



**Southern African
Development
Community**

Record of the Council of Ministers

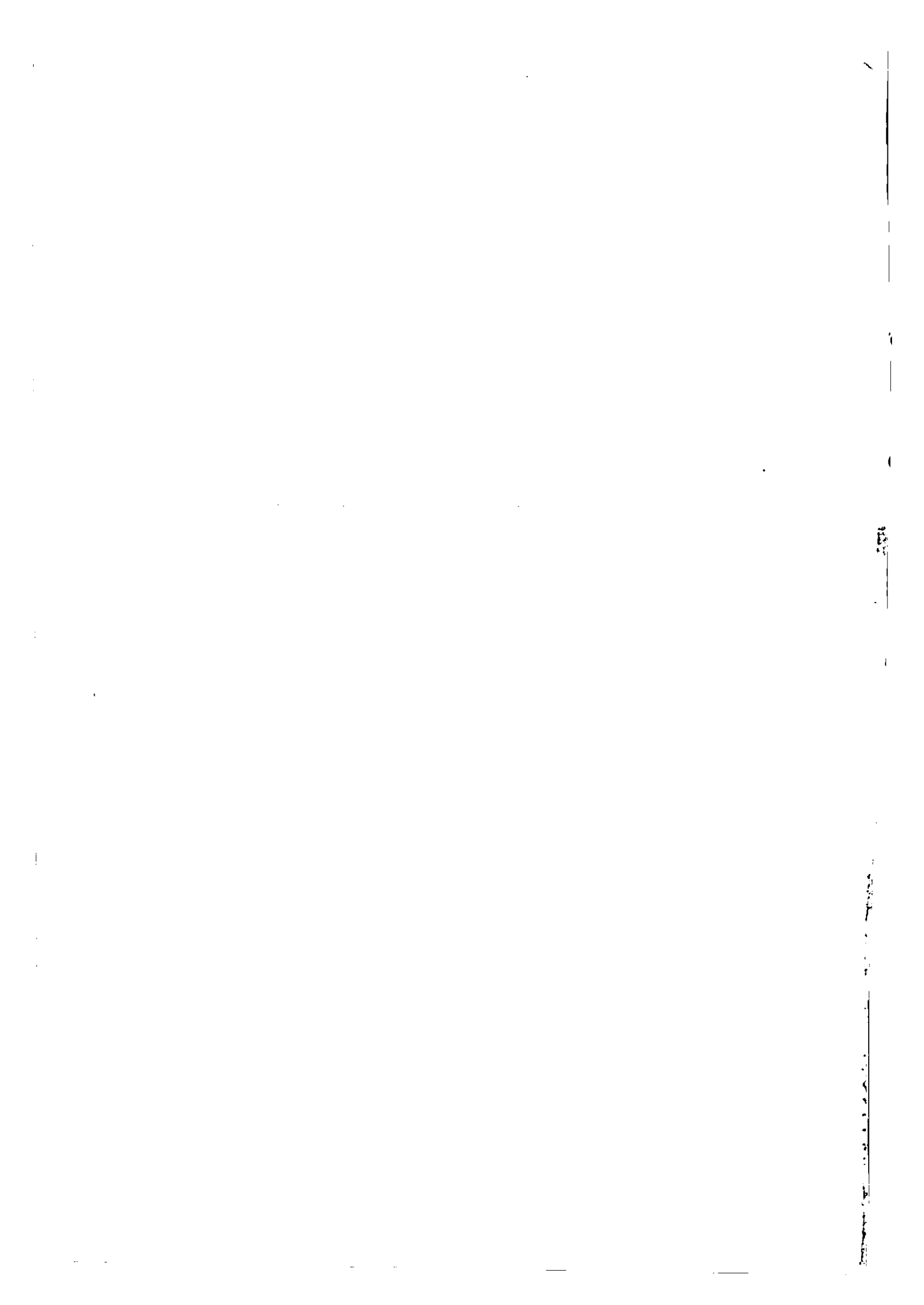
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HUMAN RESOURCES DEVELOPMENT SECTOR

1992/93 ANNUAL REPORT

PRESENTED BY

THE GOVERNMENT OF SWAZILAND

1. EXECUTIVE SUMMARY

- 1.1 During the 1992 -93 period, the Human Resources Development Sector (HRD) achieved substantial progress in implementing its Sectoral Programme of Action. A number of critical programme activities were undertaken successfully.
- 1.2 The Long-Term Strategy for the Sector covering the period 1993 - 2003 was developed and adopted by the Human Resources Development Ministers in the quarter of 1992. Subsequently, the SADC Council of Ministers also approved the Strategy in January, 1993 at their meeting in Harare, Zimbabwe.
- 1.3 Following approval of the Strategy, the Human Resources Development Sector has started implementing the strategy. A new structure based on Sectoral Programme areas has been introduced into the Programme of Action covering Research, Education and Training.
- 1.4 The Third Human Resources Development Symposium was held from 26 -30 April. The Symposium brought together HRD Contact Points, representatives of the other SADC Sectors and Co-operating Partners and other International Organisations. The objective of the Symposium was to translate some of the long term goals and the short to medium term objectives of the strategy into practical project proposals for implementation by the Sector. Seven new projects were considered by the HRD Ministers at their last meeting in June, 1993 and recommended for approval by the Council of Ministers.
- 1.5 The Sector also conducted the study on the Long Term Financial Implications of Externally Funded Projects (Sustainability of Regional Human Resources Development Programmes). The final report is now ready for evaluation by the member States at a Technical Experts Meeting to be organised within the year.
- 1.6 The publication of SKILLS, a Newsletter for the Sector has been revived after one year of non publication. Funding to publish the Newsletter has come from the Government of Swaziland. The issue Newsletter began circulation at the end of July 1993.

- 1.7 Notwithstanding the above achievements, the Sector is still recovering from years of low performance and inadequate capacity.

The requirements for closer programme co-ordination and project monitoring and supervision are also not entirely adequate. This is especially true with regard to requirements for resources to undertake missions to co-ordinate the Sectoral Programme with the member States and the other SADC Sectors as well as to effectively supervise project implementation in the field.

- 1.8 Despite previous pledges, Technical Assistance to the Sector Co-ordinating Unit is yet to be fully reinstated to a level that would meet requirements of the reorganised structure of the RTC Secretariat as well as an expanded programme.
- 1.9 Co-operating Partners who supported the Sector in the past had expressed their interest to resume such assistance once the Long-Term Strategy was in place. The Sector hopes therefore that these pledges can now be honoured in order to enhance the performance of the Sector and further strengthen the efforts that have been made by the member States.

2. REVIEW OF THE REGIONAL SITUATION

- 2.1 Most member States of the Community are undergoing economic adjustment programmes which demand stringent budgetary control and reductions in public expenditure. Specifically, six countries of the Community, namely Lesotho, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe are implementing structural adjustment programmes.
- 2.2 These measures have created severe adverse effects on the social sectors, including education and training. Public spending and subsidies on education and training in the region have been reduced considerably. This has reversed the progress which had been achieved since independence, in affording access to education for all, and particularly for women, the disabled and children of the poor.
- 2.3 The Southern African Development Community also suffered from a severe drought over the last year. As a result, member States diverted their limited resources from development, including education to meet urgent food requirements.
- 2.4 In order for the Community to make the most use of limited resources, it is essential that programmes and projects be clearly focused at those areas where there will be the greatest impact and where sustainable development can be expected. It has been with these issues in mind that the Human Resources Development Sector developed its Long-Term Strategy for the period 1993 -2003. The document clearly

identified those areas in which the Sector should be concentrating efforts and also to provide the necessary institutional framework for addressing the needs.

- 2.5 The quality of training has deteriorated since independence, exemplified in a continued shortage of training manpower in management and teaching, a poor infrastructure in the majority of schools, shortages of teaching materials, all leading to poor attainment among the learners.
- 2.6 Another problem is caused by the use of inappropriate curricular, which has tended to focus on examples drawn from urban environments in a situation in which most of the children come from rural communities, and the use of curricula which cater for less than 30% of pupils who proceed to secondary and higher education.
- 2.7 Vocational and technical training is hampered by a widespread fragmentation of the various administrative settings for the institutions, all more or less linked to the profession or trade they are training their candidates to enter. This is also reflected in the number and variety of the various diplomas and certificates awarded.

Some areas of vocational training are very much neglected in the Region. An example is the absence of national vocational training for farmers and workers in the rural areas.

- 2.8 The picture is not very much different in Higher Education, where lack of qualified regional staff in administration, lecturing and research make many institutions highly dependent on expatriate staff.

The actual situation at many higher institutions is dominated by brain drain, among other things, because of poor salaries and poor conditions of service, and poor research facilities.

- 2.9 The unfavourable economic environment faced by the SADC countries over the past two decades has had a negative impact on human resources development activities. The situation has been further exacerbated by the structural adjustment programmes which have led to further reductions in public expenditure, introduction of cost-sharing and cost recovery measures which, in the short term, have had a further adverse impact on the service sectors and negatively affected the poor.

3. REVIEW OF THE PROGRAMME

- 3.1 During the period under review, the Human Resources Development Sector made substantial progress in implementing its Sectoral Programme of Action.

- 3.1 The Sector had a total of thirty-six projects under its Sectoral Programme of Action at the beginning of the period under review. Out of these, ten projects have been transferred to the other SADC Sectors following the Arusha decision of Sector Coordinators of 1991 regarding sector specific projects. Three projects were completed satisfactorily while four were withdrawn from the Sectoral Programme as they were no longer focusing on critical and priority requirements. Eight projects are ready to start implementation and out of these, funding is under negotiation for seven projects. Funding is being sought for the project for development of an Educational Network and Resource Centre for Teacher Education in the SADC region. The remainder of eleven projects are ongoing and are under implementation.
- 3.2 In order to improve overall project co-ordination, monitoring and supervision, the Sector has established project Steering Committees, for three of the ongoing projects, and it is planned that all projects in the Sectoral Programme will have such Committees instituted within the next twelve months.
- 3.4 The Long-Term Strategy for the Sector was approved by the SADC Council of Ministers at their meeting in January, 1993. The strategy assesses the macro-economic environment and performance of the regions' economies and how this has impacted on human resources development efforts, identifies areas of priority and set out the role that the Human Resources Development Sector must play in order to ameliorate the problem areas as well as on how the Sector Co-ordinating Unit must be reorganised for concerted action towards appropriate human resources development in the SADC region.
- 3.5 A new structure based on Sectoral Programme areas has been introduced in the Sector to cover Research, Education and Training.
- 3.6 The Third Human Resources Development Symposium was held from 26 -30 April. The Symposium brought together HRD Contact Points, representatives of the other SADC Sectors and Co-operating Partners and other International Organisations. The Sector presented seven new project ideas to the Symposium to translate some of the objectives of the strategy into practical project proposals for implementation. These were endorsed by the meeting.
- 3.7 The Sector also conducted the study on the Long Term Financial Implications of Externally Funded Projects (Sustainability of Regional Human Resources Development Programmes). The final report of the study is now ready for analysis and detailed review by member States for subsequent discussions at a technical experts meeting to be organised within the year.

3. The publication of SKILLS, a Newsletter for the Sector has been revived after one year of non publication. Funding to publish the Newsletter has come from the Government of Swaziland. The first issue was circulated at the end of July 1993. For the future, it is proposed that the PTC Secretariat develop an in-house capacity to publish the Newsletter using modern, desk top publishing facilities.

4. CURRENT STATUS OF THE PROJECTS

A. PROJECTS UNDER THE RESEARCH PROGRAMME

Project No: AAA.0.4 SADC Inventory of Regional Training Programmes

The objective of this project is to provide adequate and updated information on post-secondary training institutions and their programmes in the SADC region. This is achieved through publication of an inventory handbook of regional training institutions and programmes. The first edition of the handbook was published in 1987.

Phase Two of the project involved publishing a new and updated version of the Handbook. This was concluded in 1992. The updated version was approved by the Human Resources Ministers at their meeting in June 1992 and it is now being distributed.

Regular updating of the inventory requires that capacity is built within the Regional Training Council Secretariat to undertake future revisions.

Project No: AAA.0.6 Fund for Studies and Experts in the Human Resources Development Sector

The objectives of this project are to finance short term technical assistance, studies and surveys to investigate critical issues in Human Resources Development. This includes a Series of National Surveys to Assess the Relevance of Education and Training for Available Job Opportunities. The project is funded by Germany and implementation started in 1986.

The fund has been used to finance the following activities which, apart from the Human Resources Development Sector, supported other SADC Sectors: Project Appraisal for SACCAR Postgraduate Training in Agriculture; Pilot phase of the SATCC-Railway Training project; Planning Workshop for Management Training; SADC Workshops on Processing and Marketing of Wildlife & Wildlife Based Tourism; Study on Tourism Training; Project Appraisal for MADREC and the Consultancy on the Human Resources Development Strategy. Two more

studies on Vocational Training for the Formal and Informal Sectors are planned to be undertaken under the project during 1993.

B. PROJECTS UNDER THE EDUCATION PROGRAMME

Project No: AAA.0.5 SADC Scholarships and Training Awards Programme

The aim of the programme is to support the training of SADC nationals in priority areas through sponsorship focusing on courses of shorter or longer term duration at institutions inside or outside the region. It involves the administration of Scholarships and Awards for the training.

The main Cooperating Partners for free standing scholarships, not tied to specific projects, are Britain, Portugal and Austria.

A total of 380 scholars have benefitted from the British Scholarships since 1985 and 14 trainees have benefitted from the training awards offered by Austria since 1989. On Portuguese scholarships, 4 trainees have been sponsored and the number is expected to increase, starting in 1994.

The effectiveness of the programme has been constrained by a number of factors, including:- difficulties encountered when following up pledges; inadequate information on critical areas of training needs; inadequate information from some donors on procedures to be followed in taking up the scholarships; poor identification of candidates and inadequate management capacity at the RTC.

Funding to expand the programme and for a study to investigate these constraints and recommend the required improvements to the programme are being sought.

Project No: AAA.0.9 Development of an Educational Network and Resource Centre for Teacher Education in the SADC Region

The immediate objective is to provide an organizational framework within which Teacher Educators in the SADC Region can participate in courses, seminars, workshops etc., which reflect current issues and needs in the field of teacher training.

The project is being reappraised in the light of the approved Long-Term Strategy of the Sector.

Project No: AAA.0.25

SADC Portuguese and English
Language Training Programme

This project is a combined reporting of former Projects AAA.0.13A and B. Funding was approved in February 1993 and project implementation for the English Language training component has begun. The Portuguese Language training component will start implementation in August 1993. Four Portuguese Language Training Centres have been designated for the pilot phase, one each in Namibia, Swaziland, Zambia and Zimbabwe. The Institute of Languages in Maputo is the implementing agency.

Project No: MAL.0.18

Establishment of a Regional
Ophthalmic Assistants
Training Programme in Malawi

The objective of this project is to expand the institutional capacity of the Lilongwe School for Health Sciences in Malawi to allow enrolment of students from the other SADC countries. The expansion of the school facilities was carried out. The SADC Scholarships and Training Awards Programme provides up to 15 awards to the course per annum, over three years (1991-94).

The project is on going and will come to a close in 1994.

Project No: MAL.0.19

Expansion of the B.Ed. at
University of Malawi
Polytechnic to facilitate
participation of students
from SADC member countries

The objective of this project is to expand the institutional capacity of the University of Malawi Polytechnic to allow enrolment of students from the other SADC countries in the B.Ed Programme for teachers and teacher educators in technical subjects. A scholarship component supports the expanded regional enrolment.

During the first phase of the project (from 1988-1990) 55 students from the SADC countries received training under the programme. Following recommendations of a mid-term evaluation of the project in June 1990, the project was extended by a further two years. The project is ongoing and will come to an end in 1994.

Project No: SWA.0.1 SADC Distance Education Programme

The objective of this project is to improve education and training through distance learning in the SADC region. This will be achieved through the

establishment of a Regional Distance Education Centre which will serve and strengthen existing national distance education institutions in the region. The project activities will include the following:-

- Information, Research and Evaluation of Distance Education in the SADC region;
- Training and Human Resources Development;
- Curriculum Development and Procurement of Learning Course Material.

Funding is being sought.

Project No: SWA.0.14 SADC Science and Mathematics Programme

The objective of this project is to improve Mathematics and Science education in the SADC region through establishment of a Unit at the regional level. The functions of the Unit will be to initiate and coordinate cooperative activities among member States and to develop training programmes for mathematics and science educators responsible for teacher training and curriculum development in the SADC member States.

Funding is being sought.

Project No: SWA.0.22 SADC Programme of International Baccalaureate at Waterford Kamhlaba College, Swaziland

The objective of the project is to provide scholarships for up to 36 students from Angola and Mozambique to enable them to study for the International Baccalaureate diploma at Waterford Kamhlaba College. This will adequately prepare them for tertiary level education in scientific and technical subjects. The course is of a two year duration. A preparatory year is provided to the students as a bridging course before embarking on their IB studies.

The EC is funding the project. Implementation of the programme started in January 1992. A second intake was enrolled in January 1993. The project is achieving good progress and a mid-term evaluation is planned for the second half of 1993.

6. PROJECTS UNDER MANAGEMENT AND SPECIALIST TRAINING PROGRAMME

Project No: AAA.0.3 Management Training at the Institute of Development Management (IDM)

The objectives of the project are to provide training to middle and senior level managers in the SADC region and to strengthen the capacity of the Institute of Development Management (a BLS countries institution) to undertake such training. The project is funded by Canada through the Canadian International Development Agency.

From 1987, a total of 557 middle to senior level managers have received training under the project. The project will come to an end in 1993.

Project No: AAA.0.15 SADC Study of Local Government Training

The objective of this project is to undertake a study to investigate existing capacity and the requirements for local government training in the SADC region, including the feasibility of establishing a regional local government training centre.

The first study completed in 1988 was considered to be inadequate and a second consultancy funded by NORAD, started implementation in June 1992. The final report of the study is now under review by the HRD Sector.

Project No: AAA.0.16 SADC Study of Statistical Training

The objective of this project is to undertake a study to investigate existing capacity and the requirements for statistical training in the SADC region.

The project is funded by the EC and it is currently under implementation. The final report is expected to be submitted by December 1993.

Project No: AAA.0.23 Training for the SADC Organs

The objective of this project is to provide training to SADC staff, including staff of the Sector Coordinating Units, Commissions, SADC Secretariat and Sectoral and National Contact Points. The training programme is divided into induction, generic and specialized training courses.

The EC has agreed to fund the induction training but implementation has been delayed due to operational management problems. ESAMI has been awarded the contract to execute the project. The HRD Sector, assisted by the Secretariat, will be responsible for managing the project. Dates and venues for the first courses will be announced by the RTC Secretariat soon.

Project No: AAA.0.24 SADC Regional Customs Training Programme

The objectives of the project are to improve the professional expertise and managerial skills of customs officers in the SADC member States through training, and also to strengthen internal training capability of the various Customs Administrations. Phase I of the project will involve Botswana, Lesotho, Namibia and Swaziland. Phase II is planned to involve all the SADC member States.

A financing agreement between SADC and EC was signed in February 1993. Draft tender documents for implementation are now under review by the RTC Secretariat.

Project No: AAA.10.5 Senior Managers Training in Road Traffic and Transportation for the SADC Region

This project forms part of a larger road traffic and transport training plan developed by a SATCC Task Group to involve management, operations, vehicle maintenance and regulatory training. The objectives of this senior managers training project are to undertake in-service training of senior managers in road traffic and transport and to strengthen local training capability in road traffic and transport management.

Funding is being sought.

Project No: SWA.0.2 SADC Accountancy Training Programme

This is a large project aimed at improving accountancy skills and local accountancy training capability in the SADC region. The project has a number of modules that may be funded separately. Ireland funded a project coordinator who was also to introduce the Module on Common Examinations Scheme and the EC agreed to fund a study to assess and evaluate available teaching materials as the first step towards the development of the Module for provision of common teaching materials.

Ireland's assistance ended in November, 1992. With regard to the study to assess and evaluate available teaching materials, the consultants engaged failed to fulfil the contract and another study has, therefore, to be launched.

Project No: SWA.0.21 Management Development Project (MRU)

The objectives of this project are to improve managerial skills in the SADC region through training of senior managers and to strengthen local management training and consulting capability of existing management training institutions.

The project was initially funded by USAID from 1987 to 1988. From 1988 to 1992 it was funded by Germany. A total of 420 senior managers, trainers and consultants have received training under the project.

The project is currently undergoing an evaluation to determine whether it should continue operation into a second phase or not.

Project No: SWA.3.1 SADC Agricultural Management Training Project

The objective of this project is to provide agricultural management training to 360 middle level managers in the SADC region.

The project is funded by the EC and started implementation in 1991. Progress of implementation has been as originally planned. In 1992, a supplementary proposal was approved to include Namibia and the courses for Namibia are being held during 1993.

The project is due to end in December 1993. A mid-term evaluation has been undertaken and its recommendations are being reviewed by the HRD Sector.

D. NEW PROJECTS

Council is invited to note that, at its Meeting in Mbabane, in June 1993, the committee of SADC Human Resources Development Ministers considered, and recommended for approval seven new projects. Council is invited to approve the projects:-

1. RESEARCH PROGRAMME

1.1 Determination of active labour market information systems and institutions in the region

The problem to be addressed by this project is the mismatch of labour demand and supply and the lack of consolidated information on the demands of the labour market and the ability of Regional training institutions to meet this.

The objectives of the project are:

- . to make available and accessible information on the present and future labour market requirements;
- . to ensure that graduates of training institutions meet the needs of the labour market, thereby reducing the gap between labour market demand and supply.

The implementation of the project will take 3 years. The indicative budget for the project is US\$2.3 million.

1.2 Study to assess the feasibility of achieving comparability of education and training systems in the Community

The problem to be addressed by this project is that of the free movement of students, teachers and labour within the Community, where this is restricted by a problem of the differences in educational and training systems and standards. The objective of this study is to identify a system of comparing exit qualifications and their equivalence, to achieve mobility of students, trainees and labour across the community.

The implementation of the study will be over a period of three months. The indicative budget for the project is US\$209.000

2. EDUCATION PROGRAMME

2.1 Strengthening education policy analysis, planning and implementation capacity in SADC

This programme is aimed at improving capacity for education planning and management so that education systems can be relevant and responsive to the requirements of the labour market. Currently the education systems of member States are characterized by inappropriate curricula,

inadequate numbers of qualified teachers, high pupil/teacher ratios, shortages of teaching and learning materials, to name a few. All these have implications for policy and planning.

In order to address these problems the programme is divided into three components:

1. Improvement of Education Policy Analysis and Formulation

The objective of this component is to improve the skills of senior officials in education policy analysis, formulation and evaluation, so that they can come up with appropriate policies to address critical issues in education.

2. Strengthening Educational Planning Capacity

The objectives of this component are:-

- to improve the capacity of education planners;
- to improve the curricula for education planning in relevant training institutions.

3. Improving management of Education at the Policy Implementation level

The objective of this component is to improve the managerial and supervisory skills of senior personnel at the education policy implementation level so that they are better able to manage, monitor and supervise the implementation of education policies and plans.

The proposed implementation period for all components is five years and the indicative budget for the study phases is US\$500.000. The indicative budgets for operation of the various components will be determined during the study phases.

2.2 Study of availability, affordability and accessibility of books and related teaching and learning materials in SADC

Teaching and learning materials are becoming more and more costly as a result of declining economies. Subsequently, schools and parents are often unable to provide text books and other teaching materials. This then results in limited

access by pupils of these very critical inputs into the education system.

The objective of this study is to investigate how these materials can be made available and affordable, and, hence, accessible to schools and pupils in the Community.

The proposed implementation period of the study is 6 months and the total cost is estimated at US\$97,000.

3. MANAGEMENT AND SPECIALIST TRAINING PROGRAMME

3.1 Establishment of two Regional Centres of Specialisation for Education and Training in:-

- (a) Management and Business Administration;
- (b) Public Sector Administration and Management.

The Southern African Development Community continues to suffer a critical shortage of trained and experienced administrators and managers as well as limited opportunities for advanced education and training for these areas due to inadequate capacity of training institutions. This is especially the case for high level and practising administrators and managers.

This project aims at:-

- . Establishing two long term post graduate programmes and two short term executive development programmes in selected existing University institutions to train practising managers and administrators.
- . Expanding opportunities for high level education and training in public sector administration, management and business administration in the region.
- . Strengthening the capacity of the selected institutions to graduate school levels.
- . Contributing towards improved performance of organisations and ultimately the economies of the SADC member States.

The implementation of the project will contribute towards increasing the availability of highly trained managers and administrators in the region, thereby improving the performance of their employer organisations. The project is

proposed to be implemented over a five year period and the indicative budget is US\$7.6 million.

3.2 Development of a Regional Capacity to Develop Local Teaching Materials and Especially, Case Studies in Public Sector Administration, Management and Business Administration.

Education and Training programmes in public sector administration, management and business administration currently being offered in SADC training institutions have one major area of weakness. This is the overwhelming dependency of the training programmes on imported western approaches and cases. This dependency has tended to make the training too theoretical and far removed from the demands of the local environment and the work situation of the students and trainees alike. Education and training that is wholly foreign based and too theoretical in approach and content is particularly unsuitable for mature students and trainees such as those who attend post experience, executive development and post graduate programmes.

This project is aimed at:-

- . training to a professional level, a critical mass of researchers, lecturers and teachers in administration, management and business administration to produce local teaching materials and especially case studies.
- . To achieve the necessary institutional framework for researching, editing, and making available the teaching material and case studies to training institutions.

The implementation of this project will contribute towards making education and training in management and administration relevant to local experiences and conditions in the region as well as increasing the availability of locally developed teaching materials and case studies. The project will also support the proposed post graduate and executive development programmes at the regional centres of specialisation. The project is proposed to be implemented over a five year period and the indicative funding is US\$337.000.

3.3 Capacity Building of the HRD Sector Coordinating Unit (RTC)

The HRD Sector Coordinating Unit has been perceived in the past as being weak and reactive rather than proactive and providing the necessary leadership for SADC Human Resources Development issues. However, recent positive developments have increased the confidence of the Community in the Sector.

This project aims to complement and build upon these positive developments to enhance the capacity of the Regional Training Council. Five components form the proposed project:-

- . Technical assistance.
- . Development of a desk top publishing capability and creation of a documentation centre.
- . Development of a capacity to update the Inventory of Regional training institutions on a regular basis.
- . Computerisation of the accounting systems.
- . Assistance for ongoing consultation and effective project monitoring and supervision.

The project is proposed to be implemented over a four year period and the indicative funding is US\$2.3 million.

INDUSTRY AND TRADE**1993 ANNUAL PROGRESS REPORT****PRESENTED BY THE GOVERNMENT OF TANZANIA****1. EXECUTIVE SUMMARY**

1.1 During the period under review coordination efforts in this Sector continued to focus towards the formulation of regional policies, strategies and programmes. In this endeavour the programme activities undertaken in 1992/93 include the following:-

- A draft framework for the implementation of Regional Industrial Projects (RIPs) has been completed.
- The preparation of the Trade Development and Promotion Strategy is in the process of being finalised. It will complement the Industrial Development Policies and Strategy which was formulated and adopted in 1989.
- Programme activities relating to the development of industrial and trade support services concentrated on on-going projects especially with respect to those on Standardization and Quality Assurance (SQA). In this context the following specific projects are under implementation.
 - Project AAA.12.1(1) Establishment of National Standards Bodies
 - Project AAA.12.1(3) Information Exchange and Training
 - Project AAA.12.1(5) Quality Testing and Development
- Workshops were held to discuss the following studies:-
 - Industrial Research and Development and Capability Building in the SADC region.
 - SADC Trade Development and Promotion Strategy.
 - The Development of Fertilizer Industry in the SADC region.

1.2 The total cost of the Industry and Trade programme is USD 11.88 million, of which USD 2.32 million has been secured mostly from external sources. The summary of the funding status of projects is appended as annex 1.

1.3 In the course of implementing the SADC Industry and Trade programme of action, the Sector encountered a number of problems including mainly the following:

- problems inherent in the nature of legally non-binding cooperation arrangements under the former Southern African Development Coordination Conference (SADCC);
- problems relating to those programmes which touch on other organisations; and
- problems arising from shortage of resources.

In this respect, the above problems seriously affected the implementation of some of the programmes under-review including the following programme activities:-

- (i) reviewing, up-dating and publication of existing investment policies and regulations of the member States;
- (ii) harmonisation of economic policies and business practices that facilitate:-
 - improvement of the regional investment climate;
 - regional cross-border investments;
- (iii) consultations (e.g. through country visits, workshops) aimed at facilitating exchange of experiences in the area of investment mechanisms and practices amongst member States.
- (iv) the development of specific intra-SADC trade incentives, such as tax rebates, retention schemes, business travel, use of OGL, etc.;
- (v) designing in cooperation with other regional/international organisations, appropriate, simplified, standardized and harmonized:
 - trade rules and regulations;
 - customs documentation and procedures;
 - customs tariffs.
- (vi) Study on the establishment of Comprehensive Export Financing Scheme.

1.4 The establishment of the Southern African Development Community (SADC) on August 17, 1992 marked a new approach in efforts to strengthen regional economic cooperation. It also expressed the ultimate desire of the member States to transform their national economies into an integrated self-sustaining regional economy. In this convection,

industrial and trade development would be crucial for successful regional economic integration and for the structural transformation of the region's economies.

1.5 In order to promote regional economic integration in industry and trade, SITCD would be directing its efforts towards facilitating resource mobilisation, cross-border investments and the creation of a regional market. The starting point would be the preparation of protocols on regional cooperation. A number of protocols would thus be required to cover the various aspects of regional cooperation in the field of industry and trade and the related aspects of investments and finance. Guidelines for the preparation of the protocols have been prepared and draft protocols are expected to be ready for consideration by February, 1994.

2.0 REVIEW OF THE REGIONAL SITUATION

2.1 According to the 1992 SADC Annual progress report, during the period of 1990/91, all SADC countries except Zambia recorded positive GDP growth rates. The performance was slightly better for 1991 when on average GDP grew at 4.2% as compared to 3.4% in 1990. GDP figures for 1992 are not available for most SADC countries. However, the performance of 1991 was unlikely to be sustained in 1992 mainly on account of the 1991/92 severe drought which covered the whole of Southern Africa and parts of East Africa.

2.2 Statistical data on the performance of the manufacturing sector and intra-SADC Trade for 1992 is not easily available for most SADC countries. However, it would appear that the manufacturing sector and trade still remain the main focus of the economic reforms being implemented in most SADC countries; including efforts to liberalise and to create enabling investment and trade conditions. These measures have not as yet produced the expected impact; at least in terms of capacity utilisation and increased new industrial investments and intra-regional trade. Statistics representing the growth rate of Manufacturing Value Added (MVA) for four countries including Botswana, Namibia, Tanzania and Zambia indicate that only Namibia posted an appreciable growth rate of MVA of 7.4% in 1992 from 5.1% in 1991. On the other hand Tanzania's manufacturing sector performed poorly posting 1.9% in 1992 from 4.3% in 1991. Zambia posted negative growth of -4.2% in 1992 from -7.6 in 1991. (See table 1 below). The main contributing factors to the poor performance of the manufacturing sector in most SADC Countries include old machinery, inadequate capital and economic infrastructure, management and liquidity related factors.

TABLE I

GROWTH OF MANUFACTURING VALUE ADDED (MVA)

Country	Growth % p.a.		
	1990	1991	1992
Angola	-	-	-
Botswana	11.7	6.6	6.4
Lesotho	-3.9	4.5	-
Malawi	11.3	3.0	-
Mozambique	-	8.0	-
Namibia	5	5.1	7.4
Swaziland	-	-	-
Tanzania	7.84	4.3	1.9
Zambia	7.8	-7.6	-4.2
Zimbabwe	4.4	5	-

Source: - Member States

- 2.3 The political and security situation in the region has continued to improve with South Africa coming to terms with the international community on the need to abolish the apartheid system. In Angola pressure is being put on UNITA to accept rules of the game in multi-party democracy. In Mozambique, a peace accord has been reached and signed and the country is marching towards peaceful multi-party democracy. Thus, as a whole, the region is looking forward to a more peaceful political environment in which trade and industrial growth is expected to take place.
- 2.4 It is particularly important to note that the admission of South Africa into the world community, and particularly as a potential SADC member State would usher in a new setting of cooperation arrangements in Southern Africa. South Africa's involvement in close regional cooperation and intergration could bring benefits to SADC Countries and South Africa itself. The enlarged market with free movement of goods, people, capital and human resources could spur growth and development throughout the sub-continent. It could also allow certain economies of scale to be realised and for the development of new lines of production of industries supplying the regional market and those drawing inputs and components from several regional suppliers. The involvement of South Africa could also enable SADC countries to benefit from its technological capabilities developed over the years. However, the present relations between SADC Countries and South Africa are highly unbalanced in favour of South Africa's domination over SADC Countries in trade, flow of investments, transport systems and employment of migrant labour. In recent years there has been a significant drive

by South Africa to increase its economic interaction with SADC countries. In order to avoid continued domination by future democratically ruled South Africa, it would be necessary for the the SADC countries to be pproactive in dealing with South African enterprises.

- 2.5 The recent policies of developed countries and international organisations on aid and donor assistance for the developing countries have influenced a majority of SADC member governments to reform their political and economic systems. Thus most SADC Countries have opened up their political systems by adopting multi-party democracy. On the economic front, the reforms have characterised the liberalisation of economic management through market forces and improvement of business environment.
- 2.6 The creation of single European market is also likely to affect SADC Countries which are linked to EC through the successive Lome conventions. At this stage it is hard to be precise about the impact of the single European market on SADC countries because the internal gains and external effects depend critically on the reponse of the EC economy to the opportunities to be provided by the intergration. It is, however, envisaged that the creation of a single EC market will create more barriers to trade and also allow protectionist measures by EC and that could cause a lot of problems for exports from developing countries including the SADC member States. The preferential treatment on exports from ACP countries will have to be multilateralised as a result of common external trade policies of the EC. The creation of the single European market will also result into competition for EC resources between ACP countries and Greece, Spain and Portugal as imediate competitors. Furthermore, the other competitors for the same resources would be former socialist European countries. The STABEX facility which was created to safeguard the ACP States purchasing power will be eroded. There will thus be no guaranteed access to EC market.
- 2.7 On the other hand the GATT spirit for freer and fair international trade relations between developed and developing countries should be maintained. Trade policies and practices that would grant our exportable products greater market access in the developed countries will enhance both our export production capabilities and competitiveness. With this objective interest in mind, SADC Countries have all along maintained an active participation in the GATT rounds of negotiations for increased trade liberalisation. The current round of talks termed as the Uruguay round, which started in September 1986 has an agenda beyond the simple trade liberalisation issues to include other areas, namely the main proposals for the introduction of textiles and clothing, agricultural and tropical and natural resource based products into GATT. The talks also focus on proposals for extending liberalization to cover trade in services.

The GATT Uruguay Round which was scheduled to be finalised by December, 1990, has encountered protracted disputes and stalemate because of sensitivity of the issues involved and contending interests between the developed and the developing countries. The GATT Article XVIII for example which allows limited import restrictions to improve balance of payments has attracted divergent perceptions and interpretations and therefore conflicts about its application.

As we are closely entering the 21st century SADC shares the renewed enthusiasm in improved international trade relations and fairness, as a logical measure that will help bring about development for our region. The success and pace towards this goal will largely depend on the concerted efforts and cooperation between the developed and the developing countries.

3.0 REVIEW OF THE PROGRAMME

3.1 The Industry and Trade Sector consists of the following programme elements:-

- Industrial development
- Trade development
- Industry and Trade Support Services.

3.2 In efforts to build SADC, programmes in the Industry and Trade Sector are to include the preparation of protocols to address regional integration in investments and finance, trade facilitation and support services. In this respect, the meeting of the Council of Ministers which was held in Harare, January, 1993 agreed on a timetable for launching the Community and areas for reaching early integration agreements. The areas earmarked include industry, investment and trade, especially with respect to the following:-

- the facilitation of cross-border investment;
- the removal of tariff and non-tariff barriers to trade, and overcoming the current payments problems;
- the mobilisation of resources through the creation of a network of commercial banking, development finance and capital market services.

Guidelines for the preparation of protocols have been prepared and considered by the SADC Industry and Trade Ministers Committee. The guidelines are that:-

- the focus of this Sector should continue to be industry and trade development of the region;

- umbrella protocols in the field of industry and trade and related aspects of investment and finance should be prepared as follows:-

- (i) Industry and Trade
- (ii) Support Services
- (iii) Investment and finance.

- On the basis of the umbrella protocols, consequential protocols on specific areas will be developed;
- the protocols to be prepared should be as practicable and comprehensive as possible;
- In preparing the protocols account of the existing bilateral and multilateral cooperation arrangements, including the African Economic Community should be considered;
- the time frame for completing preparation of draft protocols is February, 1994.

3.3 The other programmes would focus at the implementation of ongoing sectoral projects in as much as these re-enforce the preparation of the protocols. The ongoing programmes include:

3.3.1 Industrial development

In implementing the SADC Industrial Development Policies and Strategy, programme activities include:-

(a) Investment Climate

This programme is directed towards facilitating the harmonisation and improvement of investment policies and mechanisms in the SADC region.

SADC governments have continued to take practical measures to create an enabling investment climate including:-

- the democratisation of political systems;
- liberalisation of economic management;
- establishment of one stop investment promotion centres;
- elimination of bureaucratic practices and regulations;
- improvement of banking systems and establishment of competitive financial intermediaries; and

- involvement of the private sector in the management of the economy.

At the regional level the following programme activities were approved for implementation during 1991 period:-

- (i) reviewing, up-dating and publication of existing investment policies and regulations of the member States;
- (ii) harmonisation of economic policies and business practices that facilitate:-
 - improvement of the regional investment climate;
 - regional cross-border investments;
- (iii) consultations (e.g. through country visits, workshops) aimed at facilitating exchange of experiences in the area of investment mechanisms and practices amongst member States.

The above programme activities could not be implemented mainly because they touch on national economic policies in a non-legally binding cooperation arrangement (SADCC). Shortage of resources also contributed to failure in updating and publication of existing investment policies and regulations of member States and the carrying out of consultations.

In this context member States which have updated their investment codes are urged to make them available to SITCD.

(b) Regional Industrial Projects (RIPs)

- **Framework for the implementation of RIPs.**

The draft proposals on the framework for the implementation of the RIPs have been completed after consultations with the enterprise community. The main aspects of the framework include the following:-

- (i) ownership;
- (ii) criteria for designating RIPs;
- (iii) machinery for approving RIPs;
- (iv) preferences:
 - market access;
 - investment incentives for RIPs;
- (v) financing of RIPs;
- (vi) the role of SITCD.

