The Fishery project has been quite successful for Tanzania, but it needs a follow up to secure the results in the sense of sustainability.</p>
8.5	<p>Have NSA contributed to RISDP formulation and implementation?</p> <p>CTI: The Government is not really interested in a closer co-operation with the private sector in formulating and defining policies.</p>
8.6	<p>Are SADC national organisations interacting with the regional Secretariat? (relates to question 7.9)</p> <p>EC: as we can see very low profile NCP: through this office we are in regular contact – The southern bloc is much more involved and has more benefits. CTI: SADC is very far away and it is of no importance for us.</p>
8.7	<p>Which is the Budget allocation and actual supply of resources from Member States to SADC Secretariat?</p>

EQ9	
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	Impact on enabling environment and sustainability – regional integration and economic growth
9.1	<p>Do Trade statistics show improved inter-, and intra-regional trade since 1996? ⇒ see also 4.12</p> <p>CTI: None of the SADC countries mentions Tanzania as an important trade partner; the trade relations with the 'Southern Bloc' (of SADC) are very weak. The Transport costs are very high, despite the fact that some of the roads are not too bad. Long distance and a number of borders to cross. Historically – during the struggle against apartheid the port in Dar es Salaam played a crucial role for the land locked SADCC countries.</p> <p>The Bridge to Mozambique will increase the trade with this neighbour country.</p>
9.2	Do Transport statistics show increased cross-border traffic?
9.3	<p>Do Regional trade-related private sector organisations (Chambers of Commerce; Regional Transport associations, Trade Union Confederations) statistics report reduction in trade barriers, changes in trade barriers and improvements in the enabling environment for the private sector?</p> <p>⇒ See EQ 4</p>
9.4	<p>Do Reports show evidence of cross-border mergers and acquisitions?</p> <p>More on informal levels</p>
9.5	Have visa, residence and working permit arrangements, which allow for freer movement been formally enacted?
9.6	<p>Do SADC Member States adhere to signed and ratified protocols and policies?</p> <p>NCP: this our official policy, therefore the protocols are taken into consideration in the T. policy</p> <p>ONAO: Our programme co-ordination is normally based on these protocols</p>
9.7	Does the TI Corruption Perception Index show positive trends?
9.8	<p>Do HIV/AIDS statistics indicate that the rate of infection and spread of the disease is slowing down, reducing or being contained?</p> <p>⇒ see 7.7</p>

EQ10	Impact on sustainable economic and social development and sustainability
10.1	<p>Are EPAs negotiated according to the agreed timetable?</p> <p>NCP: there are still political decisions to be made on this issue before T's position can be clearly defined.</p>

10.2	<p>Has progress been made towards creation of regional common market and customs union according to the agreed timetable?</p> <p>NCP: T is following the policy and the timetable of the two agreements. We still have to clarify the situation in respect to EAC CTI: Similar to other interviewed persons there exist doubts that this timetable can effectively be met.</p>
10.3	Have regional institutions – cultural, social, educational been created?
10.4	Have poverty levels reduced by country and SADC as a whole based on internationally recognised data (e.g. HDI index)?
10.5	Has there been any change in per capita GDP per country since 1996?
10.6	Has there been any change in absolute GDP by country since 1996?
10.7	Do EC programmes set clear definitions and benchmarks for poverty alleviation?
10.8	<p>Are EC interventions in focal and non-focal sectors based on an ex ante analysis of the direct/indirect impact on the most vulnerable groups and sectors?</p> <p>NCP: normally there are very scarce resources for the relevant studies ONAO: for some of the projects we have pre-projects. We follow the whole process of a project/programme, right from the beginning.</p>
10.9	<p>Do EC interventions analyse poverty alleviation and explicitly include poverty alleviation related activities?</p> <p>10.7 to 10.9 poverty alleviation is mentioned in general terms. ONAO: Poverty reduction is one the key issues of Govt. policy, so we have to focus the issue in the projects</p>

### Organisations visited in Tanzania

EC	European Commission - Delegation
EC RI+	EC Regional Integration and Economic Affairs (Trade)
EC FS+	Food Security, Rural Development and Environment
MPEE	Ministry of Planning and Economic Empowerment
MoF	Ministry of Finance
ONAO	Office of the National Authorising Officer (MoF)
MAFS	Ministry of Agriculture and Food Security
MFA (NCP)	Ministry of Foreign Affairs (SADC National Contact Point)
TACAIDS	AIDS / MoH Ministry of Health
WFP	World Food Programme

CTI	Confederation of Tanzanian Industries
MISA	Media Institute for Southern Africa

#### Abbreviations in the Questionnaire Matrix

COMESA	Common Market for Eastern and Southern Africa
CSP	Country Strategy Paper (EC)
EAC	East African Community
EIB	European Investment Bank
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
NSA	Non-State Actors
NIP	National Indicative Programme (EC)
O&M	Operation and Maintenance
REC	Regional Economic Communities
RIO	Regional Integration Organisation
RIP	Regional Indicative Programme (EC)
RISDP	Regional Indicative Strategic Development Plan (SADC)
SACU	Southern African Customs Union
SADC	Southern African Development Community
SATCC	Southern African Transport and Communications Commission
SSATP	Sub-Saharan Africa Transport
TI	Transparency International

## Field Visit: Malawi

### Outlook for Malawi during 2007-2008

Malawi's continuing dependency of donor support will ensure that the three-year Poverty Reduction and Growth Facility (PRGF) agreed with the IMF in June 2005 will guide the overall direction of the economic policy during the forecast period. With the PRGF well on track, Malawi was judged to have reached completion point under the heavily indebted countries in (HIPC) debt-relief initiative in September 2006, also making Malawi eligible for further debt relief by multilateral creditors under the multilateral debt-relief initiative (MDRI). This will free up key resources, which can be allocated to supporting the priorities in the Malawian Growth and Development Strategy (MGDS), although improvements in service delivery and progress on development projects will be constrained by weak institutional capacity.

The fiscal deficit will only increase slightly to 3.6% of GDP in 2007/08 and 3.8% of GDP in 2008/09. Real GDP growth is forecast to moderate to 3.1% in 2007 and 2.9% in 2008. Inflation is forecast to average 10.5% in 2007 and 8.5% in 2008.

Source: EIU, Country Report October, 2006

### GDP and Population Growth


Source: SADC Statistics: Facts and Figures, 2005; IMF on real GDP change from 2006-2008

### Evaluation Matrix: Malawi

EQ1	Relevance and Coherence
1.1	<p><i>Do NIPs; RIPs and other programming documents establish the link between the objectives pursued in the main sectors of intervention and the promotion of regional integration?</i></p> <p><b>EC RI+ Yes</b></p>
1.2	<p><i>Do NIPs, RIPs and other programming documents establish the link between the promotion of regional integration and sustainable development, and the overall objective of poverty reduction?</i></p> <p><b>EC RI+ Yes</b></p>
1.3	<p><i>Are the Commission's programmes and interventions based on diagnostic reviews of the priorities and objectives of SADC countries?</i></p> <p><b>EC RI+ Yes.</b> The EC interventions are generally based on the Malawian Growth and</p>



	Development Strategy (MGDS)
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1.4	<p><i>Does the Commission's strategy address the issue of SADC countries' overlapping membership to different RIOS?</i></p> <p><b>EC RI+</b> The Malawi EC Delegation focuses only on COMESA.</p>
1.5	<p><i>Do NIPs refer to regional integration and include activities to strengthen it?</i></p> <p><b>EC RI+</b> Yes</p> <p><b>EC TC</b> Yes, NIPs have focussed on main corridors and intra regional connectivity. Support has been provided to establish the ASYCUDA physical facilities and functional operations at border crossings. NRA applies the regional standards according to the SATCC specifications. The 10 EDF will focus on regional inter-connectivity and weigh bridges at border crossings.</p> <p><b>EC FS+</b> Yes, but the 9 EDF could have been more adequately developed. The 10 EDF comes out stronger on regional integration.</p>
1.6	<p><i>Do NIPs and RIPs refer to other EU policies with external dimensions?</i></p> <p><b>EC RI+</b> The question was not entirely clear!</p>
1.7	<p><i>Do NIPs and RIPs refer to other assistance instruments (EIB funding, Budget lines etc)?</i></p> <p><b>EC RI+</b> Yes. The Malawi EC Delegation is not involved in the elaboration of the RIPs. (Check documents)</p>
1.8	<p><i>Are coordination mechanisms between the programming of the RIPs and the programming of other EU assistance mechanisms in place?</i></p> <p><b>EC RI+</b> Yes for 10 EDF. Maybe also for 9 EDF</p>

EQ2	Ownership and Alignment
2.1	<p><i>Does the Commission use the countries/region's own institutional frameworks and procedures to implement the planned activities?</i></p> <p><b>EC RI+</b> EC's cooperation is negotiated with government agencies. 20% of the 9 EDF budget is provided as budget support, which is fully utilised according GoM's own procedures. 80% of the 9 EDF adhere to EC's procedures.</p> <p><b>MTPW</b> EC applies its own procedures for contracting consultants and contractors. The NAO oversees the process and the national procurement agency shall approve the tendering results.</p>
2.2	

	<p><i>Does the Commission promote the participation of the SADC Secretariat/national institutions in the implementation of the planned activities?</i></p> <p>EC RI+ No – not in Malawi</p>
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2.3	<p><i>How many meetings between SADC stakeholders and Commission take place at the programming stage?</i></p> <p>EC RI+ No – not in Malawi</p> <p><b>MFA</b> The SADC National Committee is not operational due to lack of funds. The SADC restructuring process has been underway for many years and has resulted in a slow down of regional programmes.</p>
2.4	<p><i>Which is the degree of participation of SADC stakeholders and policy-makers in Commission's funded activities?</i></p> <p>EC RI+ No – not in Malawi at the national level.</p> <p><b>MEPD</b> Malawi participates in the SADC consultative conferences at regional level in which EC is also represented.</p>
2.5	<p><i>Do SADC or SADC Member States take any initiatives for activities/projects?</i></p> <p>EC RI+ No – not in Malawi</p> <p><b>MEPD</b> Yes as regards regional projects, which are jointly developed by two or more Member States. One example is the Shire inland water transport project, in which also Zambia, Tanzania, Rwanda and Burundi have shown interest.</p>
2.6	<p><i>Do RIPs and NIPs take into account SADC and Member States' implementation and financial procedures within the context of regional integration?</i></p> <p><b>EC RI+</b> The question is a bit unclear – there are no specific financial procedures that relate to regional integration!</p>

EQ3	Harmonisation, Complementarity and Coordination
3.1	<i>Are NIPs and RIPs complementary with and not contrary to the interventions supported by EU member states?</i>

	<b>EC RI+</b> Yes
3.2	<p><i>Are formal coordination mechanisms in place at national and regional level?</i></p> <p><b>EC RI+</b> Yes at national level; No at regional level.</p> <p><b>MEPD</b> Yes at national level. In Malawi the Common Approach to Budget Support (CABS) has been adopted by GoM and a number of DPs: EC, DfID, Norad, USAID. WB participates in the meetings, but is not yet a member. At regional level SADC bring project proposals forward to a number of multilateral and bilateral DPs and funding agencies, but it is not a formalised coordination.</p>
3.3	<p><i>Are NIPs and RIPs complementary with and not contrary to interventions supported by other donors (multi-lateral and other non-EU bilaterals)?</i></p> <p><b>EC RI+</b> Yes</p>
3.4	<p><i>Are formal coordination mechanisms with non-EU donors in place at national and regional level?</i></p> <p><b>EC RI+</b> Yes at national level; No at regional level.</p>
3.5	<p><i>Have joint programmes been funded?</i></p> <p><b>EC RI+</b> Yes. With UNDP, WB, GtZ and DFID, but not concerned with regional integration. AfDB has not been active.</p>

EQ4	<ul style="list-style-type: none"> <li>Regional Integration and Trade</li> </ul>
4.1	<p><i>Have SADC Tariff Schedules been implemented?</i></p> <p><b>EC RI+</b> Yes</p> <p><b>MFA</b> There are delays in implementing the Trade Protocol. Malawi has entered into bilateral agreements with Mozambique and South Africa. A bilateral agreement between Malawi and Tanzania has been drafted. A bilateral agreement with Zambia failed.</p> <p><b>MITPSD</b> EC would use SA as a springboard. SA is not leading the way. A more flexible approach to 'Rules of Origin' would be desired – Malawi's transshipping of textile ceased due to SA's interpretation. SA appears to very protectionist and slow in reducing its tariffs.</p>
4.2	<p><i>Have all the discriminatory charges been identified and removed?</i></p> <p><b>EC RI+</b> Yes identified and in most cases removed</p> <p><b>MITPSD</b> Mozambique has removed most of its asymmetrical border restrictions</p>
4.3	<p><i>Have product standards and regulations been harmonised?</i></p>

	<p><b>EC RI+</b> Malawi is far behind and does not respect product standards and regulations, as they are not implemented.</p>
4.4	<p><i>To what extent do Member States accept as equivalent other partners' technical regulations?</i></p> <p><b>EC RI+</b> Malawi does not have the capacity to develop standards.</p>
4.5	<p><i>Has there been an increase in cross border investment and foreign direct investment?</i></p> <p><b>EC RI+</b> Yes, but marginally</p> <p><b>MEPD</b> More investors are showing an increased interest for investing in Malawi, i.a. from SA, Kenya and UK. The Integrated Trade and Industry Policy is from 1998.</p>
4.6	<p><i>Has macro convergence (inflation rates, exchange rate volatility...) been enhanced?</i></p> <p><b>EC RI+</b> Yes, since June 2004</p> <p><b>MEPD</b> Inflation has come down significantly in Malawi and may come below 10% in 2007. Bank rates have dropped from more than 50% to around 20%. Inflation fluctuates with the agricultural production cycle and the amount of food supply.</p>
4.7	<p><i>Are regional / foreign investors treated in a less discriminatory and in a more harmonised way?</i></p> <p><b>EC RI+</b> South African investors are somewhat discriminated.</p>
4.8	<p><i>Is there an integrated regulatory framework for financial services (banking and securities)?</i></p> <p><b>EC RI+</b> Yes, the Reserve Bank (National Bank) is performing well. Integrated!</p>
4.9	<p><i>Did coherence in key areas of regional integration (customs documentation, customs bond) and effectiveness of co-ordinating bodies improve?</i></p> <p><b>EC RI+</b> Yes, the custom system ASYCUDA II has been established. Support from SADC is sought.</p>
4.10	<p><i>How many NIP/CSPs reflect regional integration activities and their co-ordination between RECs?</i></p> <p><b>EC RI+</b> The Malawian 9 EDF refers to regional integration as regards trade and transport.</p>
4.11	<p><i>Have SADC countries gained an increased share of world markets?</i></p> <p><b>EC RI+</b> No, not in the case of Malawi.</p> <p><b>MEJN</b> SA has but the other SADC Member States have not.</p>
4.12	<p><i>Has the volume of regional trade increased (since 1996) without the displacement of</i></p>

	<p><i>efficient non-SADC suppliers?</i></p> <p><b>EC RI+</b> Yes increasing slightly and benefited a little from the collapse of Zimbabwe, however Malawi did not contribute much.</p> <p><b>MITPSD</b> Cross border trading is improving.</p> <p><b>MEJN</b> Trade is increasing and the environment for private sector participation is improving in Malawi.</p>
4.13	<p><i>Has there been an increase in non-SACU exports to SACU markets since 1996?</i></p> <p><b>EC RI+</b> The team must check</p>
4.14	<p><i>Did growth and economic convergence improve in the region since 1996?</i></p> <p><b>EC RI+</b> Yes, but in the case of Malawi the improvement was very limited.</p>
4.15	<p><i>Has there been an increase in the participation of the private sector in trade since 1996?</i></p> <p><b>EC RI+</b> No, it has gone down. The interest bank rate during the 2000-02 was around 50%, which prevented the private sector in accessing any credits.</p> <p><b>MEPD</b> With the increased macro level economic stability since June 2004, private sector borrowing and investments have increased. Trade and investment attaches are now assigned to the Malawian embassies in SA, UK, Brussels, Japan and Taiwan.</p>

<b>EQ5</b>	<b>Transport and Communications</b>
5.1	<p><i>Have SADC Member States signed and ratified the Protocol for Transport, Communications and Meteorology?</i></p> <p><b>EC TC</b> Yes Malawi has</p>
5.2	<p><i>Do SADC Member States have national policy frameworks that facilitate national and intra regional transport?</i></p> <p><b>EC TC</b> Yes the Malawian National Transport Policy (NTP) facilitates national and intra regional transport.</p> <p><b>MTPW</b> The NTP was revised in 2004. SADC promotes cross border traffic. Trunk roads are to be designed to similar standards in the Member States and apply SADC numbering. The axle load standards have not yet been harmonised in Member States. Current plans are to link the Zambia and the Malawi railway network and to improve the Nacala road corridor.</p> <p><b>WB</b> The economic constraints make it difficult to implement the NTP, but there seems to be a clear desire to move ahead. There is a big difference now with much more analyses and decisions based on established priorities. A Transport Regulator is expected to be established mid 2007. However, the transport sector remains subject to political influence – one example being the Mozambican trucks are not allowed to bring freight when leaving</p>

	<p>Malawi.</p> <p><b>MRTTP</b> GoM, EC and other DPs adopted the sector wide approach (SWAp) in 2005.</p>
5.3	<p><i>Has a partnership between SADC/SATCC and SSATP been established?</i></p> <p><b>EC TC</b> Yes, EC is jointly with the WB main funding contributors to SSATP. SSATP is supporting “Transport and Regional Integration”.</p> <p><b>MTPW</b> Yes, SSATP has i.a. been instrumental in identifying performance indicators.</p> <p><b>WB</b> The South African Transport &amp; Communication Commission (SATCC) work closely with the SADC Secretariat (Protocol on Transport, Communications and Meteorology (PTCM), Article 13.3). A Technical Unit SATCC-TU is responsible for providing information and documentation of the PTCM implementation.</p> <p><b>MRTTP</b> SSATP provided input to the 2004 revision of the NTP. One particular aspect was SATCC guidelines on “Low Volume Sealed Roads”.</p> <p>(NB: SATCC ceased to exist in 2003 as its personnel was relocated to the Division of Infrastructure in the SADC Secretariat).</p>
5.4	<p><i>Has the regional/sub-regional transport associations’ capacity to support national administrations been increased?</i></p> <p><b>EC TC</b> Yes, road associations are represented in the new boards of NRA and RF respectively. The boards were appointed in November 2006. However high transport cost in Malawi are due to the transport sector lobby and its political affiliations. Transport costs in Malawi constitute app 50% of the export value compared to app 17% in neighbouring countries.</p> <p><b>MTPW</b> Yes, Malawian truck associations take part in regional discussion fora.</p> <p><b>WB</b> The main interaction between transport associations and the national administration is through their representation in the NRA Board and the RF Board.</p> <p><b>MRTTP</b> SSATP facilitates regional meetings between transport associations and RECs.</p>
5.5	<p><i>Do National budgets include funds for development and maintenance of transport infrastructure?</i></p> <p><b>EC TC</b> A Road Sector Programme and a five-year Medium Term Expenditure Framework (MTEF 06/07-10/11) has been prepared indicating funding source and allocation. GoM contributes to the development budget (periodic maintenance, rehabilitation and upgrading) although a major part is provided by development partners. A Road Fund has been established that provides funding for operating expenditures and routine maintenance. The Road Fund revenue is collected as a fuel levy and is just adequate for catering for routine maintenance. The fuel levy is based on 5 c/l (USD), but should ideally been 10c/l in order to fund a larger part of periodic maintenance. Due to the depreciation of the MK against the USD, the funding gap is widening.</p> <p>EC is a major funding contributor, whereas the WB is diminishing its role. The 10 EDF will provide sector budget support that will be released based on performance criteria.</p> <p>The National Road Authority (NRA) s in the process of reclassifying the entire road network. The main categories will be: main roads, secondary roads, district roads, and community roads. NRA is responsible for the three first categories and district assemblies for the fourth. Urban roads are a fourth category. The new classification will result in the</p>

	<p>road network being expanded from app 15,000 km to 24,000 km. There is some unresolved conflict between the Road Act and the decentralisation policy. A HDM system is now in place with road inventory and condition data, which will help prioritise maintenance and rehabilitation tasks.</p> <p>There is no overall transport plan. The railways are in a bad condition. The GoM is considering the establishment of river transport on the Shire River connecting to the Zambezi River – the DPs are sceptical.</p> <p><b>MPTW</b> Yes. The Road Fund has been separated from the National Road Authority, each having its own board.</p> <p><b>WB</b> The RF collects adequate revenue for routine maintenance. Backlog maintenance continues to build up, one risk being that the Northern Corridor (Lilongwe – Dar es Salaam) deteriorates. Generally the paved road network is ok, but the unpaved network is deteriorating.</p> <p><b>MRTTP</b> The Local Government Act of 1998 allocates the mandate for district/urban roads to local governments.</p>
5.6	<p><i>Does the private sector participate in O&amp;M activities?</i></p> <p><b>EC TC</b> Yes, almost all development and maintenance work is undertaken by private contractors. Districts still have ‘force account labourers’ that are not being fully utilised.</p> <p><b>MPTW</b> Yes</p> <p><b>WB</b> Yes. There is still some force account roadwork, but not to an extent that it represents a major setback for private sector participation.</p>
5.7	<p><i>Has the condition of rail and port infrastructure improved since 1996?</i></p> <p><b>EC TC</b> No, the condition of rail and lake ports is deteriorating. The lake transport (small-scale operators) has been privatised. The lake ports operations remain a public responsibility, but maintenance is not undertaken resulting in the ports being silted up. There is no transport sector regulator. The rail operation concessions are badly arranged.</p> <p><b>MTPW</b> No. The Nacala railway corridor provides a short route from Malawi. A 77km section of the railway is in poor condition and the Nacala port is in need of improvements. The Nacala railway corridor is relatively more important to Malawi than to Mozambique and thus the Government of Mozambique is less inclined to invest in the improvement.</p> <p><b>WB</b> Not much is done to facilitate inland water transport. The concession of the railway line to Nacala is not performing well – although attempts have been made to improve the situation.</p> <p><b>MEJN</b> No</p>
5.8	<p><i>Do National budgets include funds for development and maintenance of regional rail services and ports infrastructure?</i></p> <p><b>EC TC</b> No – or very limited.</p> <p><b>MTPW</b> The railways are in a state of disrepair. Limited GoM funds are made available and are mainly allocated in cases of emergency repairs.</p> <p><b>WB</b> Limited</p>



	<p><b>MEPD</b> The new MGDS 2006-2011 places a high emphasis on infrastructure, e.g. roads, air, rail and inland water transport; and telecommunication and energy.</p>
5.9	<p><i>Has an increase in traffic volumes along major transport corridors taken place?</i></p> <p><b>EC TC</b> Road traffic is increasing along major corridors. The comparative routing of Malawi's foreign trade has changed with increased emphasis on Beira and Nacala in Mozambique and reduced emphasis on Durban – although Durban remains a reasonably efficient port.</p> <p><b>MTPW</b> The main outlet to South Africa is via Mozambique along M6 through Mwanza town – close to Blantyre. A new link to South Africa has been established from Dedza town on M1, some 70 km south of Lilongwe.</p> <p><b>MRTTP</b> Yes, the traffic increases.</p>
5.10	<p><i>Did travel time and vehicle and rail operation costs decrease?</i></p> <p><b>EC TC</b> The road network is generally not improving. The paved network – being the main trunk roads – is in a relatively good condition, whereas gravel roads are not well maintained. The paved road network is app 20% of the total network.</p> <p><b>MTPW</b> The main trunk roads have been improved. M1 runs all the way from the border in Tanzania to Mozambique in the south. The last 50 km from Bangula to the southern tip of Malawi has not been improved. A new plan has been conceived to establish lake transport on Shire River that joins the Zambezi River and give access to the Indian Ocean.</p> <p><b>WB</b> Figures are not conclusive. Paved roads probably provide some economic benefits, but gravel roads generally do not.</p> <p><b>MEJN</b> Transportation costs have gone up.</p> <p><b>MRTTP</b> The transport cost component of imported goods is about 50% and of exported goods about 20%. The travel time to from Lilongwe to Dar es Salaam is 24 hrs with one border crossing. The travel time from Lilongwe to Durban is three days with three border crossings – even though the distance is 500 km shorter and indicating that the non-physical barriers still exists. The Durban port is likely to provide more efficient services than the Dar port – suggesting that port handling, transportation time and cross border transactions are important determinants for choosing a particular route.</p>
5.11	<p><i>Did air traffic increase?</i></p> <p><b>EC TC</b> Air Malawi has a reduced fleet and encounters financial difficulties. The navigation equipment at airports does not meet international requirements, which i.a. has implied the BA has pulled out two years ago.</p> <p><b>MTPW</b> Air traffic has remained relatively constant.</p> <p><b>WB</b> No, the air traffic is about stable. Air Malawi is in a difficult financial situation. The intent is to privatise Air Malawi.</p> <p><b>MEPD</b> Air Malawi has opened a new route to Dubai</p>
5.12	<p><i>Did volume of cargo and passengers crossing major intra region borders increase?</i></p>

	<p><b>EC TC</b> Road transport is increasing, whereas rail, air and lake transport are decreasing. Road transport constitutes about 90% of all transport.</p> <p><b>MTPW</b> Yes, especially to Tanzania, South Africa and Mozambique, but less from Zambia when the war ended in Mozambique (as Zambia used the corridor to Tanzania more intensively).</p>
5.13	<p><i>Has there been a reduction of the impediments to free movement?</i></p> <p><b>EC TC</b> Yes due to the ASYCUDA. WB has built new border posts.</p> <p><b>MTPW</b> Harmonisation of standards has reduced impediments to free flow.</p> <p><b>MEJN</b> Border transactions have improved.</p> <p><b>MRTTP</b> SADC has done much to reduce the impediments. The political will in Member States to reduce the barriers and to implement the Transport Protocol more effectively is lacking.</p>
5.14	<p><i>Have road and rail transit facilitation reforms taken place?</i></p> <p><b>EC TC</b> Yes as regards roads, but no rails.</p> <p><b>MRTTP</b></p>
5.15	<p><i>Is there cooperation between regional level bodies and private sector organisations to improve delivery of transport services?</i></p> <p><b>EC TC</b> Very limited</p> <p><b>MTPW</b> Truck haulers associations are involved in discussion with regional level bodies.</p> <p><b>MRTTP</b> The RECs including SADC convene meetings with transport associations.</p>

EQ6	<p><b>Rural Development, Environment and Food Security</b></p>
6.1	<p><i>Are food products sufficiently available in the region and on national levels?</i></p> <p><b>EC FS+</b> Yes – almost certainly at regional level, but not in Malawi. There was a huge deficit in food supplies during the 2005 drought and one third of the population was badly affected by malnutrition and hunger. The Malawian agricultural production is rain fed and depends on fertilizers. There is not much adoptive capacity and limited action is taken to change agricultural practices. Food prices vary dramatically in Malawi depending on the supply situation. Strategic grain reserves are being further expanded.</p> <p><b>MEJN</b> Food security levels fluctuate depending on the amount of rain and availability of fertilizers. After the drought in 2005, the food supply has stabilised. The GoM provides subsidised fertilizer (about 60%) to small-scale farmers. An issue is for how long the GoM can continue with this level of substitution.</p>
6.2	<p><i>Have imports of food products and of emergency food supplies decreased?</i></p>

	<p><b>EC FS+</b> The import of food products varies with the outcome of the harvest. Import decreases in good years and increases in bad years.</p>
6.3	<p><i>Have innovations, new technology and improved distribution systems contributed to the increase in food production?</i></p> <p><b>EC FS+</b> Probably have but not adequately. Smallholders continue to be dependent of subsidised fertilisers and hybrid seed. The strategy to target the poor and ultra poor smallholders is a uniform strategy based on the middle segment of smallholder farmers, which does not observe the varying needs according to their level of poverty. Cassava is more robust and potatoes and rice suffered less than maize during the 2005 drought. Maize is both a food crop and a cash crop for smallholder farmers. Smart cards are now introduced in Malawi, which could be used at a larger scale to register subsidies and ensure that these are appropriately distributed.</p>
6.4	<p><i>Is the share of the food production in the economies of SADC Member Countries increasing?</i></p> <p><b>EC FS+</b> Most of the food consumed in Malawi is produced in the country. There is a high degree of self-sufficiency in good years, but food security is low in bad years. In surplus years, there is substantial informal trade of food products across the borders. The food security policy is well elaborated, but is not well implemented.</p>
6.5	<p><i>Have other productive activities in the rural areas been developed?</i></p> <p><b>EC FS+</b> Non-agricultural activities are very limited. The tourism industry is developing, but there is still a long way to go.</p> <p><b>MEJN</b> Other productive activities are slowly being promoted. Integrated rural development programmes are implemented with funding from the WB.</p>
6.6	<p><i>Has intra-regional trade with food products increased?</i></p> <p><b>EC FS+</b> Not significantly in Malawi. The government has put a band on export of maize with a view to build up an adequate stock in the country. So even though there is a demand for maize in neighbouring countries, it is currently not possible to export surplus maize. In times with high supply in Malawi with no export outlets, the price may fall and vice versa in years with low supply the price may rise – making maize unaffordable for poor people.</p>
6.7	<p><i>Is sustainable agriculture expanding on large and small-scale farms?</i></p> <p><b>EC FS+</b> EC has farming diversity programme, i.a. supporting tea and coffee production. In years with no or limited rain, the groundwater resources are tapped. In places the groundwater tables have dropped substantially. The need for soil conservation and water harvesting is enormous. There are cases where production diversification has been attempted, but without securing the corresponding market outlet. There a high need for farmer organisation to focus on marketing to ensure that products can be sold at profitable prices. Large-scale farms do not grow maize due to the unpredictability of the price.</p>
6.8	<p><i>Do land distribution and land use prioritise the cultivation of food crops on an environmentally sustainable basis, with reduced land degradation?</i></p> <p><b>EC FS+</b> No. There is a pressure on land in the South. There is more space in the North.</p>

	<p>Land registration encounters serious problems. Policies are in place, but are not implemented This hampers both land tax collection and that the land can be used as collateral for obtaining credits. 'Land tax' is collected as tax on tobacco auctions. Some large estates keep part of the land unused. One third of agricultural land is marginal land. The need for land leads to severe deforestation – resulting in soil erosion problems. More than 90% of the energy provisions in Malawi are based on biomass.</p> <p><b>MRTTP</b> Settlements appear to be unplanned. Land policy and management is not enforced and the pressure on agricultural land is high – resulting n substantial land degradation.</p>
6.9	<p><i>Is the availability of food products at regional and national level secured?</i></p> <p><b>EC FS+</b> Yes at regional level more or less. Yes in Malawi except in times of extreme pressure. But can also be on the market at extremely high prices and would thus not be affordable for the poor segments of the population.</p>
6.10	<p><i>Has household income diversification taken place?</i></p> <p><b>EC FS+</b> There is limited evidence and not to any significant scale.</p>
6.11	<p><i>Does the purchasing power of the population in the rural areas allow them to purchase sufficient food products?</i></p> <p><b>EC FS+</b> For many poor people this would not be the case.</p> <p><b>MEPD</b> The purchasing power in Malawi has been eroded, but with the improving macroeconomic performance over the past two years the situation will change to the better. To mitigate the effects of the 2005 drought, GoM bought maize and launched food for work programmes.</p> <p><b>MEJN</b> No</p>
6.12	<p><i>Has unemployment level in rural areas decreased?</i></p> <p><b>EC FS+</b> Most smallholder farmers live of subsistence farming and will as such have permanent employment. The tobacco industry provides a stable level of employment, as it is not equally affected by low rainfalls as maize. Underemployment may be a big issue. The relative high population growth rate and by not having had an expanding economy are likely to lead to higher levels of unemployment.</p> <p><b>MEJN</b> No</p>
6.13	<p><i>Are relevant SADC and national policies supporting regional food security and agricultural production in place?</i></p> <p><b>EC FS+</b> The Common Africa Agricultural Development Policy (CAADP) promotes regional food security through the RIOs. The policy is good, but encounters substantial problems in its implementation due to bureaucratic red tape, capacity constraints, and an allowance system that provide incentives to be travelling as much as possible to complement the public salary.</p> <p><b>MEPD</b> Malawi has a number of relevant policies: National Fisheries and Aquaculture Policy, 2001; Food and Nutrition and Security Policy, 2005; and National Nutrition Policy, 2006.</p>

	<b>MEJN</b> Yes
<b>EQ7</b>	<b>Non Focal Sectors</b>
7.1.a	<p><i>Have defence, peace and security protocols been put in place and initiatives undertaken in intra-regional conflict?</i></p> <p><b>EC RI+</b> Yes. Malawi is participating in AU and UN peacekeeping efforts.</p> <p>MFA Malawi has played an active role in conflict resolution and took part in the DRC peacekeeping force under the leadership of SA. SADC was more active in the process than AU. The problems in Zimbabwe are considered internal, but Member States apply the silent diplomacy. Malawi took part as observers in the last Zimbabwean election.</p>
7.1.b	<p><i>Are Monitoring systems in place?</i></p> <p><b>EC RI+</b> No</p>
7.2	<p><i>Is there a system to monitor human rights abuses?</i></p> <p><b>EC RI+</b> Yes – Malawian Human Rights Commission</p> <p><b>MEJN</b> Yes</p>
7.3.a	<p><i>Are civil society organisations in place?</i></p> <p><b>EC RI+</b> Yes, but they are generally not very professional.</p> <p><b>MEJN</b> There are CSOs in Malawi. MEJN is one of the Malawian CSOs focussing on economic justice in delivering services. MEJN is represented in all districts except for the two newly created. MEJN gets funds from Irish Aid, but has generally limited resources and depends on voluntary inputs. EC does not support national CSOs directly. The local government elections have been postponed – possibly to political strategic considerations. MEJN analyses national and local government budgets with a view to ensuring that they are pro-poor oriented and create debate among parliamentarians and the public at large.</p>
7.3.b	<p><i>Are they able to operate?</i></p> <p><b>EC RI+</b> Yes</p> <p><b>MEJN</b> Yes</p>
7.4	<p><i>Are Drug control programmes in place?</i></p> <p><b>EC RI+</b> Yes – the Malawian way</p>
7.5.a	<p><i>Are anti-corruption programmes in place?</i></p> <p><b>EC RI+</b> Yes</p>