The framework would constitute an input into the preparation of the industry and trade protocols.

• **Study on the development of fertilizer industry in the SADC region**

A workshop was held at Harare on 17 - 19 April 1990 to discuss the findings from the study. It made proposals and conclusions aimed at what should be done in order to develop the fertilizer industry in SADC Countries.

The major findings of the Workshop were that:

- The fertilizer consumption in the SADC region was very low due to weak agricultural policies, high transport costs and supply bottlenecks including inefficient production, procurement and distribution system.
- The existing manufacturing facilities in the SADC region are old, inefficient and, with a few exceptions, in poor operating conditions.
- The supply of fertilizer in the SADC region is highly influenced by output of local production, availability of foreign exchange, procurement procedures and seasonal droughts.
- Because of the local production and foreign exchange constraints, the SADC region is highly dependent on fertilizer imports which are mostly donor funded.
- There is lack of Coordination and Cooperation among the various institutions dealing with fertilizers especially at policy level.
- South Africa constitutes the major supply point and market for fertilizers in the Southern African sub-region.
- There exists abundant and proven raw materials in the SADC region for the production of fertilizers including natural gas, phosphate and potash.
- Most SADC countries are liberalising the production, procurement, marketing and distribution of fertilizers.

In the light of the major findings, the workshop made the following conclusions:-

- **Assuring and exceeding food security through the agricultural development potential of the region is the most important goal of the fertilizer industry;**

- The role of the governments should be re-orientated away from day to day involvement in the fertilizer sector and concentrate on policy issues;
- Improvement of local fertilizer manufacturing facilities can be enhanced through adequate foreign exchange allocation, plant maintenance, regional technical cooperation and training;
- Greater fertilizer consumption can be achieved by reducing transport costs, and improving procurement, production, marketing and distribution systems;
- The World Bank optimization model should be considered for analysing the fertilizer production.

In order to respond to the proposals and conclusions made by the workshops, implementation of the following activities would be required:-

- Member States should implement, as appropriate, the workshop's recommendations directed at the national level;
- SITCO should facilitate the following:
 - exchange of information in the development of the fertilizer industry amongst the member States;
 - liaising with the business Community in the promotion of investments in the industry;
 - promoting the proposed World Bank optimisation model for development of the fertilizer industry in SADC countries.
- Formation of an expert group on the development of the fertilizer industry to meet regularly to review the fertilizer industry and implementation of agreed programmes. The group will work as a technical arm to SITCO, and its composition would ensure balanced representation of suppliers and consumer interests. Members of the group will rotate after every two years.

3.3.2 Trade Development

The SADC trade programme and activities are designed to address trade obstacles besides the region's aspirations of increasing trade. In this context, efforts are being made to promote regional trade based on the following programme activities:

(a) Trade Facilitation

On the basis of a workshop on a study addressing the issue of trade facilitation in the SADC region, SADC member States would be required to implement, as appropriate, the following activities:-

- (i) harmonization of trade rules and regulations;
- (ii) monitoring and evaluation of national currencies;
- (iii) improvement and coordination of the existing infrastructure;
- (iv) establishment of Comprehensive Export Financing Schemes (CEFs), to be incorporated in the commercial banking system;
- (v) expansion of correspondent banking plans, and improvement of banking procedures;
- (vi) simplification, standardization and harmonization of procedures and documents;
- (vii) acceding to the Harmonization Commodity Description and coding system (HS).

At the regional level, the following programme activities were approved for implementation during the 1992/3 period:-

- (i) the development of specific intra-SADC trade incentives, such as tax rebates, retention schemes, business travel, use of OGL, etc.;
- (ii) to design in cooperation with other regional/international organisations, appropriate, simplified, standardized and harmonized:
 - trade rules and regulations;
 - customs documentation and procedures;
 - customs tariffs.

The implementation of the above programme activities was not achieved mainly because they touch on other organisations including PTA. However, under the SADC Treaty, proposals on this programme will be incorporated in the protocols.

(b) Study on SADC Trade Development and Promotion Strategy

A workshop was held at Maseru, Lesotho, March 2-3, 1993 to discuss the findings of the Trade Development and Promotion Strategy study and draw recommendations to be taken into account when formulating the

strategy. It made several proposals and conclusions aimed at alleviating existing problems which negatively hinder the development of both intra and inter-SADC trade.

The proposals and conclusions covered the following areas:

• **Market development:**

- Making national currencies convertible within the region through designing of appropriate financial mechanisms and the involvement of relevant financial institutions.
- Promoting greater use of the existing regional clearing facilities.
- Promotion of effective participation in trade fairs and trade missions, including strengthening of trade information exchange systems and trade centres; publishing and distributing trade directories.
- Liberalisation of cross-border trade and investments, elimination of prohibitive taxes hampering trade, facilitation of free movement of persons and goods within the region.
- Strengthening existing national standards bodies and/or establishing new bodies, including opening packaging quality focal points.
- Establishing packaging information service and motivating greater use of the same.
- Developing quality assurance systems at company and national levels.
- Establishing information on standardization and quality assurance plus data bases in all SADC countries and soliciting their use.

• **Trade Financing Mechanisms**

- Encouraging private and public sector dialogue to enhance government commitment to create a conducive climate for the enterprise sector to develop and increase trade.
- Governments assistance in devising and maintaining necessary measures for efficient generation and provision of foreign exchange to finance trade.

- Greater use of the Norsad fund as one of the financing sources to enhance trade and investments within SADC.

• Transport and Communications

- Rehabilitation and maintenance of the transport infrastructure in SADC member States.
- Establishing dry-ports to speed up transit time.
- Coordinating transport rates, routes and connections including promotion of joint airline operations.
- Relaxation of the visa requirements to facilitate easy movement of persons within the region.

In order to proceed with the finalisation of the trade strategy document the following programme activities and consultations by SITCO would be crucial:

- Holding consultations with PTA on areas of mutual interest including use and the operations of both the Clearing house and the Trade development bank.
- Undertaking consultations with EEC on the operation and impact of the single European market.
- Consulting SACU member States on their institutional mechanisms and the effect on trade development.
- Consulting Mauritius and other countries in the region and learn from their experiences on the operations of the "Export Processing Zones" as part of the trade development strategy.
- Undertaking consultations with major donor agencies on issues of financing and procurement procedures which have an impact on the direction of trade for SADC member countries.

The final draft document on SADC trade strategy will be made available to Member States for consideration in January, 1994.

3.3.3 Investment and Trade Finance

This programme is aimed at encouraging development of capital markets and mobilisation of domestic savings and foreign exchange to finance industrial investments and export trade. In this regard, the following programme activities have been initiated:

(a) Study on Cross-Border Investment Facility

The programme involves establishment of Cross-Border Investment Facility. It is intended to overcome financing constraints to investments across national boundaries. A study on the establishment of the facility has been prepared and is under review.

(b) Comprehensive Export Financing Scheme (CEFS)

The programme incorporates both Export Pre-financing Revolving Fund (EPRF) and Export Credit Facility (ECF) and is intended to increase investments in the sub-region.

The revised terms of reference for a study have been completed taking into account the existing changing economic environment. Negotiations for funding the project are in progress between SADC and USAID.

(c) Counter Trade Agreements

These agreements are based on reciprocal commitments for trade exchanges. They were initiated mainly in order to reduce dependency on the utilisation of foreign exchange in financing export trade and to promote non-traditional exports. The programme involves the conclusion of counter trade agreements between trading partners within the SADC region and between SADC business enterprises and their counterparts in the rest of the world.

(d) NORSAD Fund

The NORSAD Fund, established since January, 1990 within the broad context of SADC/Nordic cooperation, is intended to provide a foreign exchange revolving facility to promote joint venture investments particularly to exporting firms drawn from SADC and Nordic countries.

Over the period the Fund through its Agency in Lusaka has received and approved a number of project proposals. These include a security company in Angola, a telephone company and a mechanical engineering company in Zimbabwe, a fruit processing plant and a mining company in Zambia and a hotel project in Tanzania. However, most of them have experienced delay in disbursement due to rigid conditions of the Fund which made the facility inaccessible and unattractive to most entrepreneurs. The hotel project is the only one that has received actual funding so far, amounting to DKK 20 million.

To correct this situation, the Fund has made some major improvements which now make the conditions for the utilisation of the fund more flexible and competitive. This has raised the prospects of increased Nordic-SADC investments and trade in the SADC region.

The programmes on trade financing, including promotion of capital markets and investments within SADC as well as cross-border investments, will have to be incorporated in SADC Treaty protocols.

In addition to regional efforts mentioned above, member States would be required to establish strong financial markets, including stock exchanges, as a means of mobilising financial resources to finance private investments.

3.3.4 Industry and Trade Support Services

The Industry and Trade support services including: the development of capabilities for product design and Engineering, Industrial Research and Development (R&D), Standardisation and Quality Assurance (SQA), market research, industrial management and skills development, consultancy services and exchange of information between member States are necessary for sustained industrialisation and promotion of regional trade.

The Industry and Trade Support services in most SADC countries are not sufficiently developed. In this regard, the following strategies have been adopted to create and strengthen national/regional technical capacities for support services:-

- To undertake regional surveys of existing industrial support services in SADC countries.
- To prepare programmes for establishing and strengthening national capacities for support services.
- To promote regional cooperation in the management and utilisation of existing industrial support services and to encourage joint establishment of regional institutions.

So far efforts have been made to initiate programmes for the following support services:

- **Standardisation and Quality Assurance**

SITCD has established a group of experts to promote development of SQA programmes. In this regard, programmes relating to the establishment

and strengthening of existing NSBs, harmonisation of standards and certification schemes, information exchange and training, quality testing and development are being implemented.

- **Information Exchange Centre**

SITCD is establishing Industry and Trade Information Exchange Centre in Dar es Salaam. Further development of the centre is being reviewed in the context of cooperating with the SADC Regional Business Council (SRBC).

- **Study on industrial research and development capability building in the SADC region**

A workshop was held at Arusha in July, 1992 at which the experts from the member States discussed the findings of the study. It recommended a number of measures to be taken both at the national and the regional level for coordination, rationalisation and performance improvement for IR & D activities.

The main findings of the workshop were that:-

- inadequate financial allocation to R & D institutions was directly linked to the poor performance of the national economies. Inadequate resources has also made these institutions to resort to activities that generate immediate revenue to enable them survive. In the process they tend to abdicate from their principal objectives and functions as service institutions. The workshop identified three sources of finance for R & D. These were government funding, commissioned R & D work financed by companies, i.e. contract research, and international donor agencies.
- the immaturity of many of the institutions, some of which are only 10 to 15 years old. Given the many constraints faced by these institutions, especially lack of critical mass of researchers and inadequate financial resources, it was not surprising that their contribution to industrial development would be minimal at this stage. In contrast, most institutions in developed countries were not only older but were well financed and had the necessary manpower.
- The objectives and mandate of many of the R & D institutions tended to be too broad, spreading the resources thinly over many areas thus resulting into minimum impact.

- Inability of R & D institutions to prepare bankable projects and the lack of involvement of the would be end users of the results of research activities who are usually the enterprise community has diminished the chances of commercialization of results and hence the general lack of confidence in research results and products.
- There is noticeable absence of cooperation among and between the R & D institutions on the one hand, and between them and the enterprise community on the other.

On the basis of the above findings the following measures have been recommended:-

- (a) Member States and SITCD where appropriate, should implement workshop proposals directed at the national level including the following:-
- Governments should review and streamline the objectives and functions of R & D institutions in relation to Industrial R & D activities to enable institutions better achieve their goals and build up capabilities.
 - Governments should set national priorities with regard to R & D so as to guide the activities of R & D institutions.
 - Governments should ensure adequate funding for the R & D activities.
 - Donor funding as an alternative source of funds while acceptable, clear terms should be made by the donor and recipient to avoid frustration and misunderstanding during implementation of the programmes.
 - the enterprise community should be urged and encouraged to take an active part in the Industrial Research activities.
 - the IRD institutions and the enterprises/industries should be encouraged to cooperate in industrial research activities for their mutual benefits.
 - Researchers should be given due recognition by the Governments and their remunerations adjusted accordingly.
 - Individual member states should work out specific projects in the form of detailed bankable projects for implementation. Priority applied

research areas should be directed towards basic industries including:-

- Food technology
- Building materials
- Industrial Chemical
- Metal engineering.

(b) SITCD should formulate a regional programme of action based on the following to be rationalised with other support services programmes such as small scale industry technology development and transfer:-

- training and twinning arrangements within the region and overseas;
- information exchange on technological and research developments;
- mechanism for sharing research facilities and results.
- mechanisms for technology transfer within the region and other international organisations
- mechanisms for sharing experiences/knowledge on patents and property right protection.

(c) Formation of an Expert Group which would meet regularly to assist in the formulation and the implementation of the programme proposed under 3(c) above. The formation of the group and the formulation of the regional programme should take into account and or incorporate other decisions relating to the wider sector of Science and Technology.

(d) SITCD should be pro-active in publishing a list of IRD institutions in terms of their programmes and current activities. This information could assist in marketing the activities of these institutions and also in obtaining technical assistance.

• **Industrial Management and Skills Development**

Consultations with the Human Resources Development Sector are in progress to develop an action plan for the implementation of this programme. In April, 1993 a Human Resource Development Symposium was conducted in Swaziland where other sectors had the opportunity to discuss sector specific projects to be derived from the respective sectoral strategies for the attainment of both short and long term objectives.

Small Scale Industry Technology Development and Transfer

The regional programme on the promotion of small scale industry technologies focuses at facilitating cooperation in the utilisation of training facilities, exchange of information and the establishment and strengthening of technological institutions in SADC countries. An expert group would be established to coordinate programme implementation.

3.3.5 Involvement of the Business Community

This programme activity is aimed at enhancing the active involvement of the enterprise community in concretising industrial and trade opportunities in the regional context.

The establishment of the SADC Business Councils at national and regional levels is an important initiative in mobilising the enterprise community in the region.

Through Memorandum of Understanding between SITCD and SRBC, the Export Manager for Loan programme has been transferred to SRBC for implementation. SITCD is also consulting with SRBC to undertake jointly the establishment of an information exchange system for the sector, the counter trade agreements under SUKAB, the alignment of trade fairs within SADC and the financing issues under Norsad fund since all these have a greater bearing on the enterprise community.

The enterprise community is expected to play an important role in the preparation of the proposed protocols.

4. CURRENT STATUS OF PROJECTS

A summary of each project in the programme is presented below:-

4.1 Overall coordination

Project AAA.0.1 Support to SADC Industry and Trade
Coordination Division

The first phase of the project terminated in October, 1991. A one year contract for the second phase of the project was signed in December, 1992. The project provides support to strengthen the technical capacity of the coordination unit, through the assignment of short-term consultants and the provision of equipment. The project is supported by the Nordic countries.

4.2 Industry and Trade Support Services

Project AAA.12.1 Standardization and Quality Control

The SADC Expert Group on Standardization and Quality Assurance held its 8th meeting in Windhoek in April, 1993. The group reviewed the status of programme implementation as reflected below.

Four of the ten SADC countries have National Standards Bodies (NSBs), namely Malawi, Tanzania, Zambia and Zimbabwe. The other six member states are in different stages of establishing NSBs or national systems for standardization and quality assurance; of these Mozambique has passed a law for the establishment of a NSB. The existing NSBs are all in a phase of development or expansion.

The African Regional Organization for Standardization (ARSO) and the PTA have also programmes on SQA, similar to that of SADC. In order to avoid possible overlapping and waste of resources, SITCD has initiated coordination meetings between the three organizations. These consultations have continued during the period under review. In February, 1993 SITCD met with PTA in Lusaka.

Project AAA 12.1 (1): Establishment of National Standards Bodies

Nuclei have now been established in Angola, Botswana, Lesotho, Mozambique, Namibia and Swaziland. The nuclei are responsible for coordination of all SQA activities both at National and Regional levels. Assistance in establishing these nuclei is provided by ITC under a regional project funded by the Finish Government and in some cases complemented by bilateral assistance.

In addition to what was reported during the 6th Ministers Committee Meeting, the following new developments have taken place since then:

Angola: A national seminar on QM & QA project was held in November, 1992.

Botswana: The draft Standards Act proposal is now awaiting final drafting by the Attorney General's Chamber. The two-year GTZ sponsored Technical Assistance has commenced. Under ITC/SADC project, a total of 141 workers were given in-house training and under DMV/SADC Training project a total of 7 companies participated.

Lesotho: The draft Standards Act is awaiting to be tabled to the parliament before it can be gazetted. An ad hoc Food Quality Control Group was established to advise the Food Management Unit on the future

of consumption of food commodities donated to Lesotho. Under DNV/SADC training a total of 7 companies participated.

Malawi: Malawi Bureau of Standards (MBS) continues to produce Export Packaging Information Service (EPIS) and Export Quality Information Service (EQIS) newsletters. The updating of the ITZ developed PACKDATA and the MBS Standards Database (SUPERDOC) is on-going. Installation of the final version of the QUALIDATA and QUALICONTACT is under implementation. The World Bank under country programme is providing technical assistance in the area of Export Quality System which includes provision for food analysis testing equipment and renovation of the laboratory.

Mozambique:

The Standards Act for the establishment of Mozambique's National Institute for Standardisation and Quality (INNOQ) has been approved. A five year plan of activities has been drawn up and will start with Standard writing and Quality Assurance activities.

Namibia: Namibia's own quality mark was registered in February 1993. The South African Bureau of Standards (SABS) has agreed to be the enforcing agent of the mark. On March 3, 1993 the Cement Factory became the first company to obtain the mark. Sweden has agreed to consider assisting Namibia to set up its own NSB.

Swaziland:

Short-term consultants were engaged to undertake studies to identify the needs in the testing fields and Quality Assurance under the GTZ-Pilot phase. The recommendations from these studies will be used as a basis for deciding the organisation structure of the NSB. In addition, a legislation for standardisation is in its final stages of drafting.

Tanzania: The Packaging Technology Centre and the Chemical Laboratory built at the Tanzania Bureau of Standards with the assistance of Tanzania Government are near completion. Orders for purchase of equipments have been made and efforts are under way to recruit and train personnel to man the laboratories.

Zambia: The World Bank has agreed to provide assistance in the preparation of Standards for Agricultural products as well as the development of a testing laboratory for Agricultural and Food products. The Technical Assistance will amount to about USD 1.1 million. Negotiations for assistance from NORAD are continuing. Further the Metrology Laboratory is presently fully operational and is providing calibration services in the field of "MASS" from 1 mg - 20 kg. in classes E2, F1, F2, M1. Calibration of analytical mechanical and electronic balances as well as weighing scales up to 2000 kg can also be done. The "LENGTH" section at the moment can calibrate gauge block sets, vernier callipers and micrometers.

Zimbabwe: At Standards Association of Zimbabwe (SAZ) the major activities include inter alia standards writing for pressured irrigation equipment, solar photovoltaic equipment, spices and condiments. Further, a project for the computerization of the whole of SAZ is underway at a cost of 2 million Zim. dollars and the packaging laboratory is operational.

Project AAA.12.1 (2) Strengthening of Existing NSBs

Malawi: The new building for Malawi Bureau of Standards (MBS) information centre is now complete. The information dissemination system installed by ITC under the regional project is fully operational. Producers and traders from SADC countries are benefiting from the Centre in terms of services relating to export packaging and export quality.

Tanzania: A project document to establish a Volumetric Calibration Laboratory at Tanzania Bureau of Standards (TBS), has been finalised and funds are being sought from potential donors. Separate buildings for a chemical laboratory and a packaging technology centre are under construction.

Zambia: The first phase in the establishment of a metrology department at the Zambia Bureau of Standards (ZABS) has been finalised. A laboratory for mass and length is operational. An accreditation scheme of local laboratories is under implementation.

Zimbabwe: The headquarters of the Standards Association of Zimbabwe (SAZ) is complete and is fully operational including office, information centre and conference facilities. The old office block is now used as a metrology laboratory.

Project AAA.12.1 (3) Information Exchange and Training

ITC has continued to assist the information dissemination systems in SADC through MBS. The ITC PACKDATA already developed and updated has been installed in four member States including Botswana, Malawi, Tanzania and Zimbabwe. Plans to install the PACKDATA in the remaining member States is underway. Installation of QUALIDATA system at MBS is in progress to be followed later in all member States.

The EPIS and the EOIS newsletters for exporters, producers and traders in the SADC region are produced and circulated regularly.

ITC sub-regional workshop on packaging specifications and testing was carried out in November, 1992, Harare, Zimbabwe which came up with a number of recommendation which are under implementation now.

DnV/SADC training programme on Quality Management and Quality Assurance for 100 selected companies is proceeding successfully. So far it has already covered seminars for the chief executives in all the SADC member States and seminars for the top managers have been conducted in almost half of the member States.

Project AAA.12.1 (4) Harmonization of Standards and Certification Schemes.

A list of goods traded between the SADC member States whose standards could be harmonized has been prepared and circulated to members to provide additional information so as to facilitate the harmonization. However, in practice harmonisation of standards has been seen to be best done bilaterally between the member States. The approach could be simple and practical, starting at the standards drafting and trading levels where the countries involved could agree on harmonised standards.

Project AAA.12.1 (5): Quality Testing and Development

The following programme activities are being implemented under the project:

- ITC/SADC RAF 26/50 Direct Assistance in Packaging to Selected Enterprises in SADC member States which is being funded by the government of Finland.
- ITC/SADC RAF 37/06 Development of Effective Quality Control, Standards and Testing Services for Export Products and Packaging, which also includes a Food Quality Control System under preparation. The project is being funded by the government of Italy.

These projects which also include elements of training and information exchange and establishment of nuclei and strengthening of existing NSBs have been under implementation for the past 3 years. Project proposals for their further continuation have been submitted for funding. RAL 26/50 terminates on December 1993. Negotiations are in progress with the Italian Government for the extension of RAL 37/06.

Project AAA.12.3 Study on Engineering Design and Other Product Development

The study is intended to assist in drawing up a programme of action for the development of engineering design and product development facilities in SADC countries. The terms of reference for the study have been prepared. Implementation of this project will need to be reviewed with a view to merging it with project AAA.12.6 - Development of Small/Medium Scale Industries Technologies and Transfer and project AAA.11.5 - Industrial Research and Development Programme.

Project AAA.12.4 Industry and Trade Consultancy Services

The objective is to compile a SADC Directory for Industry and Trade consultancy services. The project is now part of the SADC Directory of consultancy firms compiled by the SADC Secretariat which requires updating. Compilation of consultancy firms in the area of industry and trade for updating the directory is in progress. However, the sustainability of the project is being reviewed with a view to commercialising it along the lines of the SADC Trade Directory.

Project AAA.12.5 Establishment of Information Exchange Centre

SADC is establishing an Industry and Trade Information Exchange Centre at Dar es Salaam to facilitate exchange of information within the region. The centre will inter alia, have the following functions:

- Collection of information on databases in agreed formats.
- Storage and retrieval of information, both numerical and descriptive, in a computerised system linked with the member States.
- Dissemination of information to various users within and outside the region.

In order to operationalise the project, the project is being reviewed in the context of cooperating with SRBC taking into account:

- The memorandum of cooperation between SITCD and SABC.
- New requirements which were unforeseen; and the formation of SADC which could involve new approach on the modus operandi of the centre.

ELC under Lome IV has agreed to fund the project.

Project AAA.12.6 Development of Small-Scale Industry Technologies Programme

The project is intended to promote development of small scale technologies in SADC countries with a view to enhancing their contribution to economic development.

Since approval of the programme by the Committee last year efforts are being made to establish and convene the first expert group meeting to work on a programme of action for the promotion and development of small scale industry technology.

Project AAA.12.9 Industrial Research and Development

This project involves the formulation of a programme for regional cooperation in industrial research and development (R & D). On the basis of a survey report on (R & D), a workshop involving relevant institutions was organised to deliberate on a programme of action. The workshop recommendations and the proposed action plan have been considered by the SADC Industry and Trade Ministers Committee and constitute programme activities for this Sector.

Project AAA.12.11: Management and Skills Development

The development of this programme is being done in the context of the Human Resources Development Sector. The objective of this project is to develop industry and trade sector specific programmes including training, recruitment of experts and exchange of information. Funding is still being sought.

Project AAA.14.2: A System of Direct Trade Measures including Bilateral Trade Agreements

The evaluation of existing bilateral trade agreements was completed in 1989. A "prototype" trade agreement prepared as a standard guideline for improving the existing bilateral trade agreements for SADC member States, was also approved.

Several SADC member States have signed new bilateral trade agreements. An evaluation by SITCD of these agreements, including the assessment of the acceptability of the "prototype" agreement, would be undertaken to assess the

effect of bilateral trade agreements on the development of intra-SADC trade.

Within the context of the proposed trade facilitation protocol, the bilateral trade agreements will have to become the effective means for increasing intra-SADC trade.

Project AAA.14.3: Study on Generalised System of Preferences (GSP)

The objective of this project is to promote exports from SADC countries to developed countries. A study was undertaken to evaluate the performances of the existing Generalised System of Preferences (GSPs) and how these could support the expansion of SADC exports to developed countries.

Through GSPs, SADC countries also stand to enjoy the cumulative treatment on the rules of origin clause for exports directed to the developed countries. This has to be pursued with the EEC and other developed countries. However, in the light of the existing and changing environment, the use of existing preferential arrangements will be incorporated in the SADC trade strategy and in the SADC treaty protocol on trade facilitation in order to take full benefit occurring thereof.

Project AAA.14.4: SADC Trade Directory

A SADC trade directory with names and addresses of firms in the business of import and export including banks, hotels, tour operators and any other businesses being undertaken within SADC member States has been completed.

The third issue of the SADC Trade Directory is now out and is being marketed in all the member States. The intention is to ensure regular publication of up-dated editions. The publishers may be contacted through the following address:

The General Manager
BoldAds
102 Simon Mazorodze Road
P.O. Box 1027 Tlx: 26013 Tel: 65861-7
HARARE - Zimbabwe

Contacts can also be made through 'B & T Directories' agents in Member States through the following addresses:

P.O. Box 1549,
Gaborone,
BOTSWANA

P/Bag A182,
Maseru,
LESOTHO

P.O. Box 236,
Windhoek,
NAMIBIA

P.O. Box 2299,
Manzini,
SWAZILAND

P.O. Box 30963,
Lusaka,
ZAMBIA

HoldAds in Harare Zimbabwe are also agents for Angola, Malawi and Tanzania; while B & T. Directories in Lesotho are also agents for Mozambique.

Project AAA.14.5: Study on SADC Participation in Public Sector and Donor Assisted Programmes

A study to assess the scope and recommend measures for enhancing the participation of SADC firms in the execution of donor financed contracts and works in the region has been completed.

The measures which have been approved by SADC are addressed to:-

- donor agencies/governments;
- SADC governments;
- SADC supplier firms.

Further consultations with these key operators are to be undertaken in order to arrive at solutions to the existing procurement problems.

In view of the current developments, especially those pertaining to the creation of the community, it has been found most appropriate that decisions on the subject be incorporated into both the SADC trade strategy and the proposed protocols.

Project AAA.14.6: Trade Facilitation Study

The objective of this project is to address the effect of non-tariff barriers to regional trade. A study which assessed the impact of all non-tariff barriers to SADC trade was completed in 1991 and a workshop to discuss the findings of the study was also held.

Basing on current developments, the recommendations and proposals of the workshop will be incorporated in both SADC trade strategy and proposed protocols.

Project AAA.14.7: SADC Export Development and Promotion Strategy

The objective of this project is to provide policy guidelines which will in turn lead to an increase in inter and intra-SADC trade.

A study has been undertaken and workshop was recently held at Maseru to deliberate on the same. The recommendations and proposals of the workshop have been considered by the SADC Industry and Trade Ministers Committee and will contribute as input in finalising the strategy. The final document will also be incorporated in the SADC Treaty protocol on trade facilitation.

4.4 Trade Financing Mechanisms

Project AAA.15.2: Counter Trade Agreements

A Nordic firm (SUKAB) formed to promote counter trade between the SADC and Nordic countries and SADC and the rest of the world has managed to conclude a number of contracts with SADC countries.

SITCD is now consulting with SRBC in future collaboration and functioning of SUKAB.

Project AAA.15.3: Comprehensive Export Financing Scheme (CEFS)

The objective of this project is to provide financing for pre and post shipments to SADC business Community involved in import and export trade.

The scheme will incorporate both EPRF and ECF schemes and will also facilitate more investments into the sub-region.

Revised terms of reference for a study have been prepared in the light of changing economic environment. The study is estimated to cost US \$0.10 million. funding is under negotiation with USAID.

5. NEW PROJECTS

At its last meeting, the committee of SADC Industry and Trade Ministers considered and recommended for approval the following projects:-

5.1 Review of the SADC programme on Standardization and Quality Assurance (SQA)

The objective of the project is to assess the current status of SQA institutions and activities in SADC Countries and propose an action plan for regional cooperation. The project will also facilitate preparation of a protocol on SQA to be included into the Treaty protocol on Industry and

Trade Cooperation. The project is estimated to cost USD 0.035m.

5.1 Study on the development of a comprehensive SADC metrology system

The main objective of the study is to propose a programme on SADC Metrology System, which is most effective and economical in benefitting industry and trade in the SADC region through:-

- encouraging and assisting the member states in the establishment of NMSE incl preparation/reviewing of the legal framework, working out national programmes, training of staff and identifying required physical infrastructure
- sharing of metrology services among the member states
- establishment of traceability links between the member states and metrology centers in the industrial world
- technical assistance and training in metrology offered by the more developed member states to the other lacking such experience and knowledge
- exchange of information on metrology among the member states

The TOR are appended to this report as annexes 4 and 5.

6. RECOMMENDATIONS

The Council of Ministers is invited to:-

- (a) Approve the progress report.
- (b) Approve the following projects:-
 - (i) A study on the present status of metrology in the region to facilitate development of a comprehensive SADC metrology system.
 - (ii) A review of the SADC programme on Standardisation and Quality Assurance (SQA).
- (c) Note that the progress report will form the basis for preparing the industry and trade sectoral document for the 1994 SADC Annual Consultative Conference.

MINING

PRESENTED BY THE GOVERNMENT OF ZAMBIA

1.0 EXECUTIVE SUMMARY

- 1.1 Competition for investment resources has become considerably stiff in recent years. Sub-Sahara Africa has been marginalised and the trend is for investment to flow to South America and East Asia. The former East Block countries are also getting an increasing share following the changes that have been taking place there.
- 1.2 Since the adoption of the Sectoral Five Year Strategy (1992-96) in January, 1992, efforts are in hand to implement the objectives of the sector strategy. The main thrust is to encourage private sector investment into the sector.
- 1.3 Consistent with this objective, countries in the region are also implementing measures aimed at attracting investment. A number of member States have either reviewed or are in the process of reviewing their mining laws. Last year Tanzania put up an investment meeting aimed at selling its mineral potential to international investors. In March, 1993 Namibia hosted a Mining Investment Conference at which international financial houses were represented. Botswana is also planning to hold such a conference in the near future.
- 1.4 In collaboration with the European Community (EC), the sector is organising a Mining Investment Forum for Southern Africa scheduled to be held in the second half of 1994 in Lusaka, Zambia. The aim is to bring together decision makers and project promoters and potential investors from Europe to discuss the climate for investment and business opportunities in the SADC region. About 100 participants from each of the two regions (SADC and EC) are expected to attend. It is hoped that this Forum will be able to portray the mineral riches of the SADC region to investors in the EC.
- 1.5 Following a major review of the programme in May, 1992 in Windhoek, there are at present a total of thirty (30) projects under the SADC Mining Sector. The cost of these projects is estimated at US\$ 19.78 million out of which US\$ 7.2 million, representing 36 percent, is secured. The status of these projects is given in section three of the report.
- 1.6 Consultations are being held with a number of cooperating partners to mobilise resources for the sector programme. As a result of these consultations, the European Community (EC) has agreed to support four projects in the Sector. As

indicated above, the EC is also financing the Mining Investment Forum for Southern Africa. The Swedish Government through Swede-Corp has extended the period of contract for the expert on environmental protection for a further period of eight months commencing July, 1993. The French Government has agreed to second an expert in Geology and Mining for a period of fourteen months.

1.7 The Coordinating Unit organised and participated in several International Conference, Seminars and Workshops. These include: Mineral Economics Seminar, August, 1992 in Lilongwe; EC-West African Industrial Forum, December, 1992 in Dakar.; Workshop on Mining and the Environment, December, 1992, Lusaka; United Nations Seminar on Small Scale Mining, February, 1993 in Harare; World Mining Congress, May, 1992 in Madrid; Conference on Mining Investment in Namibia, March, 1992 in Windhoek; and International Atomic Energy Agency (IAEA) Training course on Computerised Databases in Mineral Exploration and Development, May, 1993 in Lusaka.

2.0 REVIEW OF THE MINING INDUSTRY IN THE REGION

2.1 CONTEXT

For over three decades growth of mining production in sub-Saharan Africa in general has lagged behind that of other regions. Even though the region has significant mineral resources it attracts about 5% of exploration and capital expenditure of the world mining industry. For example in 1991 (see table below) whereas Canada and South Africa as individual countries attracted 23% and 13% respectively, Africa only attracted 4% of world wide exploration expenditure.

World Wide Exploration Expenditure 1991

	<u>US\$ (Million)</u>	<u>Percentage</u>
Canada	430	23
Australia	293	19
USA	341	18
South Africa	245	13
Latin America	200	11
South Pacific	125	7
Europe	80	4
Africa	70	4

Source: Mining Journal 01-11-1991

It is acknowledged that mining development in SADC has been constrained by primarily insufficient funds for exploration and investment.

Mining is a global business and if the SADC region is to be competitive, it must put in place conditions developed by governments and business enterprises in other areas where mining has been successful.

Production and investment decisions in the mineral sector of SADC will continue to be related to global demand and prices and the most important determinant factor of the world demand and prices is the level of economic activity in the industrialized world.

In the 1980s growth in the Organization for Economic Cooperation and Development (OECD) group of countries averaged 2.8% a year and world trade grew 4.4%. OECD growth estimates for 1992 and 1993 have been put at 2.4% per year. However, due to the depressed economic conditions in the European Community (EC) accounting for 30 per cent of world metals demand, and Japan which accounts for 18 per cent, the growth rate may be expected to fall. In the US, which accounts for 25 per cent of world metal usage, there were some tentative signs of recovery in demand in 1992.

The global recession had an adverse effect on demand for base metals forcing the prices of most base metals to plummet during the year under review. The situation was made worse by the accelerated shipment of base metals from the Commonwealth of Independent States (CIS) onto the world market.

2.2 DEVELOPMENTS IN THE SADC MEMBER STATES

There were a number of developments and activities which took place in member States during 1992.

Almost all member States are instituting measures to increase the level of mining development by implementing policies and incentives conducive to mining investment.

- 2.3 In Angola the State Secretariat for Geology and Mines has now been changed to the Ministry of Geology and Mines. A new mining law was enacted in 1992. The new Ministry is carrying out activities to review the concession and mineral rights of the State in order to facilitate private sector involvement. Although there were a lot of application for licences from private and public enterprises for exploration particularly in diamonds, gold, phosphates, kaolin, marble and black granite, no field work was undertaken due to security problems. In addition,

Angola continues to face problems in illegal mining and marketing.

However, the Government is liberalizing the marketing of diamonds and has set up a number of market points outside of the mining concessions.

Overall mineral production in Angola was lower both in terms of quantity and value due to security problems in the mining areas. However there was a significant increase in output in the case of diamonds.

- 2.4 Generally, the world wide economic recession adversely affected the performance of the mining sector in Botswana like in many other countries. The mineral sector contribution to earn foreign revenue reduced from 88 per cent in 1991 to 86 per cent in 1992. Contribution to GDP also declined from 42 per cent in 1991 to 36 per cent in 1992, and the sector's contribution to formal employment reduced from 6 per cent in 1991 to about 5.6 per cent in 1992.

Efforts to increase mineral production continued to be made by both companies and government of Botswana. During the year 1992 the Debswana approved a feasibility study to increase diamond production at Jwaneng Mine by about 21 per cent. Construction work started in August, 1992 to establish a plant which is expected to be commissioned during the second half of 1994, while full production is planned to start early 1995. The project is estimated at P 409 million and will create additional employment for over three hundred people. In the field of diamonds, a metallurgical test plant was commissioned to operate on a full time production basis at Orapa. In this direction, the target throughput of 300,000 tonnes per annum was achieved without difficulties. The results of the plant were positive and would be incorporated in the feasibility study on the possible production increase at Orapa.

With regard to Copper - Nickel, BCL's newest mine Selebi North came into full production during 1992. In 1992 the mine produced 467, 000 tonnes of ore.

- 2.5 The Department of Mines and Geology in Lesotho had experienced manpower shortage with 19 positions remaining vacant. However, a number of exploration activities were undertaken. In the area of base metals a geochemical prospecting of basic intrusive bodies (dyke and sills) was undertaken at Qacha's Nek (Elephants Head Dyke) and Mafeteng (Thaba-Phechela, Sefapho and Malumeng sills). Samples were collected for analysis. From Elephants Head Dyke 80 of the analysed samples were copper anomalous, 50 were nickel anomalous. Trenching and pitting was not possible as the dyke is mostly hard rock. Diamond core drilling is planned for 1993. Pitting and trenching is also scheduled at Thaba-Phechela.

A seismic survey was carried out jointly between Anglo-American and Lesotho Government in North Western Part of Lesotho lowlands to determine the different sub surface layers and their respective depths with a view to determine which layers might have a better mineral potential. Three hundred and fifty one point six kilometer (351.6Km) lines were run. Processing of the data collected is being done at Anglo-American Exploration office in South Africa and the results are expected by the end of August, 1993.

Prospecting for economically viable sandstone quarries was conducted at various parts of the lowlands. Favourable sites have been found at Lekokoaneng T.Y., Lancers Gap and Roma. Activities are continuing.

2.6 In Malawi a Ministry of Energy and Mining has been created. Activities in the gemstone industry are on the increase and with the creation of the new Ministry responsible for mining policies are likely to be implemented to increase the contribution of the sector to the economy of the country.

2.7 The mining law and mining regulations are being revised in Mozambique and the government is trying to reduce illegal mining and trade by, among other things, involving local authorities in organizing auction sales. Other changes in the administration of the Mining Sector involved the changing of the national Institute of Geology to national Directorate of Geology, while the Directorates of coal and Hydrocarbons have been combined to form one Directorate of coal and Hydrocarbons.

A major decision has been taken to privatize all mining companies except for the Hydrocarbon company.