7.5.b	<p><i>Have Anti-corruption watchdogs been established?</i></p> <p><b>EC RI+</b> Yes, the Anti Corruption Bureau. The justice system encounters massive delays, which thus impair the legal processes.</p> <p><b>MEPD</b> Yes. Peoples' attitude has changed tremendously in consequence of the 2004 Administration's anti corruption drive. Corruption is investigated and people are taken to court.</p>
7.6	<p><i>Are policies to achieve targets set for gender equity in place?</i></p> <p><b>EC RI+</b> Yes, but implementation is very weak. Limited government funding. DPs provide some funding.</p> <p><b>MEPD</b> Yes. National Gender Policy 2000-2005, 2000. The Ministry of Gender and Children Affairs is the national agency promoting gender equality.</p> <p><b>MEJN</b> National gender policies are in place, but their implementation is seriously lacking.</p> <p><b>MRTTP</b> Most policies are gender sensitive and gender is generally mainstreamed in major programmes, but implementation is lacking.</p>
7.7.a	<p><i>Has the SADC Health Protocol been ratified?</i></p> <p><b>EC RI+</b> Yes</p>
7.7.b	<p><i>Has the SADC HIV/AIDS strategy been implemented?</i></p> <p><b>EC RI+</b> Yes, GoM strategy is in place. In 2003 Malawi signed an agreement with the Global fund for Aids for USD 196 million over the next five years. This is in addition to the WB's Multi-country Aids Programme, which has pledged USD 35 million over the next four years, and USD 37 million from bilateral donors.</p>
7.7.c	<p><i>Do monitoring systems show positive trends?</i></p> <p><b>EC RI+</b> Monitoring shows stable trends: the percentage of people - aged between 15 and 49 years - infected with HIV was 14.4% in 2003 and 14.0% in 2005. 84,000 Malawians died from AIDS during 2003. Aids has caused widespread economic and social disruption by reducing the skills base and increasing the turnover of staff. There is evidence that urban and educated segments of the population are disproportionately affected.</p>
7.7.d	<p><i>Has the implementation of the HIV strategy been supported by the EC?</i></p> <p><b>EC RI+</b> Yes, through the Global Fund. The 10 EDF will include funding.</p>
7.8	<p>Have frozen posts established and filled, and recruitment completed for vacant posts in the SADC Secretariat?</p>
7.9	<p><i>Are SADC national organisations visible and functioning? (See also question 8.6)</i></p> <p><b>EC RI+</b> No, neither visible nor functioning</p>

	<p><b>MEPD</b> SADC is centralised in Gaborone with reduced interaction with the national governments.</p> <p><b>MFA</b> SADC needs to be more visible and promote more regional programmes. The confidence in SADC's ability to provide management support is declining.</p>
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EQ8	<b>Impact on key stakeholders' capacity</b>
8.1	<p><i>Are the negotiations of SADC EPA and ESA EPA likely to result in signing of agreements?</i></p> <p><b>EC RI+</b> Yes, Malawi will probably sign. Negotiations take place at a slow pace. The deadline for reaching an agreement is December 2007. The fall back position is an Everything But Arms (EBA) agreement.</p> <p><b>MFA</b> Malawi joined COMESA to improve its trade, which has been growing over the years. Egypt is a particular important trading partner as regards tobacco. Malawi joined SADC out of political and economic reasons – including infrastructure development.</p> <p><b>MITPSD</b> Malawi has undertaken a study (with EC finance) to consider the pros and cons of either SADC or COMESA and thus provide the background for an informed decision. The study was not conclusive of which of the two RECs should be chosen. The following options were presented in the study.</p> <ol style="list-style-type: none"> <li>1. A limited status quo – delaying the entering into a custom union.</li> <li>2. Pursue COMESA and opt out of SADC</li> <li>3. Status quo by remaining members of both SADC and COMESA as long as possible.</li> </ol> <p>Opting out of COMESA was not considered.</p>
8.2	<p><i>Have SADC and COMESA defined clear negotiating positions?</i></p> <p><b>EC RI+</b> Yes partially as regards COMESA.</p> <p><b>MITPSD</b> There seems to be more additionality of exports to COMESA, i.a. Libya, Egypt and Kenya. Moving the trade towards the north facilitates that Malawi can diversify its production and trade. COMESA is far ahead of SADC.</p>
8.3	<p><i>Have SADC and COMESA negotiators a common understanding on the EPAs?</i></p> <p><b>EC RI+</b> COMESA negotiators have a good understanding of EPA</p>
8.4	<p><i>Has some progress on implementation of RISDP been achieved?</i></p> <p><b>MEPD</b> The MGDS is compatible with the RISDP – the implementation is in progress.</p>
8.5	<p><i>Have NSA contributed to RISDP formulation and implementation?</i></p> <p><b>MEPD</b> There has been some participation of NSAs in formulating the RISDP.</p>
8.6	<p><i>Are SADC national organisations interacting with the regional Secretariat? (Relates to question 7.9)</i></p>



	<b>EC RI+</b> Yes, but no effectively involved in Malawi.
8.7	<p><i>Which is the budget allocation and actual supply of resources from Member States to SADC Secretariat?</i></p> <p><b>EC RI+</b> Limited provision (check with the SADC Secretariat). There is a limited understanding of the regional perspective in Malawi and limited capacity to lead the process.</p> <p><b>MEPD</b> Malawi is not in arrears with its subscription fee to SADC.</p> <p><b>MFA</b> Will consider the pros and cons of the respective memberships of SADC and COMESA. The subscription fees are high. The annual subscription fee for Malawi is USD 800,000.</p>

EQ9	Impact on enabling environment and sustainability – regional integration and economic growth
9.1	<p><i>Do Trade statistics show improved inter-, and intra-regional trade since 1996?</i></p> <p><b>EC RI+</b> Yes probably (needs to be verified). 2000-2003 were difficult years.</p>
9.2	<p><i>Do Transport statistics show increased cross-border traffic?</i></p> <p><b>EC RI+</b> Yes (need to be verified)</p> <p><b>MTPW</b> Yes</p>
9.3	<p><i>Do Regional trade-related private sector organisations (Chambers of Commerce; Regional Transport associations, Trade Union Confederations) statistics report reduction in trade barriers, changes in trade barriers and improvements in the enabling environment for the private sector?</i></p> <p><b>EC RI+</b> Yes, probably. Malawi was one of the first countries to open up for intra regional trade, but neighbouring countries did not reciprocate. There is significant informal cross-border trading.</p>
9.4	<p><i>Do Reports show evidence of cross-border mergers and acquisitions?</i></p> <p><b>EC RI+</b> Yes very limited. In connection with Total's purchase of Mobile in 17 countries, Malawi proved to be the country in which the purchase took the longest to conclude – indicating a complex business environment.</p>
9.5	<p><i>Have visa, residence and working permit arrangements, which allow for freer movement been formally enacted?</i></p> <p><b>EC RI+</b> Yes in principle – there is considerable free movement. However, in a recent incident work permits for senior officials in the tobacco industry were not granted.</p>

9.6	<p><i>Do SADC Member States adhere to signed and ratified protocols and policies?</i></p> <p><b>EC RI+</b> Malawi readily signs protocols, but encounters difficulties in implementation and enforcement.</p> <p><b>MTPW</b> Yes (transport) but Mozambique gives some problems.</p> <p><b>MEPD</b> Yes, Malawi adheres to SADC protocols as regards its policies, but implementation still has some way to go.</p> <p><b>MFA</b> In general Malawi is doing its best to adhere to protocols and policies. Mechanisms need to be developed to harmonise the national legislation with SADC protocols. The Trade Protocol is difficult to implement. The SADC Parliament is a white elephant.</p>
9.7	<p><i>Does the TI Corruption Perception Index show positive trends?</i></p> <p><b>EC RI+</b> No, Malawi loses ground, as other countries improve their performance, whereas the situation in Malawi remains status quo.</p> <p><b>MEJN</b> Malawi has dropped one point down in the TICP.</p>
9.8	<p><i>Do HIV/AIDS statistics indicate that the rate of infection and spread of the disease is slowing down, reducing or being contained?</i></p> <p><b>EC RI+</b> The HIV/AIDS is being contained. The statistics are deemed very poor. The population increase may be as high as 3% (higher than the official statistics). The urban population growth rate is very high.</p>

EQ10	<ul style="list-style-type: none"> <li>• Impact on sustainable economic and social development and sustainability</li> </ul>
10.1	<p><i>Are EPAs negotiated according to the agreed timetable?</i></p> <p><b>EC RI+</b> Yes so far.</p>
10.2	<p><i>Has progress been made towards creation of regional common market and customs union according to the agreed timetable?</i></p> <p><b>EC RI+</b> Discussions are ongoing, but progress is uncertain. The ASYCUDA is progressing.</p> <p><b>MFA</b> SADC has established a task force comprising the 14 finance ministers from the Member States to review the progress on creation of the common market.</p>
10.3	<p><i>Have regional institutions – cultural, social, educational been created?</i></p> <p><b>EC RI+</b> No</p> <p><b>MEPD</b> SADC among others utilises the Malawi Institute of Management and the</p>

	Swaziland Management Institute.
10.4	<p><i>Have poverty levels reduced by country and SADC as a whole based on internationally recognised data (e.g. HDI index)?</i></p> <p><b>EC RI+</b> HDI was 0.414 in 1995 and 0.400 in 2004. Malawi is ranked as no. 167.</p> <p><b>MEPD</b> The poverty rate was estimated at 63.2% in 1997/98. The Second Integrated Household Survey in 2004/05 indicate that the poverty rate for Malawi 52.4%. The methodologies applied for the two surveys differ, so they are not directly comparable. The poverty line in Malawi is based on income per person. In 2004/05 the poverty line for the poor was MK 16,165 and the ultra poor MK 10,029. The ultra poor poverty rate in 2004/05 is 22.3%. Poverty is relatively higher in the southern region in Malawi, followed by the northern region, and less in the central region. Urban poverty is estimated at 25.4%.</p> <p><b>MEJN</b> The HDI has declined</p>
10.5	<p><i>Has there been any change in per capita GDP per country since 1996?</i></p> <p><b>MEPD</b> Until 2005 Malawi has experienced low or negative GDP per capita growth rates. From 2006 the GDP growth rates have been above the population growth rate and there has thus been a positive GDP/capita growth rate.</p>
10.6	<p><i>Has there been any change in absolute GDP by country since 1996?</i></p> <p><b>MEPD</b> Limited real GDP growth during 2000-2005. In 2006 the real GDP growth is 8.3% and is forecasted to be about 6% until 2009.</p>
10.7	<p><i>Do EC programmes set clear definitions and benchmarks for poverty alleviation?</i></p> <p><b>EC RI+</b> EC sticks to government policies and utilises the government's monitoring indicator system – including those related to poverty. A set of macroeconomic indicators is monitored in connection with DPs budget support.</p> <p><b>EC TC</b> The transport sector indicators are related to poverty reduction, e.g. the number of people living within 2 km from a main road. The roughness condition of rural gravel roads is also an indicator of accessibility of relevance for poverty alleviation. More indicators will be developed. The 10 EDF will have an increase focus on poverty alleviation.</p> <p><b>EC FS+</b> The data linking agriculture/food security and poverty alleviation did not exist, but has now been established. AIDCO has placed increased emphasis on monitoring of poverty alleviation. The development of MGDS indicators and monitoring system is in progress.</p>
10.8	<p><i>Are EC interventions in focal and non-focal sectors based on an ex ante analysis of the direct/indirect impact on the most vulnerable groups and sectors?</i></p> <p><b>EC RI+</b> EC interventions are linked to the Malawian Growth and Development Strategy (MGDS). Evaluations have not been undertaken and there is no established approach for assessing the poverty impact. It has not been possible to identify any changes in budget allocations and there seems to be a discrepancy between policy and the actual pro-poor activities. EC assumed budget support in 2004.</p> <p><b>EC TC</b> No as regards main roads. Yes as regards rural roads where labour-based methods are applied and where agricultural development potential can be tapped.</p>

	<p><b>EC FS+</b> Yes, studies have been made for new programmes enabling the programmes to be vastly improved.</p>
10.9	<p><i>Do EC interventions analyse poverty alleviation and explicitly include poverty alleviation related activities?</i></p> <p><b>EC RI+</b> Yes as regards productivity increase among small-scale farmers and food security.</p> <p><b>EC TC</b> Yes, particularly as regards rural roads. The MGDS has a very high emphasis on infrastructure. Water and energy have not been well supported in the past. EU's Water &amp; Energy Facility derives from an assessment of the prospect for reaching the MDGs.</p> <p><b>EC FS+</b> Yes, however, a deeper comprehension of causes for poverty and corresponding mitigation measures could promote better conceived development interventions.</p>

## Organisations visited

EC	European Commission
EC RI+	EC Regional Integration and Economic Affairs
EC TC	EC Transport and Communication
EC FS+	Food Security, Rural Development and Environment
MEPD	Ministry of Economic Planning and Development
MEJN	Malawi Economic Justice Network
MFA	Ministry of Foreign Affairs
MITPSD	Ministry of Industry, Trade and Private Sector Development
MTPW	Ministry of Transport and Public Works
MRTTP	Malawi Rural Transport and Travel Programme
NAC	National Aids Committee
WB	World Bank

## Abbreviations in the Questionnaire Matrix

COMESA	Common Market for Eastern and Southern Africa
CSP	Country Strategy Paper (EC)
EIB	European Investment Bank
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
NSA	Non-State Actors
NIP	National Indicative Programme (EC)
O&M	Operation and Maintenance
REC	Regional Economic Communities
RIO	Regional Integration Organisation
RIP	Regional Indicative Programme (EC)
RISDP	Regional Indicative Strategic Development Plan (SADC)
SACU	Southern African Customs Union
SADC	Southern African Development Community
SATCC	Southern African Transport and Communications Commission
SSATP	Sub-Saharan Africa Transport Programme
TI	Transparency International

## **I Overall Documents**

- Malawi Development Growth Strategy (MDGS) January, 2006
- Vision 2020: The National Long Term Development Perspective for Malawi, 2000
- MDGs: Malawi and the Millennium Development Goals 2000-2005 (Challenges and Achievements), 2005
- Malawi Economic Growth Strategy (MEGS), 2003

## **II Sector Policies**

- HIV/AIDS in the Agriculture Sector Policy and Strategy, 2003-2008
- Food and Nutrition Security Policy, August 2005
- A New Agricultural Policy: A Strategic Agenda for Addressing Economic Development and Food Security in Malawi, 2005
- National Forestry Policy of Malawi, 1996
- Malawi National Water Policy, 2004
- National Irrigation Policy and Development Strategy, 2000
- Malawi Decentralization Policy, 1998
- Integrated Trade and Industry Policy, 1998
- Competition Policy for Malawi, 1997
- Micro-finance Policy and Action Plan, 2002
- Malawi National Land Policy, 2002
- National Environmental Policy, 1997
- Malawi National Strategy for Sustainable Development, 2004
- National Physical Development Plan: Vol. I & II, 1987
- National Land Use Planning and Management Policy (Project Proposal), 2005
- A Strategy for Capacity Development for Decentralization in Malawi: Phase 1 – Capacity Assessment, 2006
- National Transport Policy

## **III Sub-sector Policies**

- Agriculture Extension in the New Millennium Policy, October 2000
- Policy Document on Livestock in Malawi, 2004
- Strategic Plan to Improve Livestock Production 2003-2008, 2003
- National Land Resources Management Policy and Strategy, 2000
- Agriculture Research Master Plan, 1995
- Seed Policy, 2003
- Crop Production Policy, 1987
- National Nutrition Policy, 2006
- Micro and Small Enterprise Policy Statement, 2002
- Cooperative Development Policy for Malawi, 1997
- Malawi Agricultural and Natural Resources Research Master Plan, 1995
- National Fisheries and Aquaculture Policy, 2001
- Department of Fisheries Strategic Plan 2002-2007, 2003
- National Environmental Action Plan, 1994
- National Environmental Action Plan, 2002

- National Aquaculture Strategic Plan 2006-2015, 2005

#### **IV Specific Acts**

- Forestry Act, 1997
- Local Government Act, 1998
- Irrigation Act, 2001
- Cooperative Societies Act, 2002
- Environmental Management Act, 1996
- Fertilizer, Farm Feeds and Remedies Act, 2003
- Seed Act (and proposed seed regulations), 1996
- Pesticides Act, 2000
- Tobacco Act, 1970



# Transport and Communications Working Paper

## • 1 INTRODUCTION

The EDF8 includes support to energy as part of "Infrastructure and Services"; and the EDF9 includes water resources management as part of "Transport and Communications". EC support to energy and water resources management are not included as part of the evaluation's consideration of "Transport and Communications".

Transport includes the following transport modes: air, road, rail, ports, inland water and maritime transport. The main thrust of EC's cooperation with SADC is on road transport, reflecting the fact that most transport of passengers and goods is on roads in the SADC Member States. The main emphasis of the Evaluation is correspondingly on road infrastructure and transport. A limited number of airport, port, and telecommunications projects are included in the EC-NIPs project portfolio.

### Regional Transport Projects

No information has been made available on regional transport projects. The three regional projects included in the Evaluation Project List are related to transport with a total budget of € 14.6 million. These projects are not part of the SADC RIPs. The identified projects have regional significance but fall under the auspices of national governments:

- Mpulungu Harbour (FED/REG/07305/000 and 8 ACP RAU 11) Mpulungu Harbour is located at the furthest end of Lake Tanganyika in Zambia. Lake Tanganyika serves as the regional inland water route for Zambia, DRC, Tanzania and Burundi. Mpulungu Town is located close to the M1 route in Zambia, which links up with T2 – the trans-national road from Tanzania in the north and Zimbabwe in the south; and
- Monze-Zimba Road (8 ACP RAU 2). Support to the rehabilitation of the Monze-Zimba Road has also a Zambia NIP component, see section 2.3.1.

### National Transport and Communications Projects

A total of 25 projects have been included in the Evaluation Project List. Information is available for 11 projects only – and even this is limited to very basic information. Except for one project, which is part of EDF9, all relate to EDF8. Of the 14 projects for which information is currently inaccessible, six are related to EDF9 and eight to EDF8. Tanzania, Zambia, Malawi and Mozambique are the countries with a relatively high concentration of transport projects (19). The road sector is the most prominent transport sub-sector, along with two airport projects and two port projects. There are also two telecommunications projects.

All 25 projects appear to have regional significance, even though implemented as part of the NIPs. Among the 11 projects for which information is available (ref Annex 1 – EQ 5), the level of information varies. The monitoring reports are an essential source of information as regards efficiency, effectiveness, impact and sustainability. In these 11 projects, efficiency seems variable, whereas effectiveness generally seems 'good'. The impact attained is 'good', whereas sustainability aspects appear to be 'problematic'<sup>201</sup> and thus longer-term impact may not be achieved.