2.8 Namibia has enacted a new Minerals (Prospecting and Mining) Act 1992 and has revised its fiscal code to make the Namibian Mining Industry competitive. The EC has announced a grant worthy ECU 40 million under Lome IV to assist the Namibian Government in new mining developments, accelerated exploration, mineral processing and institutional building.

2.9 In 1992 mineral sales in Swaziland increased substantially due to the reopening Bulembu Mine which is now under a new ownership of locally based company. The Company has improved sales and has also been able to locate good fibre asbestos deposits which is competitive on world market. There was also an increase recorded in the sale of quarry stone as a result of the very active construction industry in the year 1992. The Department of Geological Survey and Mines completed a feasibility and mining plan for coal in the Maloma area and a mining lease agreement has been signed. Mining is expected to start by the end of 1993.

- 2.10 Tanzania undertook exploration programmes during the year in the following minerals; gold, diamonds, and graphite. The programmes cost US\$ 100,000 to complete.

Preliminary prospect investigations were conducted in Gold at Nzenga Greenstone Belt (Northern Tanzania), Kinyangiri area (Iramba Sekenke Greenstone Belt - Central Tanzania), and Iluma in Manyoni district (Central Tanzania). The investigations yielded promising results. The areas are now left for private investment.

Preliminary prospects investigations were also conducted on diamonds to detect kimberlite pipes and provide preliminary data on diamond mineralization. Four kimberlite pipes were identified and have been left for private investments.

One exploration programme in graphite was also conducted in Southern Tanzania. The results of the investigations have also been left to the private sector to follow-up.

In addition to the exploration programme undertaken by the Government, there were increased exploration activities by the private sector. Over 83 prospecting licences for nickel, cobalt, copper, gold, diamond, gemstones and industrial minerals were granted to local and foreign companies. These companies invested over US\$ 8 million in 1992 on these exploration activities.

- 2.11 Zambia is in the process of enacting the Mines and Minerals Act and a new Investment Code on mining is being prepared.

- 2.12 There were a lot of exploration activities in Zimbabwe during the year under review. An estimated Z\$ 10.6 million was spent on mineral exploration. This value represents only .44 per cent of mineral production. The main minerals being explored are Gold, Diamonds, Base minerals and Platinum Group Metals (PGMs). There is also a significant interest in hydrocarbons and coalbed methane. Some important findings include:-

- two kimberlites discovered and are being tested for diamonds
- diamond drilling carried out on a location with a potential of being a low grade open cast heap leaching mine (Gold).
- two companies applied for special grants to produce coalbed methane.

One interesting project in Zimbabwe is the Hartley Platinum Project whose feasibility study has been completed. The project is envisaged to produce 2 million tonnes of ore per year and will cost Z\$ 1 billion. Development of the project should start by 1995.

Zimbabwe has increased export retention scheme from 5% in 1989 to 50% of export earnings and has introduced exemptions for capital goods from import tax and surtax. Effective 1st of May, 1993, Zimbabwe has also introduced incentives such as, newly established companies will automatically be eligible for unrestricted remittances of after-tax dividends accruing to foreign shareholders.

The severe drought experienced in the region caused some shortages in processing water and a reduction in hydro-power generating capacity. This had an adverse effect on mineral production during the year.

The issue of high interest rates in some countries presented liquidity problems especially to the small scale mining sector resulting in reduced investment and production.

3.0 PERFORMANCE OF MAJOR MINERALS

The performance of some of the major minerals produced in the SADC is given in the following paragraphs.

Activity in the gemstone industry continues to grow in terms of governments instituting measures to discourage trading on blank market and creating an enabling environment to increase investment. There is a substantial amount of production and trading through unofficial channels resulting in a loss of revenue to the states of SADC. Given the huge potential and the measures now being put in place, the gemstone industry should be able to contribute significantly to the Gross Domestic Product of the member States.

3.1 Asbestos

Production increased from 155,585 tonnes in 1991 to 182,459 tonnes in 1992 representing an increase of about 17 per cent.

The Bulembu mine in Swaziland is now fully operational following a temporary closure in the first quarter of 1991 pushing production in Swaziland from 13,888 tons in 1991 to 32,301 tonnes.

Zimbabwe increased its production from 141,697 to 150,158 tonnes during the year under review. International markets for Asbestos continue to be depressed due to the increasing environmental concerns. For example, major consumers in the EC such as Germany and Italy are scheduled to ban imports of Asbestos.

However, both Swaziland and Zimbabwe are not experiencing any problems in marketing their asbestos as a result of environmental concerns. Both the Swazi and Zimbabwean fibres are not as hazardous as compared to amphibole types such as remolite, actinolite and crocidolite. In addition, both Swaziland and Zimbabwe have fairly good de-dusting facilities.

3.2 Coal

There was a negative growth of about 14 per cent in coal production in the region during the year under review. Production reduced from 6.6. Million tonnes in 1991 to 5.7 million tonnes. However, Botswana and Zambia increased their production from 783, 873 tonnes to 901,452 and 345,330 tonnes to 421,989 tonnes respectively.

3.3 Cobalt

Cobalt production in 1992 remained almost at the same level as that of 1991 production of 5,000 tonnes.

There was no major variation in the production levels in the three producing countries of the region (Botswana, Zambia and Zimbabwe) with Zambia contributing around 90 per cent of the region's total production.

In spite of recessionary factors in the OECD countries demand remained fairly consistent. The major producers (Zambia and Zaire) set the producer price of \$25/lb which was a significant increase from the previous one of \$13/lb in 1991.

3.4 Copper

There was an overall increase in copper production in 1992 compared to the 1991 production due to the increase in production from Zambia and Namibia. The region's total production for 1992 was 509,296 tons compared to 432,942 tonnes in 1991.

Botswana experienced a slight decrease in production while Zimbabwe experienced a decline of 30 per cent in production from 13, 811 tonnes in 1991 to 9,673 tonnes in 1992. One of the contributing factors to the reduced output was the reduced power generating capacity due to drought.

Copper prices remained relatively stable during the year under review at about 100.5 US cents per pound.

3.5 Chromite

Chromite production, from Zimbabwe, the region's sole producer reduced from 563,634 tonnes in 1991 to 522,013 tonnes in 1992. The capacity to increase production up to 1,000,000 tonnes exists in Zimbabwe but this can only be achieved during good market conditions. The release of chrome onto the international market from the former Soviet Union has significantly depressed the chrome market.

3.6 Diamonds

Overall, there was no significant change in Diamond production in the region. Total production remained at about 17.6 million carats.

In Angola, there was a significant increase in output which jumped from 960,559 carats to about 1.2 million carats. However, there are indications of increased activity in illegal marketing of diamonds from Angola which is impacting on international market.

In Botswana production from the three Debswana Mines decreased by 3 per cent from 16.5 million carats in 1991 to 16.0 million carats in 1992. Due to the depressed diamond market, Jwaneng and Orapa Mines plan to reduce output by about 10 per cent and 25 per cent respectively.

Swaziland and Tanzania also recorded lower figures in 1992 compared to 1991. Production in Namibia increased from 1.2 carats in 1991 to 1.549 million carats in 1992 while Lesotho increased its production from 9,547 to 14,791 carats. Zimbabwe for the first time recorded a production of 40,654 carats at Ranch River Beit Bridge.

3.7 Gold

Output of gold in the region has been increasing steadily for the past several years. Production in 1992 recorded at 24,185 Kg was the highest since 1985. This was 1,045 Kg more than the 1991 production.

In Botswana the increase in production during the year under review can be attributed mainly to the successful operations by Mining and Development (PTY) Limited following financial support by the Government.

Production in Mozambique was lower than expected due to drought which resulted in insufficient water used for panning gold.

Other producing countries, Namibia, Tanzania, Zambia and Zimbabwe also recorded steady increase in production. The 1980s saw a real decline in the price of gold. This trend has continued in 1990s. In 1991 the price averaged \$ 362 an ounce, 6 per cent down on the 1990 price and the lowest in real terms since the 1970s. In 1992 the price continued to fall and the average price was below \$ 350. Prospects for gold will mainly be influenced by factors such as demand for jewellery, trends in the gold industry in South Africa and supplies from other sources.

3.8 Nickel

Nickel production declined from 30,607 tonnes in 1991 to 29,223 tonnes. Botswana production reduced from 19,214 to 18 873 tonnes while Zimbabwe's output declined from 11,310 tons to 10,350 tonnes.

The average price for nickel in 1991 was \$ 3.70 per pound while it was only \$3.18 in 1992. The decline is due to global recession and oversupply of the metal at the international market.

3.9 Lead

Lead output declined in both Namibia and Zambia as a result the total regional production declined from 36,260 ton in 1991 to 34,122 tonnes in 1992.

The lead market remained generally depressed due to poor demand resulting from world recession. The average price in 1991 was around 27 US cents a pound while in 1992 it dropped to about 24 US cents a pound. Environmental regulations in some parts of the world had some effect on the price for lead.

3.10 Soda Ash and Salt

The Soda Ash Pan belonging to Soda Ash Botswana (PTY) commenced operations in June, 1992. By 1992, most initial technical problems that plagued operations of the plant had been overcome. The depressed soda ash market and S&B's high soda ash stock levels in 1992 compelled the company to operate the plant below capacity.

The 1992 soda ash production totalled 123,590 tonnes which was some 19 percent below budget. At 53,700 tonnes the corresponding salt production was about 42 percent below budget. Technical problems associated with the salt harvesting resulted in the salt production shortfall.

3.11 Zinc

The region's total production in 1992 increased to 79,175 tonnes from 74,014 tonnes in 1991.

Zambia Consolidated Copper Mines (ZCCM) increase in Zinc production may partly be attributed to improved recoveries and increased throughput from dumps.

Prospects for Zinc consumption in galvanizing and in alloys is likely to improve if there is general growth particularly in East Europe and the Far East.

4.0 REVIEW OF THE MINING SECTOR PROGRAMME

At the 1992 SADC Mining Ministers' Meeting the mining sector programme was reviewed in conformity with the new Strategy (1992-1996). The review resulted in the reduction in the number of projects from 40 to 30. The estimated cost of the programme is US 19.78 million. Out of this US\$ 7.2 million which is about 36 percent of funding required has been secured. As outlined under paragraph 1.0 the emphasis of the programme is on projects aimed at increasing investment in the Sector.

4.1 STATUS OF PROJECTS

Projects under the programme are at various stages of implementation. Following is the current status of projects.

4.1.1 Overall Coordination

Project AAA.0.0 - Support to the Mining Sector Coordinating Unit

This is an ongoing project and involves provision of personnel and technical support to strengthen the capacity and capability of the Sector Coordinating Unit.

The Technical Assistance from the Nordic Countries came to an end in December, 1992 and all the seconded experts in Mineral Processing, Mineral Economics and Mining Equipment have left the Unit. The Zambian counterpart professionals are continuing with work in these Sections. The Environmental Section is still being supported by the Nordics. This contract will however, expire at the end of the year.

The Mining Coordinating Unit is receiving Technical Assistance from Germany (Small Scale Mining), Austria (Mineral Processing), France (Geology) and Sweden (Environment).

Project AAA.0.3 - Sharing of Mineral Processing Facilities

The aim of this project is to review the existing and planned mineral processing facilities in the region, and to assess how best these facilities might be utilised to benefit all the member States. The project focuses on how best to rationalise the utilisation of existing plants; and recommend, where necessary, the establishment of new metallurgical plants. Implementation of the project is under the Mineral Processing Sub-Section of Mining Coordinating Unit.

Data on mineral processing facilities in the region have been collected. This exercise is on-going and work is continuing to fill some gaps with the support of Austria.

Project AAA.0.5 - Establishment of a Regional Seismic Network and Data Centre

The main objective is to set up a SADC Regional Seismographic Network and a Regional Seismic Data Centre.

Phase I of the project (Feasibility Study) has been implemented with funding (US\$0.081 million) from the Nordic Countries. The study recommended that a network of National Seismic Stations in each member State and a Regional Seismic Data Centre to be located in Lusaka be set up. Funding of US\$8.3 million is being sought. Contacts have been made with the International Union of Geoscientists (IUGS) and the request is still under consideration.

Some member States are however establishing National Seismic Network and the Mining Coordinating Unit is being appraised on these developments. Tanzania is cooperating with the Belgium government while Namibia is having bilateral negotiations with United States Geological Survey.

Project AAA 0.6 - Small Scale Mining and Minerals Beneficiation

The objectives of the project are:

- a) selecting potential high-value mineral deposits in the region, which are amenable to small-scale mining and processing;
- b) identifying appropriate methods for production and marketing of products and financing arrangements;
- c) determining appropriate mining and processing equipment to be used; and
- d) selecting, within the region, areas for pilot projects for small-scale operations.

To achieve these objectives, a programme of activities was defined through a workshop held in September, 1989, attended by Sectoral Contact Points.

The existing support under the German technical assistance programme will last until May 1994. The major activities still to be completed are:

- the publication of the Technology Handbook on Small Scale Mining, due to be released in October/November, 1993. The handbook will be distributed to all member States;
- hosting of the 2nd Gemstone Workshop, in conjunction with AGID in Lusaka during 22-26th November, 1993;
- completion of the various feasibility studies that are still pending under the SSM project, covering Namibia, Zambia and Zimbabwe.
- Completion of field visits in countries that have not yet been covered under the project, i.e. Angola, Tanzania and Malawi.

Project AAA 0.7 - Regional/National Geological, Minerals and Mining Bibliographic Databank.

The project aims at establishing National/Regional bibliographic data banks on Geology, Minerals and Mining banks, based on regionally standardized data forms, software and hardware, in each SADC member country.

These facilities will facilitate acquisition of information on geology, minerals and mining in SADC and will also stimulate research in mineral exploration.

The Coordinating Unit has been looking at bibliographic systems available on the market with a view to adopting a system suitable for the region. The French government is to second an expert to assist the Coordinating Unit in evaluating the various systems being used by member States.

Project AAA 0.9 - Exploration of the Kalahari Sands

The objective of this project is to devise a method for exploring the geology and mineral resources of the Kalahari Sands.

Terms of Reference for this project were revised to take into account the following:

- characterization of the Kalahari Sands (vertically and laterally) in relation to bedrock geology;
- suggesting potential mineral resources in the underlying rocks and the Kalahari group itself;
- producing geological map of rocks beneath the areas covered by Kalahari sands.

Financial and technical assistance (US\$0.80m) to implement the project has been sought from a number of cooperating partners but without success. At present Perez Guererro

Trust Fund and Swede-Corp are still considering the request.

Project AAA. 0.11 - Inventory of Mineral Resources in the SADC Region

This is a follow-up project to Project No. AAA 0.7 (Inventory on Geology, Mining and Minerals). The project has two distinct parts: creation of computerized database on Geology and Mineral Resources and Production of Thematic Maps. TORs for both parts have been written and were approved at the Windhoek Mining Ministers' meeting.

The first part of the project is being implemented internally although external manpower and material support could greatly speed-up completion of the project. A database using Framework III was tried but has been discontinued in favour of Dbase IV due to difficulties encountered when dealing with large volumes of data.

The second part of the project (production of thematic maps) requires installation of necessary hardware and software.

Request for financial and technical assistance has been sought from EC who are considering supporting the first part of the project in combination with the Geophysical/Geochemical Map Compilation Project.

Project Moz. 0.1 - Geophysical/Geochemical Map Compilation Facility

Revised TORs for the project have been written in collaboration with ITC of the Netherlands. These were submitted and approved at the Windhoek Mining Ministers' meeting.

The Mining Coordinating Unit (MCU) had various discussion/correspondences with EC, Eastern and Southern African Mineral Resources Development Centre (ESAMRDC) and Mozambique regarding the location of the regional centre. It has been agreed that the centre be located at ESAMRDC in Dar-Es-Salaam.

Terms of Reference have been submitted to the EC. A response is being awaited from the EC.

Project TAN. 0.1 - Establishment of a Gemological Institute

The project aims at establishing an Institute of Gemology in the SADC region. The Institute will train gemologists from SADC Countries. The project will be implemented in two Phases:

Phase I - Undertake feasibility study on the curriculum, staff development and institutional framework.

Phase II - Actual establishment of the Institute.

The Mining Sector Coordinating Unit is implementing Phase I under the French Technical Assistance Programme. Recruitment of the consultant is in progress and work is expected to commence in the second half of 1993.

Project ZIM. 0.1 - Central Isotope Geochronology Laboratory

At the 1993 Annual Consultative Conference in Harare, the European Community (EC) reaffirmed its willingness to start disbursing funds (ECU 300,000) for supporting the geochronology laboratory. The secured funding is under Lome IV convention.

Implementation has been delayed due to the fact that revisions to the first budget had to be made. Several contacts were made between the MCU, University of Zimbabwe and the Free University of Amsterdam. These were all done in pursuance of having a revised budget written and submitted to EEC. This has now been completed and a new budget has been presented to the EC. Disbursement of funds will start soon. The laboratory is important in geology and mineral exploration on which the survival of the region's mining industry depends.

4.1.2 Precious Metals and Minerals

Project AAA 1.2 - Diamond Exploration in SADC Region

A meeting of Directors of Geological Surveys was convened to review the terms of reference of the project and to formulate a strategy for implementing it. The Directors recommended that the terms of reference for the project be confined to desk study only. Subsequently, the terms of reference were reviewed, discussed and accepted.

These are as follows:-

Phase I (8 months)

A desk study will be carried out which will cover the following:-

- appraisal of diamond exploration activities in each SADC member States.
- compilation of data on geology, structure, paleomorphology, drainage pattern and other features in areas of known diamond bearing zones.

- classifying and grouping of the prospective zones into characteristic types based on geology, mineralogy, geochemistry, age, structural setting, morphology, diamond characteristics, genetic concepts etc.
- interpretation of existing remote sense data (satellite imageries and geophysical data) in selected zones.

Phase II (4 months)

Interpretation of data obtained from Phase I will constitute the major scientific appraisal of this study. This will culminate in the publication of monograph and its distribution to various interested parties. Follow-up promotional activities are envisaged. The details of this are to be worked out. The estimated cost of the project is US\$ 0.39 million.

4.1.3 Metallic Minerals

Project AAA 3.4 - Integrated Exploration and Processing of the Mulanje, Manica and Amani Bauxite Deposits and Feasibility of Establishing an Alumina/Aluminium Industry in SADC Region

This project is a feasibility and market study aimed at determining the viability of establishing an integrated alumina/aluminium industry in the region, based on the known bauxite deposits in Malawi, Mozambique and Tanzania.

A pre-feasibility study, which was completed with UNDP funding of US\$0.25 million, concluded that a detailed feasibility study be carried out to produce a bankable document for the establishment of an aluminium smelter based on exploitation of the Mulanje bauxite.

Funding for the detailed feasibility study has been secured from ADB and recruitment of consultants is in progress. The Project is being coordinated by the Mining Development Corporation of Malawi.

Project AAA 3.6 - Assessment of Heavy Mineral Sand Deposits and Feasibility of Establishing a Titanium Dioxide Plant

The Project is conceived in two phases. Phase I comprises the assessment of current reserves of heavy mineral sand deposits in Malawi, Mozambique, Namibia and Tanzania. The cost estimate for Phase I is US\$0.132 million. Funding is sought for Phase I.

Project AAA.3.7 - Assessment of Iron Ore Deposits in Angola and Swaziland

In the joint PTA/SADC study of the region's steel industry Angola and Swaziland were omitted. In addition Namibia has to be considered in the same framework of the SADC/PTA assessment, as it was not a member when the study was undertaken.

A complementary study will be carried out on these three countries. Funding is being sought.

Project ZIM 3.1 - Study on the feasibility of an Increased Production at Kamativi Tin Mines

With the advent of the closure of the tin mine in Namibia, Kamativi has become even more important to the region. In addition, there is a lot of potential in developing and encouraging the small scale miners on both sides of the Zambezi River and in Namibia.

The processing facility at Kamativi will be utilised by many tin/tantalite producers of the SADC region, in particular the small scale mining operators.

The Coordinating Unit has undertaken a preliminary evaluation of the project and has found it promising. MCU is making arrangements to undertake the full feasibility study in order to enable the Company increase production, scheduled to be completed by December, 1993.

4.1.4. Non-Metallic Minerals

Project AAA 4.3 - Establishment of a Refractory Industry

The objective of this project is to determine the viability of establishing refractory industry in the region. A completed study was considered by the Mining Ministers' meeting in Arusha in May, 1990. Following the consideration of the recommendations of the study, the Ministers decided that the investment required to establish such a plant be determined first, before implementation of the recommendations could be undertaken.

Consultations have been going on since then between the Government of Zimbabwe and the SADC Mining Sector Coordinating Unit. In this respect Zimbabwe has been actively pursuing a joint project with MECON of India, funded by the Government of India under the Africa Fund, to conduct laboratory studies and a feasibility study for the manufacture of refractory bricks using magnesite, kyanite and other locally available raw materials. Test work is completed in furnace refractory linings on a number of furnaces and smelters in ZISCO STEEL in Zimbabwe and on the Zambian Copperbelt. The full feasibility study currently underway is scheduled to be completed in June 1993.

Project AAA 4.5 - Non-Metallic/Industrial Minerals

Phase II of the project (Market Survey of Industrial Minerals) is being implemented in-house by the Coordinating Unit, under the Small Scale Mining project. The Coordinating Unit has completed the study on the transport cost implications on the development of industrial

minerals. In Zimbabwe, the market survey of black granite is being finalised with support from the Commonwealth Secretariat. The market survey of all industrial minerals (including vermiculite) in the SADC region is scheduled to be completed soon.

Project AAA 4.6 - Assessment of Vermiculite Production in the SADC Region

The project aims at evaluating the present reserves of vermiculite resources through surveys in Malawi and Zimbabwe, and establishing the regional and international market for vermiculite.

Malawi has already evaluated its vermiculite resources (1991) through a bilateral agreement with the French government. The resources in Zimbabwe and the establishment of markets have not yet been undertaken. The sector will support the market survey only.

The market survey is being done by the MCU, concurrently with phase II of project AAA.4.5

Project AAA 4.8 - Promotion of Ornamental Stones in the SADC Region

This project has been retitled from "Market Survey for SADC Ornamental Stones", as it was not reflective of the objectives and Terms of Reference.

The project Terms of Reference have been revised to take into consideration the promotional approach as follows:

- preparation of the catalogue of known deposits of ornamental stones, to include quality and quantity parameters;
- publishing of an explanatory brochure with illustrations and, an accompanying map showing localities of the known deposits;
- distribution of catalogues, brochures and map to relevant institutions in the region and abroad;
- encouraging national centres e.g. Geological Survey, to undertake promotional activities.

Request for funding has been submitted to the Italian Government.

Project AAA 4.9 - Development of Gypsum Production in the SADC Region

The objective of this project is to assess the current market for gypsum in the SADC region and to propose strategies for developing the regional production of

gypsum. In addition the project will assess the size of gypsum reserves in Angola, Tanzania and Zambia (including the availability of gypsum as a by-product of the metallurgical process) and map out a strategy for their development.

CFTC has funded this project and Consultants recruited are currently undertaking field work.

Project AAA 4.10 - Metallurgy of Ores from Alkaline Complexes

The objectives of this project are to:

- a) produce the agro-minerals phosphate and agricultural lime, which are essential to improve agriculture;
- b) produce saleable concentrates of niobium, rare earths, thorium-uranium, zircon, strontium, fluorite, etc, for sale on world markets; and
- c) create employment opportunities for the local population.

To achieve the objectives, a study will be carried out on existing data on geology and resources of the region. A comprehensive review, and the selection of more promising areas will be undertaken to assess metallurgical ore properties for possible processing technologies. A programme of research will be designed, followed by laboratory tests in order to make a preliminary plant design and produce a pre-feasibility report. Funding (US\$0.47 million) is being sought although no funding agency has been identified yet.

4.1.5 Manpower

Project AAA 6.2 - Appointment of a SADC Mining Sector Human Resources Liaison Development Officer

At the 1992 Mining Ministers' meeting in Windhoek, Ministers directed that a Technical Sub-Committee comprising 4 member States be formed to review the terms of reference and conditions of service, and that the committee should also examine the possibility of recruiting an officer from the region on secondment.

The Committee undertook its work which was completed in July, 1992. Whereas previously the minimum educational qualifications was a masters degree, the Committee recommended a basic degree.

Since during the time the Committee was undertaking its work, the Commonwealth Secretariat had indicated willingness to fund the position member States were requested to put up press advertisements for the post. So far only one member State has indicated a candidate.

However, in subsequent consultations with the Commonwealth Secretariat it was indicated that due to reprogramming of activities, the Commonwealth Fund for Technical Cooperation was not in a position to fund the project.

During the 1993 SADC Annual Consultative Conference held in Harare, Zimbabwe in January, 1993, the European Community (EC) indicated willingness to reconsider funding the project. Accordingly, revised terms of reference have been submitted to the EC. This request is being pursued although firm response is still awaited.

Project AAA. 6.3 - Setting up of a Mining Sector Industrial Training and Development Advisory Unit

The purpose of this project is to set up a Mining Sector Training and Development Advisory Unit, responsible for helping the industry improve in-company training systems, methods, and materials in managerial, technical and administrative fields; and to generalize their use throughout the Sector.

Project AAA.6.4 - Redesign and Development of SADC Mining Technical Courses Facilities

The purpose of the project is to design technical courses in mining subjects, and to strengthen facilities at the Bulawayo School of Mines and the Zambian Institute of Technology (now part of the Copperbelt University; in order to meet the forecast requirements of skilled personnel in mining operations, such as Section and Shift Bosses, Mining and Ventilation Technicians and Junior Engineers, Mine Captains and Underground Managers.

Project AAA.6.5 - Requirements for Strengthening of Regional Mining Sector Educational Unit

The purpose of the project is to identify, advise on and assist in the procurement of additional requirements of specific regional Mining Sector education institutions, in terms of equipment and teaching staff, in order to expand the intake of students to meet the future needs of the Mining Sector.

4.1.6 Mining Equipment and Consumables

Project AAA 7.3 - Manufacture of Electrodes

The objectives of this project is to determine the viability of establishing a regional industry for the production of electrodes. Funds (US\$0.07 million) have been secured from CFTC and work is almost completed. MCU is waiting for the final report.

Project AAA 7.4 - Central Data Bank for Mining Equipment and Spares Manufactured in the SADC Region

- This project has been implemented with Nordic support, which came to an end in December, 1992. The report of the expert who was seconded to MCU is being presented to member States.

The main results attained under this project is the establishment of a data bank containing information on equipment manufactured and or represented in the SADC region and the services offered to the mining industry. From this data bank, a directory containing the same information has been printed.

The directory, designed to disseminate the information, will be distributed to mining and mining equipment industry.

Extension of the databank to include information on consumption quantities and the existing manufacturing infrastructure of mining inputs and equipment in the SADC region continues. Apart from the need to manufacture, such information would indicate the popularity of respective equipment in the region and hence the likely support services associated with them. This will enhance efforts towards standardization.

- Testing of the Computerized Information Networks (CIN) has successfully been done. Software and modems to enable this communication between the MCU databank and member States\mining industry has still to be procured.

Project AAA 7.5 - Investigation of the Rationalization of Rock Drills and Rock Drill Steels Manufacturing Industries in the SADC Region

This project had by necessity to be separated in two as it represents different manufacturing capacities. The main outcome of the project is:

- **Hand Held Rock Drills**

The present and future requirements for hand held rock drills was established.

Two manufacturers were identified, and these indicated interest in starting up or expanding rock drills production. However, casting facilities of rock drills do not exist in the region and these will have to be acquired.

- **Rock Drill Steels**

The present requirement for rock drill steels and the main production obstacles associated with their production were established.

Modifications to the rock drill steel meant to enable industries to supply the total requirements of the SADC region were recommended and the saving on imported steel determined.

Project AAA 7.6 - Investigation of the Rationalization of the Manufacture of Wear Resistant Liners and Rail Track and Fittings in the SADC Region

This project was implemented together with Project AAA 7.5 by the same expert who was attached to MCU under the Nordic technical assistance programme. The project was completed in December, 1992 and the report is being presented to member States for consideration.

The main results of the project are:

- **Rationalization of Manufacturing of Rail Tracks**

Zimbabwe Iron and Steel Company (ZISCO), being the sole manufacturer of rail tracks was looked into. Investigations revealed that the steel mill requires upgrading and modernizing as it is running on losses and far below its rated capacity.

The rolling mill for rail tracks is old and labour intensive and a source for production losses which is significant for the whole ZISCO.

It is however envisaged that the consumption of rail track for mining operations will decrease as there is a trend, like in Europe, to go for trackless transport system.

- Rationalization of Manufacturing of Wear Resistant Liners

Investigations indicated that sufficient manufacturing capacity is in place to satisfy market demands. However, due to intra-SADC trade barriers there are reasons to believe that liners are imported from non SADC areas.

Project AAA 7.7 - Manufacture of Activated Carbon from Coconut Shells in SADC Region

Phase I of this project which was an assessment of the regional market for activated carbon and a Survey of the coconut charring and activating methods in the region has been completed with the assistance from the Commonwealth Secretariat.

The report indicates that there is a regional market in SADC/PTA and South Africa for about 8,000 tonnes of activated carbon of which the SADC region's share is approximately 2,000 tonnes per annum. Information arising from this report will be disseminated to potential investors. Mozambique has already initiated work in line with the recommendations of the report.

Project LES. 7.1 - Manufacturing of Diamond Tools in Lesotho

The objectives of this project is to launch a market study on the demand for diamond tools in the SADC region with a view to making recommendations on the possibilities of establishing a diamond tools manufacturing facility in Lesotho.

During the Annual Consultative Conference in Maputo in February, 1992, CFTC undertook to finance (US\$0.08m) the project. Even though CFTC had indicated willingness to finance this project, the current re-programming of activities in the Commonwealth Secretariat has resulted in suspending most of the project activities of CFTC. This project has also been effected by the re-programming of activities taking place in the Commonwealth Secretariat.

CRITERIA AND PROCEDURES FOR PROJECT SELECTION

These criteria are intended to maintain the coherence of the SADC Mining Sector Programme, within the general framework of the objectives of SADC. They shall serve as guidelines for the member States, Sector Coordinator and cooperating partners, in the selection and presentation of new project proposals for inclusion in, as well as in the review of the projects already in the programme.

Experience during the implementation of the 1986-1990 Strategy and the political and economic changes taking place in the region and the individual member States have precipitated the need to review the Mining Sector criteria and procedures for project selection. In particular the following major reasons can be cited:

- Almost all member States are liberalizing their economies and are encouraging private sector participation in economic development. The emphasis is on economic viability and efficiency while at the same time maintaining an acceptable level of equity, balance and mutual benefit.
- There is need for the criteria to be consistent with the 1992- 1996 Mining Sector Strategy.
- The establishment of the Southern African Development Community.

1. CRITERIA

1.1 The basic criteria for project selection is whether or not the project contributes towards the achievement of the sector objectives. These are to:

- achieve SADC's primary development objectives
- promote investment in mining
- increase exploration
- increase the contribution of small scale mining
- improve skills in all aspects of mineral resources development
- provide market research
- encourage downstream and upstream processing industries to improve value added.
- realize the potential contribution of the upstream sector to the economies of the member States
- minimize the adverse impact of mining operations on the environment.

1.2 Some of the essential components for the projects to be supported under the Mining Sector programme are:

- i) project viability
- ii) potential investor
- iii) research and development

Bearing in mind the above consideration, several categories of projects may be distinguished.

- Projects of Regional Dimension

Such projects result from a coordination of the programmes between two or more member States, with a view to, promoting inter-trade, exchange of information, and exchange of labour and/or to reduce dependence from external sources.

- National Projects with a Regional Impact

These are projects which, although national in nature, cannot be replaced by projects of regional dimension, and for which economic alternatives cannot be found in neighbouring SADC countries.

- Pilot Projects and Research Centers for New Technology

Taking into consideration the importance of financial and manpower investments which such projects require, and the economic risks involved, it is preferable to avoid duplication in the region and to permit coordination of objectives and sharing of results of such projects between member States.

- Projects that will encourage active involvement of key players in the Mining Industry

The new strategy emphasizes a service approach by Government for private sector initiatives. Deliberate actions by the Mining Sector will be required to fully involve the business community at various stages of project development.

PROCEDURES FOR PROPOSAL EVALUATION AND APPROVAL OF PROJECTS

1.1 The formulation can be done by:

- a member State, or member States in cooperation
- Sector Coordinating Unit;
- the Sector Coordinating Unit and a member State (s) in cooperation.

Projects can be proposed by member Governments and/or the Sector Coordinator.

1.2 Formulation of New Project

For a project to be considered, it should be formulated in a standardized manner covering the following aspects:

Objectives

Description

- reference to how the project relates to SADC objectives;
- why it has relevance as a regional project;
- relation to national programmes;
- socio-economic justification;
- full technical description of how the work is to be carried out;
- cost estimates and sources of financing.

Implementation

- Executing Agency
- work programme and time schedule

Approval Procedure

A new project shall go through the following steps:

(a) **Project Formulating and Documentation**

This should be done by the entity proposing the project.

(b) **Presentation to the Sector Coordinating Unit.**

The project document should be submitted to the Sector Coordinating Unit at least three months prior to a meeting of the Sector Ministers, in order to allow for due consideration and analysis.

(c) **Evaluation by Sector Coordinating Unit.**

The Sector Coordinating Unit shall carry out an evaluation to ascertain that the project proposal is consistent with the objectives, strategy and criteria of the SADC Mining Sector, before being carried to the relevant sectoral authority for approval.

(d) **Distribution of project proposal**

The documentation for new projects should, preferably, be distributed to all member States well in advance of the meeting at which they will be considered.

(e) **Presentation to Sector Officials**

The member State(s) concerned, supported by the Sector Coordinating Unit present (s) the project for consideration at a meeting of the Technical Committee of Officials which makes an appropriate recommendation to the Committee of Ministers.

(f) **Approval**

Project proposal must be considered and approved by the Sector Committee of Ministers which recommends to the Council of Ministers for adoption.

(g) **Emergency Proposals**

Only, in exceptional circumstances, and in the case of emergency projects, should consideration be given to project proposals which have not been prepared as above.

3. PROCEDURE FOR CONTACT WITH THE COOPERATING PARTNERS

Sectoral programmes and projects are, generally communicated through the sectoral programme document produced for the Annual Consultative Conference. However, in between Annual Consultative Conference, specific projects may be communicated to interested cooperating partners directly.

In the case of a project located in one country, the member State which is host for the project, assisted by the Sector Coordinating Unit, will coordinate contact with interested cooperating partners. Both the Sector Coordinating Unit and other interested member States must be kept fully informed of progress in consultations on the implementation of projects, either by direct contact or usually through progress reports submitted to Sectoral meetings.

In the case of projects involving more than one country, and general coordination activities or projects involving all member States, the Sectoral Coordinating Unit, assisted as appropriate, by the member States, will coordinate contacts.

4. AGREEMENT AND CONTRACT PROCEDURES

The Council of Ministers has agreed that as a matter of general principle, SADC projects agreements should be signed by the member States directly involved and cooperating partners, and witnessed by the Sector Coordinator. Such agreements should spell out the rights and obligations of all parties and, in particular, should indicate clearly the reporting and monitoring procedures.

PROJECT IMPLEMENTATION, OPERATING AND MONITORING

Implementation refers to the preparation and execution of a project, but does not include subsequent operation and maintenance (e.g. of a plant).

1. Assistance From the Coordinating Unit

Member States involved in each project, with the assistance of the Sectoral Coordinating Unit, are responsible for its implementation and operation, through their appropriate institutions.

2. Financial Management

Financial management of each project will be of the Member States involved, and each member State will be responsible for servicing its financial commitments.

5.3 Reporting

The Sector Coordinating country is responsible for reporting on the status and progress of sectoral programme and project implementation and related activities to the Sectoral Committee of Officials and the Committee of Ministers; and to the Council of Ministers and Summit of Heads of State and Government, at the scheduled meetings.

TOURISM

PRESENTED BY THE GOVERNMENT OF LESOTHO

1. THE EXECUTIVE SUMMARY

- 1.1 Tourism is a product of the people's natural curiosity, desire for recreation and interest to discover the world about others and its endowments.
- 1.2 Aware of the above significant and unique characteristics of the tourism industry, the SADC region is taking the advantage to strive for effective, economic and sustainable development and promotion of the regional tourism product. This would create a more conducive environment for the tourism consumers to visit the region. To this end, the Tourism Sector is working towards the completion of its long term development strategy. The strategy will take on board the New SADC Treaty on integration and will aim at a fully integrated tourism industry.
- 1.3 For the year under review, the tourism industry realised a moderate growth in both tourism arrivals and receipts. According to the 1993 World Tourism Organisation (WTO) statistics, the year 1992 has been prosperous for the Tourism Industry. World wide, tourists arrivals reached 476 million, with an increase of 4.6%, from the previous year. Receipts on the other hand increased from US\$261 billion to US\$279 billion, an increase of 6.8%. However, it has not been possible to obtain the 1992 statistical data from some member States, thus making it difficult for the Sector to assess the Southern African regional performance. Nevertheless the global growth situation leads to a conclusion that some growth might have been realised by the SADC region. The explanation for the upward trend is the result of the present changes in the work situation, political stability, mutual understanding, faster means of travel and above all freedom to travel. However, the Southern African Region has not benefited fully because of lack of peace and stability, poor infrastructure and a non-competitive tourism product in some member States.
- 1.4 Nevertheless, it is envisaged that with the ensuing political changes in South Africa, and the evolution of other SADC member States towards democracy and indeed with the establishment of the Community, there is optimism for a brighter future in the acceleration of tourism growth in the Southern African Region.
- 1.5 The Tourism Sector presently consists of eight core projects amounting to US\$5 million of which US\$3.26 million has been secured; leaving a financing gap of US\$2.5

million. The projects are at different levels of implementation. However, most of the projects are at a stand still due to severe financial constraints.

- 1.6 Funds for the implementation of the INTRA Regional Market Research Study are being sought. The Commonwealth Secretariat (COMSEC) and the African Development Bank have expressed interest in financing the project.
- 1.7 Compilation of a Regional Tourism Information Manual is nearing completion. The TCU is awaiting the member States' decision to the regional logo which will have to be depicted on the top cover of the Manual.
- 1.8 Preparatory work on the commencement of Regional Tour Programming, costings and compilation of itineraries have been delayed due to poor communication between the TCU and member States.
- 1.9 As in previous years, SADC countries were represented at International Tourism Fairs at the WTM - London, in November 1992 Tour-Amsterdam, in December 1992; and Zimbabwe in Travel Expo in February, 1993. In March 1993 the Sector was represented in ITIX Las Vegas, ITB - Berlin and the TUR - Goteborg.
- 1.10 The Sector participated in a number of regional conferences, seminars and workshops. These include: SADC Summit in Namibia in August, 1992, SADC Workshop in Women and Development held in Tanzania in October, 1992; Southern Africa Regional Conference by ADB in the Ivory Coast - Abidjan in September - October, 1992; Annual Consultative Conference in Zimbabwe in January 1993; African Tourism Ministers Conference by ECA in Madagascar, January 1993; The African Tourist Board in the Netherlands, March 1993; African Tourism Minister in Tunisia, April, 1993; the First SADC Women in Development Seminar in Zimbabwe, April, 1993; and the Human Resources Development Symposium in Swaziland, April, 1993.
- 1.11 The Southern African Federation of Travel Tourism Association (SAFTTA) is still experiencing administrative and operational problems. However, acting on Council's decision of August, 1992 to assist the Association, attempts are being made by the Sector in association with SBC and SAFTTA to convene an extra ordinary meeting to address the problem.
- 1.12 Finally, member States are in the process of designing a branding of the SADC regional tourism product, to give the region an identity. This will be accomplished by designing a Logo and composing a theme which will portray a positive image of the SADC tourism product.

2. REVIEW OF THE REGIONAL SITUATION

- 2.1 The SADC countries have a vast natural diverse resources base for the development and maintenance of the tourism industry. The attractions are enhanced by their uniqueness and their geographical location. The tourism product of the region consists of natural qualities such as the pleasant climate and scenery; the sandy and sunny beaches of Angola, Mozambique, Namibia and Tanzania; the Wildlife of Tanzania, Botswana, Zimbabwe and Zambia; Mount Kilimanjaro of Tanzania and Maluti mountains of Lesotho; the Okavango Delta of Botswana; the Victoria Falls and Kariba Dam of Zimbabwe and Zambia; the colourful traditional villages and dances of Swaziland; the beautiful Lake Malawi; and the Great Ruins of Zimbabwe. These are, but a sample of what the region offers collectively.
- 2.2 Accommodation units of SADC member States add up to 980, with about 29,500 rooms, holding approximately 51 000 beds. The units cover hotels, lodges and chalets, some of which are of international standards. Botswana, Namibia and Zimbabwe have adequate hotel capacity. Lesotho, Malawi, Swaziland and Zambia have adequate capacity, but mainly concentrated in the Capital cities. Hotels in Angola, Mozambique and Tanzania need rehabilitation. Refurbishment of hotels in Mozambique and Tanzania is in progress.
- 2.3 Air transport is the principal means of tourist access to the region. The SADC air carriers handle about 43% of the total weekly non-regional air traffic, and 57% continues to be handled by foreign airlines. However, Air Botswana is playing a significant role by flying to most of the SADC countries and outside the region. Its collaboration with British Airways has increased access to and outside the South bound countries. In addition, the African Joint Air Service is under consideration.
- 2.4 Surface transportation is available in all the SADC member States; road infrastructure being the most commonly used, while rail service extends to about three-quarters of the region. However, the roads linking many of the regional tourist attractions are in very poor condition, thus inhibiting visits to some exotic spots. Concerted efforts are therefore being made by member States to construct new roads and rehabilitate old ones, in order to make tourist destinations easily accessible. Falling standards and long journey times have reduced the appeal of the rail systems as a means of travel within the region. Water borne transportation has yet to be explored to the full for tourist purposes.

- 2.5 The availability of amenities varies widely, depending on each member State's stage of development. For instance, national parks and game reserves are well developed in Botswana, Malawi, Tanzania, Zambia, Zimbabwe, and partly in Namibia. The rest of the member States still lag behind. The Sector has therefore designed new product development project aimed at addressing the development of national parks and other amenities in the other member States.
- 2.6 The international marketing of SADC tourism is done through a network of wholesale tour operators, primarily on a national basis. Overseas marketing is coordinated by national tourism offices based in diplomatic missions. Namibia, Tanzania, Zambia and Zimbabwe make a moderately effective use of the available network.
- 2.7 One recent important development has been that member States have agreed to introduce SADC Desks at International Airports within the region. This will facilitate the handling of passengers at regional airports.
- 2.8 The region experienced a severe drought during the period under review. The drought affected the flow of tourists to the region as this had an adverse impact on the environment, food supply and water borne tourism e.g. canoeing and rafting. The situation was aggravated by the civil war in Angola and the political violence in South Africa.
- 2.9 On the basis of the already existing relationship between South Africa and some of the member States, and in the light of the envisaged democratisation of South Africa in the near future, the Sector is exploring possibilities of joint tourism activities with South African institutions. This can only be to the benefit of the region as a whole.

3. REVIEW OF THE PROGRAMME

- 3.1 The current programme of the SADC Tourism Sector is designed to provide a product which meets the specific demands of the various consumers. It is developed in the context of national and regional socio-economic development objectives, in order to:
- ensure the viability and profitability of the industry;
 - maximise tourism's contribution to regional development through foreign exchange earnings, employment creation, human resources development and rural development;
 - ensure conservation of tourist attractions, preservation of culture and the environment as well as retention of foreign exchange; and,

- promote maximum use of local materials in construction and other tourist operations.

3.2 The programme is based on a project-by-project planning approach, which has resulted in a set of projects that do not closely reflect the priorities of the Sector. It has, therefore, become necessary to adopt a more coordinated sectoral planning approach. Towards this end, the strategy for the development of the tourism sector is under preparation and once approved, will form the basis for formulating a well-coordinated regional tourism development programme.

3.3 The general strategy for achieving the Sector's objectives emphasises:

- greater utilisation of the local resource base, including diversification and improvement of the regions tourist product;
- development of appropriate infrastructure, superstructure and related tourist amenities in the rural areas;
- ensuring proper planning of tourist projects through closer liaison with other Sectors of SADCC;
- production and proper dissemination of the region's promotional material;
- promotion and encouragement of intra-regional travel and initiation of deliberate incentive programmes by member States;
- encouragement of selective tourism; and,
- training of professional and skilled personnel at all levels.

3.4 Broadly, the current Tourism Development Programme comprises four components:

- Tourism product Development;
- Tourism Research and Marketing;
- Tourism Services; and
- Human Resources Development and Training.

3.4.1 TOURISM PRODUCT DEVELOPMENT

Tourism product development projects have been approved by the Committee of SADC Tourism Ministers. However, these projects will be reviewed once the strategy is formulated, so that they can form a cohesive part of the whole sectoral programme.

TOURISM RESEARCH AND MARKETING

- 3.4.2.1 Tourism marketing activities focus on trade fairs and other exhibitions, production of promotional materials (brochures, audio-visual aids and display material) and market research. In Europe, SADC member States participated in tourism fairs in Las Vegas, Amsterdam, Gothenburg Berlin and London. Member States also participated in fairs held within the region.
- 3.4.2.2 Market research is intended to assess the size and potential of tourism markets in Europe, North America, the Pacific Rim, Scandinavia and within the SADC region. With the assistance of the Commonwealth Secretariat, market research studies in the Pacific Rim and Scandinavia have been completed. However, following the Tourism Ministers' decision at the Windhoek meeting in May, 1992 that the opening of offices be deferred, the Sector is seriously looking for ways and means to promote the regional tourism industry.
- 3.4.2.3 The intra-regional market research study has been delayed because of financial constraints. The Sector is negotiating with the African Development Bank (ADB) to fund the study. Due to the delay in undertaking the study, COMSEC withdrew support as the financial year within which the project had been budgeted for had lapsed. Member States have already submitted names of their national consultants in tourism to be considered for undertaking the study. However, the selection will be made only when funds are secured.
- 3.4.2.4 The Sector has secured technical assistance for the position of Research Analyst from the Commonwealth Secretariat. As soon as the position is filled up, periodic consumer surveys will be conducted as part of market research. The specialist will also be instrumental in the preparation of a tourism master brochure.

TOURISM SERVICES

Tourism services cover standardisation of the grading of tourism facilities and regional tourism statistics; creation of a network of SADC tour operators, through registration and accreditation and mobilisation of the tourism enterprise community to participate effectively in regional tourism development. A project aimed at achieving uniform hotel and tourism plant grading standards was completed in 1991 with United Nations Development Programme (UNDP) assistance. Recommendations of the study were considered and approved by the Tourism Ministers in July 1992.

HUMAN RESOURCES DEVELOPMENT AND TRAINING

Human Resources Development and Training programme encompasses the assessment of skilled manpower requirements in the tourism industry, expansion and upgrading of training facilities, and organisation of training programmes to meet the requirements. With the assistance of the German Association for Technical Cooperation (GTZ), the Tourism Sector, in collaboration with the Human Resources Development Sector, have commissioned a study to assess the needs of the existing hotel and tourism training institutions in the region. The committee of Ministers approved the recommendations contained in the draft report.

4. CURRENT STATUS OF PROJECTSa) TOURISM MARKETING

Project AAA.1.1 Internal Distribution network.

The objective of this project is to set up an efficient network of incoming wholesalers to programme and package comprehensive regional multi-destination tours, to sell these internationally and regionally and to handle incoming passenger flows. The following activities will be undertaken in implementing this project:

- identification of suitable incoming wholesalers, based on distribution of office, regional experience and international exposure and contacts;
- identification of suitable national offices for combining into regional cooperative selling organisations;

- identification of weaknesses in the distributive sector in member States and design and implement technical assistance programmes;
- communicating with selected operators and drafting plan of operation;
- inspection of selected tourism products within the region and the Indian Ocean;
- drafting of tour programmes and itineraries and costing;
- production of brochures; and
- marketing and selling tours.

No updating has been done to the Directory of Regional Tour Operators. The preparatory work on the commencement of tour programmes, costing and compilation of itineraries has been delayed due to poor communication between the Sector Coordinating Unit and member States.

Project No. AAA.1.2: Promotional Resources Base
Development

Effective marketing requires effective communication of the facts and the image of the product in question. This requires - more than in any other industry a good range of effective, informative, printed and audio-visual material. Display material is required for decoration of stands and booths at trade shows and for point of sale (POS) displays.

This project aims to provide and distribute the necessary printed, audio-visual and display materials required for effective marketing, and to set up and run an annual tourism market workshop for joint promotion of the regional product to international and local travel industry professionals.

The Commonwealth Secretariat has indicated willingness to support the design of the regional master brochure only after the SADC Intra-Regional Market Research study is completed by the Sector.

Following the approval by Tourism Ministers to sub-divide the project into three components, the status of the project is as follows:

Project AAA.1.2 (a) Production of a Regional Master Brochure

Funds for project implementation have not been secured, except for the design of a master brochure by COMSEC. The NORDICS have been appointed to finance this sub-component of the project.

Project AAA.1.2 (b) Production of SADC Tourism Information manual

The sector has designed a format of the Tourism Information Manual. Production of the Manual will be financed through TCU by the Lesotho Government. The Sector intends to produce 100 copies initially. Funds permitting, the Information Manual will be updated periodically and distributed to potential market segments.

Project AAA.1.2 (c) Production of Audio-Visuals, Maps and display materials.

No funds have been secured. Various donors have been approached, but none have responded.

PROJECT AAA.1.3 TOURISM MARKETING IN EUROPE

Europe, particularly the United Kingdom and Portugal, have been a traditional source of overseas visitors to the region. A large proportion of these have been visiting friends and relatives (VFR'S) while others have traditionally combined the SADC region with South Africa and (to a lesser extent) Kenya; as part of group of individual package tours. Tanzania, Zambia and Zimbabwe have engaged in serious marketing in continental Europe, as well as in the United Kingdom.

It is now necessary to diversify market segments both geographically and demographically, and to put an exclusively SADC product on the market.

The project will utilise the Promotional Resource Base and the International Distribution Network as the basic tools for promoting and selling the regional tourism product. Various Marketing Projects are in hand and operational under funding by a number of co-operating partners.

The EEC finances member states participation at Zimbabwe EXPO-Harare, WTM-London, ITB Berlin, ITIX USA and partly TUR-Gothenburg. The sponsorship is drawn from EEC national indicative programme of the ACP countries.

TOUR - Amsterdam Netherlands: Since 1986, SADC member States have participated using common stand. The Fair has been financed bilaterally by CBI- Netherlands. In 1992 SADC countries participated on a communal stand at tour except for Angola.

PROJECT AAA.1.4 INTRA-REGIONAL TOURISM RESEARCH AND MARKETING

Intra-regional tourism marketing is not only a commercial necessity to increase revenue in the tourism industry in SADC, but should also be seen in the light of the generally accepted democratic right of all sections of the SADC

population to take holidays. The promotion of travel within the region will enhance understanding and cooperation amongst the citizens of the SADC region.

The aims of this project are:

- to assess the size, potential and needs to the traditional (middle-high incomes) travelling public in the region;
- to assess the needs and requirements of lower-income groups for holiday travel;
- to identify means of communicating and distributing the tourism product of the region to differing segments of the population; and,
- to identify product requirements and price levels appropriate to regional needs.

The market research component of the project has been submitted to the African Development Bank for financing.

PROJECT AAA.1.5 TOURISM MARKETING IN THE PACIFIC RIM, SCANDINAVIA AND EASTERN EUROPE

- Project AAA.1.5 (1) Pacific Rim Market Research
- Project AAA.1.5 (2) Scandinavian Market Research
- Project AAA.1.5 (3) Eastern Europe Market Research

The major objective of these projects is to assess the potential to attract visitors from these three areas to the SADC region.

Both the Pacific Rim component and the Scandinavian Market Research have been completed with the financial assistance provided by the Commonwealth Secretariat. A report of the study has been approved by Tourism Ministers.

The Commonwealth Secretariat has also indicated its willingness to fund the Eastern Europe Market Research Project after the completion of other research projects.

b) Tourism Product Development

Project 2.0.1: Product Development

The objectives of this project are:

- to identify the infrastructure required for tourism development and estimate costs;
- to select projects from national master plans to be included in the regional plan and re-appraisal of these projects; and,

- to commission feasibility studies on projects agreed upon with member States, in order of priority.

Specific tourism products that need rehabilitation and up-grading in various SADCC States are being identified in consultation with member States.

c) Tourism Services

- **Project AAA.3.1 Classification of Hotels and Tourism Plant**

Tourists rely on brochures and other persuasive data sources to make their choice. A grading system introduces an objective element into the decision-making process, thus reducing the element of chance and possible disappointment. This encourages Consumers and assures customer satisfaction.

The objectives of the project are:

- to design and implement a standard grading classification system for hotels, other accommodation establishments and ground operators;
- to achieve uniformity of standards throughout the region; and,
- to ensure high standards and relevant value-for-money at all tourism plant in operation.

Funding was secured from the UNDP and the project was executed by the WTO.

- **Project AAA.3.2 Harmonisation and Standardisation of Tourism Statistics**

Tourism Statistics are currently inadequate owing to various constraints in the collection and processing of data, and to varying methodologies in use. Accurate and reliable statistics are needed for the analysis of current and ongoing programmes and for future planning.

This project aims to design and implement systems for collecting and analyzing frontier arrival figures for visitors, hotel arrivals and occupancy, for a statistical analysis system; and guidelines on the collection and analysis of domestic tourism statistics for the region.

This is another WTO-assisted project which has been completed, although the report of the consultant has not been received by the TCU. A

regional model for data collection is being formulated.

d) Tourism Training and Human Resources Development

* Project AAA.4.1 (1) Hotel and Tourism Training

The existing hotel and tourism training institutions and facilities in the region are inadequate, and can only cater for the lower-level cadres. At the same time, the high cost of training middle and senior management abroad is prohibitive, hence the urgent need to strengthen existing local institutions to cater for the training needs of the Tourism Sector.

The aims of the project are:

- to introduce training schemes and facilities for tourism administration staff, hotel and tour operator management, retail agency staff, guides and hotel personnel;
- to ensure a steady supply of skilled manpower to suit the needs of all sectors of the industry; and,
- to improve standards of service throughout the region, particularly in less developed areas.

Under the project, a study has been conducted with a view to assign the needs for strengthening the existing hotel and tourism training institutions within the region. The study is part of an ongoing GTZ - funded RTC study. The study has been completed.

* Project AAA.4.1 (2) Tourism Workshop Training

In order to plan for tourism development, it is important that tourism policy makers and the implementing agencies are well versed in the industry's requirements. The training of national tourism administrators through workshops is considered as an effective way of upgrading their skills and knowledge, that will enable them to perform their duties professionally and effectively. It is further envisaged that regional workshops will benefit more personnel in specialised fields of study.

The training will be conducted intermittently, as and when the need arises.

The aims of the project are to train and upgrade the skills of the national tourism administrators in tourism policy, planning and development, and in tourism marketing and promotion.

Preparations are underway to run a Train-the-Trainer Course under EC assistance.

Two other workshops/seminars are planned to be held sometime in the near future. These are:-

i) SADCC WOMEN IN DEVELOPMENT

The Sector plans to bring together SADC women involved in the tourism industry. Together, they will identify problems peculiar to them as women in the industry. It is envisaged that the recommendations from the workshop will enhance the advancement of women in the development of tourism in the SADC Region.

Funds have been secured from Iceland International Development Agency.

ii) TOURISM MANAGEMENT

Tourism is a unique industry. First, its nature as an industry for leisure has resulted in a misconception that it is an 'easy' industry - no line is drawn between production and consumption; outsiders to the industry see them as one.

Second, the fact that buyers come to the product and not the other way round, as is the case with other industries, requires special skills. There are, therefore, some management experiences that the tourism industry cannot exchange with other industries. This sets the management of tourism apart, making it an area for special attention.

TRANSPORT AND COMMUNICATIONS

PRESENTED BY THE GOVERNMENT OF
THE REPUBLIC OF MOZAMBIQUE1. EXECUTIVE SUMMARY1.1 General Issues1.1.1 SADC Treaty: Regional Economic Integration and the
Transport and Communications Sector

The signing on 17 August 1992 of the Treaty establishing the Southern Africa Development Community (SADC) and its expected ratification means that the member states have committed themselves to deepen their cooperation to eventual integration into a single economic space within which persons, goods services and capital can move freely.

For transport and communications, the creation of an economic community has an added significance as these sectors make possible the movement of goods, services and information, a movement which is critical for carrying out the economic and social activities in any community. Consequently, for the goals and objectives of the SADC to be achieved, the Transport and Communications sector in the region must be further improved to facilitate smooth, reliable, more efficient and economical services throughout the region.

The areas of cooperation and means of achieving such cooperation, which will ensure the provision of requisite level of transport and communications services throughout the region, will be elaborated in a protocol to the SADC Treaty. The process of drafting of such a protocol has been initiated and is guided by the ongoing overall SADC programme of popularising and mobilisation of the constituency and resources for building the community. Finally, the protocol will take into account the results of similar efforts in the other parts of the world particularly in Africa (OAU) and the Preferential Trade Area for Eastern and Southern Africa (PTA).

1.1.2 Peace and Security

While the peace process in Angola experienced a major reversal, developments in Mozambique are more promising. A marked improvement has been attained in the development and operations of the transport and

communications systems. The convoy system whereby road vehicles needed military escort, and which used to cause delays in traffic flow, is no longer used for the Beira and Tete transit corridors as well as in-country operations. The Zimbabwe army, which used to provide security on the Beira corridor, was withdrawn in April 1993. It is the expectation of all that genuine peace and democracy will be attained in Angola and South Africa and that this and the ongoing political reforms in the region will help to guarantee improved security situation so that the improvement of the regional transport and communications systems can be sustained.

1.1.3 Transport and Logistics for Emergency Grain Imports.

The regional structure established by the SADC Governments for the management of the response to the severe 1991/92 drought has assisted in ensuring the timely movement of food supplies to the needy people. Overall the SADC coordinated transport corridors performed very well. By 30 April 1993, 3.355 million tonnes had been handled by these corridors. The balance of 2.997 million tonnes, out of the total of 6.352 million tonnes of drought related traffic imported into the SADC region, was handled by South African corridors which were also included in the SADC monitoring and consultative system.

A post-drought transport and logistics strategy is being prepared on the basis of experience of and lessons of past operations. The strategy will endeavour to extend to other normal traffic the positive elements of the institutional set-up, facilities and operational procedures established specifically for drought operations. The strategy will also entail measures needed to be put in place to ensure necessary overall disaster preparedness.

1.1.4 Performance Improvement and Restructuring.

Notable progress is being made in the addressing of identified major weaknesses which prevent efficient and optimal utilisation of the existing transport and communications assets and facilities. Among the major weaknesses being tackled is the reform and improvement of the structural and organisational deficiency, quality of management as well as the regulatory and policy environment to ensure that the operators of the transport and communications systems are efficient and cost effective.

The measures being taken by individual organisations and Governments are being supported and coordinated at the regional level by the conducting of regional restructuring seminars for each subsector as well as

an overall seminar planned for top (political) policy decision makers in the region. The seminars conclusions and recommendations form the basis of follow-up work at regional level.

1.1.5 Regional Transport and Communications Integration

Funding has been confirmed by the EC for undertaking the Regional Transport and Communications Integration Study which is going to result into the drawing up of a comprehensive strategy and master plan for the development of integrated and efficient regional transport and communications systems. The study is expected to commence in October/November 1993.

1.2 Surface Transport

1.2.1 Compared to international (import/export) dry cargo traffic flows reported for 1991, in 1992 a general increase of about 36% in the usage of the SADC port transport systems was recorded. That is, a total of 5.793 million tonnes was transported through the systems in 1992 compared to 4.267 million tonnes in 1991 (after adjusting the 4.010 million tonnes reported last year due to subsequent data refinement). For liquid bulk cargo, the volume of traffic remained almost static with 3.147 million tonnes moved through the systems in 1992 compared to 3.149 million tonnes in 1991.

The recorded improvement has been due to high volume of drought related traffic of mainly emergency food imports. Thus, whereas the overall dry cargo import traffic increased by 85% to 4.078 million tonnes in 1992, the dry cargo export traffic decreased by 26% to 1.715 million tonnes in 1992.

1.2.2 An analysis of the transport charges of the SADC corridors for the movement of drought related traffic has confirmed that the SADC corridors are the cheapest or most economical routes for most of the SADC hinterland. However, a similar analysis of transit lines has indicated that the potentially most economical routes did not necessarily offer the best time savings, which may be considered to indicate lower level of quality of service.

1.2.3 Ports and Shipping

The combined SADC ports annual capacity was in 1992 estimated at 28.3 million tonnes, which is the same level as in 1991. The total SADC ports throughput (including cabotage) in 1992 increased by about 17% from about 8.3 million tonnes in 1991 (after making corrections to the figure of 7.5 million tonnes reported last year due to available new data) to about

9.7 million tonnes in 1992. The 1992 usage levels indicate an overall use of only about 34% of the estimated SADC ports total installed capacity (up from about 29% for 1991).

1.2.4 Railways

Total international traffic carried by the corridors' railways in 1992 is estimated to be about 2.28 million tonnes (including South African traffic through Rossano Garcia line which was not reported last year). Compared to about 1.95 million tonnes moved in 1991, the 1992 traffic performance signifies a 17% increase. This is generally due to the emergency drought related traffic imported into the region during this period. Performance for traditional traffic registered a decrease due to poor economic performance of user countries with the drought adversely affecting exports, inadequate rolling stock and suboptimal operations.

An assessment of the performance and productivity of the SADC Railway Administrations has shown that some improvement has been achieved in 1992 compared to the 1991 results. However, overall there is need for further measures to be taken in order for the railways to perform optimally and in a cost effective manner.

1.2.5 Roads and Road Transport

Though the regional roads are significantly improving due to ongoing rehabilitation and the road transport industry has recorded significant growth in recent years, requisite data is still not available to enable meaningful reporting of the performance of this subsector. Data availability has started to improve in 1992 and it is expected that further significant improvements will be attained during 1993 to enable better reporting in future.

1.3 Civil Aviation

Considering inter-SADC traffic alone, the estimates of 1992 indicate a very small negative growth when compared to 1991 traffic. The war situation in Angola and the opening up of South Africa and the consequent introduction of more direct flights between Johannesburg and the rest of the world might have given rise to this situation. However, on the other hand the decline in 1991 and 1992 may be conforming to the global decline during and after the Gulf war.

As regards SADC Airlines overall performance and productivity, available data indicates that they are generally attaining low productivity and are losing money. Efforts to enable the SADC Airline industry recover are

being made through restructuring of the industry as well as regional cooperation.

1.4 Telecommunications

Notable growth in the total capacity of Direct Exchanges Lines (DEL) was again recorded in 1992 to maintain a sustained growth from a SADC total of about 350,000 DEL in 1986 to about 780,000 in 1992. Out of the 1992 total capacity, only 548,055 DEL or 70% were working and serving about 86 million people in the region. This means that the main line telephone density in 1992 continues to be very low at only about 0.64 DEL per 100 inhabitants. Furthermore, the 780,000 DEL capacity is still below expressed demand estimated at about 848,000 DEL comprising about 548,000 working lines and about 400,000 waiters.

As regards intra-SADC telephone traffic, an intra-SADC telephone traffic growth of 17.5% has been registered from 1990 to 1993.

Some of the constraints affecting the smooth flow of telephone traffic in SADC are, first, the limitations in transit facilities. About 83% of intra-SADC traffic is carried in the direct routes, where they exist, and 13% of the traffic transits in RSA. The SADC traffic which transits within the region amounts to only 1.5% of the total generated traffic. Such traffic which transits in the region is mostly through operator assistance, preventing the use of a more convenient ISD service in some intra SADC routes.

Secondly, the poor quality of service of the Local Area Networks in most countries, associated with congestions in some trunk networks, seems to contribute to the low call completion rates. The region average automatic calls completion rate is about 33% against the targeted figure of 40%. Measures are already being taken to address these problems.

1.5 Postal Services

Improvements in the performance of the SADC Postal Administrations have continued. The EMS market continued to show a steady growth in the region.

The major problem causing loss of customers for the post offices is the poor quality of services provided. The new Postal Development Programme addresses measures needed to improve the quality of service.

1.6 Meteorology

Efforts have been initiated in 1992 to collect data and information which will enable making a reasonable quantitative and qualitative reporting of the capacity and

performance of the meteorological services. However, a general observation is that the capacity of the Meteorological Services in SADC still needs strengthening and that the performance will also have to be improved to enable timely provision and dissemination of the services to all sectors concerned including transport and communications, agriculture, energy, land (hydrology) and environment.

1.7 Human Resources Development

Notable progress has been made in the implementation of training programmes particularly in the railways sector. About 2500 and 500 trainee weeks were recorded respectively in railways and telecommunications sectors during 1992. Ongoing training programmes continued to be implemented in the Meteorology, Postal and Ports and Shipping subsectors. New or further interventions are anticipated in all sectors during 1993.

1.8 Programme Review

Implementation of physical capacity building and capital investments projects continued satisfactorily to address the remaining missing or weak links in the regional transport and communications network. However, emphasis in the activities of the SATCC-TU and the subsectoral Working Groups continued to be on operational coordination and efficiency improvement issues.

Only one new project in Civil aviation has been proposed to be added to the SADC or SATCC Program of Action (SPA). This Project, whose total cost is US\$6 million concerns the establishment of a Local User Terminal to enable the use of satellite tracking for search and rescue and related operations. On the other hand, the ongoing review and streamlining of projects in the programme of action has resulted into the merging of some projects thus reducing the total number of projects in the sectoral programme.

In financial terms, aggregated estimated costs of the whole SATCC program including capital investment, operational coordination and training and technical assistance projects, has increased from US\$ 6.652 billion in 1991/92 to US\$7.083.10 billion in 1992/93. The growth of the programme of 3.3% during 1992/93 has been caused by adjustments of projects' costs and addition of new elements in the existing programme, and not the increase in the number of projects. In fact the growth rates recorded since 1989/90 indicate stabilisation of the size of the programme compared to an annual average of over 10% for the year up to 1989/90.

Funding secured and under negotiation increased from US\$ 3.559 billion in 1991/92 to US\$3.613 billion in 1992/93, an increase of about 4.7%. It should, however, be noted that these figures exclude funds expended for completed projects, amounting to US\$0.223 billion.

More elaborate reporting on physical and financial status of implementation of projects is still not possible at this stage because of the many gaps in the information which is available. Currently, up to date information indicating percentage of implementation of physical works and the amount of funds disbursed is available for, mainly, road projects and the Beira Corridor projects. Additional information is still being collected and it is expected that this would be forthcoming from the member states.

2. REVIEW OF THE REGIONAL SITUATION

2.1 SADC Treaty: Regional Economic Integration and the Transport and Communications Sector.

On 17 August 1992, the Heads of State and Government of the ten countries of the Southern African Development Coordination Conference (SADCC), in an act of far-reaching consequence, signed a treaty in Windhoek, Namibia, which transformed the organization into the Southern African Development Community. Thus the organization was transformed from one of loose co-operation to one aimed at deepening the integration of the economies of the member countries.

The signing of the treaty was the culmination of careful preparatory work over a two-year period. With the signing of the Treaty the member states, as a matter of necessity, committed themselves to deepen their cooperation to eventual integration into a single economic space. It is, however, acknowledged that it will take a long time for the full implication of this important event to be appreciated, especially the notion that a community implies a commitment to togetherness and a shared sovereignty, declining significance of national boundaries, and a single economic space within which persons, goods, services and capital can move freely.

The creation of a community has an added significance for Transport and Communications as they are the lubricant of the engine of economic integration. Without them, the carefully designed and crafted engine might just seize up and not move at all. Transport and Communications make possible the movement of goods, persons, services and information across borders, a movement without which the goal of welding the population of the region into a single people with a common vision and common values will not be possible to attain.

Consequently, for the objectives and goals of the SADC to be achieved, it is necessary that the Transport and Communications sector be further improved to facilitate smooth, reliable, more efficient and economical means of exchange of information, goods and services as well as of personal travel. In this regard, while further development of critically needed infrastructure and physical facilities (hardware) must continue through capital investment, emphasis is now, however, being put on addressing the question of maintenance of existing capital stock and efficiency improvement (software), policy reform, harmonisation and coordination of operations, integration and restructuring of regional systems, management improvement and human resources development.

In order to enable SADC member states to efficiently develop the requisite regional Transport and Communications systems able to cater for the above requirements, the level of cooperation and commitment must be deepened among and between policy makers, managers and operators as well as principal users of the transport and communications services. The areas of cooperation and the means of achieving such co-operation will be elaborated in a protocol to the SADC Treaty which is expected to be drafted, negotiated and signed by the competent authorities by September, 1994.

The main general areas of cooperation to be addressed in the protocol include: the development of common transport and communications policy and a common management culture to ensure safe, efficient, standardised and harmonised services across national borders; establishment of institutions for the coordination or integration of operations such as trade associations or, where deemed appropriate, Regional Authorities; the joint conduct of research and development programmes; the development and utilisation of common training facilities and programmes specific to the different subsectors.

2.2 Peace and Security

While the peace process in Angola experienced a major reversal with the resumption of war following UNITA's refusal to accept the results of the elections held in September 1992 and which a team of international observers had adjudged to be free and fair, developments in Mozambique are more promising, a Peace Accord, including a cease fire, having been signed between the Government and RENAMO in Rome on 4 October 1992.

Although still in its initial stages of implementation, the Peace Accord has already resulted in a marked improvement of the security situation in the country, thus guaranteeing the undertaking of transport and communications development projects and the resumption of services that had been suspended. The convoy system whereby road vehicles needed

military escort, and which used to cause delays in traffic flow, is no longer used for the Beira and Tete transit corridors as well as in-country operations. The Zimbabwe army, which has hitherto been used to secure the Beira corridor, was withdrawn in April 1993. Preparations of a major national programme for roads and coastal shipping improvement is now underway under the coordination of the World Bank.

It is the expectation of all that the improvement in the security situation that has been achieved in 1992 and the ongoing political reforms in the region will be enhanced and consolidated in the future so that the improvement of the regional transport and communications system can be sustained. It is also expected that the international community will exert their influence to secure genuine peace in Angola and that developments in South Africa will lead to the creation of a democratic, peaceful and secure new South Africa post apartheid.

2.3 Transport and Logistics for Drought Emergency Grain Imports

As reported in 1992, the SADC region in the 1991/1992 agriculture year suffered the most severe drought in living memory. SADC Governments, therefore, established regional structures for the management of the drought response. These included the National Committees and the Regional Task Force responsible for coordinating all regional efforts to combat the effects of the drought, the Transport and Logistics Committee responsible for facilitating the smooth flow of drought related traffic into the region, the Corridor Groups responsible for the day-to-day movement of drought related imports through the corridors, and the SADC/WFP Logistics Advisory Centre (LAC) responsible for collating, analysing and disseminating information in connection with the overall drought response. The LAC was also involved in identifying logistical problems and constraints to day-to-day operations within the transport corridors and suggesting remedial action to ease them. The actors included governments, transport operators, corridor users and the donor community.

Several meetings were held that led to action being taken within the framework of the regional structures. Measures to improve the throughput of the ports, the offtake from the ports by rail and road, the smooth flow of the drought-related imports across borders were also identified and taken. This work was greatly assisted by two USAID-financed analytical studies on "Road Cross-border Facilitation" and "Railways Facilitation" which were carried out under the auspices of SATCC by the Blantyre-based UNCTAD Project on Transit Transport and Support to Transport in Southern Africa.

Despite the fact that the whole surface transport network is more geared to handle exports rather than imports, by 30 April 1993, out of the 6.352 million tonnes of drought related traffic to the SADC region, about 51%, or 3.355 million tonnes were handled by SADC Ports. The balance was handled by the South African ports (see figure 1 and Table 1).

Railways conveyed about 85% of the drought related commodities, with road transport moving the balance. Despite this laudable performance, a number of problems were experienced ranging from limitations in facilities, some institutional inefficiency and non-compliance with measures previously agreed upon.

As regards the future, the outlook for the 1992/93 farming season looks good thanks to the generally satisfactory rains which have fallen in many parts of the region. Although some places are expected to continue experiencing drought because the rains were inadequate or came too late for good crop development, the intensity of the drought as experienced in 1991/92 is now generally considered as over. Consequently, thought is now being given to the development of a post-drought transport and logistics strategy on the basis of the experience and lessons of past operations. In this connection, an assessment is underway of the performance of the Southern African (including South Africa) transport system during the 1992/93 drought relief operation. Its findings and recommendations will form the basis of a future strategy especially with regard to such issues as an appropriate institutional set-up, the responsibilities of the various actors, the necessary improvements in services and facilities as well as overall disaster preparedness.

2.4 Performance Improvement and Restructuring

Having made considerable investments in the improvement of the installed capacity of the SADC transport and communications infrastructure and facilities, the concern of both the SADC member countries and their cooperating partners, who supported the investments, is now rightly being turned more to ensuring the efficient utilization of these capital assets and the improvement of their performance. A number of weaknesses which prevent efficient and optimal utilization of the assets have been identified, and measures to address them are being taken by the operating organisations themselves, Governments, and SATCC with the assistance of the cooperating partners.

Among the major weaknesses which have been identified is the structural and organisational deficiency of the state-owned enterprises (SOEs), which are the dominant operators of transport and communications services. Furthermore, in some cases weak or inadequate regulatory and policy

environment has stifled the performance of even the generally privately operated road transport subsector.

In order to address this structural and organisational weakness of the SOEs, remedial actions are already being taken and notable progress is slowly being made. In this regard, it is worth noting that efforts are being made at all levels, i.e. by the enterprises themselves, by governments at the national level and under the aegis of SATCC at the regional level, in many cases with the support of cooperating partners. At the national level the initiatives are often being taken as part of the Structural Adjustment Programmes under implementation in some countries, while in countries not implementing Structural Adjustment Programmes they form part of the governments' own initiatives to reform their economies and to eliminate subsidies to enterprises that should be profitable and make their contribution to the national treasury. The initiative at the regional level is mainly focussed on coordinating these activities with a view to enabling all countries to become aware of regional initiatives to attain an integrated transport and communications system and the gains to be derived from a uniform level of performance and efficiency.

In this regard, the SATCC has, during the reporting period, followed up restructuring work being carried out in the Member States for the different subsectors. At regional level, specific measures to be taken in the restructuring work in railways were discussed at a World Bank organised seminar held in June 1992 in Bulawayo for English Speaking Sub Sahara African countries. A seminar for Telecommunications Policy, Restructuring and Regulation was held in February 1993 in Windhoek under the auspices of SATCC and funding from the USAID. A similar seminar is under preparation to be held in October 1993 for Civil Aviation. Other regional seminars planned to be held later are for the roads, meteorology, ports and shipping and postal services subsectors. A ministerial and senior Government Officials' restructuring seminar is also planned to deal with broad common issues in restructuring and provide an opportunity for sharing of experiences and information. It is expected that these regional seminars should result into an agreed common agenda based on which further follow up work can be made to achieve speedier action in this critical activity.

2.5 Transport and Communications Integration in Post Apartheid Southern Africa

During 1992/93, further understanding and appreciation was gained on issues involved in the integration of the transport and communications systems in Southern Africa including a post apartheid South Africa. Most significant sources of this gain were the ADB study on Southern Africa Integration (whose initial findings were a subject of

extensive discussions in a special workshop in Abidjan), a seminar on Regional Economic Integration for Southern Africa organised by the Institute of Development Management, Botswana and held in Windhoek, and the 1993 SADC Annual Consultative Conference Theme Document on "SADC: Strategy for Building the Community". However, the commencing of the planned major Regional Transport and Communications Integration Study for Southern Africa" was delayed. This study, which will be financed by the EC, is to make a comprehensive and detailed analysis of all issues including traffic forecast and development, operational, policy and regulatory actions required to be taken to achieve the intended integration. A detailed and comprehensive action plan for each subsector is therefore expected to emerge from this study. Processing of the study start-up is advanced with prequalification bids having been submitted by 2 March of 1993. Full tender and contract processing is expected to be expedited with a view to the study commencing in October/November 1993.

2.6 SATCC Statistical Data Base

Although there were improvements in data collection during the year, as reflected in this annual sectoral report, there are still major gaps especially in operational and financial performance related statistics. Some basic statistics are still missing especially those which are required to analyse adequately the performance of the sector and identify problems and technically sound measures to be taken to solve the problems. A comprehensive approach is being taken to improve the data base both at regional (i.e. at SATCC-TU) and national level. A data base improvement programme is thus expected to be implemented in the course of implementation of the "Integration Study". Some data base improvement work will also be undertaken within the overall SADC Transport Efficiency Project (STEP) with USAID funding and in conjunction with the World Bank Transport and Data Base Improvement Programme under the auspices of the SSATP.