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<sup>201</sup> The terms 'good' and 'problematic' are standard phrases used in the monitoring reports.

## Other donor transport projects

Several bilateral and multilateral donors are involved with transport and communications interventions of regional significance. These interventions may not have been conceived as regional projects, but nonetheless have impacts on regional economic growth and regional integration. The World Bank is the other major International Cooperation Partner (ICP), which jointly with the EC account for a major part of the road sector support of regional significance.

Between 2000 and 2002 the EPRD contributed to five regional projects, none of which was concerned with transport and communications. Under the 2003-2006 Indicative Programme, no SADC projects were co-funded from EPRD. A number of projects were tentatively identified for potential co-financing, but no firm proposals had materialised (December 2005).

EC has been a major contributor to the Sub-Saharan Africa Transport Programme (SSATP) of which the WB is the lead donor. The SSATP is particularly involved in formulating transport policies and in linking transport and poverty reduction. EC has supported the "Regional Integration Capacity Building Programme" (RICB), which so far comprises three projects: Road User Charges; Third Party Insurance; and Review of the Regulatory Arrangements for Road Transport Markets.

## • 2 EC-SADC COOPERATION ON TRANSPORT AND COMMUNICATIONS

The objectives of the EDF8 of the SADC RSP/RIP (1996-2001) related to "Infrastructure and Services" are: enhancement of services in the region; support to regional growth, promotion of intra-regional trade; and sharing of the region's energy resources. On the basis of the commitments of participating governments to sectoral reforms, EDF8 should therefore focus *inter alia* on: support to SADC on the regional legal and regulatory frameworks; restructuring of railway transport systems; rehabilitation and maintenance of the regional road networks; and assistance to the region's port services. The EC will support sectoral policies coherently with other donor interventions on the basis of SADC Member States' commitment to sectoral reforms.

The concentration on infrastructure has focused on regional corridors including ports. The EDF8 RIP allocated € 54 million to the transport sector, with the NIPs contributing €420 million. The transport sector has been relatively slow in absorbing the resources – part of the reason being that a number of the projects proposed in the mid-1990s were not adequately mature and had to be deleted from the pipeline. Only one of the SADC NIPs included a reference to the possibility of providing NIP resources for regional initiatives, but mentioned specifically the requirement that regional funds be supplemented with NIP funds.

The objectives of the EDF9 of the SADC RSP/RIP (2002-2007) in the context of "Transport and Communications" are: promotion of policy, legal and regulatory reforms aimed at creating an environment conducive to private sector investments in the provision, operation, maintenance and management of transport and communications systems; and improvements in transport networks through provision of assistance for establishing missing links or rehabilitating critical parts of the region's transport and communications networks. Investments in the

Malawi/Mozambique Milange-Mocuba and Kilimane axes have been identified as one option. The intended effects of the EC's support are an increase in traffic flows throughout the region - which would result in greater regional economic development - and a reduction in transport costs. Substantial infrastructure investments, which have a regional dimension, are envisioned under the following NIPs: Lesotho (20%), Malawi (33%), Mozambique (31%), Tanzania (40%) and Zambia (38%).

The need to work towards a more uniform and systematic implementation of transit facilitation reforms is emphasised in the interests of further improving co-operation at operational level between regional bodies and with private sector organisations. SADC/SATCC (Southern African Transport and Communications Commission) will look into the possibility of forming a partnership with the Sub-Saharan Transport Policy Programme (SSATP) that encompasses the Road Management Initiative, Rural Travel and Transport, Urban Mobility, Railway Restructuring, and Trade and Transport. SSATP is active in eight SADC countries.

The following EDF9 RIP projects have been agreed:

- Investment in the Malawi/Mozambique, Milange Corridor: The RIP identifies the Milange-Mocuba Road, which serves trade between the two countries and links Malawi to the Mozambican ports. The Malawian section of the corridor has been completed using EDF8 RIP funds (€8 million) and EDF8 NIP funds (€28.5 million). The Mozambican section will be constructed using resources from the EDF9 RIP and EDF9 NIP – the NAO-Mozambique has allocated € 15 million.
- Investments in the Trans-Kunene Corridor: The Lubango-Santa Clara Road (415 km) is a key section in the western North-South corridor prioritised by SADC. The road was initially to be financed by the EDF8 RIP/NIP. The rehabilitation of the Lubango-Santa Clara Road will unlock economic development opportunities in the Northern-Southern Corridor and in the adjoining Walvis Bay, Trans-Caprivi and Trans-Kalahari corridors. A financing proposal was to be submitted during the first quarter of 2006 (it is now uncertain if this project will be funded by EDF, as the Chinese Government may fund the project).
- The SADC Secretariat is reviewing possible options for future development of the Walvis Bay, Trans-Kalahari, Trans-Caprivi and Lobito corridors. A possible € 1 million is available under the EDF9 RIP for feasibility studies.

There are a number of risks related to the realisation of these three projects in particular as a result of the cut-off date of July 2007 stipulated by the Commission in relation to commitment of funds for these projects. The situation of the Lubango-Santa Clara Road has already been mentioned above; there may be difficulties financing the Milange-Mocuba Road and the Walvis Bay Corridor seems unlikely to be funded.<sup>202</sup>

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<sup>202</sup> As noted by the AIDCO SADC Desk

### Chronogram of Transport and Communications Activities

SADC 9 EDF RIP	2005		2006		2007	
	1st half	2nd half	1st half	2nd half	1st half	2nd half
Milange-Mocuba Road Upgrading (Mozambique)		PIF	FS	FS/PF	FP	FD
Lunango-Santa Clara Road Rehabilitation and Upgrading (Angola)		PIF	FP	FD	IM	IM
Walvis Bay Corridor, Feasibility Study and Capacity Building (Namibia)			PIF	FP	FD	IM

Notes: PIF, Project Identification Fiche; FS, Feasibility Study; FP, Financial Proposal; FD, Financing Decision; IM, Project Implementation.

### Planned Commitments for Transport and Communications Activities

SADC 9 EDF RIP	2005		2006		2007	
	1st half	2nd half	1st half	2nd half	1st half	2nd half
Milange-Mocuba Road Upgrading (Mozambique)						15.0
Lunango-Santa Clara Road Rehabilitation and Upgrading (Angola)				13.0		
Walvis Bay Corridor, Feasibility Study and Capacity Building (Angola)					1.0	

The SADC Donor Matrix (Annex 4) indicates that as at December 2005, besides EC support, only the WB is involved in the Transport and Communications Sector at the regional level (Corridors and SDI Programme).

The EDF9 NIPs outlines the scope for sector interventions. Box 3.2 indicates the level of significance of the transport sector and the regional dimension.

#### Box 7: Transport sector excerpts from the EDF9's CSPs/ NIPs

<i>Country</i>	<i>CSPs/NIPs</i>
Angola	There is no regional transport objective. Transport is mentioned in relation to transportation of aid.
Botswana	There is no regional transport objective.
Lesotho	The role of government is limited, as road transport is operated by the private sector. The main road system is generally well developed and maintained – in contrast with the rural areas. South African companies provide rail and air access. The spread of HIV/AIDS occurs along the main transport corridors.
Malawi	The EC transport sector objective is i.a. to provide links between Malawi's internal, regional and global markets. Emphasis is placed on sustainable road maintenance. The transport cost for Malawi's export commodities is high and could probably be reduced by 50% if the road network is fully rehabilitated. The EC has been the main funding agency for various components of the Northern Transport Corridor as

	well as links to the southern border with Mozambique and the Tanzania border in the north.
Mauritius	There have been substantial investments to improve the road networks, ports and airports over the last decade. Airports and ports need to be upgraded in order to facilitate Mauritius's regional integration.
Mozambique	Mozambique's main transport corridors originally consisted of east-west transport corridors serving the neighbouring landlocked countries. The coastal road network is poorly functioning. The PRS identifies investment in roads as the single most important contribution to long-term growth. The EC support will facilitate rural access to markets, access to neighbouring countries, maintenance of the principal national and coastal links.
Namibia	The EC transport is purely national in focus.
South Africa	The SADC region remains a primary focus for expansion of trade and investments. There is limited mention of the transport sector's role in promoting regional economic growth and regional integration.
Swaziland	Transport is mentioned in relation to the national context, but without reference to the regional dimension.
Tanzania	Tanzania's road network is an essential outlet for a number of neighbouring landlocked countries, i.e. Rwanda, Burundi, Uganda and Zambia in providing stable sea access to international markets. Tanzania has, furthermore, a key transport role in the recreated East African Community. The National Transport Policy specifies: facilitation of main road transport corridors, of which nine have been identified, and which will interconnect most parts of the country. The EC proposes an indicative allocation of € 116 million for three major interventions: rehabilitation of high priority corridors; support to road maintenance; and institutional support to improve management of the road sector.
Zambia	Transport is seen as the main key to growth. From a regional point of view, the transport sector's role is indirectly emphasised in promoting regional trade.
Zimbabwe	An EDF9 CSP has not been developed for Zimbabwe.

The NIPs indicate that Malawi, Tanzania and Mozambique are the countries where transport and the regional dimension are given high priority. According to the EDF9 RSP/RIP Lesotho and Zambia are countries where transport is also given a high priority but is not elaborated in great detail in the NIPs.

## Zambia

### Transport/ Road Sector Reform

The Transport Sector Policy was adopted in 2002, which led to substantial new legislation in the road sector and the formation of three new agencies: the Road Development Agency (RDA), the National Road Fund Agency (NRFA), and Road Transport and Safety Agency (RTSA). The agencies were planned to be fully staffed from the beginning of 2007. A second phase of the Road Sector Investment Programme for the 2004-2013 period (ROADSIP II) was prepared to bring a major part of the core road network into a maintainable condition.

By 2013, the intent is that NRFA will collect adequate revenues to finance periodic and routine maintenance for the entire core road network and part of the non-core road network. The disbursement to the ROADSIP in the 2000-2005 period was 36% compared to the annual work plan (AWP) budgets, which signifies a substantial under-funding by GRZ. The gap between the work plan budget and the actual disbursement is likely to lessen and may even be further reduced when RDA and NRFA becomes fully operational and the road sector's revenue base is firmly established.

#### EC Transport Projects

Most of EC's support to the transport sector is dedicated to the trans-national road network as follows:

- T1 Connecting Zambia with Zimbabwe, Botswana and Namibia
- Zimba-Monze section (8 ACP ZA 16)

The road section constitutes the 212 km central part of the trunk road between Lusaka and Livingstone (495 km). The road is of regional importance as Livingstone is the second most important border post in terms of international traffic between Zambia and Zimbabwe, Botswana and South Africa. The Lusaka –Livingstone road extends along the Zambezi River to Sesheke, where it connects to the EDF funded road to Windhoek and Walvis Bay in Namibia.

- T2 Connecting Zambia with Tanzania and Zimbabwe
- Kafue-Chirundu section
  - Chisamba-Kabwe-Kapri Mposhi section (8 ACP ZA 20)
  - Serenje-Tuduma sections

The T2 connects the Copperbelt with Lusaka and further south to the border with Zimbabwe at Chirundu. The purpose of the projects is to extend the technical life by another 15-20 years to cope with the much heavier traffic than was foreseen in the initial designs.

- T3 Connecting Zambia with Democratic Republic of Congo
- Pukota-Luanshya section
  - Chingola-Chililabombwe

- T4 Connecting Zambia with Malawi (future support under EDF 10)
- Lusaka-Chipata, maintenance facility, security fence,



In addition to the earmarked funding, EC is also providing budget support to the Road Sector Investment Programme, mainly used for backlog periodic maintenance. EC also support rural roads development in the North Western and Central Provinces.

Support has also been provided to rehabilitate Lusaka and Livingstone airports to cater for the increasing inflow of tourists. The purpose of the project is to improve safety, comfort and handling capabilities. The support to the Lusaka International Airport is mainly concerned with the rehabilitation of the taxiways. The Livingstone airport project consists of rehabilitation of the main runway and access road, construction of a new taxiway, extension of the apron, upgrading of navigational and visual aids and meteorological equipment, and other improvements.

## Tanzania

### Transport/ Road sector reforms

Following the formation of the new Government, the President issued Notice No.1 of January 2006 that created the Ministry of Infrastructure Development (MID) by merging Ministry of Communications and Transport (MCT) and Ministry of Works MoW). A major benefit from the merger is that linkages between 'transport policy and planning' and 'road sector development and maintenance' can be substantially enhanced.

The Tanzania National Roads Agency's (TANROADS) status awaits the outcome of further legislative process. The TANROADS Advisory Board is currently shared with that of the Road Fund (RF). No immediate changes are foreseen for the RF, but if maintenance funding is substantially increased (both from domestic and foreign sources) its operational modality may need to be revisited.

An updated edition of the 10 Year Transport Sector Investment Programme (TSIP), Phase I for 2006/07 – 2010/11 was submitted June 2006. The TSIP comprises roads, air transport, railways, maritime transport, institutional support and crosscutting issues. The five-year financing requirement is estimated at USD 5.6 billion of which the road sector accounts for approx 60%. The proposed investment level is about 10% of GDP and is considered unrealistic and is not likely to be financed by either domestic or foreign resources. The transport Medium-Term Expenditure Framework (MTEF) projection for DP contributions to the road sector is on average USD 280 million per year. There is an urgent need for consultation between GoT and DPs to arrive at a realistic investment plan.

Assessed road maintenance need per annum is USD 150 million (USD 110 million for national roads and USD 40 million for local roads). The RF collected USD 62 million in FY2005/05 (down from USD 67 million in FY 2004/05). A scale up of investments will not make sense if maintenance funding is not secured at an appropriate level. The considered options for expanding the maintenance funding are: increase of the fuel levy; a vehicle access/licence fee; or a combination of both. A vehicle access/licence fee could provide as much as USD 50 million per year. The current level of maintenance funding is adequate for routine maintenance of national and local roads, but the backlog of periodic maintenance is substantial. An alternative consideration is to allocate part of the investment funds for periodic maintenance. An expansion of the maintenance funds to the level of USD 150 million would require that the distribution formulae between national and local roads should be reconsidered according to actual demand and absorption capacity.



Two MKUKUTA indicators (April 2006) are specifically related to the road sector: 1) % of rural population who lives within 2 km of an all-season passable road; and 2) % of trunk and regional road network in good and fair condition. Following the creation of TANROADS and the RF, the rate of national roads in good condition has increased from 14% in 2002 to 53% in 2006 and roads in fair condition fell from 37% to 31% during the same period.

The Transport Sector Performance Review was conducted for the 2001/02 – 2005/06 period as part of the TSIP (Chapter 6, Main Report, June 2006). The Review identified the following issues for further consideration:

- Widening of the internal revenue base to minimize development and maintenance financing gaps;
- Increasing participation of local consultants and contractors in design, implementation and maintenance;
- Addressing properly crosscutting issues including environment, HIV/AIDS, gender, etc.;
- Continue utilisation and promotion of labour-based technology in road maintenance;
- Increase involvement of the private sector in rendering transport services;
- Further institutional reforms to facilitate the transport sector.

The Transport Sector Performance Review reiterates important issues that are generally shared by the development partners.

#### EC Transport Projects

Most of EC's support to the transport sector is dedicated to the trans-national road network as follows:

- B.3 Central Corridor: Linking Dar es Salaam (DSM) to Rwanda/Burundi via Dodoma
- Isaka-Nzega, 71 km
  - Mwanza Region border-Tinde, 98 km

The overall objective is to improve the conditions for trade and economic growth and cohesion in East Africa and within Tanzania. The road sections constitute a critical link of the Central Corridor and the Lake Victoria Circuit. The project will improve the inter-modal link to the Isaka railway terminal as well as the Mwanza airport.

- B129 Central Corridor: Linking Dar es Salaam to Rwanda/Burundi via Dodoma
- Morogoro-Dodoma 256 km (some information 8 ACP TA 22)
  - Port Access DSM 16 km (some information 8 ACP TA 22)

The project will reduce most of the backlog maintenance on paved roads of the Central Corridor in Tanzania and will thus contribute to making the Central Corridor an effective road link between Dar es Salaam and Mwanza as well as with Uganda and Kenya.

The Evaluation of EC's Support to Tanzania<sup>203</sup> has in its Section 5.5 "Efficient Transport Services" has limited assessment of the national and regional significance of EC's support. The Section 5.8 "Trade and Regional Integration" emphasises the

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<sup>203</sup> Evaluation of the European Commission's Support to the United Republic of Tanzania, April 2006

relation between regional integration/ trade and transport. Although EC's support to the trunk roads has been substantial – promoting regional integration and trade – this theme is not reflected upon in Section 5.5. The Evaluation Report also states: *"The EC offered to finance the Dodoma-Singida segment of the central corridor from the EDF 9. However, for political reasons the Government wanted to have the project completed rapidly and was unable to accept the EC offer, fearing that the mobilisation of EC resources would be too slow. Instead, it decided to finance this segment from its own budget."*

EC has provided institutional and policy support to TANROADS and the RF (8 ACP TA 20). Support will be provided in Dar es Salaam to improve access through the City to the port area and reduce transport time (Rehabilitation of Mandela Road 9 ACP TA 17). Support has, furthermore, been provided to air traffic services (8 ACP TA 6) and to the port of Zanzibar (9 ACP TA 14).

## Malawi

### Transport sector reforms

The National Transport Policy (NTP) was revised in 2004. The economic constraints make it difficult to implement the NTP, but there seems to be a clear desire to move ahead – with decisions based on established priorities. A Transport Regulator is expected to be established mid 2007. However, the transport sector remains subject to political influence. Malawi has a National Road Authority (NRA) and a Road Fund (RF) each having its own board – both established by acts passed in Parliament in 2006. The RF provides funding for operating expenditures and routine maintenance. The Road Fund revenue is collected as a fuel levy and is just adequate for catering for routine maintenance.

NRA is in the process of reclassifying the entire road network. The new classification will result in the road network being expanded from app 15,000 km to 24,000 km. There is some unresolved conflict between the Road Act and the decentralisation policy. A HDM system is now in place with road inventory and condition data, which will help prioritise maintenance and rehabilitation tasks.

A Road Sector Programme and a five-year Medium Term Expenditure Framework (MTEF 06/07-10/11) has been prepared indicating funding source and allocation. GoM contributes to the development budget (periodic maintenance, rehabilitation and upgrading), but the development partners provide the major part. EC is a major funding contributor, whereas the WB is diminishing its role. The 10 EDF will provide sector budget support that will be released based on performance criteria.

There is no overall transport plan. The railways are in a bad condition. The GoM is considering the establishment of river transport on the Shire River connecting to the Zambezi River – the DPs are sceptical.

## EC Transport Projects

- M1 & M6 Road Management Support Programme (RMSP: 8ACP MAI 5)**  
The RMSP activities included: NRA institutional development and reform, private sector support, axle load control and road safety, and backlog maintenance. Periodic maintenance were completed in 2003 on the following road links:
- Balaka-Lirangwe-Mwanza
  - Lirangwe-Blantyre-Chikiwawa
- M1 is the central north-south spine in Malawi that connects with Tanzania in the north and Mozambique in the south. M6 connect to M1 leading to Mozambique in the west and is one of the main routes to Zimbabwe.
- M1 Karonga-Chilumba-Chiweta Road (8 ACP MAI 11)**  
Reconstruction of M1 from Karonga to Chiweta to full width pavement and bridge standards with the objective to reduce transport costs, travel time and accidents. In Northern Malawi, the M1 road section between Karonga and Chiweta, passing near the port of Chilumba, forms the main link with the Northern Transport Corridor towards Tanzania and its ports.
- M2 Limbe-Thyolo-Mulanje-Muloza Road (8 ACP MAI 26)**  
Limbe is located close to Blantyre. M2 provides access to Mozambique in the east. However, the road is slowly living up to its regional corridor expectations as the continuation of the road only recently has been improved.
- M5 Lakeshore Road Infrastructure (8 ACP MAI 30)**  
The project reopens the Northern Transport corridor to Tanzania and provides access to the southern lakeshore of Lake Malawi along the M5.
- M10 Rehab of Golomoti-Monkey Bay Road (8 ACP MAI 21)**  
The road provides an alternative west-east linking with Mozambique at both ends.
- Masasa (on the M1)-Golomoti (on the M5), 30 km
  - Golomoti-junction Monkey Bay-Mangochi, 58 km

### **Backlog Rehabilitation and Maintenance Programme (9 ACP MAI 21)**

The Programme will cover high priority from the three main urban centres: Mzuzu, Lilongwe and Blantyre. 660 km of will be subject to periodic maintenance and rehabilitation – the cost of which is not covered by the RF. The Programme will also provide institutional support to NRA and MTPW. HIV/AIDS, gender equality, and road safety will be part of the Programme.

## **Mozambique**

### **Transport/ Road Sector Reforms**

Mozambique has established the National Roads Board (ANE) and the Road Fund (RF). The RF attains its revenue from the fuel levy. It is the policy of the Government of Mozambique to ensure that maintenance of all trunk roads is carried out to protect investments made.

An Integrated Road Sector Strategy has been prepared, which addresses cross-sectoral issues including economic growth and poverty reduction, environmental management, gender equality, and the HIV/AIDS pandemic. The Bridges Management and Maintenance Programme (Roads III) started in 2002 and will run

for a period of 10 years. It will focus on carrying out systematic periodic maintenance on prioritised sections, implementation of institutional and policy reforms, and completion of the preparation of the long-term investment programme.

#### EC Transport Projects

- 232 **Nampula-Nacala (8 ACP MOZ 15)**  
The Nampula-Nacala road forms part of the Nacala Corridor (route 8) and connects with Malawi at the border town Mandimba providing an alternative route between Malawi and Mozambique. The railway line from Malawi to Nacala runs parallel to the road most of the way.
- 232 **Namacurra-Rio Ligonha Road (9 ACP MOZ 1)**  
The project concerns the rehabilitation of the 387 km Namacurra-Rio Ligonha Road located in Zambézia Province. The road connects with the Nampula-Nacala road and with the regionally important deep-sea port at Nacala. The road links up with the Milange-Mocuba road that extends into Malawi and provides access to Nacala and Quelimane ports. The road will generate long distance traffic between Tete Province and Malawi. The project is a prerequisite to the EC feeder road programme within the EC Food Security Programme
- 1 & **Bridge over Zambezi River (9 ACP MOZ 14)**  
225 The bridge will provides access at Caia and connect the northern road network with the Beira Corridor.

The EC project portfolio includes a minor telecommunications project (8 ACP MOZ 31) and the Limpopo Railway Rehabilitation Facility (9 ACP MOZ 17).

HIV/AIDS is frequently mentioned in connection with transport, as it spreads more frequently along major transport corridors via major road-works and transportation modes themselves that is border crossings and other locations where trucks congregate being major at-risk areas.

- 3 SADC TRANSPORT AND COMMUNICATIONS DEVELOPMENT AGENDA
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This Protocol requires that:

- The Member States' general objective should be to establish transport, communications and meteorology systems which provide efficient, cost-effective and fully integrated infrastructure and operations which best meet the needs of customers and promote economic and social development while being environmentally and economically sustainable. Member States shall promote economically viable integrated transport service provision in the Region to support the development of major regional development corridors and facilitate travel between their territories.

- Member States agree to ensure and sustain the development of an adequate roads network in support of regional socio-economic growth by providing, maintaining and improving all roads including primary, secondary and tertiary and urban roads, including those segments which collectively constitute RTRN (regional trunk road network).
  - a. Ensure access to major centres of population and economic activity;
  - b. Ensure access between ports of entry between Member States and harbours of importance to the region;
  - c. Minimise total road transport costs;
  - d. Preserve assets vested in road infrastructure; and
  - e. Minimise detrimental impacts to the environment.
  
- Member States agree to take advantage of international technological developments and to develop national telecommunications networks for the provision of reliable effective and affordable telecommunications services.
  - a. Ensure adequate high quality and efficient services responsive to the diverse needs of commerce and industry in support of regional social and economic growth;
  - b. Achieve regional universal service with regard to telecommunications services and regional universal access to advanced information services; and
  - c. Enhance service interconnectivity in the Region and globally.

Most of the earlier policies, strategies and programmes were designed independently by individual Sector Coordinating Units. For this reason the various interventions were not properly coordinated, leading to weak inter-sectoral linkages. The RISDP provides the SADC Member States with a coherent and comprehensive development agenda on social and economic policies over the next 15 years.

The development of seamless, integrated, efficient, safe, cost-effective and responsive transport, communications and meteorology systems are important to the realisation of the general objectives of SADC. The SADC Protocol on Transport, Communications and Meteorology, signed in 1996 and effected in 1998, provides the legal and broad policy framework for co-operation and defines the strategic goals for the transport, communications and meteorology sectors.

The strategic goals for the transport sector include, among others:

- Ensuring better planning, policy formulation and regulation of the transport systems' operations and delivery.
- Ensuring adequate funding of infrastructure maintenance to achieve cost-effective and timely delivery of services.
- Liberalising market entry by separating operating and regulatory functions.
- Ensuring that transport systems are integrated.
- Ensuring public safety protection of the environment.
- Widening access to infrastructure services to meet the strategic objective of poverty eradication.
- Promoting regional development corridors as the tool to concentrate resources for maximum benefit.

Progress has been made in reforming the institutional and funding arrangements of the Member States' transport sector. The majority of Member States have Road Agencies and Funds, there is increasing separation of ownership and operations in seaports and railways, concessioning of railways has taken place, and autonomous

civil aviation authorities continue to be introduced. International conventions in maritime transport and civil aviation are being applied.

The main challenges to achieving the transport sector objectives of SADC are:

- Building of Member States administrative and technical capacity to implement reforms.
- Ensuring sustainable funding for the provision, rehabilitation and maintenance of infrastructure.
- Attracting private sector participation through public-private partnerships.
- Promoting regional development corridors as microcosms of regional integration.
- Enhancing rural accessibility and mobility and thereby directly contributing to poverty reduction.
- Improving safety and minimising negative environmental impacts.

Transport strategies and targets of the RISDP

Transport strategies:

- Increase efficiency and reduce cost of operations;
- Ensure appropriate levels of accessibility and mobility in rural areas;
- Promote sustainable sources of funding for the provision and maintenance of infrastructure;
- Promote public-private partnerships in the provision of infrastructure and services,
- Liberalise markets in road transport, air transport services, coastal shipping, and railway services to ensure competitiveness and efficiency;
- Promote harmonisation of policies, rules and regulations to improve the level of safety and facilitate cross-border transportation of people, goods and information.

Transport targets:

- Liberalise regional transport markets by 2008.
- Harmonise transport rules, standards and policies by 2008.
- Recovery of all costs for maintenance of infrastructure by 2008 and full infrastructure investment costs by 2013.
- Removal of avoidable hindrances and impediments to the cross-border movement of persons, goods and services by 2015.

Communications include telecommunications and postal services. It is one of the basic aims of SADC to develop communication systems that will transform the region into an information-based economy. The majority of the Member States have policies, legal frameworks and regulatory authorities in place. The application of info-communication technology is yet to be increased, which will require a strong policy unit and independent regulatory bodies to attract more private sector participation.

The majority of the Member States have policies, legal frameworks and regulatory authorities in place. The application of info-communication technology is yet to be increased, which will require a strong policy unit and independent regulatory bodies to attract more private sector participation. The challenges are:

- Development of institutional capacity at policy level to drive the transformation process;
- Development of ICT industry that will support an e-commerce environment;

- Promotion of a more attractive environment for the private sector.

#### Communications strategies and targets of the RISDP

##### Communications strategies:

- Improve accessibility to affordable universal communications services through the use of appropriate technology;
- Liberalise the provision of postal services, and separate the policy and regulatory functions.

##### Communications targets:

- Develop appropriate policy and legal frameworks to facilitate operational cost recovery, harmonisation and regional integration by 2006;
- Develop operational capacity of regulators to respond to customer expectations by 2007;
- Facilitate growth of public-private partnerships to achieve national universal access to services by 2010,
- Separate operational responsibilities of policy units and regulators for the postal services by 2005.

#### RISDP Business Plan's interventions, indicators and targets for T&C

Main interventions	Key performance indicators	Target Year
<i>Intervention Area 1: Provision of adequate, integrated and efficient transport infrastructure and services</i>		
Maintenance and upgrading of road transport infrastructure	<ul style="list-style-type: none"> <li>• Harmonised road user charges</li> <li>• 75% of regional links properly maintained</li> </ul>	2008 2012
Accessibility for rural communities	<ul style="list-style-type: none"> <li>• Regional guidelines for feeder roads developed</li> <li>• All SADC citizens within 15 km of maintained road</li> </ul>	2008 2015
Integrated transport infrastructure and services	<ul style="list-style-type: none"> <li>• Model integrated transport policy and legal framework developed</li> </ul>	2008
Facilitation of cross-border movements	<ul style="list-style-type: none"> <li>• Harmonised transit documentation and procedures</li> </ul>	2008
<i>Intervention Area 2: Provision of adequate, integrated and efficient communication infrastructure and services</i>		
Improved telecommunications access	<ul style="list-style-type: none"> <li>• At least 10% teledensity</li> <li>• At least 25% teledensity</li> </ul>	2008 2012



The "Joint Factual Document on the Status of SADC Regional Integration, January 2006" (JFD) was prepared with special attention to trade integration as the basis for identifying priorities for EPA negotiations. It was, furthermore, decided to include the broader regional integration issues, *inter alia* infrastructure, development of which has been central to SADC's approach to integration. The JFD states that the SADC region has the basic transport infrastructure in place, but that there remain gaps in network interconnectivity, especially in the North-South links across the main rivers and missing links in the railway network. These gaps as well as delays at border crossing points remain some of the main challenges faced by the region. The Member States have made significant progress in separating operations from regulation functions across all transport modes. The majority of Member States have policies, legal frameworks and institutions dealing with telecommunications, but a few have upgraded them to seriously promote information communication technology (ICT).

The Windhoek Declaration (27 April 2006) outlines the warranted partnership modalities to be adopted by SADC and the International Co-operation Partners (ICPs), which are closely designed in accordance with the Paris Declaration's principles on aid modalities. The Windhoek Declaration outlines the key areas of co-operation relating to the RISDP and SIPO. The 15-year RISDP framework has been translated into five-year and one-year implementation plans. The priority areas for co-operation, as outlined in the RISDP, relate to crosscutting and sectoral co-operation and integration areas, including "Infrastructure Support for Regional Integration and Poverty Reduction". The Windhoek Declaration also discusses funding arrangements – arguing that sector-wide programme and budget support funding mechanisms (replacing the focus on individual projects) would facilitate much deeper involvement of ICPs in programming discussions (and lead to reduced transaction costs for SADC). The SADC Secretariat and the SADC National Committees will be responsible for RISDP monitoring on a regular basis.

A Joint Meeting of the COMESA, EAC and SADC Ministers responsible for transport convened a meeting in Zimbabwe in November 2006 on "Total integration of transport systems in Eastern and Southern Africa as a basis for the integration of the African Union". The Ministers urged the three RECs to harmonise all transport programmes of common interest. The Ministers noted that a number of selected corridors have been prioritised for urgent development within the framework of NEPAD and other supportive fora. The Minister, furthermore, noted that the African Union convened a meeting in October 2006 in Tunis to develop a framework for coordination of infrastructure programmes between the AU and RECs. The priorities for 2007/2008 are:

Finalisation of proposals for the implementation of harmonised road user charges as a cost recovery measure in road transport;

- Facilitation in the implementation of harmonised third party motor vehicle insurance system;
- Implementation of Vehicle Overload Control Regimes;
- Dissemination of SADC "Guidelines on Low Volume Sealed Roads"; and
- Review of the effectiveness of the bilateral agreements in road transport with a view to finalise a multilateral agreement.

One of NEPAD's main priorities is the promotion of regional integration as the individual African economies are generally too small to generate economies of scale. Development of regional infrastructure is seen as critical for sustaining regional

development and trade. NEPAD has prepared a Short-term Action Plan for Infrastructure based on the RECs' initiatives. The Plan will be linked to and complemented Medium- and Long-term Action Programmes.

Prior to the restructuring of the SADC the Southern African Transport and Communications Committee (SATCC) and its Technical Unit were much better functioning compared to present situation today. The SATCC and the TU ceased to exist as a consequence of the restructuring process in 2003. The TU had about 20 professional specialists covering a wide range of transport issues. Today there is only one transport planner in the SADC Secretariat confronted with the massive challenge of planning, programming and coordination of regional transport sector interventions.

Attempts are now being made to revive the Transport Technical Committee (TTC) comprising senior officials from the Member States with a view to accelerating harmonisation and implementation processes. The International Cooperation Partners (ICPs) have formed a Thematic Group on transport with a view to harmonising ICPs support to regional level transport interventions consistent with the Sector Wide Approach (SWAp). DfID SA is the lead partner of the Thematic Group for Transport.

The SADC Secretariat is in the process of preparing the Regional Transport Master Plan. The point of departure for this process is the concentration on 12 trans-national development corridors as identified by SADC. Nine of these have also been identified as Spatial Development Initiatives (SDIs), which among others receive programming support from the Development Bank of Southern Africa (DBSA) with a view to promote private and public investments in infrastructure and productive activities. The SADC Consultative Conference in Windhoek in April 2006, which dealt with Infrastructure Support for Regional Integration as one sub-theme (air, roads, rail, ports, maritime and inland water transport). The development corridor concept was highlighted.

SADC has a long list of transport projects that will be prioritised and related to the development corridors. In addition to the development of the physical infrastructure, the regional strategy for liberalisation and regulation of the transport markets will be reviewed and facilitating activities incorporated in the Regional Transport Master Plan, e.g. axle load limits, road user charges, third party insurance, traffic safety, etc. Facilities at border crossings and 'one stop' arrangements will be included.

SADC National Committees were established as part of the SADC restructuring process and focal points were established mostly in the Member States' ministries of foreign affairs. The intent was that the SADC National Committees should function as the interface between SADC and the national administrations. Generally, the SADC National Committees are not functioning resulting in very limited visibility in the Member States – and more seriously that the regional development perspective (regional integration, trade, transport, food security, etc.) is not being promoted at the national level and the implementation of the SADC protocols not being adequately monitored. The situation is particularly pronounced in Member States having dual membership of both COMESA and SADC. The argument for the non-functioning of the SADC National Committees is that they are not allocated adequate resources, which, however, ought to be a national responsibility.

The transport cost component of imported good can be as high as 50% for the landlocked Member States and 30% for exported goods. This situation alone ought to provide adequate impetus for liberalisation and harmonisation of the transport market. According to recent studies, the SADC trucking industry is losing about USD 60 million per annum in cross border delays. There is an urgent need to address this challenge if SADC's competitiveness is to be significantly improved as well as providing customers/ consumers access to appropriately priced commodities.

The SADC Protocol on Transport, Communications and Meteorology (PTCM) has been ratified by all Member States and is as such legally binding. Most Member States have embarked on the reformed of road sector institutions. The most common figuration is to have a transport ministry dealing with inter-modal transport and authorities/agencies for each transport mode. The national transport policies have a limited regional perspective. Most Member States' Poverty Reduction Strategies place high emphasis on road infrastructure development as a means to economic growth and poverty reduction.