3. TRANSPORT AND COMMUNICATIONS CAPACITY AND PERFORMANCE REVIEW

3.1 Surface Transport

3.1.1 General

- (a) The overall capacity and usage of the SADC ports transport systems for the years 1989-1991 is indicated in Chart 2 according to the type of traffic (Chart 2A) and usage by SADC Countries (Chart 2B). The following general observations arise from the information provided:

- (i) Information on the Port of Walvis Bay is not included since it has not been fully repossessed by Namibia. Though joint management arrangements have been concluded and started to be effected, for technical operations and information system purposes the port is still included in the South African Port System i.e. Portnet. However, in the movement of drought related traffic, for which the Walvis Bay Port Corridor was designated as Western 1 Corridor under the coordination of TransNamib of Namibia, the corridor handled a total of 180,774 tonnes up to 30 April 1993.
- (ii) The capacity of the transport systems as determined by port capacities still exceeds present (up to 1992) usage levels.
- (iii) Compared to international (import/export) drycargo traffic flows reported for 1991, in 1992 a general increase of about 36% in the usage of the SADC port transport systems was recorded. That is, a total of 5.793 million tonnes was transported through the systems in 1992 compared to 4.267 million tonnes in 1991 (after adjusting the 4.010 million tonnes reported last year due to subsequent data refinement). For liquid bulk cargo, the volume of traffic remained almost static with 3.147 million tonnes moved through the systems in 1992 compared to 3.149 million tonnes in 1991.
- (iv) An analysis of the performance indicates that the recorded improvement has been due to the high volume of drought related traffic of mainly emergency food imports. Thus, whereas the overall dry cargo import traffic increased by 85% to 4.078 million tonnes in 1992, the dry cargo export traffic decreased by 26% to 1.715 million tonnes in 1992.
- (v) The information does not include the overall usage of the regional networks of land modes of transport (i.e. rail and roads) by domestic and intra-SADC traffic. This traffic is indicated in the respective modal sections presented below.
- (b) As regards other performance indicators related to quality of service and cost of the use of different corridors, the SATCC-TU is still not able to make a reasonably exhaustive assessment due to inadequacy of data. However, data produced by the Logistics Advisory Centre (LAC) for the drought related traffic gives indication of this performance. As indicated in the LAC's Bulletin No.10 in which this data was published, the information depicts the situation obtaining in February 1993. Based on this

information, charts 3-8 have been developed to show comparative transit times (A - as a proxy for quality of service) and route charges (B) for selected major traffic nodes of Harare, Bulawayo, Lusaka, Ndola, Lilongwe and Blantyre in some of the landlocked countries. The split of the transit times and route charge between port and land transport is also indicated.

(c) Although the picture would not be the same for different commodities, the charts depicting comparative charges clearly show the potential most economical routes, assuming all other aspects relating to quality of service are the same for all routes. The following potentially most economical routes are indicated:

- Harare: Beira (rail) followed by Maputo (Limpopo rail) with a difference of about US\$8.25 per metric tonne (MT).
- Bulawayo: Maputo (Limpopo rail) followed by Beira (rail) with a difference of about US\$2.18 per MT.
- Lusaka: Dar es Salaam (rail) followed by Maputo (Limpopo rail) and Beira (both road and rail) with respective differences of about US\$3.29 and US\$6.32-7.61 per MT.
- Ndola: Dar es Salaam (rail) followed by Beira (road) and Maputo (Limpopo rail) by big differences of about US\$36.32 and 38.29 per MT respectively.
- Lilongwe: Nacala (rail) followed by Beira/Harare (rail/road) by a very huge difference of about US\$56.40 per MT.
- Blantyre: Nacala (rail) followed by Beira/Harare (rail/road) by a very big difference of about US\$55.53 per MT.

There is still room for reducing these charges further by improving the operational efficiency and cost reduction. It is the intention of SATCC to push for such improvements to ensure maximising economic benefits of the user countries by making available to them efficient and most economical routes for their maximum use. For example, Zimbabwe, which imported over 1.0 million of drought related traffic through Durban (Beitbridge rail) incurred estimated additional transportation charges of about US\$31.45 or 41.74 per MT for Bulawayo and Harare respectively compared to charges on the potentially most economical route

through Beira. This implies that Zimbabwe would have theoretically saved at least US\$30 million if all the 1 million tonnes were imported through Beira by rail. However, this is just an illustrative example since there are other factors which impinge on such ideal options in real life including capacity limitations and indirect costs related to quality of service as perceived by the user.

(d) The charts relating to transit times, a proxy for quality of service, depict the following ranking for the major traffic nodes:

- Harare: Durban (rail) followed by other South African ports.
- Bulawayo: Durban (rail) followed by other South African ports.
- Lusaka: Dar es Salaam (road) followed by Walvis Bay (rail/road).
- Ndola: Dar es Salaam (road) followed by Walvis Bay (rail/road).
- Lilongwe: Dar es Salaam (road and rail/road) followed by Durban (rail/road).
- Blantyre: Dar es Salaam (road) followed by Durban (rail/road).

The general picture is that the potentially most economical routes did not necessarily offer the best time savings. However, route choice is affected by such time considerations if the difference in route charge is small. This has been demonstrated to some extent during the movement of drought related traffic to Zimbabwe when ships were allowed to queue at Beira for an average of about 28 days waiting to berth. This led to an average total demurrage charge of about US\$9.80 per MT which still made the Beira corridor cheaper than the readily available alternative routes through South African ports.

(e) With regard to competition between road and rail routes for a particular destination, the difference in charges between routes with comparable distances indicates clear superiority of the rail mode. Examples of such comparable cases are for Dar es Salaam to Lusaka or Ndola routes where the road charges were estimated at an average of about 36% higher than the rail charges. For Beira-Harare and Beira-Bulawayo the road charges were estimated respectively at about 138% and 170% higher than rail charges. This indicates a potential huge advantage for railways to out-compete roads for such long

distance traffic, provided they are efficient and offer a quality of service which is sufficiently attractive.

3.1.2 Ports and Shipping

The combined SADC ports annual capacity was in 1992 estimated at 28.3 million tonnes. The present capacities of the individual SADC ports are depicted in chart 2A for both dry and liquid cargo.

The total SADC ports throughput (including cabotage) in 1992 increased by about 17% from about 8.3 million tonnes in 1991 (after making corrections to the figure of 7.5 million tonnes reported last year due to available new data) to about 9.7 million tonnes in 1992. The 1992 usage levels indicate an overall use of only about 34% of the estimated SADC ports total installed capacity (up from about 29% for 1991).

The trend in traffic development for each port is indicated in charts 2A and 2B respectively, by cargo type and user countries. Chart 9 also provides a clearer elaboration of port usage in 1992. The trend for the Dar es Salaam, Beira and Maputo ports is generally a decrease in 1991 from the 1990 levels, and an increase again in 1992. The exception is Nacala which experienced an increase in 1991 compared to the 1990 level and then a decrease again in 1992. However, Nacala is not yet fully rehabilitated to allow significant and smooth flow of traffic.

The increase in the SADC ports throughput in 1992 is attributed to the large volume of emergency related imports necessitated by drought. However, if the drought related traffic, which had reached a total of about 2.5 million tonnes by 31 December 1992, is discounted, the ports throughput was only about 7.2 million tonnes which would have been about 15% lower than the 1991 traffic. However, it should be pointed out on the other hand that without the drought there may have been an increase of exports.

As regards port charges, charts 5 to 8 provide an illustration of the charges in force during February 1992 as compiled by the LAC. The charts show that the estimated port related charges for South African ports were generally lower than those for Mozambique and Tanzania. The Dar es Salaam (Tanzania) port charge was the highest. These charges do not include the estimated bagging charges which were specific for grain imports. However, apart from purely port charges, the Clearing and Forwarding Agency (C & F) fees are included and these were considerably high for SADC ports. The C & F charges in Dar es Salaam, estimated at about US\$5.40 per MT, were more than five

times of those for RSA ports (US\$0.97 per MT) whereas similar charges in Mozambican ports were twice those in the RSA ports. The reasons for such differences need to be assessed with a view to identifying measures needed to be taken to lower them where they are too high. The assessment should include consideration of the environment in which the C & F Agents operate.

The general higher level of charges for the SADC ports, especially Dar es Salaam, may also be due to high capital cost of modern facilities with low volumes of traffic to offset the impact of this cost on the unit charges. Measures are therefore required to reduce cost, where possible, and attract more traffic.

The dwell time of cargo in port is also illustrated by the long port related transit times of grain shown in charts 3 to 8. These were highest for Mozambican ports and lowest for South African ports. Transit times at the Dar es Salaam port were between the Mozambican and RSA levels. This could be a factor of higher volumes of traffic related to the lower capacity of land transport to enable timely off-take from port and/or the speed at which customs and administrative procedures are performed in the clearing of cargo for onward transport.

As regards ports productivity and level of utilisation of facilities, chart 10 shows the port discharge rates for drought related traffic as recorded by the LAC in February 1993. Again the South African ports were estimated to have performed better than the SADC ports, for which the Dar es Salaam port performed better than the Mozambican ports. However, these figures should be regarded as indicative only since ports are complex organisations with a mixture of berths with different features.

Only limited statistics were available for other indicators of ports performance and productivity such as berth occupancy, overall discharge rates, tonnage per gang-shift or employee, containers per ship to shore crane, average container dwell time and financial productivity ratios. They indicate general improvements during 1992 as compared to 1991. Further action is being taken to obtain the missing basic data for better reporting in the future.

3.1.3

Railways

The estimated SADC corridors' railway operating capabilities in 1992 remained at the 1991 estimate of 11.6 million tonnes, with an estimated split of 5.3 million tonnes in the up (away from ports) and 6.3

Total international traffic carried by the corridors' railways in 1992 is estimated to be about 2.28 million tonnes (including South African traffic through Ressaño Garcia line which was not reported last year). Compared to about 1.95 million tonnes moved in 1991, the 1992 traffic performance signifies a 17% increase.

As stated earlier, the increase is generally due to the emergency drought related traffic imported into the region during this period. Performance for traditional traffic registered a decrease due to poor economic performance of user countries with the drought adversely affecting exports, inadequate rolling stock and suboptimal operations.

The following is an account of the performance of the SADC railways on a line or corridor basis as depicted in chart 12:

(a) Goba Line (Maputo-Swaziland)

International traffic on this line, which was all Swaziland traffic, increased by 37% from 136,600 tonnes in 1991 to 187,200 tonnes in 1992, (See Chart 12A). The upsurge in traffic was mainly due to pulp and coal traffics which went up by 216 % and 27 % to 25,900 and 92,900 tonnes respectively in 1992.

The tonnage of pulp traffic moved on this line in 1992 was the highest since 1985. However, the closure of Swaziland coal mines towards the end of 1992 due to the lower world demand for coal, limited the growth of this traffic and is also likely to impact adversely on coal tonnages to be moved in 1993.

Molasses movements remained almost constant at 66,300 tonnes. All sugar from Swaziland continued to move through South Africa ports.

(b) Ressaño Garcia Line (Maputo-Zimbabwe-RSA)

There was a 59% decline of international traffic on this route from 702,400 tonnes in 1991 to 289,700 tonnes in 1992 and this was the third consecutive year when traffic declined drastically on this route (See Chart 12A).

million tonnes in the down (towards the ports) direction.

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(b) Ressaño Garcia Line (Maputo-Zimbabwe-RSA)

There was a 59% decline of international traffic on this route from 702,400 tonnes in 1991 to 289,700 tonnes in 1992 and this was the third consecutive year when traffic declined drastically on this route (See Chart 12A).

This line is dominated by South African traffic which declined by 53% from 599,600 tonnes in 1991 to 283,300 tonnes in 1992, the lowest level of this traffic since Mozambique independence in 1975.

South African coal exports, the main traffic on this route, declined by 65 % to 154,700 tonnes in 1992 due to the low demand of coal in the world market. Steel traffic declined by 69% to 6,500 tonnes and citrus traffic fell by 42% owing to line blockages during the season which resulted in some shipments having to be diverted.

As opposed to Zimbabwe traffic of 84,200 tonnes moved on this line in 1991, no Zimbabwean traffic was moved on this route in 1992 mainly because of the lack of sugar exports due to drought in that country and the reopening of the Limpopo line. Swaziland traffic also declined by 66% from 18,600 tonnes in 1991 to 6,400 tonnes in 1992, mainly molasses traffic.

There has been a significant decline in incidents of sabotage on this line and efforts are being made to build confidence on the line so as to attract more traffic. Arrangements are also underway to improve the quality of service at Maputo port. Measures which are being considered include leasing out the coal and citrus handling facilities.

(c) Limpopo Line (Maputo-Zimbabwe)

The only international traffic conveyed on this line was Zimbabwean traffic which increased substantially from 25,800 tonnes in 1991 to 417,900 tonnes in 1992 (See Chart 12A). Of the 137,900 tonnes of traffic exported through this route in 1992, 135,900 tonnes were steel and of the 280,000 tonnes of traffic imported, 276,900 tonnes were drought related traffic for Zimbabwe.

Steel traffic was the highest exported through this route since 1987 and plans are underway to further attract ferrochrome from Zimbabwe to this line. With the drought practically over in Zimbabwe, the drought related traffic is expected to decline drastically in 1993. However, the possibility of importing sugar to Zimbabwe from Swaziland through this route is being examined.

(d) Machipanda Line (Beira-Zimbabwe)

International traffic over this route increased by 60% from 473,000 in 1991 to 756,600 tonnes in 1992 (See Chart 12A). The increase in traffic was mainly due to the growth of Zimbabwean traffic by 66% from 446,400 tonnes in 1991 to 743,000 tonnes in 1992.

Malawi and Zambia traffic declined in 1992 by 42% and 63% to 10,400 and 3,200 tonnes respectively.

There was a swing in the traffic pattern due to the movement of drought related commodities. Instead of transporting predominantly export commodities to the port, the railway transported mainly import commodities from the port. Import transit traffic increased by 300% to 517,000 tonnes while export transit traffic decreased by 25% to 232,500 tonnes in 1992. This change in the traffic pattern is unlikely to prevail in 1993. With the drought over, traditional downline traffic is expected to dominate.

With the opening of the new Multipurpose Container Terminal in April 1992, tobacco export through this route has increased very significantly by 61% to 62,400 tonnes in 1992. Other commodities exported through this route from Zimbabwe were Steel - 20,400 tonnes and granite - 21,000 tonnes.

(e) Nacala Line (Nacala-Malawi)

Because of the ongoing rehabilitation of this line, international traffic level is still below the potential of the line. However, international traffic, which is all Malawian, increased by 57% to 62,500 tonnes in 1992 (See Chart 12A). With the signing of the Peace Accord in Mozambique, the security situation along this line has improved. This is expected to enable speedier completion of rehabilitation of the line, particularly the last 77 kilometres to Malawi.

(f) TAZARA Line (Dar es Salaam-Zambia)

Traffic on this line has continued to decline for a third consecutive year to 874,800 tonnes in 1992, a decline of 6% when compared to the traffic moved in 1991 (See Chart 12B).

Zambian exports of mainly copper, zinc, lead and cobalt supported by Zambian imports of fertilizer, wheat, maize and general cargo in

containers constitute the predominant international traffic on this route. This traffic declined by 12% to 472,500 tonnes in 1992. Total international traffic declined by only 2% due to the increase of traffic for other countries, notably Zaire and Malawi which increased by 219% to 95,200 tonnes in 1992. Domestic traffic for both Zambia and Tanzania on this line declined by 11% to 307,100 tonnes in 1992.

Performance of the individual Railway Organisations is depicted in charts 13 to 20 showing trends in the key performance indicators for the years 1990 to 1992. The indicators used are as follows:

- Total tonnages conveyed (chart 13)
- Net tonne-kilometres (TKms) performed (chart 14)
- Total passengers moved (chart 15)
- Passenger-kilometres (Pkms) performed (chart 16)
- Output per employee measured as unit-kilometres (Tkms plus Pkms converted to Tkms by a factor of 0.5) per employee (chart 17)
- Locomotive productivity measured as kilometres per day (chart 18)
- Working ratio measured as a percentage of operating expenses (excluding depreciation) to total revenue (chart 19)
- Operating ratio measured as a percentage of total operating expenses to total revenue (chart 20).

The data relating to these charts is also included as Table 2. It is clear that there are still gaps in the availability of some statistics especially working and operating ratios. Measures are being taken to obtain this basic information from the organisations concerned.

The general observation which can be made from the available data is that some railways such as TransNamib, Swaziland Railways, Botswana Railways, Mozambique Railways (CFM) and National Railways of Zimbabwe appear to have improved operational performance in 1992 compared to 1991. On the other hand, TAZARA and Zambia Railways had

mixed results in that output per employee declined whereas locomotive productivity increased. Malawi Railways appears to have declined in its operational performance.

With regard to financial performance all railways for which data is available appear to have improved in 1992 compared to 1991, with the exception of Malawi Railways. In absolute terms Malawi Railways appears to have had unhealthy financial results as its working and operating ratios exceed 100%. However, it should be noted the financial data may not be comparable since the accounting policies are not standardised for items such as depreciation.

These limited statistics are illustrative only and more conclusive observations and proposals can only be offered when complete and comparable data is available. Nonetheless where poor operational or financial performance has been depicted, it is clear that remedial action should be taken to reverse the undesirable trend.

3.1.4 Roads and Road Transport

Administrative problems in collecting road transport data and the existing overloading by a large number of transporters hampers the production of accurate and adequate statistical data of regional traffic flows.

As stated earlier, the collection and reporting of data is presently under review by the SATCC and the outcome, when fully implemented through donor support, will be an improved statistical reporting of movement of road traffic along the Regional Trunk Road Network within the SADC member states.

The available limited data received at the SATCC Information Centre shows that the total import/export by road to Malawi increased by 50,000 tonnes to 1,213,692 tonnes between 1991 and 1992. The Kazungula Ferry Crossing between Zambia and Botswana, which primarily serves as a conduit for imports to Malawi and Zambia (northbound flow) and exports from Malawi (southbound), transported an estimated 98,000 tonnes in 1991. 80% of this traffic was northbound (Malawi 46,6%, Zambia 23,1% and Zaire 10,1%). Shipments of tobacco and tea from Malawi constituted 76% of the total southbound flows. In 1987 copper constituted the main part of the total southbound flows. In 1991 there have been no copper shipments observed.

Cross-border road traffic has been characterised by numerous operational constraints due to administrative and bureaucratic obstacles. An emphasis in the SATCC programme is now focussed at improving the operational efficiency of

the region's transport systems. Both the present joint effort with PTA to finalise a review of the regional Road Transit Charges and the ongoing harmonisation of the legal axle loads limits aim to that end.

Another issue creating problems for transit traffic is overload control including the axle loads limits and enforcement of axle load regulations. Project AAA.1.02 "Package of Weighbridge Programmes" was included in the SATCC Programme of Action some years ago, but only a small part of the project has so far been funded and consequently it has not been implemented in full. Harmonisation of measures to be taken to achieve effective and efficient overload control in the region is being finalised through an appointed five country working party.

As stated earlier, the SADC Food Security Programme Logistics Advisory Centre (LAC) has compiled some up to date indicative road transport parameters. In chart 21, showing "Charge in USD per 100km of road and MT", it can be seen that road transports originating in Dar es Salaam to Malawi (Lilongwe) and Zambia (Lusaka and Ndola) via TANZAM highway have significant lower transport charges per 100kms of road and MT in comparison with the other sets of origin/destination charges in the chart. Similarly, chart 22 indicating "kms driven per day" shows an average of 500kms per day, except for Beira to Blantyre respectively. Beira to Harare is shown to be covered at around 300 kms per day and Dar es Salaam to Lilongwe at of over 800 kms driven per day. The variations in kms driven give indications of road standard and/or degree of efficiency in the implementation of border crossing and other administrative facilitation along the road routes concerned.

3.2 Civil Aviation

The performance measures used in this report for the Civil Aviation subsector are intended to assess the trend in the performance efficiency of the SADC civil aviation industry as well as compare its performance with those of other regions or countries especially the neighbouring South Africa.

With regard to traffic performance, further improvement in the data base is required to enable getting a clearer picture of airport and airspace capacity utilisation. Right now, traffic performance concentrates only on passengers carried by SADC airlines and essentially only between SADC points. This tends to blur the picture of how these airlines fair against foreign carriers in using their share of existing traffic.

The trend in passenger statistics is illustrated in Table 3 and chart 23 for the years 1987 to 1992. Estimates have been made for some airports for which some data was not

available. Whereas Table 3 shows SADC passenger traffic involving SADC and South African airports, chart 23 shows also SADC traffic involving East Africa airports.

Table 3 and chart 23 show an average annual growth of about 14.8% between 1987-92 for Southern African routes including South African airports and 12.5% for purely inter-SADC routes. These are well above the predicted African passenger growth of less than 7%. However, the trend in growth in both cases indicates an increasing growth rate up to 1990 with a sharp decline thereafter. In the specific case of inter-SADC traffic alone, the estimates of 1992 indicate a very small negative growth. This may mean that the saturation point has been reached. The war situation in Angola and the opening up of South Africa and consequently, the introduction more direct flights between Johannesburg and the rest of the world might have also given rise to this situation. However, on the other hand the decline in 1991 and 1992 may be conforming to the global decline during and after the Gulf war.

An additional observation from these statistics is that more than a quarter of SADC inter state passenger traffic involves South African airports. The proportion of this traffic actually increased throughout the five year period from 24.86% in 1987 to 31.41% in 1992. Therefore, while there was tremendous passenger growth during the six year period as a whole, there was stagnation in the last two years. Furthermore, the involvement of South African airports in servicing this traffic was not only significant but also increasing.

As regards SADC Airlines overall performance, Table 4 provides statistics on some indicators including total passengers carried, Revenue passenger kilometres (RPK), Available Seat kms (ASK), Aircraft Fleet value, Passenger load factor, Operating results (surplus or loss), Revenue-Expenditure (REVEX) ratio and RPK per employee. These are graphically elaborated in charts 24 to 31 respectively in which the performance of South African Airways is also shown for comparison. The following observations and conclusions can be made from the tables and charts:

(a) Revenue Passenger Kilometres (RPK)

Individually, some airlines registered growth in RPK during the period 1985 - 1991, with the only exceptions being Air Tanzania and TAAG (Angola) both of which registered a decline. The combined performance of all the ten airlines is shown to have declined sharply by 33.62% between 1985 and 1986 followed by a recovery between 1986 and 1989 back to the 1985 RPK performance. There was another decline between 1989 and 1990 preceding a 1991 slight improvement.

During the period, the 3.315 billion RPK achieved in 1985 was only surpassed by the 1989 performance of 3.428 billion RPK. It was by far greater than the 2.888 billion RPK achieved in 1991, six years later. This could mean a reduced number of intercontinental passengers carried by SADC airlines, reduced number of such flights or both.

(b) **Passenger Load Factor**

Combined, the total airline industry maintained an average Load Factor slightly above 60% during the 1985-1990 period. There was a sharp drop in the Load Factor to 41.2% in 1991. This could be a result of a combined effect of introduction of bigger aircraft and increased flight frequency, indicating overcapacity.

(c) **Fleet Value**

The combined aircraft fleet value more than doubled during these seven years largely due to reequipment that took place in some airlines during this time.

(d) **Labour Productivity**

Despite various retrenchment and restructuring attempts going on in some airlines, the level of total staff numbers of 1985 and 1991 are almost the same. As evidenced by very low labour productivity of less than 260,000 RPK per employee, it is apparent that there is overstaffing and low productivity in the SADC airline industry.

(e) **Revex ratio**

The revenue to expenditure (Revex) ratio is the bottom line, so to speak, in the assessment of the performance of the airline industry. The Revex ratio achieved during the seven years is, except for the two years of 1989 and 1990, constantly below 1.0. This means, as a whole the SADC airline industry is losing money.

The extent of the loss is indicated by the negativity of the operating results shown in charts 29 and 30. However these results are not exhaustive since the financial data is not complete for some airlines and it is more likely that the losses are even bigger than indicated.

3.3 **Telecommunications**

The telephone network in the SADC Region comprises various types of technology from a wide range of manufacturers.

As shown in Table 5 and chart 32 and 33, notable growth in

the total capacity of Direct Exchanges Lines (DEL) was again recorded in 1992 to maintain a sustained growth from a SADC total of about 350,000 DEL in 1986 to about 780,000 in 1992. Out of the 1992 total capacity, only 548,055 DEL or 70% were working and serving about 86 million people in the region. This means that the main line telephone density in 1992 is very low at only about 0.64 DEL per 100 inhabitants. Furthermore, the 780,000 DEL capacity is still below expressed demand estimated at about 848,000 DEL comprising about 548,000 working lines and about 400,000 waiters. The situation for individual countries for 1992 is depicted in chart 33.

The waiting list of 400,000 and the average exchange occupancy of about 70% means that the exchanges' capacities cannot be utilized fully mainly due to limitations in the Local Area Networks.

Since in most SADC Countries the majority of subscribers are concentrated in the main urban areas, the National emphasis has also been directed to the expansion of the subscriber base and extension of service into rural areas.

To a certain extent a common regional approach has been emphasized. Participation in the Pan African RASCOM project is considered as one of the strategies to attain this more quickly.

As regards intra-SADC telephone traffic, Table 6 shows the volume of traffic and its origin and destination for 1992. An intra-SADC telephone traffic growth of 17.5% has been registered from 1990 to 1993. About 50% of the total intra-SADC traffic is generated by two countries, Botswana and Zimbabwe, while 76% of the total intra-SADC traffic is generated by four countries namely Botswana, Malawi, Zambia and Zimbabwe. The generated traffic from SADC region to RSA is approximately five times of the total aggregated intra-SADC Traffic. Some of the constraints affecting the smooth flow of telephone traffic in SADC are, first, the limitations in transit facilities. No SADC Country offers automatic telephone transit facilities to the regional traffic. About 83% of intra-SADC traffic is carried in the direct routes, where they exist, and 13% of the traffic transits in RSA. The SADC traffic which transits within the region amounts to only 1.5% of the total generated traffic. Such traffic which transits in the region is mostly through operator assistance, preventing the use of a more convenient ISD service in some intra SADC routes.

Secondly, the poor quality of service of the Local Area Networks in most countries, associated with congestions in some trunk networks, seems to contribute to the low call completion rates. The region average automatic calls completion rate is about 33% against the targeted figure of 40%.

The overall performance of the sector in most countries is below the international standards. A list of quality of service indicators is shown in Table 7 indicating a general low performance compared to targets for year 2002. Measures are being taken to address these problems.

3.4 Postal Services

Improvements in the performance of the SADC Postal Administrations have continued and some performance data obtained. Table 8 shows the main indicators from four member states of Angola, Malawi, Mozambique and Tanzania for 1991. The EMS market continues to show a steady growth in the region. For example in Tanzania the revenue from EMS items posted more than doubled between 1990 and 1991.

The major problem causing loss of customers for the post offices is the poor quality of services provided. The lack of an adequate system for measuring performance makes it difficult for the management to improve the general level of service and to eliminate the current short-comings.

The new Postal Development Programme addresses these problems and assistance to enable its implementation is thus much needed.

3.5 Meteorology

Efforts have been initiated in 1992 to collect data and information which will enable making a reasonable quantitative and qualitative reporting of the capacity and performance of the meteorological services. Completion of this exercise will enable such reporting in the next issue of the annual report. However, a general observation can be made that the capacity of the Meteorological Services in SADC still needs strengthening and that the performance will also have to be improved to enable timely provision and dissemination of the services to all sectors concerned including transport and communications, agriculture, energy, land (hydrology) and environment.

3.6 Human Resources Development

With regard to achievements in 1992 in the area of human resources development, particularly training, the following was attained:

- (a) The Telecommunications subsector recorded about 500 trainee weeks during the period under review. Furthermore, a successful seminar was organised on Policy, Restructuring and Regulations for Chief Executives of SADC Telecommunications Administrations and Senior government officials as one of SATCC's initiatives in consensus building on restructuring. A common agenda and programme of action is to be

worked out on the basis of the conclusions of the seminar.

- (b) The Railway subsector, currently enjoying a larger share of donor support, recorded about 2500 trainee weeks during the same period. The figure would have almost doubled if it was not for the suspension of courses in the first half of 1993 to allow for some improvements and modifications to the ongoing railway training project, as recommended by the project review. The review also confirmed that the railway training project undertaken between 1990-92 had continued to address the core problem i.e. the major deficiencies in management capacity and performance characteristics of all of the SADC railway administrations.

In addition, as part of the ongoing programme for Chief Executives of SADC Railways a third microworkshop on Marketing of SADC Railway Services, Freight Forwarding and Corporate Planning, was successfully conducted in Namibia in April 1993, prior to the annual SADC Railways meeting.

More evidence on the impact of HRD activities on railway performance is envisaged from the work of the recently engaged M & E Consultant after very little was derived from the work of the previous consultant.

- (c) Training activities continued to be run satisfactorily in the meteorology sector, through the balance from phase two of the SATCC/FINNIDA/WMO project.
- (d) There were no notable achievements in the other sectors in the HRD activities.

4. REVIEW OF THE SATCC PROGRAMME

4.1 General Progress of Programme Implementation

Implementation of physical capacity building and capital investments projects continued to address the remaining missing or weak links in the regional transport and communications network. However, as stated above, emphasis in the activities of the SATCC-TU and the subsectoral Working Groups continued to be on operational coordination and efficiency improvement issues.

Only one new project in Civil aviation has been proposed to be added to the SADC or SATCC Program of Action (SPA). This Project, whose total cost is US\$6 million concerns the establishment of a Local User Terminal to enable the use of satellite tracking for search and rescue and related operations. On the other hand, the ongoing review and

streamlining of projects in the programme of action has resulted into the merging of some projects thus reducing the total number of projects in the sectoral programme.

In financial terms, aggregated estimated costs of the whole SATCC program including capital investment, operational coordination and training and technical assistance projects, has increased from US\$ 6.652 billion in 1991/92 to US\$6.871 billion in 1002/93. The growth of the programme of 3.3% during 1992/93 has been caused by adjustments of projects' costs and addition of new elements in the existing programme, and not the increase in the number of projects. In fact the growth rates recorded since 1989/90 indicate stabilisation of the size of the programme compared to an annual average of over 10% for the year up to 1989/90.

(b) Financing Status

Funding secured and under negotiation increased from US\$ 3.559 billion in 1991/92 to US\$3.728 billion in 1992/93, an increase of about 4.7%. It should, however, be noted that these figures exclude funds expended for completed projects, amounting to US\$0.223 billion.

(c) Progress of Program Implementation

With the funding gap of about 46 %, it implies that about a half of the programme is yet to secure finance to enable its implementation. Resource mobilisation, therefore, remains one of the main undertakings of the SATCC-TU and member states. The ongoing review of projects is also aimed at, among other things, ensuring that the retained projects are convincing and attractive to potential financiers, both foreign and local.

More elaborate reporting on physical and financial status of implementation of projects is still not possible at this stage because of the many gaps in the information which is available. Currently, up to date information indicating percentage of implementation of physical works and the amount of funds disbursed is available for, mainly, road projects and the Beira Corridor projects. Additional information is still being collected and it is expected that this would be forthcoming from the member states. With improved information base, SATCC-TU hopes to present a more elaborate report on physical and financial status of project information, in the final version of the annual report to be submitted to the Council and Summit in September 1993. However, one problem which will remain will be the state of accuracy of the information especially on disbursements. There has been in many cases discrepancy between information that is obtained for the SATCC-TU data base and that the financiers have. A mechanism will have to be established involving closer information exchanges

between SATCC-TU, the financiers and the governments or institutions responsible for the implementation of projects.

4.2 Surface Transport

4.2.1. Ports and Shipping

With the commissioning of the new container terminal on the 22 April 1992, the Beira port now has one of the most modern container terminals in Africa. For SADC, this and the Dar es Salaam port container terminal, commissioned about three years ago with equivalent facilities, are very clear biggest recent achievements in terms of ports programme improvements.

The principal elements of the current rehabilitation and improvement programme for the ports of Dar es Salaam, Nacala and Beira have been completed. The remaining major work concerns maintenance dredging for the Beira port, the oil jetty and the improvement of the entrance channel in Dar es Salaam.

A masterplan for the port of Maputo was completed in early 1992 and presented at a donors conference. It is aimed at improving the port to provide sufficient capacity to handle traffic up to the year 2000. An implementation strategy is being concretised and resource mobilisation initiatives have been started. A Dar es Salaam port development study is also ongoing aimed at establishing further improvements required to ensure the port has capacity to handle projected traffic in the long term.

Because of the continued unfavourable situation in Angola, work on projects in the Lobito, Luanda and Namibe ports has been possible to be carried out as expected.

In order to enhance efficiency in the operations of the ports, restructuring initiatives have been taken in both Mozambique and Tanzania. These initiatives include establishment of result or cost centres and other options such as leasing or contracting out some activities or components of the port systems. It is expected that major developments and efficiency improvement will be attained through these initiatives.

As regards inland water transport, the study on the navigation of Lake Malawi/Niassa/Nyasa was completed. Subsequently, Malawi and Tanzania are already making arrangements to start joint operations between the two countries as soon as possible within this year. Further follow-up will be made to promote the development of the joint navigation and safety in the

lake for the three countries of Malawi, Mozambique and Tanzania.

Operational coordination and efficiency improvement activities continued to be implemented at a very slow pace for this subsector. This was due mainly to the absence of Ports (and shipping) specialist at the SATCC-TU. A regional Ports Specialist has reported for duty in early May 1993. Some assistance has also been secured from NORAD to help in specific analytical work especially that is related to the forthcoming meeting of the Working Group on Ports Administrations and Shipping and Clearing and Forwarding. The enhanced capacity at the SATCC-TU, and the anticipated donor support, should assist in ensuring implementation of the agreed work programme of the Working Groups for the years 1992-96. The programme includes the following important issues:

- Formulation of a coordinated shipping policy;
- Establishing of a shipping information system;
- Assess transshipment possibilities for regional ports and feasibility of coordination between members, regarding port investments and tariffs;
- Assess improvement of coordinated coastal shipping and development of feeder services;
- Assess introduction of multi-modal transport operations to enhance transport chain efficiency;
- Determine need of dry docking facilities and capacity development perspectives;
- Harmonisation of port regulations/legislation;
- Port Statistics development(harmonized systems);
- Port Tariffs;
- Commodity classification nomenclature;
- Updating of technical information on ports;
- Comparative analysis of efficiency/performance of SADC ports;
- Ports Organizational Improvement;
- Ports Employment conditions and regulations; and
- Coordination of Training activities;

4.2.2. Railways

Except for the Benguela railway where project implementation could not proceed because of the poor security situation, implementation of the SADC railways programme progressed well elsewhere, for the projects which are funded. The following is a summary of the status for lines for which up to date data has been provided:

(a) **Maputo-Goba Line**

Rehabilitation work under Italian Government funding of ECU 15 million started in late 1992 and, by the end of the year USD 6,0 million had been disbursed. The rehabilitation is expected to be completed ahead of schedule by August or September 1993.

(b) **Limpopo Line**

Rehabilitation programme of this line involving USD 120 million is almost complete. The speed of trains on this 534 kilometre line is now 60 kilometres per hour and the transit time from Maputo to Chicualacuala is 15 hours. Technical assistance for maintenance of the line which costs about UKf 2.2 million, funded by ODA, is expected to commence in 1993.

(c) **Maputo-Ressano Garcia Line**

Assistance is currently being sought to carry out a study for assessing rehabilitation needs for the track on this route.

(d) **Beira-Machipanda Line**

Six new diesel electric locomotives were received in Beira in August 1992. Although these are shunting locomotives, they have been used in the movement of drought related commodities. A further 10 new locomotives funded by CIDA are expected in Beira before the end of 1993.

Implementation of a wagon rehabilitation programme continued in Beira at the rate of about 30 wagons rehabilitated a month. By the end of 1992, over 700 wagons had been rehabilitated and the programme will continue into 1993 until about 1000 wagons are rehabilitated.

As regards the future focus of actions on the capital investment projects, priority will be given to those which enhance standardisation, harmonisation, coordination and integration of the region's railway network for improving operational efficiency. These include projects designed to improve communication,

signalling, wagon control and rehabilitation of existing resources. Thus the following two projects are considered to be of high priority at this stage:

MOZ. 2.05 Rehabilitation of the Nacala-Entre Lagos Railway completion of rehabilitation of the remaining 77 Kms (out of more 600Kms) is critical to enable Malawi use this short route to save the enormous transport bill of its overseas trade. The current status is that Phase II, which involves the rehabilitation of the line from Nampula to Cuamba is expected to be completed in August or September 1993. A study to establish the rehabilitation requirements for the remaining portion of the line is underway and is expected to be completed in the second half of 1993.

TAN. 2.02 Conversion from UIC to AAR Airbrake for TAZARA and Malawi Railways. This is necessary for eliminating technical problems in train operations which are adversely affecting interchange of wagons.

Furthermore, SATCC-TU, with the assistance of SADC Railway Administrations, will make an assessment of railways projects and prioritise them. The SATCC-TU is also required to make a further critical review of all projects which have been in the programme for more than three years but with no funding.

Within the agreed objectives and thrust of the Railways programme to address operational coordination and promotion of efficiency, regional integration and financial sustainability, the Railways Administrations have undertaken to pursue vigorously implementation of the following issues:

(a) Joint Operations Improvement

Since the customers, particularly those dealing with international traffic, are interested in the efficiency of a system to be used rather than individual railways, it is imperative that the quality of service should be improved jointly by all regional railways. The following activities are planned to achieve this:

(i) Preparation of a "SADC Railway Manual of Interchange Rules"

Terms of Reference have been approved by the General Managers and financial assistance is being sought.

(ii) Train Operations Improvements Project

This project, which is to be implemented under the USAID funded SADC Transport Efficiency Project (STEP), is aimed at reviewing and updating train operations rules and practices with a view to identifying common constraints and interventions necessary to improve the running of trains. A study has been undertaken and arrangements are being made to hold seminars on "Efficient Train Operations" involving utilisation of locomotives and rolling stock. It is expected that a concrete and implementable plan of action to improve trains operations in the region will emerge from deliberations in these seminars.

(iii) Establishing a Regional Rolling Stock Information System (RSIS)

Timely and accurate information on the movement and location of rolling stock will assist in the efficient logistical planning of the utilisation of these railways resources, as well as improve customer relations and confidence. SATCC with USAID are currently designing the implementation plan for the RSIS.

Meanwhile, in order to coordinate and expedite implementation of these activities, a Joint Operations Improvement Working Subgroup has been set up, under the leadership of NRZ. The group is to meet by end of June 1993.

(b) Joint Marketing Effort

The Railways aim at adopting a joint marketing strategy so that they may increase their market share and effectively compete especially with roads. Apart from the need for each railway to establish or strengthen respective marketing functions, the following measures are involved:

(i) Joint Railway Tariff Book (JRTB)

This provides shippers with total through charges without the need to contact individual railways in the route of shipment. A JRTB has already been produced by the Railways Administrations and is being used. NRZ is to assume responsibility of

updating of the JRTB with the help of the other Administrations. Costs will be shared by all the Administrations.