The road sector is generally given a much higher priority than rail, ports, inland water and maritime transport. A part of the railway operations are now based on concessions, which generally have not performed well. Inland water transport is generally privately operated. Limited public funds are provided for operation and maintenance of rail and inland water transport. As regards the road sector the most common situation is to have a road authority/agency and board, and road fund and board. The establishment of road funds has implied that much more funding resources are now allocated to maintenance. However, the road fund revenues are generally only adequate to cover routine maintenance operations, whereas periodic maintenance needs heavy support from development partners. The primary road networks are generally in a better condition than the secondary and tertiary networks, which thus hampers interconnectivity between the networks and accessibility to the rural areas. Axle load control remains a serious problem in most Member States and implies that the road infrastructure deteriorates more rapidly.

- 4 EC-SADC REVIEWS

The Review ascertained that implementation of the regional projects is substantially behind schedule. At the meeting between SADC and EC officials, which took place in Gaborone in March 2003, it was *inter alia* discussed how synergy and coherence between regional (RIP) and national (NIPs) initiatives could be ensured. Regional co-operation should not merely be an accumulation of national programmes, but rather it should complement and strengthen what is being done at national level. South Africa's European Programme for Reconstruction and Development (EPRD) can also finance regional programmes. The previous ad-hoc cooperation has been formalised in both the SADC EDF 9 RIP and South Africa's Multi-Annual Indicative Programme (MIP 2003-2007). An indicative amount of € 50 million has been earmarked for regional cooperation in support of SADC's priorities including "Transport and Communications".

The 2004 Mid-Term Review confirms that the Strategy agreed in 2002 is still relevant, especially since the launch of RISDP, which gave a new impetus to SADC's regional integration agenda. The transport and communications focal sector will thus continue to facilitate regional integration by bridging missing links and rehabilitating strategic transport networks, which are vital for inter-regional and international trade. Owing to SADC's capacity constraints, the financial allocations were revised, which for the transport programmes implied that management was transferred to the relevant national authorising officers (NAOs). The transport programmes were found to be consistent with the AU/NEPAD priority transport plan and it was therefore suggested that they be earmarked under the proposed EU-Africa Infrastructure Facility.

No commitments had been made for new projects by the end of 2004, but studies and other related work were under way. Financing decisions were expected in 2006/early 2007 for the Lubango-Santa Clara<sup>204</sup> road and the Milange-Mocuba road. The delays in the transport and communications focal sector have been the direct result of the SADC restructuring process. As a result of poor performance within the sector, the Commission has reduced the amount allocated to the sector to €161 million, which will result in postponement or abandonment of certain project proposals already under discussion.

The JPR states that implementation of the EDF9 RIP is on average two years behind schedule. The causes of the delay are primarily related to SADC structural reform process and the complexity of EC' project implementation procedures. The JPR recommends no change of in the RSP/RIP strategy for the remainder of EDF9. The experience gained in programming regional EDF resources indicates that particular attention should be given to the complementarities of EDF support at regional and national levels. Both the Commission and SADC (Secretariat and Member States) should take the initiative of ensuring synergy and complementarities between RIPs and NIPs.

The strategy as elaborated in the EDF9 RSP was confirmed to be appropriate by both the 2004 Mid-Term Review and the 2005 Joint Progress Review and to be consistent both with SADC's development agenda and, as regards transport, also with the AU/NEPAD Priority Transport Plan (SADC Transport Plan).

The End of Term Review of SADC EDF 9 RSP/RIP (reference year 2005) reiterates that the regional strategy for SADC – as confirmed by the Mid-Term Review 2004 – remains pertinent and does not require any changes. The focus of the RIP is on Angola, Namibia and Mozambique. The status of the regional transport projects is:

- Milange-Mocuba Road – part of the Nacala Corridor: The construction of the road may only be possible during 2007 if all EDF requirements are completed.
- Lubango-Santa Clara Road- part of the Trans Cunene Corridor, which is an extension of the Walvis Bay Corridor: The feasibility study has been completed. The Chinese Government has stepped in and offered funds for the construction of the road – implying that only part of the EDF funds set aside will be used.

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<sup>204</sup> The Chinese Government may undertake the financing of this road.

- Walvis Bay Corridor: Funds are set aside for a feasibility study.

During the 2004 Mid-Term Review it was decided, owing to SADC's capacity constraints that management was transferred to the relevant NAOs. The transport programmes were found to be consistent with the AU/NEPAD priority transport plan and it was therefore suggested that they be earmarked under the proposed EU-Africa Infrastructure Facility. After March 2007 no new commitments can be made from the EDF 9 funds and funds not committed after that date have to be returned to EC.

- 5 PERFORMANCE ASSESSMENT

It is evident from the assessment of the available information that the NIPs' contribution to regional transport systems is significantly higher than the RIPs'. The theme of harmonising and creating synergies between NIPs and RIPs has been consistently considered by all reviews. The EDF9 RIP has identified support to Angola, Namibia and Mozambique. However, the support to Angola may not materialise, as the Chinese Government may implement the Lubango-Santa Clara Road. Few EDF9 NIP projects appear to be in the pipeline.

The focus on development corridors and SDIs is judged to provide an appropriate strategic framework for the Regional Transport Master Plan. Road transport and services are particularly important as in some countries as much as 90% of all transport is on roads. An additional aspect to be considered in the Regional Transport Master Plan is to provide access to areas with cyclical or chronic food shortage – being a combination of regional and national responsibilities to secure access. Strategic Environmental Assessments (SEAs) should ideally be applied in connection with major development plans and programmes to mitigate unwarranted negative impacts.

The Joint Meeting of Ministers demonstrates – even as the final configuration of the RECs has not found its final form – that prioritisation of corridor development and promotion of a liberalised transport market are ongoing and that decisions made will continue to be of relevance despite whatever configuration that will materialise and that interface with NEPAD and AU is pursued.

The national transport projects with a regional dimension are concentrated on relatively few countries, mainly Tanzania, Zambia, Malawi and Mozambique. The NIPs in Tanzania, Malawi, Zambia and Mozambique have relatively large allocations for road sector development. The road projects have in particular focussed on trunk roads that either form part of the development corridors or are contributor roads to the corridors. These NIPs thus have a significant regional dimension although this particular aspect was not elaborated. The NIPs have encountered serious delays, but the quality of the construction work is generally of good quality.

Previous interventions in the transport sector were driven by the individual Member States and were from the outset prepared as national projects with resources primarily drawn from the NIPs and supplemented by the RIP. With the 'regionalisation' there was initial uncertainty as to the responsibility for the undertaking of road projects between SADC and Member States. Implementation of the RIP and NIP transport projects has been significantly delayed. Most of the available information is related to the EDF8 NIP projects. The road sector is by far the most prominent sub-sector with emphasis on the physical aspects. Apparently there is only limited support to cross-border transport facilitation, even though this aspect is a major dimension of the RSP.



Due to SADC's capacity constraints it was decided to transfer implementation responsibilities to the NAOs. This raises the issue of whether the SADC Secretariat should have an implementation capacity of its own, or whether it should rather focus on the regional planning aspects and facilitate the effective integration of the regional dimension into the NIPs.

SADC professional capacity in regional transport facilitation and coordination has been seriously eroded as a consequence of the restructuring process. This is a correspondingly severe setback for regional integration and economic growth as transport infrastructure and services are two of the key determinants. The adoption of the Regional SWAp by ICPs is promising, but needs to be supported by adequate SADC capacity. Except for the WB and EC, none of the other ICPs have been involved in regional transport projects. However, the bilateral co-operation between the ICP and the SADC Member States has included substantial interventions of regional significance. This emphasises the need to consider the combined national and regional interventions in the transport and communications sector in a broader perspective.

The Member States have embarked on institutional reforms in the transport sector that eventually could lead to sustainable transport operations and improved inter-modal coordination. Most of the Member States' transport/road agencies have separated regulatory and operational functions and have established regulatory and operational agencies. The lack of a regional perspective – including the need to liberalise transport services and establish regulatory provisions – prevents most Member States from tapping the potential benefits from regional integration. As the Member States have relatively well functioning road authorities/ agencies these will be capable of implementing the national components of regional development programmes. Despite the establishment of road funds, adequate mobilisation of maintenance funding remains a serious challenge.

The non-functioning SADC National Committees implies that there are limited driving forces to advocate for the regional perspective and how this could be integrated into national Poverty Reduction Strategies, sector policies, legislation and programming. Short-term national interests frequently overshadow the benefits that can be attained by proper regional integration as opposed to seeing the synergies that can be attained by having a combined national and regional perspective.

A higher degree of interface between the RIP and NIPs is clearly warranted. The RIP should outline the framework for support to regional transport systems consistent with SADC's Regional Transport Master Plan (not yet finalised) and should include facilitation support to: development corridors/ SDIs; and liberalisation and harmonisation of the regional transport market.

- 6 CHALLENGES FOR EDF10 RSP/RIP AND CSP/NIPs

The SADC aim is to have a SADC Free Trade area by 2008, a SADC Custom Union by 2010, a Common Market by 2015, and a Monetary Union by 2016. The EDF10 RSP's (2008-2013) response strategy comprises two components: 1) EPA implementation; and 2) and SADC economic integration and trade. Component 2 comprises the following sub-components: Trade Integration, Investment Promotion, Infrastructure Development, and Food Security Policy and Information Management.

The EDF RIP refers to the SADC Consultative Conference in Windhoek, April 2006 during which it was articulated "*Infrastructure support for regional integration remains one of the key tenets for development programmes in the SADC Region*". EDF 9 did not perform well at the regional level for large-scale investment in infrastructure development. While continuing to recognise the need for infrastructure development, EDF10 will emphasis the development of the policy environment at the regional level.

The key challenges as regards regional transport development and services:

- m. Finalise of the SADC Regional Transport Master Plan based on the development corridor/ SDIs in consultation with COMESA and EAC and regional development banks, e.g. DBSA.
- n. Select eligible regional transport projects from the long list of identified projects or new projects through established criteria, including an appropriate level of Economic Internal Rate of Return (EIRR). Projects identification/selection should facilitate comprehensive transport systems including ports.
- o. Identify transport routes linked to the transport corridors that can provide access to areas that are periodically susceptible to food shortage.
- p. Conduct Strategic Environmental Assessments (SEAs) for each corridor or segments of the corridors.
- q. Develop further the regional level SWAp with SADC and ICPs.
- r. Promote interface with NIPs and national transport policies and development plans.
- s. Define the facilitation role of the SADC Secretariat;
- t. Develop further the national level SWAp with national agencies, ICPs and transport operators through the EC delegations.
- u. Facilitate regional/national level implementation and management institutional structures for each corridor/SDI and coordination links with the SADC Secretariat;
- v. Promote the implementation of the SADC Protocol on Transport, Communications and Meteorology with a view to liberalise and regulate the transport market and monitor its implementation at the national level.
- w. Advocate for increase of maintenance funding through national revenue generation mechanisms in order to preserve the infrastructure assets.
- x. Promote transport safety and the crosscutting issues.

It will be imperative that cooperation and coordination links are established between regional level and national level agencies in order to enhance the regional dimension at the national level and create ownership among national transport agencies.



• 7 OVERVIEW OF TRANSPORT SECTOR INTERVENTIONS' PERFORMANCE

Project Name	Amount EUR million	Implement status	Implement modality	Relevance	Efficiency	Effectiveness	Impact	Sustainability
<b>Malawi</b>								
8 ACP MAI 5 Road Management Support Programme	17.4	Ongoing	Project	Yes	Problems	Good	Problems	Problems
8 ACP MAI 11 Karonga-Chilumba-Chiweta Road	33.5	Completed 2002	Project	Yes	Good	Problems	Good	Problems
8 ACP MAI 26 Limbe-Thyolo-Mulanje-Muloza Road	36.3	Completed 2000	Project	Yes	Problems	Good	Good	Problems
8 ACP MAI 30 Lakeshore Road Infrastructure	17.0	Completed 2005	Project	Yes	Problems	Good	Problems	Problems
8 ACP MAI 21 Rehab of Golomoti-Monkey Bay Road	19.0							
9 ACP MAI 21 Backlog Rehabilitation and Maintenance Programme	38.0							
<b>Zambia</b>								
8 ACP ZA 16 Monze-Zimba Road	37.5	Completed 2002?	Project	Yes	-	-	Probably good	Probably good
8 ACP ZA 20 Kabwe-Kapiri Mposhi & Chisamba Roads	26.0	Completed 2004?	Project	Yes	-	-	Probably good	Probably good

Project Name	Amount EUR million	Implement status	Implement modality	Relevance	Efficiency	Effectiveness	Impact	Sustainability
8 ACP ZA 55 Rehab of Livingstone and Lusaka Airports	11.3	Ongoing (2007)	Project	Yes	-	-	Probably good	Probably good
<b>Tanzania</b>								
8 ACP TA 18 Rehab of Mwanza Border-Tinde and Isaka-Nzega Roads	85.0	Ongoing (2007)	Project	Yes	Good	Good	Good	Problems
8 ACP TA 20 Institutional and Policy support to the Tanzanian Road Sector	2.0	Completed 2004?	Project	Yes	-	-	Probably good	Probably good
8 ACP TA 22 Backlog Maintenance Programme for the Central corridor	42.0	Ongoing (2006)	Programme	Yes	Good	Good	Good	Problems

Project Name	Amount EUR million	Implement status	Implement modality	Relevance	Efficiency	Effectiveness	Impact	Sustainability
8 ACP TA 6 Air Traffic Services Project	12.6							
8 ACP TA 16 Rehabilitation of Zanzibar Port	0.8							
9 ACP TA 14 Rehabilitation of Malindi Wharves and Port of Zanzibar	31.0							
9 ACP TA 17 Rehabilitation of Mandela Road	32.0							
<b>Namibia</b>								
8 ACP NAM 8 Telecom Namibia II South Link	0.8							
8 ACP NAM 14 Windhoek Infrastructure II	10.5							
8 ACP NAM 15 Windhoek Infrastructure II	2.5							
<b>Mozambique</b>								
8 ACP MOZ 15 Nampula- Nacala Road Rehabilitation	36.6							

Project Name	Amount EUR million	Implement status	Implement modality	Relevance	Efficiency	Effectiveness	Impact	Sustainability
8 ACP MOZ 31 TDM Telecommunications Project	0.3							
9 ACP MOZ 1 Rehabilitation of the Namacurra-Rio Ligonha Road	65.0	Not started (2010)	Project	Yes	-	-	-	
9 ACP MOZ 8 Rural Roads Rehabilitation and Maintenance	6.0							
9 ACP MOZ 14 Bridge over the Zambezi River	25.0							
9 ACP MOZ 17 Limpopo Railway Rehabilitation of Facilities	6.0							

• 8 OVERVIEW OF AVAILABLE INFORMATION FOR THE DESK PHASE

Project Name	Financial Agreement	Financing Proposal	Monitoring Report	Project Synopsis	Log Frame	Response Sheet	Rider
Malawi							
8 ACP MAI 5 Road Management Support Programme	x		x		x		
8 ACP MAI 11 Karonga-Chilumba-Chiweta Road	x		x	x	X		
8 ACP MAI 26 Limbe-Thyolo-Mulanje-Muloza Road	x		x	x	X		
8 ACP MAI 30 Lakeshore Road Infrastructure	x		x	x	X		
8 ACP MAI 21 Rehab of Golomoti-Monkey Bay Road							
9 ACP MAI 21 Backlog Rehabilitation and Maintenance Programme							
Zambia							
8 ACP ZA 16 Monze-Zimba Road	x				x		
8 ACP ZA 20 Kabwe-Kapiri Mposhi & Chisamba Roads	x				X		
8 ACP ZA 55 Rehab of Livingstone and Lusaka Airports	X						
Tanzania							
8 ACP TA 18	X		x	x	x		X

Project Name	Financial Agreement	Financing Proposal	Monitoring Report	Project Synopsis	Log Frame	Response Sheet	Rider
Rehab of Mwanza Border - Tinde and Isaka-Nzega Roads							
8 ACP TA 20 Institutional and Policy support to the Tanzanian Road Sector	x				X		
8 ACP TA 22 Backlog Maintenance Programme for the Central corridor	x		x	x	x		X
Project Name	Financial Agreement	Financing Proposal	Monitoring Report	Project Synopsis	Log Frame	Response Sheet	Rider
8 ACP TA 6 Air Traffic Services Project							
8 ACP TA 16 Rehabilitation of Zanzibar Port							
9 ACP TA 14 Rehabilitation of Malindi Wharves and Port of Zanzibar							
9 ACP TA 17 Rehabilitation of Mandela Road							
Namibia							
8 ACP NAM 8 Telecom Namibia II South Link							
8 ACP NAM 14 Windhoek Infrastructure II							
8 ACP NAM 15 Windhoek Infrastructure II							
Mozambique							
8 ACP MOZ 15 Nampula- Nacala Road Rehabilitation							

Project Name	Financial Agreement	Financing Proposal	Monitoring Report	Project Synopsis	Log Frame	Response Sheet	Rider
8 ACP MOZ 31 TDM Telecommunications Project							
9 ACP MOZ 1 Rehabilitation of the Namacurra- Rio Ligonha Road	X				X		
9 ACP MOZ 8 Rural Roads Rehabilitation and Maintenance							
9 ACP MOZ 14 Bridge over the Zambezi River							
9 ACP MOZ 17 Limpopo Railway Rehabilitation of Facilities							



# Food Security Working Paper

## • 1 INTRODUCTION

The Food Security in general terms cannot be considered as secured in the SADC region. The situation however shows a diverse picture in the SADC Member States. Analysing the last decade two major factors have to be considered in this context. There have been several natural disasters, which provoked serious food shortages for great parts of the population in some countries. On the other hand a few of the SADC countries, such as Botswana and Namibia, have to be considered as structural deficit countries for their national agricultural production and food supply due to their natural agro-ecological conditions. Thus they have to be seen as net food importers in the long run. Others, like South Africa in the first place, can be seen as one of the most important producers of food crops in the SADC region and in fact they supply alimentary products mainly to the SACU neighbours and to Mozambique. A group of Member States (e.g. Tanzania, Malawi and Zambia) dispose of favourable or sufficient agricultural potential and would be able, despite the internal disparities, to secure the national food demand, under normal conditions. But owing to a number of limiting factors the supply is sometimes far below requirements.

The analysis of the national as well as the regional politics in the SADC countries shows an understanding of Food Security which focuses on agricultural production leaving aside the other important components such as accessibility to food. The fact that the main objective of the policies at national level is the amount and the increase of food production indicates an orientation towards national food autarky, without taking into consideration imports and trade as a regional aspect or even from outside SADC.

The Secretariat looks at the issue in a more comprehensive way seeing the challenges facing SADC regarding food security are many and have their basis in social, economic and environmental factors. The main causes of food insecurity in the region relate to:

- insufficient investment in agriculture,
- poor access to agricultural inputs and markets,
- low technology development and dissemination, and
- insufficient preparedness for disasters such as droughts and floods.

The strong concentration of Food Security towards agricultural production, which can be observed in the politics of almost all Member States, narrows the concepts and limits the political answers and the type of projects. Thus the limiting factors at national level identified are exactly in this line. The most relevant limitations are insufficient capacity of efficient agricultural techniques by the small farmers; lack of the relevant inputs and credit facilities in the rural areas; prevention of the spread of diseases; a failure to deliver products of sufficient quality; deficit in agricultural research; inadequate infrastructure; poor storage and marketing facilities;

insufficient cargo handling and access roads; poor communication facilities and insufficient use of modern communications technology.<sup>205</sup> Another main bottleneck is the lack of post harvest processing of agricultural products which would open at the same time additional economic activities in the rural areas. However, at regional level the shortage of food in one country should be easily compensated for by surpluses in another. Thus the potential and the need for improved, increased intra-SADC agricultural trade is immense; but tariff, non-tariff, technical and bureaucratic barriers are obstacles to intra-regional trade. Hence one of the key factors for Food Security is the Trade sector, which at the same time is interrelated with the Transport sector. The transport costs and the cross-border hindrances have an influence not only on the region's trade competitiveness, but also a direct impact on food supplies.

Food Security is being addressed by two main strategic lines: (1) response to emergency situations (floods, droughts) with short-term programmes mainly organizing immediate food supplies for the affected population; and (2) integrated long term programmes with the objective of sustainable Food Security. The second strategic line is the indicated approach for a sustainable Food Security concept. This is also a main pillar for a pro-poor policy and the achievement of the MDGs; as overall objective the improvement in standard of living and quality of life (*see intervention logic EDF8*). Also the projects supported by the EC follow this global strategy; nevertheless compared to the relevance and the importance of the sector the number of project in EDF8 and EDF9 are very low. Again at the Windhoek Conference in April 2006 the Food Security strategy was explained and declared a main area of intervention with the definition of the relationship between Food Security, Agricultural Development and Natural Resources.<sup>206</sup>

The implementation of the Food Security concepts and the translation in political programmes and action has always been considered mainly as a national responsibility. The analysis during the field visits confirmed this practice as regards the Food Security issue noting also that national price policies for main food products have often been the subject of political (rather than economic) decisions.

## • 2 RSP & RIP LINKS WITH NIPS

The Food Security sector is a typical example in the SADC region of a sector being addressed only as national policy by the Governments of the Member States. But in this sector at the same time a great number of problems occurring regularly in the different countries as well as the structural deficit and surplus situations can be resolved more easily at regional level. The general conditions as described indicate the need for a regional concept and more co-ordination of the national policies and a closer co-operation. It is seen as an issue where 'regional thinking' must gain priority.

In the EDF8 Strategy Paper and Regional Indicative Programme (1996 – 2001) Food Security, Natural Resources and Environment had been defined as one of five priority areas. In the list of the proposed strategies the two focal sectors trade and infrastructure have had to be complemented by two additional areas: human resource

<sup>205</sup> SADC Barometer, Bramfontein, SA, April 2004

<sup>206</sup> Conférence Consultative SADC (Rapport AIDCO/CI), 25-26 April 2006, Annexe 4

development, and agriculture and natural resources. In the RIP, signed 1992 in Maputo, a share of up to 20% of the EC support was to be allocated to these two sectors.

But the importance of the Food Security sector was not reflected in the number of regional projects in EDF8, since most of the food security projects supported by the EC were of national nature – and a response to a national situation – with little relevance for the regional integration process.

In EDF9 (2002 – 2007) Food Security has been downgraded in the sense that it is only listed under non-focal sectors for which all altogether up to 20% of the RIP indicative budget of €101 million is being allocated. In fact the Food Security issue has to be considered in the context of poverty reduction, an issue that was not explicitly defined as an objective in EDF8. For the SADC Secretariat however the Food Security issue and agriculture continue to be a priority sector. A comprehensive strategy has been developed (see – below - Section 3. SADC Strategies).

In the EDF9 RIP the FANR programme of SADC is not explicitly considered under the non-focal sectors with the result that no new projects have been planned. The sector projects implemented after 2002 are financed through EDF8, or had been planned in earlier phases but are being implemented only now. The most important programme was the 7-year SADC Monitoring, Control and Surveillance of Fishing Activities Programme, of which Angola, Namibia, Mozambique and Tanzania were the beneficiaries; South Africa has been included through the EPRD/SA programme (In the NIPs of the four countries). The total amount of the committed budget was €14.552 million, of which only 85% have been spent<sup>207</sup>. This programme started in 2000 and was concluded in July 2006. Under EDF9 only four major projects with some regional scope have been approved or are under final preparation<sup>208</sup> (Food Security Training Programme; Agricultural Research and Training; Regional Integration in the SADC Livestock Sector; and ECOFAC contribution to DRC Forest Project).

The funds allocated under the EDF9 to the Regional Food Security Training Project (RFSTP) supplemented the RFSTP funded from the 8<sup>th</sup> EDF. This project was concluded at the end of 2005. Additional food security related projects include the Land and Water Management Applied Research Programme (EDF 8) and the EDF funded SADC Foot and Mouth Disease Project (EDF 9).

Food Security is very much related to overall development objectives, to the MDGs and the poverty alleviation in a much broader sense and therefore is not only confined to agriculture-related issues. All sectors of EC co-operation from EDF 8 and EDF 9 are linked to food security in the sense that they promote economic growth and thus improvements in food access. As an example, the whole of EDF 8 contributes to the enhancement of food security in the region by supporting economic growth and regional integration. The regional programme thus attempts to respond to medium- to long-term food insecurity. It complements partially the national programmes and thus tackles food security issues with both, agriculture and natural resources projects (ICART, PRINT, L&W) but also trade, economic diversification and capacity building related projects. Transport and infrastructure also clearly have agricultural production and productivity elements.

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<sup>207</sup> Final Evaluation SADC Monitoring, Control and Surveillance of Fishery Activities Programme, Report August 2006

<sup>208</sup> Joint Progress Report: 2005

A strong link of the Food Security sector exists with the non-focal area HIV/AIDS. On one hand the agricultural population is considered to belong to the vulnerable to infection<sup>209</sup>, and on the other hand adequate nutrition is important to stabilize the situation of infected persons. This fact is being taken in consideration by the Food Security programmes and the responsible departments in the agricultural administration as well as in specific institutions dealing with the HIV/AIDS issue are aware of this interrelation. Specific projects under the Food Security section have not been realized.

The understanding of Food Security as a national policy is clearly reflected in the relation of the NIPs with the RIPs. The strategies and policies defined in the regional SADC document are not related to the national strategies of the Member States; in fact there are no counterpart programmes or projects in the two indicative programmes. The reality shows that two parallel planning processes are being undertaken without the necessary corresponding links or exchanges and co-ordination between the two.

It was somehow surprising during interviews that some of the responsible persons in the national Ministries and institutions were not aware of the relevant SADC strategies and programmes for their sector, such as the details of the Dar es Salaam Declaration. This can be seen as a clear indicator for the exclusively national orientation of the Food Security policy which is reflected in the NIPs.

The EDF9 NIPs outline the scope for sector interventions as shown below.

**Table 20: Food Security sector excerpts from the EDF9 CSPs/ NIPs**

<u>Introduction &amp; general comment</u>	With the exception of the fishery programmes (Angola, Namibia, Mozambique and Tanzania as well as South Africa through EPRD/SA) and the training programmes on Food Security the politics and activities listed below have no regional dimension; the strategies have a clear national orientation. These regional programmes are not mentioned in the national programmes.
Angola	Food insecurity has been analyzed as being very critical. Given that poverty and food insecurity are more problematic in rural areas, a food security policy must justify a prioritisation and re-launch of the agricultural and livestock farming sector. The EU will consider continuing the food aid (0 – 2,5% of the total funds) in co-operation with WFP, and supports the strategy of post-emergency transition with a medium-term action plan with the objective of poverty alleviation. In the NIP Food Aid together with the social sector have been defined as focal areas of concentration in the medium term.
Botswana	Despite the fact that Botswana will remain a net food importer (cereals) owing to its agro-ecological condition and repeated droughts, food security is not an issue in the programmes, since the stable and positive balance of payment allows the necessary imports, mainly from SACU neighbours. Agricultural development concentrates on livestock. The environment issue is supported by a wildlife and natural resource management project.

<sup>209</sup> RISDP; para 3.4. Food, Agriculture and Natural Resources, p.17

Lesotho	Aware that food self-sufficiency is unattainable the Government's agricultural policy focuses on soil and water conservation and the promotion of environmentally sustainable farming. No financed projects focus specifically on food security.
Malawi	Agriculture is by far the most important economic sector, thus the national objective for agriculture is to increase agricultural productivity so as to ensure household food security and improving the sustainable use of natural resources. Thus agricultural development is one of the two focal areas. €60 million have been attributed in the NIP for this sector.
Mauritius	Environment combined with water management is the focal sector in the Mauritius' NIP, with the objective of improving the living conditions of the affected population. It has been diagnosed that the degradation of the natural resources also affects other economic sectors. €28 million has been allocated in the NIP.
Mozambique	Almost 80% of the population live from agricultural activities (more than 50% subsistence agriculture), thus the poverty reduction programme PARPA is based on the increase in agricultural productivity. The multi-donor programme PROAGRI is also supported by the EC. With €274 million (up to 15% for food security and agriculture) allocated in the NIP, the EC is the main donor in the sector with bilateral funding.
Namibia	70% of the population depend on agriculture and 85% of the population below the poverty line live in the rural areas. Rural development, including fisheries, is the focal area with the highest financial support (60% of the €48 million allocation). Two studies for the Rural Development Strategic Framework have been commissioned with the aim of ensuring that the NIP is complementary to other donor activities. The CSP addresses also the distribution of land and the duality of society, both major problems for the rural development and poverty reduction programmes.
South Africa	Although SA is the major food producer and supplier for the region, the sector does not play any significant role in the CSP and NIP
Swaziland	Agriculture is one of the two non-focal areas (under poverty reduction) with a share of up to 13%; of this, an amount of €31 million has been allocated for the smallholder irrigation scheme (CSP/NIP pages 15 and 19).
Tanzania	The sector has not been mentioned as an area to be addressed under EDF9.
Zambia	Food Security, Agriculture and Environment are not addressed in the EDF9 CSP and NIP.
Zimbabwe	No CSP has been developed under EDF9

Although the problems are tackled nationally and the projects as well as the relevant government actions seem to have no regional orientation, a number of issues reveal the regional dimension. Climatic factors are clearly of regional significance as are the river basins. As mentioned above, when we look at the issue in the form of long term integrated food security policy, there has to be included not only expanded and sustainable agricultural production but also its economic impacts. It has also to take into consideration the effective and efficient use of environmentally suitable and sustainable use of land and other natural resources. The same refers to regional early

warnings systems which, so far, are not in place at the regional level; only in some member countries have national programmes recently been started.

As part of this process the activities of programmes under SADC FANR will be considered including the activities of the Regional Vulnerability Assessment Committee (RVAC until recently Zimbabwe-based) and the links with the national Vulnerability Assessment Committees; the Regional Remote Sensing Unit (RRSU) and its links with Famine Early Warning Systems Network (FEWSNET) which also includes a number of SADC countries (Angola, Malawi, Mozambique, Tanzania, Zambia, Zimbabwe); and the Drought Monitoring Centre (SADC-DMC).<sup>210</sup>

The fishery programme which has been evaluated in 2006 had, despite a number of problems in the beginning, a positive impact on the national structures of the marine fishery administrations in the five countries and was also able to a certain extent to create a regional thinking. The results created by the project built a solid basis for a follow up in order to secure really sustainable and efficient marine fishery administration structures on the long run. The EC decided to not to continue the programme; the World Bank is considering interventions, at least in some countries.

The Early Warning systems are a very relevant issue in the context of food security where a strong need exists for regional co-operation. In most of the SADC Member States a national early warning system has been established recently, funded by a number of donors including the EC, mainly using the FEWSNET system which has proved very effective. But in most of the countries the early warning is not functional since it is not yet linked with the political decision making process, thus action as response to the information gathered is lacking. This is even less the case between the different countries since there is no regional interconnection of the national systems. Nor in the RIPs, nor in the NIPs is made a reference to the early warning as instrument in the context of disaster risk management and Food Security.

There is sufficient potential for the SADC region to be self-sustaining in most of the basic food production requirements necessary to achieve regional food security and even to serve as the bread-basket for much of Southern and Eastern Africa. The regional dimension becomes crucial if this is to be achieved and the aspects of complementarity and coherence with other sectors play an important role. These sectors are mainly the two other principal sectors covered in this evaluation: trade; transport and communications.

A misunderstanding which has been observed on a number of occasions during the field phase – at national but also at regional level – is the definition of Food Security as an autarky, a self-sustaining and self-contained food production system. Stable economic and financial conditions should allow for an adequate supply of food products which do not necessarily all have to be produced in the country or even the region. Thus the key factor for Food Security and Poverty Reduction in general is the sustained socio-economic development as the intended contribution to the longer term impact. The specific framework of the EC cooperation with ACP countries with Poverty Reduction as the overall regional objective focuses “to increase economic growth and reduce poverty through support for higher levels of regional economic

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<sup>210</sup> It is noted that these organisations are based in Zimbabwe where field visits did not take place as a result of the suspension of the EC's Zimbabwe programme.



integration". This is envisaged as being achieved through integration of the SADC countries into the world economy, which will lead to increased economic growth and sustainable economic and social development of the SADC countries.

• 3 SADC STRATEGIES

Within the Food, Agriculture and Natural Resource sector (FANR) the region has developed an integrated policy and strategy based on the principles of increased food production and productivity, sustainable management of natural resources, and diversification of agriculture-based economies. The overall programme of the SADC FANR sector directorate, created in 2001, includes seven interrelated sub-sectors (research and training, crops, livestock, inland fisheries, forestry, wildlife, and marine fisheries).

As articulated in the RISDP, the overall goal of co-operation in Food Security is to achieve sustainable or lasting access to adequate food at all times by all people in SADC for an active and healthy life. The strategic concept of SADC is characterized by a comprehensive approach which covers more than only the agricultural and the production aspects. Thus it goes beyond the national policies in the Member States.

**Current SADC Strategies to Enhance Regional Food Security**

Food Security is a top priority on the SADC Agenda and features prominently in the RISDP as one of the key intervention areas. The regional dimension and the relation of the FANR sector to the integration process have often not been reflected in the relevant national policies and projects<sup>211</sup>. Recognizing the strategic importance of agriculture and food security in economic development in the region and to face up to these challenges, SADC Member States have identified sustainable food security as one of the priority intervention areas in the RISDP to achieve the food security, focusing on the following areas:

<b>1</b>	<b>Improving food availability: Member States are required</b>
	- to promote agricultural production and productivity
	- to take measures that increase competitiveness and promote trade and are also urged
	- to promote the sustainable use of natural resources
<b>2</b>	<b>Improving access to food through rural non-farm income generation: Member States are encouraged</b>
	- to adopt policies which will generate the maximum employment gains and incomes
	- to introduce measures that improve income stability and equity
	- to develop safety nets for vulnerable groups (such as food for work, cash for work and targeted distribution of inputs or food). Most of

<sup>211</sup> Joint Factual Development of the Status of SADC Regional Integration, January 2006, p. 31 f.



		these measures require public, private and NGO partnerships
<b>3</b>	<b>Improving nutrition: Member States are urged</b>	
		- to adopt strategies that improve the nutritional value of food
		- to minimize food losses, particularly for the resource poor
		- to address food safety
<b>4</b>	<b>Enhancing disaster preparedness: the objective is</b>	
		- to improve forecasting and early warning
		- prevention
		- mitigation
		- recovery from adverse effects of natural disasters
<b>5</b>	<b>Enhancing the institutional framework: the objective is</b>	
		- to strengthen the institutional framework of the relevant institutions and expertise, and
		- to build capacity for implementing food security programmes in the SADC region

There has been no SADC Protocol signed regarding the policy of the FANR sector in total. The only protocols, which exist, cover a number of the sub-sectors. These protocols are: Tourism (14/09/1998); Wildlife Conservation and Law Enforcement (18/08/1999); Fisheries (14/08/2001); Forestry (3/10/2002)

The current policy document on SADC Food Security is the Dar-es-Salaam Declaration on a pro-active strategy for regional food security, a Declaration which followed the Extraordinary Summit of SADC Heads of State and Government which took place in Dar-es-Salaam in 2004<sup>212</sup>. With the Declaration a Plan of Action has been signed which dealt with the short term (2004-06) and the medium to long term (2004-10) agricultural development measures.