(ii) Promoting Marketing Awareness and Actions

A microworkshop on "Marketing, Freight Forwarding and Corporate Planning" was successfully conducted for General Managers in April 1993. Follow-up is to be made involving the principal actors at lower level.

(iii) Joint Marketing Effort Working Subgroup

The subgroup has been established under the leadership of Botswana Railways (BR). The Subgroup is to meet by July 1993 to develop the concept and agree on specific measures to be taken.

(iv) Traffic Costing System Working Group

Such a system will assist in charging flexibility based on knowledge of transport cost for specific commodity and equipment. Oscar model was earlier agreed to be implemented at regional level. Due to deficiencies experienced a review is to be made by a Working Group of relevant experts led by BR. The Group is to recommend suitable system.

(c) Railway Operational Performance Analysis and Reporting.

Performance analysis based on adequate data will assist in identifying problems and proposing more effective solutions to improve regional railways operations. SATCC-TU is to prepare a performance report, based on the available statistics, and circulate it to member railways. SATCC-TU will also provide definitions of standard statistics to be used, after agreement by the railways, for future reporting.

(d) Standardisation and Harmonisation of Systems (HS)

- (i) Harmonisation of Freight Nomenclature. Only SR has so far implemented HS Freight nomenclature. Other railways such as NRZ and TAZARA have established Task Forces to facilitate implementation. Railways, especially members of the Traffic subgroup, have been urged to ensure that the HS

freight nomenclature is implemented in respective railways.

- (ii) **Regional Carriage and Wagon Examiners Maintenance Manual.** The Technical subgroup is responsible for establishing and ensuring utilisation of the manual. BR has produced a first draft and the final draft is to be completed by end of October 1993 for submission to the General Managers for approval.
- (iii) **Regional Specifications and process for Spare Parts Reclamation.** NRZ has produced an initial draft report which is under review. The final draft is required to be ready by end of October 1993.
- (iv) **Regional Track Condition Assessment and Maintenance Training.** A well maintained track in good condition will allow speed which is conducive to efficient utilisation of locomotives and rolling stock. A special meeting of Chief Civil Engineers and Traffic Managers convened in May 1993 to assist in the preparation of a proposal for this subproject. The proposal is to be submitted to Austria for funding consideration.
- (v) **Accident Investigation Procedures and Training.** Financial assistance is being sought from DANIDA for implementation of the project.
- (vi) **Spare Parts Catalogue.** An update of the catalogue is being done by NRZ. This will include air brake components. In order to ensure availability of adequate spare parts, the SADC Governments are urged to make available sufficient foreign exchange to the railways.
- (vii) **Standardisation of Wagons Specifications.** Regional standard wagon specifications have been agreed upon and are to be printed and distributed to all railways.
- (viii) **Annual Re-examination and Retesting of Locomotive Drivers.** Swaziland Railways (SR) is to lead the subgroup which will work on the establishment of a system and procedure for the re-examination and re-testing of the locomotive drivers.

(e) Other Issues

- (i) **Strengthening of the SATCC-TU Railways Unit.** The Railways Administrations have accepted to provide one additional expert to service and follow up implementation of the activities of the Technical subgroup. The expert will be engaged on SADC Terms and conditions of service but paid for directly by contributions of the Railways themselves.
- (ii) **Establishing the Association of SADC Railways.** The Railways Administrations have expressed their desire to cooperate more closely and solve their operational problems as a coercive group in the form of an Association. However details of what this entails are to be worked out. Meanwhile, regional institutional frameworks to be established in the course of implementing the RSIS and Regional Manual for Interchange Rules could be the predecessor organisations for the Regional Railways Association.
- (iii) **Combining the Activities of SATCC and Inter-Railway Administration (IRA).** To avoid duplication it has been proposed that IRA and SADC railways activities be combined. Discussions and consultations to that effect have been initiated.

4.2.3 Roads and Road Transport

(a) Thrust and Growth

The main thrust of the Roads sub-sector over the years since the creation of SATCC has been investments in infrastructure projects in order to improve the regional trunk road network. Operational Coordination and Training were included only as parts of the infrastructure projects, or as subjects for technical discussions at the annual meetings of the Working Groups on Roads.

Within the roads and road transport subsector, the infrastructure (or hardware) projects still have the highest estimated costs. But this is natural considering the large costs involved in road construction projects in comparison with the a training and operational coordination, standardisation and harmonisation (or software) projects. Nonetheless, the rate of growth in the value of these software projects between 1990 to 1992 has increased significantly. This trend is in line with the aforesaid changed emphasis in the objectives and programme of SATCC activities.

The large increase in the cost of the road projects included in the SPA has been caused by adjustments of costs and the addition of new elements covering specific sections of the existing major Regional Trunk Road Network (RTRN) projects.

(b) Progress of Implementation

In addition to very brief summaries of status of project implementation indicated in the summary financing status tables for individual projects (Annex 1), the progress achieved in the following two specific projects should be noted:

- (i) the feasibility study for a Zambezi river crossing, project no. AAA.1.06, has been completed. The aim of the study was to determine the present and likely future requirements for improved surface transport across the Zambezi river between the environs of Victoria Falls and Katima Mulilo. The consultant has provided the concerned member states with broad recommendations as to how best to accomplish this. The project steering committee comprising Botswana, Namibia, Zambia, Zimbabwe and SATCC-TU will consider the recommendations as well as comments from Member States concerned with a view to proposing specific projects for implementations.
- (ii) The recent developments regarding projects no. NAM.102, Improvement of the Trans-Caprivi Highway. In a cofinanciers meeting held in Abidjan in November 1992, the financing of the foreign exchange components needed for a complete technical study were agreed upon with the cooperating partners present at the meeting. Once the detailed design has reached an advanced stage, the project details for the construction of various sections of the road will be presented to potential cofinanciers.

As regards operational coordination issues included in the Workplan of the Working Groups on Road Infrastructure and Road Traffic and Transport, some progress was made in the joint review, with PTA, of the regional road transit charges, establishment of harmonised axle load and overload control system and procedures, establishment of a common SADC Driving Licence, coordination of research and manpower development. Summary progress of implementation of some operational coordination activities is as follows:

(i) Review of Road Transit charges

A final SATCC/PTA draft joint report is to be prepared taking into consideration the principles agreed upon and comments obtained from the World Bank. This work is expected to be completed by SATCC-TU, with assistance of Botswana, and PTA within the first half of 1993.

(ii) Axle Load Control

An average economic optimum axle load limit for SADC has been established on the basis of recommendations of the draft report of the Axle Load Study which was completed end of 1992. The average axle load limit of 13 tonnes was calculated as optimising the total economic cost taking into account the competing vehicle operation costs and road maintenance costs. However, agreement has been reached at the technical level to aim at harmonising at 10 tonnes in the medium term before considering harmonising at the optimal economic level of 13 tonnes in the long term. Even then further work, including a review of cost implications on individual member states, needs to be done to establish a realistic timing of national implementation of harmonising at the intended 10 tonnes.

(iii) Overload Control System and Procedures

A five country working party, assisted by consultants, is in the final stages of completing proposals for harmonised regional overload control system and procedures. The main findings and proposals have already been agreed upon at technical level. The final report of the group is to be completed in the second half of 1993.

(iv) Harmonisation of Road Traffic Legislation

National legislation to adopt the SADC Book of Road Traffic Model Statute is expected to be completed by 1 July 1994.

(v) SADC Motor Vehicle Driving Licence

A model SADC Driving Licence has been agreed upon at technical level and is expected to be approved by relevant authorities within 1993. Implementation should follow immediately thereafter.

(vi) Road Management Improvement

In order to improve road management and maintenance funding, it has been agreed that there is need to restructure the current road management organisation. Some work in this direction is already underway in many countries. At regional level, a restructuring seminar for the Roads and Road Traffic and Transport sector will be organised by SATCC, to be held towards the end of 1993.

(vii) Road Safety

A number of national road safety programmes are already under implementation or being considered for implementation on the basis of an agreed SATCC or regional approach. The Working Groups have decided to publish an annual Regional Road Safety Bulletin starting from 1993.

4.3 Civil Aviation

4.3.1 Thrust and Growth

During the year 1992/93, the formulation of long term civil aviation strategies for both safety and performance improvement was completed. A document on "Civil Aviation in Southern Africa - A Development Strategy for the 1990s" was approved in principle and distributed to the cooperating partners in January 1993. The report consolidates into a long term strategy the recommendations of the SADC Airline Industry Study, the SATCC Civil Aviation Safety Action Plan and contributions of the SADC Civil Aviation and Airlines Working Groups. The strategy proposes changes in civil aviation policy in order to create an enabling environment for commercial or efficient operations of airlines, some airports and civil aviation activities.

The Strategy document also prioritises capital development projects that need to be implemented immediately and identifies operational coordination and efficiency improvement projects which have to be accomplished within the coming ten years in order to establish a solid base for a safe, efficient and commercially run regional air transport industry.

In 1991/92, in the course of preparing the strategy, a review of the Civil Aviation Projects portfolio was made with a view to streamlining and reassessing the validity of projects to remain in the SPA. As a

result of this exercise eight projects were eliminated from the SPA. However, as stated in paragraph 4.1 above, one new project has been proposed to be adopted to the SPA. The project concerns "Establishment of Level User Terminal for SARSAT/COSPAS application which would employ the use of satellite tracking.

4.3.2 Progress of Implementation of Projects

As in the case of previous years, civil aviation projects did not attract satisfactory donor support in 1992/93. This is of great concern considering the fact that some of the projects address critical safety aspects and also considering the contribution of the industry to regional development and international travel.

In 1992/93 there were donors who expressed interest in funding some specific projects. These are being followed up by the SATCC-TU.

A brief account of the performance status of implementation of the projects is given in Annex 1. In summary, out of the 32 Civil Aviation projects (including capital investment, operational coordination and training projects), only one has been fully implemented, while negotiations are still ongoing to establish funding for others particularly all the Flight Information Region (PIR) projects. In the absence of donor support, attempts are being made to accomplish some of the projects through own resources. In this respect, the Aircraft Maintenance Committee has embarked on the implementation of project AAA.4.03 - Coordinated use of Aircraft Maintenance Facilities.

As regards implementation of operational coordination issues, the following notable achievements have been attained:

(a) Flight Connections

Effort put in this activity over the years has almost eliminated a disjointed regional network by raising the number of flight connections from 133 in 1985 to 271 in 1991. Today, only six misconnections exist and these have no operational significance since alternative flights are available within a day. With this accomplishment, the airlines' endeavour is now directed towards timetable integration to ensure that all SADC points are adequately served. This effort will be guided and assisted by the recently completed study on "SADC Airlines Route Network and Establishment of Hubs and Gateways" and SATCC's enhanced coordination using a flight

connection computer programme which is being developed.

As another achievement in regional flight service improvement, the connecting time for SADC carriers at all their international airports has been reduced to forty five minutes. This has already been implemented as reflected in all published timetables.

(b) Joint Fuel Purchase

The airlines have decided to jointly negotiate for fuel purchase at all airports. Within SADC this will be done by every respective national carrier on behalf of all others. For points outside the region the airlines have agreed to appoint one of them to negotiate on their behalf. Air Botswana has already been appointed to do this in the case of Johannesburg.

(c) Common SADC Air Transport Regime

Work on this item has been going on for more than two years now. Initially this concerned only the establishment of SADC common standards for foreign carriers. The scope has now been expanded to include the consideration of creating an SADC air transport regime and an instrument to oversee its implementation. The Terms of Reference (TOR) for the instrument which is proposed to be called Southern Africa Regional Air Transport Authority (SARATA) are being finalised by the DCAs and Chief Executives of Airlines. The implications of a common regime inherent in the proposed TOR will also be spelt out for a clearer appreciation.

(d) Joint Operational Strategies

The SADC airlines require a conducive regulatory environment to enable them consolidate and build the necessary strength and competing muscle to make a turnaround. On their part, the airlines have resorted to team approach in promoting their services and enhancing their image and performance. Some concrete measures are being taken by the airlines as indicated below.

(e) Joint marketing approach

On recognising the importance of market orientation as a management strategy and a vehicle for their determined turnaround, the airlines have prioritised marketing issues in their collaborative approach. Already, they have

selected and are in the process of implementing a common logo (Chart 34) and slogan for various applications on their equipment and stationery. Moreover, they are making preparations for joint printing of common promotional posters and materials. They also intend to jointly organise promotional events as well as participate as a team during similar events organised by others. Furthermore, in order to facilitate travel and provide better service, the airlines have decided to waive any requirement for ticket endorsement among them for their revenue passengers so long as they (the airlines) have not defaulted in the clearing house obligations.

(f) Accounting Procedures and Airline Tariffs

A common formula for assessing equipment lease charges has been agreed upon. This formula is already being applied by some airlines for exchange of services and equipment.

In the case of Air Botswana and Air Zimbabwe, compensation for such exchange is settled through reciprocity, thus avoiding physical transfer of money. This method of settling accounts has been recommended for all the SADC airlines.

Meanwhile, the airlines have urged for a commercial approach in the adjusting of their tariffs to enable them set fares which respond to and reflect their costs. This is to be taken under the on going restructuring work.

(g) Search and Rescue (SAR)

Flight safety in general received special attention during the year. The need to exchange necessary information, and to assist one another in case of aircraft accident, necessitated consideration for a regionally coordinated Search and Rescue system. As a starting point, an SAR Seminar/Workshop was conducted in Windhoek in October last year. Its recommendations have already been endorsed by the joint DCA/CEO meeting and implementation is underway.

(h) SADC Immigration Channels

A decision was made to create, by 1st April 1993, separate immigration clearance channels for SADC nationals at all SADC international airports. So far this has not been implemented at any airport but arrangements are already being put in place for implementation at some airports. However, the abolition of visa requirements for SADC

nationals is considered as critical for the effectiveness of the separate immigration channels.

(i) Joint representation on the ICAO Council

Financial estimates and modalities of having a joint SADC representation on ICAO Council have been completed. Arrangements, including the processing of governments approval, are being made to start joint representation from the 1995-1998 term of the ICAO Council.

4.4 Telecommunications

4.4.1 Thrust and Growth

The Review of the Telecommunications Ten Years Development Plan was completed and distributed to the Member States and the Co-operating Partners in December 1992. The document contains a detailed list and cost of the Telecommunications Projects included in the SATCC Programme as well as the national projects.

No new projects have been proposed for inclusion in the Telecommunications component of the SPA. Adjustments which have been made to the existing programme reflect the apparent slight growth of the programme especially in terms of cost. A Special meeting was convened during the 1993 Annual Consultative Conference to consider the financing of the projects included in the Review.

A long term strategy and programme of action of the telecommunications sector is to be prepared on the basis of the existing programme, the ongoing restructuring work and policy reform and, more comprehensively, the findings and recommendations of the aforementioned "Regional Transport and Communications Integration Study for Southern Africa" which is expected to be completed at the end of 1995. Meanwhile, in order to provide a focus of the existing programme, an interim strategy is being prepared involving a reformulation of the programme to put it in a logical frame indicating clearly the goals, objectives and related activities and expected outputs.

4.4.2 Progress of Programme Implementation

On capital investment projects, Angola and Mozambique continued with the implementation of the domestic satellite networks which operate as the only backbone systems in these countries. Implementation of the missing crossborder link between Mutare (Zimbabwe) and

Chimoio (Mozambique) has been delayed although funding was secured since 1991/92. Implementation of this project is now expected to commence within 1993.

Further efforts need to be made to improve regional interconnectivity and optimising the PANAFTEL Network in the region especially in places where it was not possible to implement relevant projects due to insecurity. In this respect, however, it should be noted that although the main telecommunications infrastructure has been built over the last decade some missing links in the regional telecommunications network still exist, especially to interlink Angola and Mozambique to the PANAFTEL Network. Completion of these links will improve greatly telecommunications traffic flow in the region.

Regarding implementation of operational coordination activities, emphasis has been directed towards those activities related to improvement of the telecommunications quality of service and optimisation of the use of the regional network and other telecommunications resources. Several studies, seminars and working groups meetings have been organised to address issues related to Regional Network constraints and operations improvement.

The SATA Conference remained the main forum for coordination of the SATCC telecommunications operational coordination activities. However, the Conference needs restructuring to become an effective instrument for the promotion of regional harmonisation, coordination and integration of telecommunications development.

Status of implementation of specific operational coordination activities during 1992/93 is indicated below:

(a) Regional Data Communications Strategy

A study for the definition of a Regional Data Communications Strategy for the SADC Region was commissioned by SATCC with financial assistance of the Belgium Administration for Development Cooperation. BETELCOM, a Belgium Consultant is assisting SATCC to carry out the study. During the reporting period, a training session on study execution was organised for national counterparts in Harare from 7 to 16 of December 1992. The draft study report is expected to be ready during the first half of 1993.

(b) Telecommunications Manufacturing Strategy

The second phase of the project was completed during the reporting period. A Joint SATCC - SADC Trade and industry meeting was held in Lusaka in December 1992 to coordinate the implementation of recommendations pertaining to Industry and Trade. The manufacturing strategy concerns telephone cables and associated outside plant materials.

(c) Digital Synchronization Plan for SADC Countries

The digitalization of the networks in the region requires urgently a synchronization plan. In order to prepare the groundwork for establishing a regional rationalised synchronisation plan, a seminar was held from 6-10 July in Gaborone, Botswana, with funding support from SIDA. As part of the seminar preparations, a draft study report was prepared by INTECH from Norway and presented for discussions during the seminar.

The Final Study Report, which includes recommendations of the Seminar, concludes that there is need to prepare national plans that would lead to a regional one since substantial amount of uncertainties in the network development still exist. The report also indicates that there is a need for technical assistance in the Region to help the Administration in the elaboration of the national plans.

(d) Optimisation of Switching and Signalling Facilities in the SADC Region

A Study on the Optimisation of Switching and Signalling in the SADC Region was completed in the first quarter of 1993. The study was financed by Australia International Development Assistance Bureau (AIDAB) and Carried out by Telecom Australia. A special Working Group Meeting was held in Harare from 22 to 24 of February 1993 to consider the Draft Report.

The Final Report, which includes the changes proposed by the Working Group, proposes an overall plan for the structure of the regional telecommunications network and addresses the main organisational and managerial problems in the operations of the telecommunications network in a regional context. The report has been distributed to all Administrations for consideration.

(e) Network Management System for SADC Countries

As part of the on going project on the establishment of Network Management Centres in the SADC Region, a special Working Group on SADC Network Management meeting was held in Maputo, from 15 to 17 March 1993, to consider the Report on the Feasibility Study on the Network Management system for the SADC Region as well as discuss the Network Alarm Management User and Facility specifications.

The study, which is funded by AIDAB and is being executed with assistance of an Australian Consultant, considers the feasibility of the establishment of a Network Management Centre in each country and a Regional Network Management Centre in Gaborone to manage regional service in accordance with recognised international practices to be agreed upon between the parties.

(f) Frequency Management and Radio Monitoring

As part of the ongoing work on Frequency Management and Radio Monitoring procedures used by the Telecommunications Administrations in the SADC Region, a computerised system for Frequency Assignment and Radio Licensing was developed with the assistance of AIDAB. Microcomputers and a software called SPECIAL (Spectrum Information Assigning and Licensing) have been purchased and delivered to each SADC Administration in August 1992. A hands-on training for the Frequency Management staff was conducted in Maputo in July-August 1992.

Furthermore, a draft study report on the survey of the Frequency Management Requirements and Radio Monitoring in the Region was prepared, presented and discussed in a special Working Group meeting held in Harare, 8-10 February 1993.

(g) Mobile Telephone System Study

With the assistance of AIDAB, a seminar was held in Harare from 29 of March to 2 of April 1993, to consider the various mobile telephone systems available and their application in the Region. Participants to the seminar included representatives from SADC Telecommunications Administrations, Manufacturers of Mobile Telephone System and Equipments, representatives of South Africa Telecommunications and Telecom Australia. The need for standardisation and coordination was emphasized so that compatibility can be assured.

(h) African Information and Telecommunications Policy Study

SATCC-TU participated in the first African Information and Telecommunications policy Study Group (AITPSG) meeting which took place in Kenya 27 - 29 July 1992. The meeting adopted the methodology for drafting the African Draft (or Green) Paper on Telecommunications Policy in Africa. The Telecommunications Policy and Strategy to be adopted for the SADC Region will be based on this paper.

4.5 Postal Services

Following the adoption in 1992 of the SATCC Postal Development Programme, PDP, all the old Postal Services projects have been deleted from the SATCC programme of action and replaced with the new projects included in the PDP. The PDP now forms the postal subsector component of the SPA.

The PDP is primarily a programme dealing with development issues common for all or several of the SADC member states. The majority of the activities included in the programme can be carried out by the postal administrations themselves with limited technical assistance. Implementation of the programme is foreseen to take about 3 years at an estimated cost of about US\$11 million, primarily for technical assistance.

The projects aim at improving the general level of service and eliminating the current short-coming. The PDP is classified into four development activities namely management, general postal services, manpower development and development of the infrastructure.

a) Management Projects

Projects under this category include General Policies for Management of Autonomous Postal Administrations (GM-1), Organisational Restructuring of Individual Postal Administrations (GM-2), Preparation of National Postal Master Plans (GM-3), Improvement of Financial Information Systems (GM-4) and Statistical Systems (GM-5). All these are necessary components for improving overall postal management and operations.

b) General Projects

These include Marketing (GP-1), Mail Conveyance (GP-2), Counter Service (GP-3), and Postal Financial Services (GP-4). These Projects have the objectives of improving the quality of service to the customers, developing new products and increasing the postal market.

c) **Manpower Development**

The manpower development activities are divided into three projects: Human Resources Development Programme (MP-1), Urgent Training Projects (MP-2), and Development of the Multi-Country Training Centre in Malawi (MP-3).

d) **Strengthening of Infrastructure**

Infrastructure projects include: Improvement and Construction of Terminals (SI-1), Provision of Equipment (SI-2) and Improvement of the transportation of Mail (SI-3) especially within member states.

4.6 Meteorological Services

4.6.1 Investment Programme

The main outputs which are expected as a result of the implementation of the SATCC Meteorology Development Programme are:

- (a) A well maintained network of surface and upper air observation stations to enhance the preparations and provision of users oriented products for agriculture, aviation, water resources and energy activities.
- (b) Operational data processing facilities to enhance the preparation and provision of products and information.
- (c) Operational meteorological telecommunications facilities for the rapid and reliable collection, exchange and distribution of the required observations data as well as processed products.
- (d) Adequate trained personnel at operational, application, research and management levels.
- (e) Regional Drought Monitoring Centre (RDMC) in Harare, Regional Telecommunications Hub (RTH) in Lusaka and the Regional Maintenance Facility (RMF) in Gaborone.

Since mid 1987 the Finnish International Development Agency (FINNIDA) has funded a major regional project known as FINNIDA/SATCC/WMO Meteorology Project with the first phase ending on 30 June 1989 and the second phase ending on 31 December 1992.

The project had three components namely equipment, Consultants Services and the Fellowships.

Implementation of the first and second phases of the project has proceeded well and, as a result, the overall improvement of the Meteorological Services in the region has been prominent. Since May 1992 the following activities have been implemented under the project:

- (a) The RTH-Lusaka has been automated with effect from October 1992.
- (b) The Regional Maintenance Facility (RMF) has been set up in Gaborone at the Botswana Meteorological Services.
- (c) The Satellite receiving equipment (MDD/DRS) were installed and commissioned in Lesotho, Malawi and Swaziland in February 1993. Similar system for Mozambique has been delivered and is to be installed soon.

Subject to confirmation by FINNIDA, the following activities are expected to be implemented using the balance of funds of the project realised release from accrued interest of USS 500,000 arising from the WMO held project funds:

- (a) Expert Assistance for finalisation of ongoing WMO Class I Training in Mozambique;
- (b) Project Management (till June 1993) and project evaluation;
- (c) Clicom Activities;
- (d) Continuation of critical expert services for Swaziland
- (e) Procurement of some essential spares and consumables according to priority lists provided by the participating countries.

4.6.2 Operational Co-ordination Issues

The operation and co-ordination of the meteorology sector is guided and monitored by the annual meetings of the Directors of Meteorological Services of SADC Member Countries. The ninth annual meeting of Directors of Meteorological Services of SADC countries was held in Windhoek, Namibia from 20 to 22 April 1993.

Status of Implementation of the operational coordination activities during 1992/93 is indicated below.

(a) **Regional Telecommunication Hub-Lusaka (RTH)**

With the automation of RTH-Lusaka since October 1992 (though single system), the centre has now the capacity to serve most of SADC Countries especially those boarding Zambia with the necessary Meteorological information and products. Countries which have not yet connected to Regional Telecommunications Hub-Lusaka are expected to take necessary measures to do so. SATCC is to continue its efforts to solicit for funds for upgrading the RTH-Lusaka to dual system.

(b) **Regional Maintenance Facility (RMP)**

Following the successful implementation of the SATCC/FINNIDA/WMO Meteorology project, the varied high technology meteorological equipment imported into the region has prompted a need for a requisite maintenance facility to be established in the region. Consequently, a Regional Maintenance Facility has been set up in Gaborone, Botswana since February 1993. In order for the SADC Countries to maximise utilisation of the centre, formal modalities are to be worked out by SATCC/TU in consultation with the Botswana Meteorological Services.

(c) **The Ten-Year SATCC Meteorology Programme (1994-2004)**

In light of the objectives of the SADC Treaty which call for efficient performance and integration of all sectors including Meteorology subsector, a new Meteorology Strategy and programme of action is to be developed.

A consultant is to be engaged by SATCC/TU to formulate the Ten-Year (1994-2004) SATCC Meteorology Strategy and programme. This strategy will be reviewed following the results of the aforesaid multisectoral Regional Transport and Communications Study for Southern Africa Post Apartheid.

(d) **Drought Monitoring Centre-Harare (DMC)**

The Drought Monitoring Centre - Harare (DMC) is currently dependent on external funding. With the dwindling resources available to support the centre, there is a need to seek ways of financing the operations of the centre from regional sources. In order to address this issue and to bring it to the attention of the authority

concerned, a comprehensive document is to be prepared by Botswana, Malawi and Zimbabwe for presentation at the next Directors Meeting. The document should also consider the possibility of including the DMC as part of SADC institutions.

(e) **WMO Roving Seminar on Aeronautical Meteorology in SADC Countries**

The purpose of this seminar is to improve and strengthen aeronautical Meteorological Services in the region particularly in the understanding of operational procedures, new forecasting techniques and new meteorological codes. This training event which was held in five SADC Countries namely Lesotho, Malawi, Tanzania, Zambia and Zimbabwe in December 1991 benefited a total of 70 participants and was highly appreciated by both the participants and the authority responsible for aeronautical meteorology. WMO has been urged to continue its efforts in looking for funds to conduct similar seminar/s in the remaining SADC Countries.

(f) **Environment and Climate Change Issues**

Some concerns had been expressed on the fact that several national and regional institutions and services were now carrying out environment related activities, sometimes without consulting the meteorological services. There is a need to emphasize that National Meteorological Services retain the leadership in Meteorological and Climate Change activities, and foster national multidisciplinary consultative mechanisms in this area.

In this respect SATCC-TU has been required to ensure that National Meteorological Services are consulted and involved in related SADC activities initiated by other Sector Coordinators. National Meteorological Services are to submit regular reports to SATCC-TU on their activities in this area.

4.7 Human Resources Development (HRD)

4.7.1 General

The main thrust of the HRD programme for the transport and communications sector has been and will continue to be focused on management and specialist training, technical and professional training, strengthening and building regional institutional capacities and capabilities, and taking measures that will reduce dependency on foreign training institutions and

resources as well as ensure sustenance of the HRD programmes.

Generally, with the exception of mainly postal services, all the subsectors have now been covered by HRD studies. The focus of work has therefore shifted to the implementation of the agreed measures resulting from the recommendations of the studies. The underlying goal of these measures is to strengthen the technical and professional core of staff to contribute to the overall improvement and sustenance of the efficient performance of the regional transport and communications network.

Up to now, financial support for the HRD programmes has been satisfactory in the railways and telecommunications subsectors. However, SATCC-TU is concerned about the little or lack of support in other subsectors, more especially roads, postal services and the meteorology whose funding has been reduced.

Overall, lack of adequate funding continued to be a constraint to the implementation of the various HRD programmes in the sector.

4.7.2 Developments and Status in each Subsector

a) Railways

Through the current donor support, the programmes will continue to be executed up to the end of 1993. However negotiations are underway to seek support extension from GTZ/SDC for the period between 1994 to 1996. Whilst a number of modifications are anticipated, the programme will revolve around the following activities:

- Management Development and Training
- Instructor Training
- Specialist and Professional Training
- Technical Training
- Institutional capacity building and support to SATCC/TU
- Development of Monitoring and Evaluation systems to assess the impact of training on railway operations
- Train operations improvements
- Support to the consensus building in relation to the restructuring initiatives

- Taking measures to ensure sustainability of training beyond donor support.

Additionally, there are prospects for funding for training activities within planned projects such as:

- Train Operations Improvements (USAID funding)
- Rolling Stock Information System (USAID funding)
- Assessment of Track Maintenance Requirements and Training (Negotiations with Austria)
- Development of Accident Investigation Procedures and Training (Negotiations with DANIDA).

b) **Roads Infrastructure, Roads Traffic and Transport**

The progress on the implementation of the Road Transport Training Plan has been slow mainly due to lack of funding. To implement the above training plan, funding estimated at USD 50 million is being sought. As previously reported, funding for the Senior Management Training component is being pursued with the EEC. The project will provide ESAMI with human and physical support to enable it to develop and offer the identified course with an inbuilt proviso to ensure the sustainability of the training beyond the project life. The evaluation of ESAMI has now been concluded satisfactorily but the EC approval is only expected to be obtained after the European Development Fund Meeting Scheduled for September 1993. The project is likely to take off in 1994, resulting in a delay of one year. Negotiations with other cooperating partners including USAID and CIDA are underway to fill the funding gap.

The draft final report of the Study on Manpower Development for the Road Infrastructure, under funding from DANIDA, was, in April 1993, circulated to member states for their review and comments. Thereafter the drawing up of the programme of action will follow.

c) **Ports and Shipping**

Ongoing rehabilitation programmes at the Port Schools in Angola and Tanzania are progressing well. The construction of the Port Training Institute in Mozambique is completed and the institute is now operational.

Maritime Training is also underway at the Maritime Training Institutes in Angola, Mozambique, Tanzania and Malawi. In order to ameliorate the problem of employment of regional seafarers, a study is to be

conducted on setting up of ships manning agencies with a view to developing and regularising the employment of SADC citizens aboard foreign and locally registered merchant ships.

The newly recruited Ports Specialist and the Training Officer are expected to develop strategies for inputs into the SATCC HRD programme on the basis of the review of the ongoing programmes and previous studies.

Furthermore, SATCC-TU wishes to do a study to ascertain the training requirements in this subsector.

d) **Meteorology**

The Meteorological Development Programme which includes a large training component has been revised to take into account the difficulties of funding being encountered by the traditional donor - FINNIDA. The revision aimed at opening avenues for any prospective donors to support the components that will be affected by the reduced funding from current sources. However, it is pleasing to note that contingency funds have been provided from accrued interests to sustain the ongoing training activities and fellowships as indicated in section 4.6 above.

The revised SATCC/WMO Meteorology project proposal document has already been prepared and circulated to prospective Cooperating Partners. The revised training project envisages activities that are critical to institutional capacity building and strengthening to ensure sustainability of activities beyond the project life.

e) **Postal Services**

As was reported in July, 1992, this subsector is still in need of more than USD 1 million to undertake its manpower development activities, namely:

- Technical Assistance for the preparation of a Manpower and Training Plan;
- Undertaking urgent training activities to train supervisors, instructors, accounting staff and provide;
- English Language training for portuguese speaking countries; and
- Development of the Multicountry Training Centre, Malawi.

As regards funding of the study on the development of a Regional Training Implementation Plan for Management Supervisory and Clerical Personnel for SADC Postal Sub-sector, GTZ has responded to the RTC/SATCC request seeking some clarification on certain issues. SATCC/TU has clarified the issues raised by GTZ and is now awaiting a response.

The primary objective of this project are to define the specific training needs of senior management and operation management personnel in the postal subsector, to develop programmes which will satisfy those needs to sufficient level and to recommend programmes for the development of necessary training institutional capacities and capabilities.

f) Telecommunications

A manpower needs survey has now been concluded, giving rise to the following activities as needing immediate intervention at an estimated cost of more than USD 3 million over the next three years:

- Training fellowships for regional staff;
- Technical Assistance for Curriculum Development and Instructor training;
- Technical Assistance for Manpower Development and Planning; and
- Provision of a Functional Telecommunications Training Specialist to augment the SATCC/TU capacity for the implementation of the study recommendation.

The overall success of the above activities largely depends on the availability of a Specialist to spearhead their implementation. To this end, the TU has approached ADB for funding support.

g) Civil Aviation

SATCC-TU, the regional Civil Aviation Operators and their Cooperating Partners have recognised the existence of poor management and lack of adequate and properly coordinated management training in the region's civil aviation industry.

SATCC urgently requires external support to augment its institutional capacity and resources to undertake feasibility studies to ascertain the extent of the training requirements and develop appropriate HRD programmes to address this and other deficiencies.

The TU will embark on exploring possible ways of addressing the lack of management training for its senior management. These initiatives will be undertaken with the consultation and support from the SADC Regional Training Council (RTC).

h) SATCC-TU

Training and institution building in the TU will be among the highest priority areas in the HRD programme, revolving around the following objectives:

- Upgrading the technical, planning, management and analytical skills of the TU personnel through induction, generic and specialised training;
- Addressing the institutional and policy issues which adversely affect the performance of the sector; and
- Subscribing to the exchange and attachment programmes to facilitate inter-disciplinary team work on priority issues affecting SADC Programme of Action.

SATCC-TU expects to derive support from the Training Project for SADC organs being pursued by the RTC. Funding for phase one i.e. Induction Training has already been secured from the EC and implementation is expected to commence soon.

4.8 New projects

One project concerning search and rescue in civil aviation has been proposed for approval. The objective of the project is to establish a local terminal to enable the use of satellite tracking for search and rescue and other applications. The project, whose further details are provided in its project brief, is designated as:

AAA.4.17 Establishment of Local User Terminal for SARSAT/COSPAS application

4.9 Modifications of Projects

(a) Railways

In order to streamline projects in this subsector, the following changes and an additional project element have been made:

- (i) Project "ZIM.2.09: Replacement of CTC and Signalling System Harare-Mutare" be deleted from the SPA and be included as an element of project "ZIM.2.03: Telecommunications, Signalling and Wagon control, NRZ".

(ii) Projects "ZIM.2.07: Replacement of 1961 General Purpose Wagons" and "ZIM.2.08: Procurement of 39 Diesel Locomotives" be deleted from the SPA and be included as elements in project "ZIM.2.05: Acquisition of coaches for National Railways of Zimbabwe" whose title should be changed to "Replacement of Locomotives and Rolling Stock, NR2".

(iii) Project AAA.0.03(iv): Regional Track Condition Assessment and Track Maintenance Training as an element of the Railway Regional Operational Coordination Projects.

(b) Roads

Modification of the following projects is to be noted:

(i) to include Project "AAA.0.09: Package of Transport Statistics programmes" as Subproject(2) to project "AAA.0.06: SATCC Statistics Data System";

(ii) to combine project "ANG.1.01: Study on the Road N'Zeto-Soyo" and "ANG.1.02: Studies of Four Roads in Angola" to one project "ANG.1.04: Priority Roads in Angola", and

(iii) to include a new Road Research Sub-project "The Purchase and Maintenance of Test Vehicle for Road Pavement Data Collection on the Regional Trunk Road Network (RTRN)" in the existing SATCC project "AAA.0.06: SATCC Statistics Data System".

(iv) "TAN.1.03 Rehabilitation/Strengthening of the TANZAM Highway, Tanzania" be modified to include additional sections of the road which have been identified as needing rehabilitation.

5. CURRENT STATUS OF PROJECTS

5.1 Summary of Status of Funding

In this section the 198 projects of the SATCC Programme of Action are listed by transport corridor system or subsector. The information provided include summary of costs, funding status, disbursed funds as of 31-12-92 where available and a statement on status or progress of implementation.

5.2 Operational Coordination

The total cost of the 29 operational coordination projects amounts to US\$ 138.2 million. They are relatively well funded with US\$ 94.3 million secured or under negotiations, leaving a funding gap of US\$ 43.90 million.

5.3 Training Projects

The training programme includes 9 projects, whose total cost is US\$ 139.2 million. Of this US\$ 54.1 million, or 39%, is secured or under negotiation.

5.4 Maputo Port Transport System

The total cost of the 19 main projects concerning the Maputo Transport System is estimated at US\$ 1142.20 million, of which US\$ 533.40 million, or 47%, is secured including funding under negotiation.

5.5 Beira Port Transport System

The Beira Port Transport System programme includes 6 projects. Most of these are divided in several sub-projects. The total cost of the programme is US\$ 451.90 million of which US\$ 341.30 million, or 76%, is secured or under negotiation.

5.6 Nacala Port Transport System

The cost of the 5 main projects concerning the Nacala Port Transport System is estimated at US\$ 328.1 million, of which US\$ 257.90 million, or 79%, is secured including funding under negotiation.

5.7 Dar es Salaam Port Transport System

The main 8 projects in the Dar es Salaam Port Transport System are estimated to cost a total of US\$ 908.4 million. Of this US\$ 580.9 million, or 64%, is secured or under negotiation.

5.8 Lobito Port Transport System

The Lobito Port Transport System programme includes 5 main projects. The total estimated cost is US\$ 586.7 million, of which US\$ 109.4 million, or 19%, is secured or under negotiation.

5.9 Intra-Regional Surface Transport Systems

Altogether 36 projects are included in this category, with a total cost estimated at US\$ 1,679.9 million, of which US\$ 929.6 million, or 55%, is secured or under negotiation.

5.10 Civil Aviation

The total estimated cost of the 30 civil aviation projects in the programme is US\$ 204.3 million, of which US\$ 108.10 million, or 53%, is secured including funding under negotiation.

5.11 Telecommunications

The 33 telecommunications projects included in the programme are estimated to cost a total of US\$ 1,141.40 million, of which US\$ 554.40 million, or 49% is secured including funding under negotiation.

5.12 Meteorology

The meteorology projects included in the programme are 15. The total cost is estimated at US\$ 19.0 million and US\$ 0.9 million, or only 5% is secured.

5.13 Postal Services

The SATCC programme includes 4 projects in postal services, with a total cost of US\$ 10.7 million. No funds have so far been secured for the reformulated postal projects.

RATIFICATION OF THE TREATYNote From The Secretariat

1. Council will recall that at its meeting in Harare, Republic of Zimbabwe, in January, 1993, it reviewed the progress made in the ratification of the Treaty, and agreed that it would be desirable that two-thirds of the member States ratify the Treaty by 30th April, 1993 and all the member States by 31st July, 1993.
2. Council is invited to note that, as at 31st July, 1993, Botswana, Namibia, Zambia and Zimbabwe had ratified both the Treaty and the Protocol on Immunities and Privileges, and deposited Instruments of Ratification with the Secretariat. Mozambique had indicated that it had ratified the Treaty and the Protocol on Immunities and Privileges. However, it had not lodged the Instrument of Ratification with the Secretariat. Swaziland had ratified only the Treaty and not the Protocol on Immunities and Privileges and Malawi had ratified only the Protocol on Immunities and Privileges and not the Treaty. Both countries had lodged with the Secretariat Instruments of Ratification. Angola, Lesotho, and Tanzania had not ratified both the Treaty and the Protocol on Immunities and Privileges. Lesotho, Malawi and Tanzania had, however, undertaken to complete the ratification process by the time the Council would be meeting in Mbabane in August, 1993. Angola has not confirmed the date by which it will have ratified the Treaty and the Protocol on Immunities and Privileges.
3. A chart depicting the status of ratification of the Treaty and the Protocol by member States as at 31st July, 1993 is attached to this note at Annex 1.
4. Council is invited to recall that the Treaty can only enter into force after two-thirds of the member States have ratified the Treaty and lodged with the Secretariat Instruments of Ratification. Therefore, the progress made to date is unsatisfactory as less than two-thirds of the member States has ratified the Treaty and the Protocol. Completion of the ratification process before the end of 1993 will be the first acid test of the commitment of the member States to the challenge of building their own Community.
5. Council is, therefore, invited to urge the member States which have not yet ratified the Treaty and the Protocol to complete the ratification process by 30th November, 1993 at the latest.

UPDATE ON
RATIFICATION OF THE TREATY AND PROTOCOL

10TH AUGUST, 1993

MEMBER STATE	TREATY	PROTOCOL
1. Angola	X	X
2. Botswana	X	X
3. Lesotho		
4. Malawi	X	X
5. Mozambique	X	X
6. Namibia	X	X
Swaziland	X	
8. Tanzania	X	X
9. Zambia	X	X
10. Zimbabwe	X	X

NOTE: X = FACILITATED

REPORT ON COMMUNITY BUILDING

Note from the Secretariat

1.0 Introduction

- 1.1 Council will recall that at its January 1993 meeting in Harare, Zimbabwe, it was agreed that the Secretariat will launch a public awareness and mobilisation campaign in the region, aimed at building a popular constituency for the Southern African Development Community. Council is invited to examine the issues, actors and timetable proposed in the Community Building background paper (Annex 1) and confirm that the paper correctly articulates the concerns and course of action SADC wishes to take in mobilising the region's citizens for community building.
- 1.2 Consultative seminars and workshops at both national and regional levels, backstopped by appropriate media and public relations (PR) activities were identified as the backbone of the campaign.
- 1.3 The seminars and workshops were to introduce the new SADC; its Declaration, Treaty and Protocol, to a wide cross-section of actors representing constituencies such as media, business, politics, academic and civil society. The seminars and workshops will also promote public discussions and input into decisions that will determine the form and content of regional integration in Southern Africa.

2. Regional Omnibus Seminar

- 2.1 Council is invited to note that the constituency building campaign kicked off with a Regional Brainstorming Seminar in Harare, Zimbabwe, on 26-27th July 1993. Attended by Parliamentarians, representatives of non-governmental organisations (NGOs), trade unions, academic institutions and the media from all SADC countries as well as liberation movements and NGOs of South Africa.

The seminar provided a useful forum for exposing participants to the challenges and opportunities for regional integration in Southern Africa. Participants welcomed the constituency mobilisation initiative and confirmed that they would be actively involved in the process. The participants also urged SADC to ensure that the community building programme gains momentum by facilitating and supporting already existing intra-regional co-operative activities undertaken by the people of the region.

2.2 The seminar among other things, discussed practical implications for implementation of the SADC Declaration and Treaty, as well as the roles of the different constituencies represented at the seminar. The seminar agreed, inter alia, that:

- a) That participants would constitute core groups of regional activists who would mobilise relevant constituencies at the national level;
- b) SADC Governments political commitment to involvement of people in the process of building the community should be demonstrated by practical backing of the efforts NGOs and other constituencies through financial support and consultation of such constituencies;
- c) SADC government should provide an enabling environment through active promotion of human rights democracy and economic empowerment of the region's populace;
- d) SADC must continue to forge a spirit of regional identity through sporting, cultural and other people to people activities.
- e) SADC should involve communities at all levels in the mobilisation of resources for sustainable self reliance and constituencies should be made aware of their benefits and obligations to the regional community; and
- f) SADC Business Councils should be revitalised to effectively play a meaningful role in promoting production, investment and trade in the community.

3.0 Workshop on Free Movement of Persons.

3.1 Council will further note that the first in a series of focused sectoral workshops took place back to back with the Regional Brainstorming (Omnibus) Seminar held also in Harare on 28 - 30 July, 1993. The workshop was attended by senior officials from Government Departments responsible for Immigration, National Registration and Identification, Customs, Security, Police, Justice and External Affairs. South African Liberation Movements were represented.

3.2 Unfortunately, only three Sector Coordinators attended the workshop. The absence of the officials from the National Contact Point Offices and most of the Sector Coordinators, who are part of the management of the whole Community building process together with the Secretariat, is regretted. While cost considerations are important, it is hoped that efforts will be made to ensure that future workshops will be managed by the three main institutions, together.

- 3.3 The aim of the Workshop was to enable Senior Officials associated with the daily movement of the region's people to examine mechanisms for facilitating freer movement and contacts between and among the peoples of Southern Africa, for leisure, social/cultural pursuits, business, tourism etc., within the context of regional integration and the building of the Community.
- 3.4 Greater contacts among the residents of the Community was considered as one of the key visible benefits that people will realise from belonging to the Community. It was agreed that this will enable them to develop a sense of belonging to one region as well as having a long lasting cementing effect in improving cross border relationships and in breaking the barriers to cooperation at all levels.
- 3.5 During the Workshop, Senior Officials agreed that current immigration controls do not facilitate the process of regional integration and greater person to person contacts across the region. The workshop, therefore, agreed that a protocol should be developed describing cooperation in the area of movement of persons, which will provide for visa free movement of people across Community borders, common approaches with respect to border procedures and opening times, dealing with non-Community citizens and asylum seekers, and the establishment of regional institutional mechanisms for managing and maintaining cooperation in this area.
- 3.6 The Officials also agreed that in order to ensure that criminals would not abuse the provisions facilitating greater and freer movement and contacts among the people of the region, mechanisms should be put in place for effective cross border cooperation among the police and other security forces. In this respect, it was agreed that information exchange on the movement of undesirables such as drug traffickers, poachers, terrorist, traffickers in weapons and firearms and car thieves, was crucial in combating crimes in a Community with relaxed travel controls.
- 3.7. Council is invited to note that, because not all countries, especially those where there was still war and a state of insecurity like in Angola and Mozambique, could implement fully most of the requirement for free movement of people, Officials agreed that the implementation of the provisions of a future protocol would proceed in a multi-track approach allowing for those countries that are ready to move ahead to do so, but at the same time leaving room for others to join in at a later stage.
- 3.8 The Workshop agreed that the ultimate goal of total freedom of movement of SADC people should remain the guiding principle, and that its achievement would only be through several stages, starting with the free right of Entry, Residence, and finally, right of Establishment in all the

countries of the Community. A gradual approach was considered the most realist for Southern Africa, given the prevailing political situation.

- 3.9 Council is invited to note that, in order to complete the process leading to the adoption of a protocol in this area, a team of consultants is being put in place to review the recommendations of the Workshop, collect relevant information from all the Member States, conduct interviews with relevant individuals and institutions where necessary, and produce a draft protocol. The protocol will be negotiated by officials and ministers. Work will start as soon as all arrangements for have been completed.

SADC: TOWARDS REGIONAL INTEGRATION

CONSTITUENCY MOBILISATION FOR COMMUNITY BUILDING

1.0 Background

1.1 At its January 1993 meeting, the SADC Council of Ministers agreed that the Secretariat will launch a public awareness and mobilisation campaign in the region, aimed at building a popular constituency for the Southern African Development Community. Consultative seminars or workshops at both national and regional levels, backstopped by appropriate media and public relations (PR) activities, were identified as the backbone of the campaign programme.

1.2 The seminars will introduce the new SADC; its Declaration, Treaty and Protocol, to a wide cross-section of actors representing constituencies such as media, business, politics, academia and civil society. The seminars will also promote public discussion and input into decisions that will determine the form and content of regional integration in Southern Africa. In addition, the seminars will provide a pool of resource persons around whom SADC will build a network of regional activists who will play the lead role in sensitising and mobilising peer groups to participate in the process of building the Community. South African Liberation Movements and other participants from that country, to be selected as appropriate, will take part in the seminars.

1.3 The seminars will be organised at three levels, in a manner that will allow one level to prepare the ground for the other, thus: Regional Omnibus, National and Regional Sectoral. In the 1993/94 financial year, there will be one regional omnibus seminar, five national seminars and five regional sectoral workshops.

2.0 Regional Omnibus Seminar

2.1 The seminar will essentially be a brainstorming forum to expose both the Secretariat staff and the participants from member States, to the challenges and opportunities of mobilising public support for, and involvement in the Community. The subsequent role of participants in the other seminars to come, will be explained and discussed at this Omnibus Seminar.

2.2 Senior Secretariat staff and non-Secretariat resource persons will lead discussions on the theme - Towards Regional Integration in Southern Africa. The seminar will address the following:

- i) the principles, objectives and strategies of the new SADC;
- ii) the SADC Declaration, Treaty and Protocol;
- iii) the major interests and concerns of different constituencies in the region;
- iv) the framework and strategies for building the Community, and factors likely to facilitate or inhibit the region's move towards regional integration;
- v) measures necessary to establish and maintain continuous public discussion and involvement in regional cooperation.

2.3 The workshop will involve participants from member States representing:

- i) SADC National Contact Points;
- ii) SADC Sector Coordinating Units;
- iii) private and public news media;
- iv) academic and research institutions;
- v) non-governmental organisations;
- vi) the business community;
- vii) parliamentarians and other politicians;
- viii) trade union organisations.

2.4 National Omnibus Seminars

2.4.1 These seminars are expected to articulate the national perspectives for building the community, and to focus on national interests in the integration process.

2.4.2 In particular, the seminars will address:

- i) the issues, process and the people's involvement in building the Community
- ii) the challenges and opportunities that regional integration will bring to individual member States;
- iii) experiences, perspectives and expectations of the major national actors regarding the work of SADC;
- iv) measures necessary to ensure that citizens of member

States become active participants in the process of building the Community.

3.2 The seminars will be attended by a cross-section of major national actors, as follows:

- i) government ministries;
- ii) private and public news media;
- iii) non-governmental organisations;
- iv) national business councils;
- v) parliamentarians and other politicians;
- vi) trade unions;
- vii) academic and research institutions;
- viii) community leaders;

3.3 The country representatives who attended the Regional Omnibus Seminar will constitute an activist core that will play a key role in identifying and mobilising participants at the national level. They will also provide a reservoir of Resource Persons to lead discussions, particularly on the challenges and opportunities for regional integration, in their specific areas of activity.

4.0 Regional Sectoral Workshops

4.1 These will go beyond the constituency mobilisation and PR function of information dissemination, to engage interested parties and core activists from specific sectors in focused discussions, in order to clearly define the issues, their interests and role in building the Community. The participants will be drawn largely from those attending the national seminars.

4.2 The main objectives of these workshops are to:

- (a) consult and discuss with the main stakeholders and constituencies, how integration should be pursued in their respective areas of interest;
- (b) concretise ideas on the role these constituencies are willing and able to play, in the integration of the region; and,
- (c) clarify and elaborate on the issues to be captured in the draft protocols and agreements of the Community.

4.3 In order to concretise the results of these consultations, terms of reference for targeted studies or technical work

will be drawn up, following each seminar, leading to the drawing up of protocols and agreements.

4.4 Workshop 1: Free Movement of People

4.4.1 The workshop will bring together various actors responsible for the facilitation of the free movement of goods and people across the Community's borders. The workshop will address the following issues:

- i) free movement of people, right of entry, residence and establishment, within the Community;
- ii) registration and identification, including passports, the SADC Laisser Passer;
- iii) visas, entry, residence and work permits;
- iv) intra-Community law enforcement and control of cross-border crime;
- v) extradition arrangements;
- vi) institutional mechanisms.

4.4.2 The Workshop will involve representatives of the following institutions:

- i) Registration and Immigration Departments;
- ii) Customs Departments;
- iii) Police and Security Departments;
- iv) Legal Departments;
- vi) Non-Governmental Organisations (NGOs).

4.5 Workshop 2: Resource Mobilisation and the Financial Sector

The workshop will draw together development finance institutions, banks, insurance agencies and stock exchange and brokerage firms. The workshop will address the following issues:

- i) the macro-economic environment, fiscal and monetary policies;
- ii) institutions for resource mobilisation;
- iii) cross border investment facilitation;
- iv) resource mobilisation for development, such as regional development banks, commercial banking,

stock exchanges, etc.

- v) monetary and financial cooperation, currency convertibility and payments mechanisms;
- vi) financial agreements, legislation and regulation;
- vii) institutional mechanisms.

4.5.2 The workshop will be attended by representatives of the following institutions:

- i) Central Banks;
- ii) Commercial Banks;
- iii) Stock Exchanges/Brokerage Firms;
- iv) Insurance Agencies;
- v) Development Finance Institutions;
- vi) Building Societies;
- vii) Business Community.

4.6 Workshop 3: Customs and Trade

4.6.1 The workshop will bring together actors involved in trade, and those responsible for removal of tariff and non-tariff barriers to trade, and the facilitation of the free movement of goods and services within the Community. The workshop will address the following issues:

- i) tariff and non-tariff barriers to intra-regional trade;
- ii) documentation;
- iii) preferences;
- iv) rules of origin;
- v) protection of infant industries;
- vi) trade balancing, revenue losses and compensatory mechanisms;
- vii) common internal and external tariffs;
- viii) payments and clearance arrangements;
- ix) trade financing, export credit, guarantees and insurance;

- x) intra-regional and international trade laws;
- xi) settlement of disputes;
- xii) institutional mechanisms.

4.6.2 The Workshop will involve representatives of the following institutions:

- i) Ministry of Finance;
- ii) Ministry of Industry and Trade;
- iii) Customs Departments;
- iv) Central Banks;
- v) Commercial Banks;
- vi) Legal Department;
- vii) The Business Community.

4.7 Workshop 4: The Productive Sectors

The workshop will bring together actors representing the manufacturing, mining and mineral processing, agriculture and agro-processing, and the tourism sectors. The workshop will address the following issues:

- i) policies that promote cross border investment;
- ii) preferential treatment of regional companies;
- iii) common regional investment environment and harmonized macro-economic policies;
- iv) regional or multi-country investment projects;
- v) regional mechanisms for the free movement of capital and labour;
- vi) regional division of labour and specialization;
- vii) standards and quality assurance;
- viii) research, development and technology;
- ix) institutional mechanisms.

4.7.1 The Workshop will involve representatives of the

following institutions:

- i) Ministry of Finance;
- ii) Ministry of Industry and Trade;
- iii) Chamber of Commerce and Industry;
- iv) Chamber of Mines;
- v) Agricultural Associations;
- vi) Tourism and Travel Agents;
- vii) Customs Departments;
- viii) Central Banks;
- ix) Trade Financing Institutions;
- x) Commercial and Development Banks;
- xi) Freight Forwarders and Clearing Agents;
- xii) Support Services such as Research and Development
Bureaux of Standards;
- xiii) Investment Centres;
- xiv) Institutional Mechanisms.

4.8 Workshop 5: Politics, Peace and Security

4.8.1 The workshop will bring together actors involved in, and/or responsible for politics, diplomacy, peace and security. The workshop will address the following issues:

- a) **Politics, Solidarity and Democracy**
 - i) common principles in respect of human and peoples rights;
 - ii) public accountability and transparency;
 - iii) pluralism, the role of political parties and conduct of elections;
 - iv) freedom of speech, right of association; and right of assembly;
 - v) respect for the rule of law;
 - vi) ratification and observance by member States

of international law governing interstate relations:

- vii) role of parliaments and relations with the executive branch;
- viii) common regional diplomatic and political positions on major issues;
- xi) reconciliation, national and regional unity;
- xii) settlement of disputes;
- xiii) institutional mechanisms.

b) Peace and Security

- i) non-aggression and mutual defense;
- ii) conflict avoidance, management and resolution - including peace making and peace keeping;
- iii) the economic, environmental, political and social dimensions of defense and security;
- iv) transparency and public debate of national and regional security policies;
- vi) accountability of armed forces to governments and parliaments;
- vii) force levels and military expenditure;
- viii) exchange of military information, joint military manoeuvres, exercises and trainings;
- ix) policies on conventional armaments/disarmament;
- x) procurement, manufacture and use of chemical, biological and nuclear weapons;
- xi) military and defence industries;
- xii) support for able and disabled war veterans and former combatants;
- xiii) institutional mechanisms;

The Workshop will involve representatives of the following institutions and interests:

- i) Ministry of Defence;
- ii) Ministry of National Security;
- iii) Ministry of Foreign Affairs;
- iv) Ministry of Home Affairs;
- v) Ministry of Justice;
- vi) The Army/Airforce/Navy;
- vii) The Police;
- viii) The National Security Service;
- xi) The Parliament;
- x) Political Parties;
- xi) Human Rights Organisations;
- xii) Academic and Research Institutions;

5. Public Relations

5.1 Given the diversity of constituencies to be mobilised throughout the region, the constituency building programme should be seen as a major public relations exercise.

5.2 For the programme to succeed in mobilising public support for, and involvement in the work of the Organisation, media-led public relations activities will be built around the regional and national seminars. Such activities will include press releases and briefings, special feature articles and documentaries, public talks and panel discussions, corporate advertising, sports and cultural performances, visits to SADC projects, etc.

5.3 A Public Relations consultant will be engaged to backstop the Secretariat in carrying out these tasks. Specific tasks envisaged for the PR consultancy are to assist:

- i) the Secretariat design appropriate messages for both seminar and non-seminar audiences, using the SADC Treaty, relevant Theme Documents, draft seminar papers etc., as resource material;
- ii) in planning and implementation of media-led PR activities;
- iii) SADC functionaries in member States to plan and mobilise support for PR activities such as visits to

SADC projects, sports and cultural performances, corporate gifts etc.;

iv) with media liaison activities, including production of press releases and press kits;

v) with production of a new SADC flag and motto.

5.4 The country hosting each seminar, in liaison with the Secretariat, will mobilise local organisations and the business community to sponsor PR activities such as walks, sports and cultural performances, SADC billboards, posters and corporate gifts, etc.

6.0 Organisation and Work Plan

6.1 Secretariat staff, Sector Coordinators and members of the Standing Committee of Officials will provide leadership in the Seminar discussions, assisted by external resource persons selected from core activist groups in the region, as well as consultants from regions in the world that may hold relevant experience for SADC.

6.2 The seminars will work in both plenary and working group sessions, with each group choosing its own convener and rapporteur.

6.3 Annex (attached) is the tentative time-table of the various seminars.

SADC Secretariat
Gaborone

June 1993

COMMUNITY BUILDING SCHEDULE

DATE	EVENT	VENUE
26-27/7	Regional Seminar	Harare
28-30/7	Regional Workshop	Harare
15-17/9	Regional Workshop	Dlanyiro
27-29/9	National Seminar	Windhoek
11-15/10	Regional Workshop	Maseru
25-27/10	National Seminar	Arusha
1-5/11	Regional Workshop	Mbabane
15-17/11	National Seminar	Maputo
16-18/2	National Seminar	Lusaka
28/2-2/3	Regional Workshop	Arusha
27-29/3	National Seminar	Maseru

MECHANISMS FOR CONSULTATIONS

Note from the Secretariat

1.0 BACKGROUND

1.1 For the past thirteen years, SADC has organised, annually a consultative conference bringing together officials and Ministers of the SADC member States and officials responsible for managing aid agency offices, ambassadors and Ministers from the growing family of SADC's International Cooperating Partners (ICPs).

1.2 The holding of these annual conferences emerged from one of the cardinal objectives of the 1980 Lusaka Declaration:

Concerted action to secure international cooperation within the framework of our strategy for economic liberation.

The same objective was provided for in the Treaty establishing SADC which was signed in August, 1992:

- 1) secure international understanding, cooperation and support, and mobilise the inflow of public and private resources into the region

1.3 As the name suggests, the conference has been intended as a forum for consultation between SADC and its ICPs on political issues affecting the region, the review of the implementation of the SADC Programme of Action, economic development matters and issues of interest to both parties. In the area of politics, the discussions have been on the need to mobilise support to end the wars in Angola and Mozambique, the granting of independence to Namibia, and the fight to end apartheid in South Africa and the establishment of a democratic political system. Namibia has since become independent, negotiations for a new democratic system are under way in South Africa, and Mozambique is working towards a multi-party general elections. Sadly, the civil war in Angola has worsened, following UNITA's refusal to accept the results of the September 1992 elections.

1.4 Consultation has also involved the review of policies and strategies and the assessment of the implementation of the programmes and projects in the SADC Programme of Action to ensure that these activities were priority and viable and that they were implemented in accordance with the main objectives of SADC.

1.5 The conferences have been organised the same way over the years:

1.5.1 At least six months before the date of the next Conference, the Council of Ministers approves a theme for the Conference, and directs the Secretariat to prepare the theme document and the sectoral programme documents and circulate them to the list of approved invitees to the Conference.

1.5.2 Three months before the date of the Conference, the Organisation mounts a briefing mission to a selected number of key ICPs to prepare them for attending the Conference. Discussions with these ICPs centre on the issues in the theme document; the regional and international political situation; and how it impacts on the region; and the position of the ICPs visited on the political concerns of SADC, and closer examination of progress of the SADC programmes and projects being financed by the ICPs visited, and new project proposals.

1.5.3 The Conference is arranged to run over three days. The morning of the first day is devoted to Working Group meetings organised around the clusters of Sectors of Energy; Food, Agriculture and Natural Resources; Industry and Trade, Mining and Tourism; Transport and Communications; and Human Resources and Development and Culture and Information. The delegation of each ICP country is expected to include officials with expertise to cover the five working groups above. Each Working Group is expected to examine closely the objectives, policies and strategies, programmes and projects being implemented under each Sectoral Programme of Action, with the view to improving the implementation of the SPA. In the afternoon, there is one working group meeting involving all participants to discuss cross-sectoral issues and the issues in the theme document.

1.5.4 The remaining two days are devoted to the delivery of speeches by SADC and the ICPs. Nearly all speeches of the ICPs contain, in varying degrees of emphasis, the following components:

1.5.4.1 a response to the message contained in the Conference theme document;

- 1.5.4.2 the ICPs' evaluation of the regional and international political situation, and how it impacts on SADC and the political position of the ICP member State;
 - 1.5.4.3 the international economic situation and its impact on SADC;
 - 1.5.4.4 a review/evaluation of the ICPs' cooperation/involvement with SADC, and sometimes bilaterally with individual member States of SADC; and
 - 1.5.4.5 sometimes pledges of resources are made to the SADC Programme of Action.
- 1.5.5 A very important aspect of the Conference is the holding of bilateral meetings sometimes in the corridors of the Conference Centres among the ICPs themselves on how they should relate and cooperate with SADC, and between ICPs and the Sector Coordinators on specific sectoral issues, or between ICPs and Ministers and Officials of SADC member States on SADC and on bilateral issues.
- 1.5.6 The day after the Conference, there are usually meetings between SADC officials and officials of a few ICPs such as the European Commission, Commonwealth Secretariat and the United Nations System.

2 The ISSUES

- 2.1 Over the past five years, the SADC Secretariat has been expressing dissatisfaction with the arrangements and management of the ACC, including the absence of direct engagement of issues between Ministers from SADC and ICP countries. The concern has also covered generally, the inadequacy of the consultative mechanisms between SADC institutions and ICPs. A number of ICPs have raised similar concerns. It is possible that the noticeable declining trend in the level of representation and in attendance over the past five conferences, could, in part be attributed to concerns with the way the ACC has been conducted. Certainly, fewer ICP Ministers and directors have been coming than in the past. In some cases delegations are being headed by Senior Officials and Ambassadors, and comprise embassy staff where this used to be largely Ministers and Senior Officials from the capitals of the invited ICPs. With respect to International Development Agencies, where presidents and directors of these agencies used to come from capitals of location, it is the resident officials of these agencies that come to the Conference.

2.2 There are many reasons that have been advanced for the concerns that are being raised on the holding of the conference. There is concern that:

2.2.1 Current arrangements whereby the ICP Ministers raise crucial issues in their speeches and do not get immediate feedback from SADC, or do not engage the SADC Ministers directly in debating these issues of concern to Southern Africa, is not helpful.

2.2.2 The half morning of the first day is not enough for the working groups to discuss fully issues pertaining to policies, strategies, programmes and projects of the SPA of interest to all ICPs attending. However, it is the view of the Secretariat that, in the past, the half morning has not always been utilised adequately. Most Sector Coordinators have failed to prepare for these meetings properly resulting in no discussions on the floor and the sessions not lasting more than two hours. For those sectors where the half morning has been too short, the reason has been that those sectors tended to have a relay of lengthy presentations by their officials, taking up most of the time available, leaving very little time for discussion. The ICPs too have not always heeded SADC's appeal that they do not read set-piece statements in these working meetings as these would be made in the plenary of the main Conference.

2.2.3 These Working Groups are not being attended by officials from the National and Sectoral Contact Point Offices, robbing the gathering of a chance to discuss with the managers and real policy makers the main issues affecting progress on the practical side of cooperation. Usually it is only the Sector Coordinating Units staff and the Secretariat who attend these meetings, and they have no backing of the member States at all.

2.2.4 The afternoon working group on cross sectoral issues was introduced recently. The intention is that the plenary session should offer opportunity for exchange of views on cross-sectoral issues. Apart from the organisational and management problems, the attempts made so far, have been promising. However, a lot still needs to be done to ensure that there is a lively and focused debate, and to ensure that the session does not degenerate into a 'question and answer' meeting. It is unfortunate that, like in the case of Sectoral Working Groups, this meeting is mostly attended by SADC civil servants and not the Senior Officials from member States. There is a

strong desire on the ICP side to engage directly with Senior Officials of the SADC member States.

2.2.5 Over the years, SADC has put forward laudable policy statements to govern cooperation in Southern Africa through a series of conference themes, which have remained largely unimplemented; raising doubt on the commitment of SADC to carry out its own policies. Some have complained that these themes have become too many and that they lack implementation plans and have therefore been made as an end in themselves. There is a feeling that the debate on these themes in the conferences may not be as productive as it could unless SADC commits itself to implementing them.

2.3 The result has been a lowering in the status of the conferences. It may become difficult to ensure that the delegations of ICPs would be at an appropriate level to interact with SADC's Ministers. In some years the number of ICP Ministers coming to the conference has been below that of SADC Ministers. The absence of ICP Ministers, in significant numbers should be viewed by SADC as a worrying trend that needs to be addressed. The few Ministers and Senior Officials who have led their countries' delegations to the conferences, have expressed concern on programme and project management issues, and on SADC's record of project implementation. These concerns should be viewed as positive aspects of cooperation designed to ensure that the limited resources ICPs make available to the Organisation go a long way towards meeting the agreed objectives.

2.4 There is no doubt that SADC should review the way the conferences have been organised in order to maintain the status and levels of representations from the ICP countries, and to ensure that they remain engaged and interested in the issues that SADC is pursuing. Beyond the conferences, there is also a need to ensure that SADC itself is fully engaged on the issues of cooperation, and that these are consistent with the management of national development.

2.5 There is very little consultative contact in between the conferences between Sector Coordinators and National Contact Point Officials and the ICP agency offices inside and outside the region on general cooperation, programme and project development and on the assessment of key policy/political issues including administrative issues of project review, monitoring and management, and that these are therefore left to a once a year meeting around the conference where there is not enough time to examine issues closely.

- 2.6 Low levels of resource disbursements to projects in the SPA and lack of continuous consultations and poor information flow between SADC institutions and ICP agency offices has poisoned the atmosphere of cooperation. It is now very possible that negative reports on the implementation of the SADC Programme of Action by agency offices in the region back to their capitals could contribute negatively to the attitudes towards SADC at head offices and could result in more Ministers and directors reviewing their attendance of the consultative conferences.
- 2.7 Above all else, most ICPs are going through economic recession resulting in cut-backs on aid flows generally and that to SADC in particular. Although most SADC countries have been implementing commendable structural adjustment measures over the years, the results so far in terms of turning the economies towards a growth path, have not been significant. The ICPs are concerned that SADC has not sought to reprioritise its SPA to reflect the effects of the world recession and the resultant resource scarcity - or improve the efficiency of resource use and management of projects to ensure maximum benefits from the ever shrinking resource base. For example, questions are being asked on the poor record of resource mobilisation within SADC, of the capacity of SADC to implement a bloated SPA when it and its ICPs are all facing recessionary pressures.

3 THE WAY FORWARD

- 3.1 It is clearly not easy to address all the concerns raised above as most go beyond the issue of the conferences themselves. What is certain is that these issues cannot be ignored as they could affect negatively the basis for cooperation and resource flows from the ICPs to SADC. The Secretariat's assessment is that, while ACCs should continue to be organised, serious attention should be paid by the Organisation, to the concerns raised by both SADC and ICPs. The solutions should be sought at several levels:

3.1.1 To Restore the Conference to its Original Status:

The idea of a Consultative Conference must be retained. The following issues need to be addressed:

- 3.1.1.1 the Conference must continue to be held annually. However, in between the Conferences, effort must be made to ensure that issues raised by the Conference and general issues relating to the implementation of the SPA, are addressed, so that there are positive actions on the ground to underpin the cooperation arrangement between SADC and its ICPs.

- 3.1.1.2 the type and nature of the Conference and of the participants will be determined by the issues to be discussed; at one time it could be Ministers and at others it could be officials, depending on the issues that need to be addressed. The Officials level Conference could address focused technical matters relating to the review of the implementation of the SADC Programme of Action and administrative and procedural issues of cooperation. The Ministerial Conference could address specific policy/political matters of mutual concern. The decision regarding the level and status for each Conference will be decided upon by Council, as is the case at present.
- 3.1.1.3 For the Ministerial Conference, instead of the three day show with speeches and statements taking the greater part of the conference, there should be a direct engagement of issues between SADC and ICP Ministers, relating to objectives, policies and strategies that SADC is pursuing, as well as issues pertaining to overall economic development, politics, democracy and peace. As many SADC Sectoral Ministers as possible should attend the meetings in order to explain the policies that they have developed. These discussion should be led by themes/lead papers, as at present, and communiques will be issued outlining the outcome of the consultations. Speeches will be limited to the opening day and cut down to a few on either side. Issues for discussion and the setting of the agenda will be subject to consultations, as is the case at present. SADC will initiate the draft agenda and send to invited ICPs for comments and additions at least three months before the Conference.

3.2 Theme Documents

- 3.2.1 Over the years the themes presented by SADC have outlined the policy direction the Organisation intended to go. However, no implementation plans, outlining how SADC intended to implement the themes, and what human and financial capacity existed for implementation, were developed. As a result, other than the few, regrettably not yet completed, activities initiated within the context of the past themes, such as the establishment of the Business Council, the Cross Border Investment project, the Comprehensive Export Finance Scheme, the One Stop Investment Offices and the Harmonisation of Investment Codes; arising from the themes on "Investment in Production"; there has been very little elsewhere to translate these noble goals into realisable benefits. While it is appreciated that the Themes were never meant as annual work plans, the fact remains that a

lot could have been done by the Organisation as a whole to initiate activities to ensure that the goals contained in the themes do not remain a wish. SADC should ensure that in future there is an attempt to clearly define a framework for the implementation of some of the major policy pronouncements made through the themes.

3.3 Consultations between SADC and ICPS

3.3.1 Over the years the Secretariat has brought to the attention of Sector Coordinators and National Contact Points the need for continuous dialogue between SADC and the ICPs on a wide range of issues of mutual interest. However, in practice this has generally not happened, other than the request for money by SADC Organs to fund projects. There has generally been a lack of capacity among most SADC operatives, to make maximum use of, and consultations with representatives of ICPs inside and outside the region. It is worth reiterating that all SADC institutions should liaise frequently with the ICP agency offices and accredited embassies inside and outside the region, as the Secretariat has been doing, on policies and strategies that SADC is pursuing and on resource disbursement, project management and the removal of constraints to project implementation.

3.3.2 Issues that cannot be resolved at the level of National Contact Points and Sector Coordinators in their contacts with ICPs, should be referred to the SADC Secretariat on the SADC side and to ICP capitals on the side of agencies for solution. If consultations are to yield meaningful results, it is important that the issues for discussions are understood by both sides. This calls for greater understanding of, and closer familiarity with issues among SADC's operatives, than has been the case so far. There is need for periodical review of the impact of these consultations in order to be able to keep them relevant. It is hoped that these regular consultations would address some of the concerns of the ICPs and restore the enthusiasm of ICPs to cooperate with SADC and boost confidence in the Organisation.

3.4 Intra-SADC Consultations

3.4.1 While attention has been put on SADC/ICPs cooperation, it is important that intra-SADC consultations become stronger than it is at present. Although SADC is 13 years old, it has, up to now, been an organisation of Heads of States and government officials. The Treaty establishing SADC now provides a framework for the involvement of a wider constituency, in the process of community building. Even within the context of SADC

as a governmental cooperation body, the tendency has been to wear the SADC "hat" when going to the Summits and other meetings, then forget about it until the next meeting. There has generally been no attempt to make SADC part of the daily management of national affairs; or to put the development of national activities within the regional context. However, while member States may use the existing joint commissions and other bilateral arrangements for inter-state consultations, it is important that the use of the multi-lateral arrangements, within the context of the SADC Programme of Action, should provide the avenue for seeking collective approaches to common problems. In this respect, there is a need to ensure that there is synergy between the SADC Programme of Action and the national development programmes. Problems that should increasingly be addressed jointly should cover areas such as the rising unemployment, problems associated with structural adjustment management and issues relating to intra-regional trade or to the aids epidemic, to name a few.

3.4.2

As has been discussed before, the Organisation needs to coordinate its positions at international fora with a view to ensuring that collective interests are safeguarded, that member States reflect positions that are consistent with decisions they have taken under SADC. In this respect, Sector Coordinating countries should seek to consult and to coordinate SADC positions at sectoral meetings organised internationally, and to bring to the larger Community, issues and ideas from their attendance of those meetings. The same concept of developing common positions to issues should be extended towards the emergence of common approaches and positions on foreign policy. It should be possible to look forward, for example, to the delivery of a single SADC statement at such fora as the OAU, UN, Commonwealth, etc. For this to happen, a higher degree of working closely together on many issues leading to the integration of policies should be developed over time.

3.4.3

In endeavouring to develop effective and beneficial cooperative arrangements between SADC and ICPs, it is important that intra-SADC cooperation and consultative arrangements at all levels be the point of focus in finding solutions to problems that affect the region as a whole. It is feasible that a number of issues for which member States have sought external assistance could be resolved using the relative strengths of the other Member States without the need for the high level of foreign dependence. After all, the whole idea of SADC was for countries of Southern Africa to pull their relative capacities in order to develop together.

4 CONCLUSIONS

In the light of the above, Council is invited to:

- a) Reconfirm that the ACC will continue to be held annually, and that its level will be decided upon by Council as appropriate;
- b) Agree that Council Ministers, starting with the 1994 ACC, will engage in direct debate with their ICP partners across the Conference floor. To this end, Ministers should find time to study Sectoral Reports so that they are conversant with the issues contained therein;
- c) Agree that, starting with the 1994 ACC, fewer speeches will be delivered in the Conference, and that most of the time will be devoted to direct consultations, as the Conference is between SADC and the ICPs, and not the ICPS talking to themselves as has been the case so far;
- d) Direct the Sector Coordinators, assisted by the Secretariat, to endeavour to effectively organise and manage Sectoral Working Groups and other informal discussions, in order for meaningful consultations with the ICPs to take place.
- e) Direct that National Contact Points and Sectoral Contact Points Officials should attend all the Working Group Meetings in order to address directly issues arising from the assessment of cooperation activities located in their countries;
- f) Direct all the SADC Organs to endeavour, on a regular basis, to seek to consult with the ICP offices in and outside the region, on matters of interest to SADC, and to urge that effort be made to understand and appreciate the interests of the ICPs so as to be able to match SADC's interests and theirs;
- g) Urge that member States and SADC Organs try to understand the issues contained in the theme documents that have been produced over the years with the view to implementing them; and
- h) Direct the Secretariat to inform the ICPs of these positions, so that they compose their delegations to the next ACC in accordance with the desire effect the approaches outlined above.

REVIEW OF THE 1993 ANNUAL CONSULTATIVE CONFERENCE

Note from the Secretariat

1. The 1993 Annual Consultative Conference took place in Harare, Republic of Zimbabwe, from 27th - 29th January, 1993. The theme of the Conference was: Southern Africa: A Framework and Strategy for Building the Community.
2. Attending the Conference were representatives of all the ten SADC member States, the African National Congress and the Pan Africanist Congress, as well as high-ranking delegates from thirty-two Cooperating Governments and twenty-six International Development Organisations. Representatives of eight Regional Non-Governmental Organisations (NGOs) also attended the Conference for the first time.
3. Regarding the Sectoral Working Groups, the Conference re-affirmed that these provided room for frank exchange of views on the status of the implementation of the various Sectoral programmes and projects. Hence, cooperating partners in particular urged that adequate time be allocated to the Sectoral Working Groups and issues for discussion be prioritised, articulated clearly, and be relevant to the theme of the Conference. Overall, it was generally agreed that this year's Sectoral Working Groups were an improvement on previous ones.
4. Immediately following on Sectoral Working Groups, a two-hour plenary session mainly for officials was held. The purpose was to present and discuss the issues contained in the Theme Document in greater detail, as well as to bring out cross-sectoral issues and other related regional and international development concerns. Unfortunately, lack of time and inadequate preparation for the session did not permit a full engagement of the issues, most of which were merely glossed over. The Conference, however, agreed that the idea of holding a plenary session to review the theme was a good one and should be maintained, but for which sufficient time and adequate preparations were required.
5. In addition to the Sectoral Working Groups and the plenary session, a special Conference for all delegates was held on the effects of the 1991/92 drought, which had afflicted the whole of Southern Africa. The Conference commended SADC member States and the International Community for having taken effective measures in terms of both food procurement and delivery. The Conference noted, with satisfaction, that a large proportion of the food requirements had been met either through direct commercial imports or food aid programmes. This had minimised the effects of the drought on the people of the region. The Conference further noted

that a number of member States had taken some initiatives towards overcoming the effects of the drought. Measures to this effect included the early procurement and distribution of seeds, fertilisers and tools to ensure a good crop for the current season. Most cooperating partners pledged to provide additional assistance to the region based on the mid-term review of the drought.