In the short term, the emphasis was almost entirely on national measures to increase agricultural production and value-added through processing and agri-business development. These were:

- Provision of key agricultural inputs
- Crop and livestock pest and disease control
- Livestock, fisheries and drought-tolerant
- Crop improvement
- Improved water management and irrigation services
- Agro-industrial development

<sup>212</sup> Dar-es-Salaam Declaration on Agriculture and Food Security in the SADC Region, 15 May 2004

The medium to long term measures were also largely in the realm of national actions. These included:

- Sustainable management of natural resources
- Reform of extension services
- Farmer training
- Support to farmers' organizations
- Removing gender discrimination
- Mitigation of the impact of HIV/AIDS

There were also a number of measures which had a specific regional dimension. On market access, the Declaration commits governments to expedite the harmonization and implementation of the relevant regulations and to implement policies to strengthen rules and disciplines governing trade in agriculture through the implementation of the SADC Trade Protocol.

Aside from measures to promote agricultural production, the leaders also stressed social aspects of poverty noting that 'inadequate food security, poor nutrition, inadequate essential public services, limited reproductive health services, gender imbalances and high levels of illiteracy impact negatively upon the quality of life of our people, especially those living with HIV/AIDS'.

The Action Plan, in its short-term measures, still focuses very much on agricultural production, so to say the availability aspect of Food Security with no explicit overall regional dimension. The planned medium and long term activities include some of the links between the Food Security the other causes of food supply problems such as the poor management of natural resources, insufficient uptake of agricultural inputs, the HIV/AIDS situation, which has decreased the agricultural workforce, and the lack of a clearly defined comprehensive food security policy by the SADC Member States' Governments. The Trade and Transport sector - probably the main bottleneck for the regional distribution and market access - is starting to be addressed.

Looking at the potential within the whole SADC region, food production is likely to be able to supply the needs of all the member countries. The main reason for the need for assistance from the international community is the repeated regional disasters such as extreme droughts or floods that have affected a number of countries in the region. Early warning and the harmonization and co-operation of the national systems are not listed in the Declaration as measure to be taken.

The Action Plan of the Dar-es-Salaam Declaration follows a conventional approach to how Food Security is being addressed by most the Member State government with their national policies. The list of activities does not show a clear pro-poor focus which includes the economic development of the most vulnerable sectors of the population. The household approach to address the issue of accessibility as well as the nutritional value of the food basket of the families should be included as methodological instrument. The concept of the co-operation with USAID in particular the Initiative to End Hunger in Africa can serve as a basis to adapt the strategy.

With the restructuring of SADC Secretariat the management of the different programmes has been centralized in Gaborone at the headquarters. Before centralisation each Member State carried the responsibility for a particular

programme; for Food Security this was Zimbabwe where still some the ongoing project are co-ordinated (Training Programme). The centralization has weakened the Food Security section, since the staff has been reduced drastically (from 11 to 2 persons), but not at all materialized in efficiency. A lot of institutional knowledge has been lost through the restructuring. The capacity to implement the FARN Regional Food Security Strategy and to manage projects is far below the needs. The Unit for the vulnerability assessment has only recently been established at the Secretariat. The only feasible way to handle the overload of work is the outsourcing to Project Management Units (PMU).

Little progress is being made with the food storage programme as a genuine regional project. It is being negotiated between the Member States since almost 20 years to react in emergency cases as a regional institution.

A close co-operation between the Secretariat and the national Governments is certainly needed to promote the 'regional thinking' and integration process. At national level the lack of support by the Secretariat has been noted by many observers, and from the Secretariat in Gaborone the lack of co-operation by the relevant Ministries has been a source of complaint. It might be difficult to be realized with the current capacity, but a more pro-active form is necessary to vitalize the co-operation in order to overcome the strong national focus of the Food Security policy.

#### • 4 PERSPECTIVES FOR FUTURE CO-OPERATION

Agriculture is still the backbone of the economy of the SADC region and about 80% of the population of the region depend on agriculture for income and employment. The structure of production of SADC countries is dominated by primary sectors of production, namely, agriculture and mining, whose total contribution is, on average, over 50% of total GDP. The performance of agriculture has a strong influence on food security, economic growth and stability in the region. The focus of this sector seems to be addressed mainly in a national context as a contribution to economic development and equitable distribution within the societies of the Member States, and thus as a task primarily for the relevant national Governments.

The relevant documents analyzing the situation in the SADC countries and the integration process indicate clearly that the Food Security issue should be given more priority in future programmes and strategies. In the context of the overall 'Poverty Reduction' objective, food production and the agricultural sector play an important role since the economic structure of the SADC Member States is to a large extent agriculture-based. Commissioner Louis Michel, in his intervention on EDF10 programming for SADC, has brought Food Security back into focus, suggesting that it again needs to be addressed in a more prominent way.<sup>213</sup>

Taking in consideration the relevance of the Food Security issue the prioritization of the sector should not be questioned. The FARN Strategy outlines in a clearly structured form important areas of intervention. The concept covers most of the issues to be included in a comprehensive Food Security concept. Looking at the current situation and the national policies the implementation of the FARN Strategy seems to be far away. The co-operation of the EC as major donor has the potential to support the regional FARN programme and thus contribute not only to a co-ordinated Food Security policy with significant results for the affected people, but also support the integration process.

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<sup>213</sup> Louis Michel; Regional Programming Seminar 2006 Gaborone (speech/06/)

The main challenges for EDF 10 in the Food Security sector are:

- Recognize Food Security as a focal area in the RSP/RIP (⇒Windhoek Conference 2006)
- Promote the pro-active co-operation between the Secretariat FANR and the institutions at national level. This results in a closer link between RIP and NIP with concrete regional programmes and projects.
- Focus on the definition of harmonized concepts in Food Security which include the three elements: availability, accessibility and utilization. In this sense the regional and national programmes have to be reformulated.
- Support the follow ups to successful projects, such as the case of the fishery programme in order to secure the sustainability of the results
- Co-ordinate the national EC-projects in the individual SADC Member States with the regional EC-projects and support their complementarity.

## Annex 10 List of persons met

Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
<b>Swaziland</b>						
Arno Schaefer Nontebeko Mabuza	06-12- 2006	09.00	EC Delegation	NC	Economic Counsellor Country Economist	
Mr. Shongwe		14.00	Ministry of Economic Planning and Development	NC	Programme Officer, SADC Unit	
Ndinini Busi Mashwama		16.00	Ministry of Foreign Affairs and Trade	NC	Trade Policy Analyst	<a href="mailto:ndinini2002@yahoo.com">ndinini2002@yahoo.com</a>
Lynette Gitonga	07-12- 2006	08.30	Ministry of Foreign Affairs and Trade	NC	Trade Policy Analyst	<a href="mailto:lygit@yahoo.com">lygit@yahoo.com</a>
John Sykes		11.30	Ministry Economic Planning and Development	NC	Technical Adviser to the National Authorising Officer	
John Creamer		15.30	Swaziland Investment Promotion Agency	NC	Acting Director	
Eric Maseko	08-12- 2006	11.30	Swaziland Tourism Agency	NC	CEO	
Michael Zwane		12.30	Ministry of Enterprise and Employment	NC	Director, SME Unit	

Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
Zodwa Mabuza		15.00	Federation of Swaziland Employers	NC	CEO	
<b>South Africa</b>						
Dr. Scott Drimie	11-01-2007	10.00	Melville, Johannesburg	DN	National Coordinator, Renewal South Africa, Health Economics & HIV/AIDS Research Division	<a href="mailto:scottdrimie@mweb.co.za">scottdrimie@mweb.co.za</a>
Dr. Sally Peberdy	11-01-2007	16.00	Melville, Johannesburg	DN	Project Manager, Southern African Migration Project	<a href="mailto:peberdy.s@pdm.wits.ac.za">peberdy.s@pdm.wits.ac.za</a>
Steven Gruzid	12-01-2007	9.30	SAIIA, WITS Campus, Johannesburg	DN	Deputy Head, Governance and APRM Programme, South African Institute of International Affairs	<a href="mailto:gruzids@saiia.wits.ac.za">gruzids@saiia.wits.ac.za</a>
Philip Alves					Economist: Development Through Trade Programme, SAIIA	<a href="mailto:alvesp@saiia.wits.ac.za">alvesp@saiia.wits.ac.za</a>
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Sue Mbaya	15-01-2007	15.00	SARPN, Pretoria	DN	Director, Southern African Regional Poverty Network (SARPN)	<a href="mailto:smbaya@sarpn.org.za">smbaya@sarpn.org.za</a>
Alfred Hamadziripi					Programme Manager, Social Dimensions, SARPN	<a href="mailto:ahamadziripi@sarpn.org">ahamadziripi@sarpn.org</a>
Helena McLeod	16-01-2007	10.00	Imani Development, CSIR, Pretoria	DN, NC	Regional Trade & Integration Adviser. DFID - Southern Africa	<a href="mailto:h-mcleod@dfid.gov.uk">h-mcleod@dfid.gov.uk</a>
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Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
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Tawia Addo-Ashong	25/02/2007	9,00	MEPD	PKH	Task Manager, Infrastructure	<a href="mailto:tngwira@worldbank.org">tngwira@worldbank.org</a>
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Joseph Chiteyeye	25-07-2007	11,00	MFA	PKH	Director of International Cooperation	<a href="mailto:joechiteyeye@yahoo.com">joechiteyeye@yahoo.com</a>
Warrea Gunda					Deputy Director, Political	
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Jephthah Chagunda	26-02-2007	9,00	MRTTP	PKH	Country Representative	<a href="mailto:mrttp@malawi.net">mrttp@malawi.net</a>
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Alan Joaris	24-01-2007	14,00	EC Delegation	NC	Counsellor Economic Affairs	
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Annascy Mwanyangapo Alfred Ndabeni	25-01-2007	10,00	Ministry of Trade and Industry	NC	Deputy Director Trade Promotion SADC Officer	

Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
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Razi Latif	26-01-2007	12,30	EC Delagation	TM	Natural Resources Attaché	
<b>Zambia</b>						
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Ulf Källstig	23-01-2007	15.30	Swedish Embassy, Lusaka	DN	Regional Advisor, Regional HIV/AIDS Team for Africa	<a href="mailto:ulf.kallstig@sida.se">ulf.kallstig@sida.se</a>
Francesca Di Mauro Hope Situmbeko Jürgen Kettner Juan José Villa Chacon	24-01-2007	08.30	EU Delegation, Lusaka	DN	Counsellor - Head of Section. Economic & Trade Related Co-operation Programme Officer, Regional Co-operation Second Secretary, Head of Infrastructure Section Attaché. Private Sector Development and Civil Society	<a href="mailto:francesca.di-mauro@cec.eu.int">francesca.di-mauro@cec.eu.int</a> <a href="mailto:hope.situmbeko@ec.europa.eu">hope.situmbeko@ec.europa.eu</a> <a href="mailto:juergen.kettner@cec.eu.int">juergen.kettner@cec.eu.int</a> <a href="mailto:juan.villa-chacon@cec.eu.int">juan.villa-chacon@cec.eu.int</a>
Fanwell Chembo	25-01-2007	09.00	MISA's office, Lusaka	DN	National Director - Zambia Chapter, Media Institute of Southern Africa (MISA)	<a href="mailto:fanwell@misazambia.org.zm">fanwell@misazambia.org.zm</a>
Dr. Guy Scott	25-01-2007	11.00	Chit-Chat, Lagos Road	DN	Member Of Parliament for Lusaka, and former Minister of Agriculture	<a href="mailto:mano@iwayafrica.com">mano@iwayafrica.com</a>
Dr. Overs Banda Edward Sakala Kondwa Sakala-Chibiya James Banda	25-01-2007	16.00	LAZ offices, Lagos Road, Lusaka	DN	Hon. Treasurer, Law Association of Zambia (LAZ) Executive Secretary, LAZ Partner, J.B. Sakala and Company Advocate, A.M. Wood & Co. Advocates and Notaries	<a href="mailto:zamlaw@zamnet.zm">zamlaw@zamnet.zm</a> <a href="mailto:zamlaw@zamnet.zm">zamlaw@zamnet.zm</a> <a href="mailto:chibiyak@yahoo.com">chibiyak@yahoo.com</a> <a href="mailto:banda@zamnet.zm">banda@zamnet.zm</a>

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Godfrey Haantobolo					Public Relations Officer, Aational Assembly	
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Ajay Vashee	26-01-2007	15.00	Farmers Union offices, Lusaka	DN	President, Southern African Confederation of Agricultural Unions	<a href="mailto:vashee@zamtel.zm">vashee@zamtel.zm</a>
<b>South Africa</b>						
Hennie Erasmus	29-01-2007	09.00	DTI Campus, Pretoria	DN, NC	Director: SADC, ITED: Africa Economic Relations	<a href="mailto:herasmus@thedti.gov.za">herasmus@thedti.gov.za</a>
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Richard Mkwandawire Sloans K. Chimatiro Boitshupo Giyose	29-01-2007	15:00	Midrand/SA NEPAD Secr.	TM, SK	Head of Agriculture Department Senior Fisheries Advisor Food & Nutrition Security Advisor	<a href="mailto:sloansc@nepad.org">sloansc@nepad.org</a> <a href="mailto:bibig@nepad.org">bibig@nepad.org</a>
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Ian Rossiter	31.01.2007	15.00	SADC Offices, Gaborone	DN, TM, PKH, SK, NC	JED TA to RAO TA to RAO	
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Maria Lisa Santonocito	31-01-2007	16:00	Gaborone EC Delegation	TM	EC Task Manager FANR	<a href="mailto:maria.santonocito@ec.europa.eu">maria.santonocito@ec.europa.eu</a>

Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
Mapolao Rosemary Mokoena	01-02-2007	9:00	Gaborone, SADC Secretariat	PKH	Senior Programme Manager, Transport	<a href="mailto:mmokoena@sadc.int">mmokoena@sadc.int</a>
Richard Masundire	01-02-2007	9:00	Gaborone, SADC Secretariat	TM	Senior Agricultural Economist FANR	<a href="mailto:masundire@sadc.int">masundire@sadc.int</a>
Phera Ramoeli	01-02-2007	11.00	Gaborone, SADC Secretariat	PKH	Senior Programme Manager, Water	<a href="mailto:pramoeli@sadc.int">pramoeli@sadc.int</a>
Peter Hinton	01-02-2007	11.00	Kgale Hill offices	DN, NC	Chief Executive Officer, Enterprise Banking Group	<a href="mailto:phinton@entbankgroup.com">phinton@entbankgroup.com</a>
Jerry Brown	01-02-2007	14.30	USAID offices	DN, TM	Senior Adviser, Initiative to End Hunger in Africa	<a href="mailto:jebrown@usaid.gov">jebrown@usaid.gov</a>
Mikael Melin	24-01-2007	8,00	EC Delegation Gaborone	PKH	Economic Attaché	<a href="mailto:mikael.melin@cec.eu.int">mikael.melin@cec.eu.int</a>
Arnold Madikwe	02-02-2007	09.00	MFDP offices	DN, NC	Director, Development Cooperation (DCS), Ministry of Finance and Development Planning (MFDP), Botswana	<a href="mailto:amadikwe@gov.bw">amadikwe@gov.bw</a>
Steve Kebakile Kelly Moichubedi					Chief Economist, DCS/MFDP Principal Economist, DCS/MFDP	
Ackim T. Jere	02-02-2007	11.00	SADC offices	DN	Senior Programme Manager - Statistics, SADC Secretariat	<a href="mailto:ajere@sadc.int">ajere@sadc.int</a>
Maphion M. Jambwa					Project Manager, SADC/EU Regional Statistical Training Project	<a href="mailto:mjambwa@sadc.int">mjambwa@sadc.int</a>
Christine Stegling	02-02-2007	16.00	Bonela's offices	DN, SK	Coordinator, The Botswana Network on Ethics, Law and HIV/AIDS (Bonela)	<a href="mailto:bonela@botsnet.co.bw">bonela@botsnet.co.bw</a>



Persons Met	Date	Time	Location	Team Member	Position & Institution	Contact details
John Gowen Paul Bishop	05-02-2007	12.00	working lunch Game City	DN, SK, NC	Programme Manager. EU-SADC Investment Promotion Programme (ESIPP) ESIPP	<a href="mailto:igowen@esipp.org">igowen@esipp.org</a> <a href="mailto:pbishop@esipp.org">pbishop@esipp.org</a>
Helmut Mueller- Glodde  Yvonne Ruf  Sonja Kurz	05-02-2007	14.00	GTZ offices	DN, SK	GTZ Coordinator. Governance and Reform Programme to Strengthen the SADC Secretariat  GTZ Associate Expert. Governance and Reform Programme SADC Secretariat  Trade and Economic Policy Advisor	<a href="mailto:Helmut.Mueller-Glodde@gtzgabs.org.bw">Helmut.Mueller-Glodde@gtzgabs.org.bw</a>  <a href="mailto:yvonne.ruf@gtz.org">yvonne.ruf@gtz.org</a>  <a href="mailto:skurz@sadc.int">skurz@sadc.int</a>
Katrina Morris	05-02-2007	15.30	EC Delegation	DN	First Secretary	<a href="mailto:katrina.morris@cec.eu.int">katrina.morris@cec.eu.int</a>
Helmut Orbon	06-02-2007	09.00	GTZ offices	DN, SK	GTZ Coordinator, SADC Peace & Security Programme	<a href="mailto:helmut.orbon@gtz.de">helmut.orbon@gtz.de</a>
Katrina Morris Thomas Feige	06-02-2007	14.30	EC Delegation	DN, NC, SK	First Secretary  First Secretary	<a href="mailto:katrina.morris@cec.eu.int">katrina.morris@cec.eu.int</a>  <a href="mailto:thomas.feige@cec.eu.int">thomas.feige@cec.eu.int</a>
Marcello Leung Shailen Ramgoolam	07-02-2007	09.00	SADC offices	DN, NC	Ernst & Young, Mauritius  Ernst & Young, Mauritius	<a href="mailto:Marcello.Leung@mu ey.com">Marcello.Leung@mu ey.com</a>  <a href="mailto:Shailen.Ramgoolam@mu ey.com">Shailen.Ramgoolam@mu ey.com</a>