6. The Conference, welcomed the signing of the Treaty establishing the Southern African Development Community in Windhoek, Republic of Namibia, in August 1992. In this regard, the Conference considered major issues critical to the regional integration process based on the theme of the Conference. In particular, the Conference agreed that the proposed Framework and Strategy for Building the Community, offered a sound basis for translating the theme into concrete and action-oriented programmes and projects; providing for the full participation of the people of the region. The Conference stressed the need for realism and a clear perception of the integration process in the implementation of the various programmes and activities of Community building. The Conference also emphasised the need to have strong effective Community institutions capable of carrying through the complex agenda of integration, which SADC had embarked on. What this implies is that the institutional arrangements which existed under the "Conference" may not be adequate to support the Community building process. A new set of institutional arrangements will, therefore, need to be established. It is also important to bear in mind that the Community cannot, and will not be achieved in a short period of time, but will require a great deal of planning and hard work and a full awareness of national and regional interests.

7. The conference also noted the more recent and significant political and economic changes which had taken place in Southern Africa. In particular, the international cooperating partners welcomed the general move towards greater peace and stability in the region. In this respect, the Conference welcomed the ceasefire and peace agreement in Mozambique, and the preparations for the holding of democratic elections in that country under United Nations supervision. The Conference, however, expressed great concern over the deteriorating situation in Angola and called upon UNITA to respect the verdict of the September, 1992 general elections.

8. Regarding South Africa, the Conference expressed concern that political violence, especially black-on-black violence continued unabated and, therefore, urged the South Africa Government to take appropriate action to re-establish law and order. In addition, the Conference urged all political parties to desist from violent actions, and to return to the negotiating table, in the interest of the region as a whole. On the future regional relations post-apartheid, the Conference noted that a democratic South Africa would be

welcome to join SADC on the basis of equity, balance and mutual benefit. However, a new South Africa that wished to dominate the rest of the region would be unwelcome and unacceptable to SADC.

9. The Conference welcomed the decision taken by the SADC heads of State to commission an independent study to advise on how best to harmonise and rationalise relations between SADC and the PTA.

10. The following pledges were made by cooperating partners during the Conference:

11.1 Australia

Will continue to support SADC and countries of Southern Africa, with a programme of cooperation which draws on Australia's skills, capabilities and comparative advantages. Areas of concentration are food security, human resources development, and transport and communications. This is in addition to emergency and drought relief to Southern Africa.

Confirmed that Australia's support was in the final year of a \$A110 million triennium pledge of bilateral assistance to Southern Africa. Over the three years, \$A11 million was allocated to SADC, including \$A3 million in 1992/93. Australia is, therefore, expected to come up with a new pledge during the next Annual Consultative Conference to support new and ongoing programme activities.

11.2 Austria

Support to continue to focus on the strategic Sector of transport, with an overall commitment of US\$25 million towards track welding and track maintenance, within both "Tazara's 10 year Development Plan" and "Beira Corridors Rehabilitation and Development Programme".

Through a co-financing facility, together with the World Bank, Austria has also committed US\$32 million for energy production in Malawi.

Re-affirmed continued support for human resources development and the food aid programme. Austria is also still committed to supporting the Tourism Sector and the Sector Coordinator is making a follow-up on an offer made during the deliberations of the Sectoral Working Group.

11.3

Belgium

Pledged a further BF300 million (Approx. US\$10 million) in addition to the allocated budget of BF1.2 billion (approx. US\$40 million) for SADC projects.

Priority SADC Sectors for Belgian support are Energy, Transport and Communications and Food, Agriculture and Natural Resources.

11.4

Canada

Re-affirmed continued support to the newly established SADC and proposed to blend all her bilateral programmes into one large, regional programme. This is a welcome development as it will facilitate the planning and co-ordination of regional programme activities.

11.5

Germany

To continue its support for SADC. A further DM11 million (approx. US\$ 7 million) to be made available in 1993, mainly for technical co-operation in the area of environmental and resources protection, with a focus on the promotion of sustainable forest management.

11.6

Italy

Has over the past 11 years disbursed an equivalent of US\$1.5 billion in development aid to the region.

Re-affirmed commitment to technical assistance activities in the areas of environment, investment on basic infrastructure and human resources development.

Italy has also been supporting the Industry and Trade Sector in the development of effective quality control, standards and testing services for export products and packaging, including food quality control.

11.7

Japan

Pledged to continue assisting the region on a bilateral basis with individual member States, as Japan has no direct cooperation arrangement with SADC.

It is about time that SADC initiated active negotiation for Japan to support the regional programme directly.

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It is about time that SADC initiated active negotiation for Japan to support the regional programme directly.

11.8

Netherlands

Bilateral cooperation to be maintained in 1993 at the current annual disbursement level of US\$200 million. Support will continue to concentrate on food security, including agricultural production, on rural development including basic health and education, and on the development of human resources.

Cooperation will be maintained in 1993 at the current annual disbursement level of US\$200 million.

11.9

Switzerland

Pledged continued support for SADC activities, especially in the rail transport sector, namely Tazara, and the training of railway personnel. Bilateral and long-term development cooperation with a number of SADC countries also to continue.

11.10

United States of America

For 1992, the U.S. Congress has set aside US\$50 million for regional programmes supported by SADC.

During 1992 the U.S. Government provided 2.3 million MT of drought relief food aid valued at US\$650 million to southern Africa. Also provided US\$40 million in non-food drought relief including support for seed, prices and agriculture market reforms important to a full recovery.

11.11

United Kingdom

Re-affirmed continued support for SADC and the region. No new pledge was announced as the previous one has yet to be fully committed.

11.12

African Development Bank (ADB)

To continue supporting long term development and reform programmes in support of food security, for instance, the ADB Group has accepted the request of the Zimbabwe Government to use about US\$36 million of the structural Adjustment loan in support of its food and fuel input programme necessitated by the drought. In August 1992, a grant of US\$2.5 million was approved for SADC member States to be used for non-food items in support of drought relief.

In 1991 ADB Commissioned a study entitled "Economic Integration in southern Africa: Post-Apartheid". The study has been completed and has examined the prospects, viability and sustainability of economic integration in the sub-region. The study's recommendations will be carefully examined by SADC.

11.12 European Community (EC)

ECU 121 million (approx. US\$40 million) has been pledged under the Fourth Convention of Lome for the Regional Programme.

SADC has embarked on an exercise to programme the resources to the various key sectors in collaboration with the Commission of the European Communities

11.13 European Investment Bank (EIB)

In addition to the resources pledged under the Lome IV, the Bank will continue to support private investments in the manufacturing industry, agro-industry and tourism, as well as commercially viable infrastructure projects in power generation and transmission, water supply, telecommunications and transport.

Examples of the EIB involvement in the region include the Muela Hydro Power Project in Lesotho, interconnection projects in Botswana, Zimbabwe and Mozambique and the rehabilitation of the Victoria Falls Power Station in Zambia.

11.14 International Finance Corporation (IFC)

Pledged continued support, especially to the private Sector. Through the Africa Enterprise Fund, IFC has supported fifty investments of which six have been in the SADC countries.

11.15 Kuwait Fund

A total of about US\$45.5 million worth of projects is currently under consideration mainly for bilateral programme activities.

11.16 United Nations Development Programme (UNDP)

UNDP is currently re-programming its resources under the 5th Cycle Inter-Country Programme of the UNDP Regional Programme for Africa (1992 - 1996). The outcome of this exercise is awaited. However, it is important that the re-programming exercise is completed soon so that the SADC/UNDP cooperation can be back on track.

11.17 United Nations Industrial Development Organisation (UNIDO)

Through funds mainly made available by UNDP, UNIDO pledged continued support for SADC member States in promoting integrated industrial development and cooperation in the sub-region.

11.18

United Nations Development Fund for Women (UNIFEM)

The SADC Food Security Technical Co-ordinating Unit in Harare co-ordinate UNIFEM-supported initiatives in the SADC region. Some of these activities include an energy/environment related research on woodfuel involving women in Mozambique, Tanzania and Zambia; a pilot project on the legal rights of women; and socio-economic activities for refugees.

11.19

World Bank (WB)

Lending to SADC members in 1992 reached an all-time high of US\$1.4 billion, including US\$300 million for the drought, which demonstrates the significance of the Bank's commitment to the region. The bank is a lending institution and does not usually give grants to the region.

11.20

World Meteorological Organization (WMO)

Pledged continued cooperation to develop and strengthen meteorological and hydrological services in the SADC countries, especially in the areas of transport and communications, natural resources and food security and agriculture, environment, as well as energy. No specific figures were mentioned as the WMO is basically an implementing agency and not a donor.

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As in previous years, the Conference was well attended and served as a useful forum for close and high-level consultations between and among the various official delegations on matters of concern to Southern Africa and the international community at large. The conference demonstrated, yet again, that regional cooperation and integration in southern Africa had the support of the broad spectrum of the international community. The contributions by the international cooperating partners were particularly helpful, especially for calling upon SADC to adopt a more pragmatic approach to regional cooperation and integration, and to learn from experiences elsewhere, in order to avoid the many pitfalls associated with the integration process. The need to carry people along during the integration process was particularly emphasized by both SADC and the international cooperating partners. Although very few specific pledges were made during the Conference, the general support expressed by the international cooperating partners was encouraging and formed a solid basis for future regional and international cooperation arrangements.

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PREPARATION FOR THE 1994 SADC
ANNUAL CONSULTATIVE CONFERENCE

Note from the Secretariat

1. **THEME**

1.1 **Background**

- 1.1.1 In August 1992, in Windhoek, Namibia, the Heads of State and Government signed the Treaty establishing the Southern African Development Community (SADC), committing the 10 member States to deeper forms of integration. The transformation of SADCC, "the Conference" to SADC, "the Community" marked the period of transition from loose and informal arrangements for development cooperation and coordination among countries of Southern Africa, to a more comprehensive framework for regional integration.
- 1.1.2 The 1992 Theme Document entitled "SADCC: Towards Economic Integration", as well as the 1993 Theme Document entitled "Southern Africa: A Framework and Strategy for Building the Community" called for a thorough review of the traditional ways of doing things under the old SADCC, to reflect the challenges and responsibilities thrust upon the Organisation by the new Treaty.
- 1.1.3 During the discussions on the launching of the Community, in Harare, in January 1993, Council confirmed that it would be necessary for SADC to evolve approaches which will ensure that:
- (a) the process of integration can take place over a wide spectrum of both official and non-official actors and interest groups;
 - (b) early progress is achieved such that commitment can be demonstrated, the creditability of the process is not undermined, and the profile of the Community raised;
 - (c) the priority and key elements of the integration process are tackled at an early stage, in order to create conditions for the process to gain spontaneity and become self-sustaining;
 - (d) agreements and other arrangements for integration should be such as to engender confidence and certainty that they will endure;

- (e) a framework and mechanisms are created for the mobilisation of resources, particularly non-public resources, both human and financial, to sustain the integration process. In this regard, confidence in, stability and predictability of the integration arrangements are particularly important, if they are to lead to investment across national boundaries, and the growth of industries based on unimpeded access to the regional market;
- (f) the issues of relations and cooperation in the post-apartheid era are part and parcel of the integration process; and
- (g) considerations of balance, equity and mutual benefit are built into the process at the early stages.

1.1.4 Council also agreed that, in order to be successful in building the Community, first priority should be given to mobilising a popular constituency for the integration process. This should be carried out in two phases, viz:

- a public education campaign, through seminars, workshops, lectures, the media and other activities; involving policy and opinion makers, and the various interest groups in the region; and
- consultations during the various technical studies and the drafting protocols. This is particularly relevant for the various stakeholder, interest groups and specialised constituencies.

1.1.5 The 1993 document advocated a very broad framework and strategy for building the Community, that will take a very long time to implement. Indeed, a lot of critical issues are being defined and suggested in building a credible development community. These issues need to be exposed at this stage. Hence, it is being suggested that the 1994 theme further elaborate some critical aspects of the 1993 theme.

1.2 The Issues

In reviewing the 1992 and 1993 theme documents, respectively, some critical issues that the Organisation needs to address come up time and again. These are also the issues that have been debated since the establishment of the Organisation, without much head way. These are mobilising internal resources for financing the SADC Programme of Action; institutional and capacity building; and lack of an enabling policy environment.

1.2.1 Mobilisation of Resources

1.2.1.1 The debate on the mobilisation of internal resources financing the SADC Programme of Action, and more recently the Community, has been going on within the Organisation since its inception in 1980. Both the 1992 and 1993 theme documents have described the major shortcoming of the Organisation as its inability to mobilise significant levels of the region's own resources for the implementation of its own programmes and development. Yet this is one of the central objectives, as well as strategies for effective and self-sustaining regional development. The 1993 theme document observed that for the integration process to be self-sustaining, much of the resources to underpin its programme activities and institutions must come from within the region. The role of the private sector, NGOs and the people themselves in mobilising resources must be paramount.

1.2.1.2 Currently, the implementation of the SPA is heavily reliant on resources from outside, principally from the international cooperating partners. The state of affairs needs to be reversed, if the region is serious in its quest for Community building and integration. It is a recognised fact that the region will always have economic and social needs which cannot be met from local resources alone. But priority must be given to the maximum mobilisation of the region's own resources, although deeper integration will require the continuation of political, intellectual, financial and technical support of SADC's cooperating partners.

1.2.1.3 Moreover, due to the current global recession and shrinking aid budgets from developed countries, which is already affecting the region, SADC has to note that in the future, there will be less assistance from our cooperating partners, particularly on concessional aid. This is already being enacted, by the cancellation of financial assistance to some projects without consulting SADC, by some cooperating partners, or bringing forward the commencement dates for SADC to assume responsibility for financing its own institutions and projects (e.g SACCAR).

1.2.2 Institutional and Capacity Building

1.2.2.1 The 1992 Theme document stated that to address concretely and effectively both the economic and political concerns the region will require adequate institutional machinery and procedures. It, however, noted that the current existing SADC institutions are weak, they lack the technical capacity to address and manage problems which have become more complex. It went on to state that the progress in the world is increasingly based on science and technology, advanced

human skills and ever increasing levels of productivity. It concluded that the importance of the development of human skills, enterprise and increased productivity in the region, which have been subject of the past SADC themes, must continue to receive top priority in any integration construction in the region.

1.2.2.2 The 1993 Theme Document provided for the organisational framework for the integration process to take place inside and outside the formal SADC structures. The Document also recognises that the new agenda the Organisation has embarked upon is more complex and will require a review of the existing institutional management structures and procedures, with the aim of ensuring efficiency in the management of the affairs of the Community.

1.2.2.3 Moreover, the Treaty only makes provision for the establishment of the main policy making organs of the Community, with a provision that other institutions may be established as necessary. These subsidiary institutions need to be created which will depend on the content of specific agreements, protocols and other integration arrangements. The crucial challenge is to transform the institutions created to facilitate coordination into instruments of effective equitable integration.

1.2.2.4 Council agreed that the development of the Community institutions will be based on the following basic approaches:

- institutional structures of the Community must provide for the active involvement of the member states in the formulation of policies, strategies and programmes, and the implementation of the activities of the Community;
- Community institutions and procedures should be independent of and outside the control of any individual member states;
- the Community institutions should be structured in such a way as to facilitate effective management and the creation of the necessary capacity to carry the new and complex agendas.

1.2.3 Enabling Policy Environment

1.2.3.1 SADC has not yet developed a conscious policy framework or, enabling policy environment for integration. The need to develop a policy framework and environment which will enable all development constituencies to define more clearly their involvement in building the Community will take time

to develop. Such a framework is a prerequisite for action. These include institutional, financial, legislative, etc., policy pre-requisites, so that once the protocols have been negotiated and agreed upon, they can fit easily into some policy framework which acts as a clearing ground enabling various actors to break into the issues of integration at the micro level.

1.2.3.2 Indeed, the issues have been debated already and the Organisation agreed that the enabling environment be put in place.

1.2.4 Some of the main issues that need to be reflected upon are as follows:

- * mobilisation of internal resources in building the Community, including the SADC Programme of Action. These will include financial, human, material/technical resources;
- * mobilisation of external resources to back up the internal resources in building the Community.
- * capacity and institution building for the Community. This include the re-assessment of the current SADC institutions; and their capacity Units, etc. to deliver the new and more complex agenda. Or to consider the creation of new institutions and capacities;
- * other concerns include the creation of an enabling environment to fit in with the Community building exercise;

1.3 The Theme

1.3.1 To capture the foregoing, the following theme is being proposed for the 1994 SADC Annual Consultative Conference:

"SADC: Resources, Capacity and Institutions for Integration".

2. EXPERT GROUP

As in the past, the Secretariat will convene a group of experts to assist in the drafting of the Theme Document. A special meeting of the Standing Committee will be convened in late October to early November, to approve the Theme Document on behalf of Council.

3. **INVITEES**

The proposed invitation list to the Conference is attached (Annex 1).

4. **FORMAT AND PROGRAMME**

Council is invited to note that the Conference would last three days, including one and a half days for working groups; half a day for the opening ceremony and formal speeches and one day for ministerial plenary session.

5. **DATES**

Council is invited to note that the Government of Botswana and the Secretariat have agreed to schedule the 1994 Annual Consultative Conference from to January, 1994 to be held in Gaborone, Botswana. As usual, the Conference will be preceded by internal SADC meetings of Sectors Coordinators, the Standing Committee of Officials and Council.

1994 ANNUAL CONSULTATIVE CONFERENCEI N V I T E E SGOVERNMENTS

Australia
Austria
Belgium
Brazil
Canada
China, People's Republic of
Cuba
Denmark
Egypt
Finland
France
Germany, Federal Republic of
Greece
Iceland
India
Ireland
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Nigeria
Norway
Portugal
Spain
Sweden
Switzerland
Romania
Russia
United Kingdom
United States of America

INTERNATIONAL AGENCIES

African Caribbean and Pacific Secretariat (ACP)
African Development Bank (ADB)
Arab Bank for Economic Development in Africa (BADEA)
Association of South East Asian Nations (ASEAN)
Caribbean Community (CARICOM)
Commission of the European Communities (EEC)
Commonwealth Secretariat
Economic Commission for Africa (ECA)
Economic Community of West African States (ECOWAS)

European Investment Bank (EIB)
 Food and Agriculture Organisation (FAO)
 International Monetary Fund (IMF)
 International Civil Aviation Organisation (ICAO)
 International Finance Corporation (IFC)
 International Fund for Agricultural Development (IFAD)
 International Labour Organisation (ILO)
 International Trade Centre (ITC)
 Kuwait Fund
 Organisation of African Unity (OAU)
 Preferential Trade Area (PTA)
 United Nations Children's Fund (UNICEF)
 United Nations Conference on Trade and Development (UNCTAD)
 United Nations Development Fund for Women (UNIFEM)
 United Nations Development Programme (UNDP)
 United Nations Education and Scientific Organisation (UNESCO)
 United Nations Environment Programme (UNEP)
 United Nations Industrial Development (UNEP)
 United Nations Industrial Development Organisation (UNIDO)
 United Nations Secretariat
 World Bank
 World Food Programme (WFP)
 World Meteorological Organisation (WMO)
 World Wide Fund for Nature (WWF)

OBSERVERS

SADC associations of:

- Accountants
 - Architects
 - Auditor Generals
 - Central Banks
 - Churches
 - Museums
 - Research Institutes
 - Scientists
 - Students
 - Universities
 - Women
 - Red Cross Societies
- Confederation of Southern Africa Football Association (COSAFA)
 Eastern and Southern African Management Institute (ESAMI)
 Media Institute of Southern Africa (MISA)
 Press Trust for Southern Africa
 SADC Business Council (SBC)
 SADRA
 SAPES
 SATUCC

MANAGEMENT OF THE SADC PROGRAMME OF ACTION

Note From The Secretariat

1. INTER-COUNTRY PROJECTS

1.1 BACKGROUND

1.1.1 Council will recall that at its meeting in Arusha, Tanzania it recognised that:-

as capital progress began to feature in the SADC Programme of Action, it would be necessary to have general guide lines for the implementation of multi-country projects. Council, therefore, instructed the Secretariat to draw up broad guidelines for the operation and management of inter-state projects with particular reference to:

(a) tariffs for power grid inter-connections and transport systems;

(b) cost-sharing for the Regional Food Reserve; and

(c) market access for industrial projects.

1.1.2 Council also noted that the SADCC Programme of Action had moved rapidly from surveys, studies and project identification, preparation and appraisal to implementation and operation. It was, therefore, time to examine in detail the emerging issues which needed resolution in order to strengthen regional cooperation.

1.1.3 Council, therefore, decided that the Secretariat should explore the feasibility of formulating broad guidelines that would underpin the development, operation and management of multi-country projects by undertaking case studies on the following projects in consultation with the relevant authorities:-

(a) Botswana/Zambia/Zimbabwe Inter-Connector project;

(b) Beira Port Transport System; and

(c) Zimbabwe Iron and Steel Corporation

1.1.4 Council is invited to note that, in compliance with its decision, the Secretariat appointed Messrs Deloitte, Haskins and Sells (Africa) Ltd., to undertake the study. The Study was completed in May, 1989 and the Draft Report circulated to all the member States in June, 1989.

1.1.5 The Report of the Consultant was considered at a workshop, held in Blantyre, Malawi in September, 1992. The workshop was attended by National Contact Points, Sector coordinators, Sectoral Contact points and representatives of Industrial, Power and Transport Corporations. A copy of the Report of the Workshop is at Annex 1.

1.2 **CONCLUSION AND RECOMMENDATIONS OF THE MANAGEMENT WORKSHOP**

1.2.1 Council is invited to consider the conclusions and the recommendations of the Workshop and, in particular, the following:-

1.2.1.1 **Environment**

- a) Inter-Country Projects must be mutually beneficial to the countries involved if their commercial viability is to be enhanced and realised and parties to the regional projects should meet their obligations.
- b) There should be broad-based consultations with other regional and sub-regional organisations, including sharing of regional plans in order to avoid duplication and conflict of interests.

1.2.1.2 **Management Issues**

- a) The core project and the day to day operations of the firm should be managed separately.
- b) There is need for an effective sectoral and cross-sectoral mechanism to coordinate implementation of inter-country projects.
- c) An elaborate project evaluation criteria should be an integral part of any inter-country project.
- d) The various activities of inter-country projects should be coordinated in an able and efficient manner.
- e) An appropriate management information system on inter-country projects should be instituted.

- f) As the shortage of human resource skills is a major constraint to project development and operational efficiency, the use of rare skills must be optimised.
- g) Marketing efforts should be increased to ensure efficient utilisation of capacity.
- h) Proper consultative mechanisms and cooperative arrangements should be instituted at both the project and inter-state levels of management, with SADC playing an increasingly major role.

1.2.1.3 Project Financing

- a) SADC should design, implement and operate viable projects.
- b) Costs which have not been planned for at the beginning of a project, but which arise at a later stage, should be borne by the parties involved on the basis of their level of involvement and expected benefits.
- c) Funds provided to government for a project by an Aid Agency should be at an economic rate of interest to earn an adequate return on investment for the government. Exceptions should, however, be made for projects of a social or humanitarian nature such as health centres, schools and community wells.
- d) The SADC Development Fund should be developed into a concrete project to act as a regional pool of funds.

1.2.1.4 Tariffs

- a) Customs duty draw-backs should be utilized to provide competitive price advantage for SADC products over non-regionally produced products.
- b) A common costing and pricing methodology should be developed and applied in preparing price agreements between different countries for inter-country projects.
- c) Consultative arrangements and cooperative agreements on tariffs should be instituted.

1.2.1.5 Ownership of Assets

- a) The ownership of assets should be determined within the context of the Treaty establishing SADC, as a guide on issues of shareholding, management structure and operation.

1.2.1.6 **Human Resources Development and Training**

- a) Training at lower skills level should be done in-country as it is more cost-effective.
- b) High level technical training should be undertaken on a regional basis and specific regional institutions designated to undertake training responsibilities in their areas of competence.
- c) Measures should be taken to strengthen such training institutions to enable them meet regional needs.
- d) Sector Coordinating Units should identify human resources shortages in their sectors and develop strategies to address them, with the overall coordination remaining the responsibility of the Human Resources Development Sector.
- e) Member states should create attractive terms and conditions of service to retain trained personnel, and to stem brain drain from the region.

1.4

SECRETARIAT'S OBSERVATIONS AND COMMENTS

- (a) The Secretariat and the Workshop concluded that the consultant had not fulfilled adequately all the Terms Reference. However, the study was generally satisfactory;
- (b) The Secretariat and the workshop were of the view that the issues contained in the input were important and should form a sound basis for designing and operating inter-country projects.
- (c) The Secretariat considered that the report of the consultant should be published;

1.5

RECOMMENDATIONS

In view of the above observations and comments, Council is invited to:

- (a) approve the recommendations of the workshop;
- (b) urge the Sector Coordinators and the enterprise sector to take into account the recommendations of the workshop in designing, operating and managing inter-country projects;
- (c) note that the report will be published.

2. REVIEW AND AUDIT OF THE SADC PROGRAMME OF ACTION

2.1 BACKGROUND

2.1.1 Council will recall that at its meeting in Luanda, Angola, in January 1989, it directed the Secretariat to carry out a review and audit of the SADC Programme of Action to:-

- (a) establish that the projects on the Programme of Action were in line with the aims and objectives of SADC and the approved criteria; and
- (b) assess the effectiveness of the implementation of the Programme, and the absorptive capacity of SADC.

2.1.2 Council is invited to note that in compliance with its decision, the Secretariat appointed Messrs Coopers and Lybrand in April, 1989 to undertake the study. The study was completed in February, 1992, and the Draft Report circulated to all the member states in July 1992.

2.1.3 Council is further invited to note that the Report of the consultant was considered at a workshop, held in Blantyre, Malawi, in September, 1992.

2.1.4 The workshop was attended by National Contact Points; Sector Coordinators, and Sectoral Contact Points. A copy of the Report of the Workshop is at Annex 1.

2.3 CONCLUSIONS AND RECOMMENDATIONS OF THE WORKSHOP

2.3.1 Council is also invited to consider the conclusions and the recommendations of the Workshop and in particular the following:-

2.3.1.1 Management and Coordination

a) Sector Coordinating Units

- i) Each Sector Coordinating Unit should establish its optimum staffing level.
- ii) Sector Coordinating Units should be manned by qualified and full-time officers.
- iii) Member States should make adequate provision, through the establishment of special budgets, for the operations of Sector Coordinating Units.

- iv) Sector Coordinating Units should prepare annual sectoral management plans, indicating sectoral priorities and proposed implementation schedules.
 - v) Sector Coordinators should work-out the cost implications of SCUs evolving into Community institutions.
 - vi) Sector Coordinating Units should put regional interest above national ones in the management of their Sectoral programmes.
- b) Sectoral Contact Points
- i) SADC desks in Government Ministries responsible for the coordination and management of the various SADC sectoral programmes should be established; adequately manned and funded, and have access to adequate support services, to enable them operate effectively and efficiently; and
 - ii) Member States should arrest the frequent turnover of Sectoral Contact Points.
- c) National Contact Points
- Member States should ensure that National Contact Points devote more time to the management and coordination of the SPA, and are provided with the necessary support services.
- d) The Secretariat
- The Secretariat should be strengthened by, among other measures:
- i) establishing Desk Officer positions to adequately cover all the sectors;
 - ii) filling of all professional positions established by Council in Arusha, in August 1991; and
 - iii) engaging the services of a legal officer, particularly to assist with the preparation of protocols;
 - iv) delegating to the Secretariat sufficient decision-making authority to superintend all key areas of the SADC Programme of Action across sectors, particularly over the activities of the Sector Coordinating Units.

- e) Standing Committee of Officials
 - i) The role of the Standing Committee of Officials should continue to be the Provision of advice to Council.

2.3.2 Project Selection and Approval

- a) Laid down guidelines and project selection criteria must be strictly adhered to by both member States and Sector Coordinating Units.
- b) Project selection criteria and approval procedures should be refined to conform to sectoral priorities and objectives.
- c) Projects should be approved on "Technical" rather than "Consensus" basis.

2.3.3 Size and Growth of the SADC Programme of Action

- a) All Sector Coordinators should immediately review their sectoral programmes in order to reduce them to manageable levels. In this regard, appropriate measures should be taken on projects recommended by the consultant in Annex 4 for remedial action.
- b) Sector Coordinating Units and member States should observe the Council moratorium of 1990 on new projects.
- c) New Sectors of Culture and Information, and Marine Fisheries should be exempted from the Council moratorium of 1990.
- d) Implementation plans should include budgets, all items of expenditure, targets and time-scales.
- e) The SADC Secretariat, together with SCUs, should design procedures for monitoring and reporting actual disbursement of member States' own pledges to the SPA.
- f) All SADC functionaries should be familiar with projects on the ground.

2.3.4 Resource Mobilisation and Utilisation

- a) The SADC Development Fund should be established as soon as possible to act as a vehicle for mobilisation of resources for the implementation of the SPA.
- b) Member States should meet their contributions towards the implementation of the SPA.

- c) All support services provided by member States hosting institutions and projects should be costed and their value consolidated into SPA funding totals.
- d) Projects under the SPA should be prioritized.
- e) A standard format for documenting all pledges of resources should be developed and applied by all sectors.
- f) Cooperating partners should be encouraged to present their pledges in more specific and detailed terms than has been the case in the past.
- g) A workshop should be organized for cooperating partners and SCUs to discuss the issue of disbursement and utilisation of resources more substantively.
- h) SCUs should maintain comprehensive, accurate and up-to-date information and records on each project under the SPA, and monitor and report on actual progress of each and every project under implementation.

2.3.5 SPA Information Systems

The Secretariat, in consultation with SCUs, should develop a computerised data management system to:

- a) ensure the timely capture and maintenance of accurate, reliable and meaningful data;
- b) identify key users of all data segments;
- c) streamline information flows; and
- d) develop a common hardware and software system.

2.4 SECRETARIATS OBSERVATIONS AND COMMENTS

- a) The Consultant addressed the Terms of Reference and completed the study successfully.
- b) The Secretariat and the workshop found the work of the Consultant very satisfactory.
- c) The Secretariat considers that the Report of the Consultant should be published.

- d) The Secretariat and the Workshop were of the view that the findings and recommendations of the Consultants were a reaffirmation of issues which, in the main, had been addressed by the organisation.
- e) In respect of the conclusions and recommendations which had not already been addressed, the Secretariat and the Workshop were of the view that their implementation would enhance the Management of the SADC Programme of Action.

2.5

RECOMMENDATIONS

In view of the foregoing, council is invited to:-

- a) approve the conclusions and recommendations of the workshop;
- b) urge the SADC organs to implement the recommendations of the workshop, and in particular, those that have not yet been addressed;
- c) note that the Report will be published.

**REPORT OF THE SADC WORKSHOP ON THE
MANAGEMENT OF THE SADC PROGRAMME OF ACTION
HELD IN BLANTYRE, MALAWI
21st - 25th September, 1992**

INTRODUCTION

A SADC Workshop was held in Blantyre, Malawi from 21st - 25th September, 1992. The workshop was convened to consider the findings of two studies undertaken for, and on behalf of SADC, by independent regional consultants. The studies and the Consultants involved were:

- (a) The Management of SADCC Inter-Country Projects, undertaken by Deloitte, Haskins and Sells (Africa); and
 - (b) SADCC Programme of Action Review and Performance Audit, undertaken by Coopers and Lybrand.
- 1.2 The workshop was attended by Five National Contact Points, Eight Sector Coordinators, Five Sectoral Contact Points, Eighty Six other senior government officials representing various member States, three representatives of industrial corporations, three representatives of power corporations and eight representatives of Transport Corporations from the region.
- 1.3 The first day of the workshop was devoted to the consideration of the study report on the Management of SADCC Inter-Country Projects, to which representatives of industrial, power and transport corporations were invited.
- 1.4 The list of participants is at Annex 1 of this report.

2. OFFICIAL OPENING

- 2.1 The workshop was officially opened by Hon. Darlington Katopola, Minister of Trade and Industry of the Government of Malawi.
- 2.2 In his opening statement, the Hon. Minister urged the region, through its established institutions, to strive to foster genuine political, economic and social integration. He called for concerted efforts to mobilise regional resources to support SADC institutions, and sound preparation, effective coordination, implementation and management of the SADC Programme of Action.

3. PROCEEDINGS OF THE WORKSHOP

3.1 MANAGEMENT OF SADCC INTER-COUNTRY PROJECTS

3.1.1 Background

3.1.1.1 The Secretariat outlined the background to the study. In this regard, the Secretariat recalled that, at its meeting in Arusha, in January 1988, Council recognised that as capital progress began to feature in the SADC Programme of Action, it would be necessary to have general guide lines for the implementation of multi-country projects. Council, therefore, instructed the Secretariat to draw up broad guidelines for the operation and management of inter-state projects with particular reference to:

- (a) tariffs for power grid interconnections and transport systems;
- (b) cost-sharing for regional food reserve; and
- (c) market access for industrial projects.

3.1.1.2 In drawing up the guidelines, Council directed that three case studies be undertaken, namely:

- Botswana/Zambia/Zimbabwe Power Inter-Connector;
- Beira Port Transport System; and,
- Zimbabwe Iron and Steel Company.

3.1.1.3 In compliance with the decision of Council, the Secretariat appointed Messrs Deloitte, Haskins and Sells to carry out the study. The objectives of the study were twofold:

- (a) to define and elaborate the issues; and
- (b) to draw-up general guidelines for dealing with such issues across sectors.

3.1.1.4 Deloitte, Haskins and Sells (Africa) submitted a draft final report to the Secretariat in May, 1989. The report was distributed to all member States in June, 1989.

3.1.2 Conclusions and Recommendations of the Workshop

3.1.2.1 The Workshop noted that six broad categories of issues were identified by the study as common to most, if not all, inter-country projects and were used in assessing the case studies, thus:

- (a) environmental issues;
- (b) management issues;
- (c) project financing;
- (d) tariffs;
- (e) ownership of assets; and
- f) human resources development and training.

3.1.2.2 The workshop examined the general findings and conclusions made by the consultant with regard to the above issues and came up with the following recommendations:

(a) Environmental Issues

- i) The workshop understood the term "environmental issues" to mean the creation of the necessary policy environment, conducive to both public and private investment. The heading was, therefore, changed to "Policy Issues" and the workshop urged member States to create the necessary policy environment to enable projects operate viably.
- ii) Inter-Country projects must be mutually beneficial to the countries involved if their chances of commercial viability are to be enhanced. Parties to the regional project should also meet their obligations.
- iii) There should be broad-based consultations with other regional and sub-regional organisations including sharing of regional plans in order to avoid duplication and conflict of interests.

(b) Management Issues

- i) The core project and the day to day operations of the firm should be managed separately.

- ii) There is need for an effective sectoral and cross-sectoral mechanism to coordinate implementation of inter-country projects.
- iii) An elaborate project evaluation criteria should be an integral part of any inter-country project.
- iv) The various activities of inter-country projects should be coordinated in an able and efficient manner.
- v) An appropriate management information system on inter-country projects should be instituted.
- vi) The shortage of human resource skills is a major constraint to project development and operational efficiency. Optimum use should, therefore, be made of these rare skills.
- vii) It is necessary to increase marketing efforts to ensure efficient utilisation of capacity.
- viii) Proper consultative mechanisms and cooperative arrangements should be instituted at both the project and inter-state levels of management, with SADC playing an increasingly major role.

(c) Project Financing

- i) SADC should design, implement and manage viable projects.
- ii) Costs which have not been planned for at the beginning of a project, but arise at a later stage, should be borne by the parties involved on the basis of their level of involvement and expected benefits.
- iii) Funds provided to a Government by an Aid Agency should be made available to a project at an economic rate of interest to earn an adequate return on the investment for the Government. However, exceptions should be made for projects of a social or humanitarian nature e.g. health centres, schools and community wells.
- iv) The SADC Development Fund should be developed into a concrete project to act as regional pool of funds.

(d) Tariffs

- i) Customs duty draw backs should be utilized to provide competitive price advantage for SADC products over non-regionally produced products.
- ii) A common costing and pricing methodology should be developed and applied in preparing price agreements between different countries relating to different projects.
- iii) Consultative arrangements and cooperative agreements on tariffs should be instituted.

(e) Ownership of Assets

The ownership of assets should be determined within the context of the Treaty establishing SADC, as a guideline in addressing issues of shareholding, management structure and operation.

(f) Human Resources Development and Training

- i) Training at lower skills level should be done in-country as it is more cost-effective.
- ii) High level technical training should be undertaken on a regional basis and specific regional institutions designated to undertake the training responsibilities in their areas of competence.
- iii) Measures should be taken to strengthen such training institutions to enable them meet regional needs.
- iv) Sector Coordinating Units should identify human resources shortages in their sectors and develop strategies to address them, with the overall coordination remaining the responsibility of the Human Resources Development Sector.
- v) Member States should create attractive terms and conditions of service to retain trained personnel, and stem "brain-drain" from the region.

3.2 SADC PROGRAMME OF ACTION REVIEW AND PERFORMANCE AUDIT

3.2.1 Background

3.2.1.1 The study report was presented by the Consultant, who briefly outlined the background to the study.

3.2.1.2 The workshop noted that although SADCC had undertaken some internal programme reviews in the past, this audit represented the most comprehensive assessment of the entire SADCC Programmes of Action (SPA) since the founding of SADCC.

3.2.1.3 The objective of the study was to:-

- * establish that the projects in the Programme of Action were in line with the aims and objectives of SADC, and the approved criteria; and
- * assess the effectiveness of the implementation of the Programme, and the absorptive capacity of SADC.

3.2.1.4 The workshop observed that although it had taken the Consultant about three years to complete the Study; the Consultants had satisfied the terms of reference, and the Report was of a high professional standard.

3.2.2. CONCLUSIONS AND RECOMMENDATIONS

3.2.2.1 EPA Management and Coordination

3.2.2.1.1 The workshop considered the key findings and recommendations made by the consultant regarding the organisational structure and arrangements for the coordination of the SPA.

3.2.2.1.2 There was general consensus that the various institutions charged with the responsibility of managing and coordinating the SPA needed to be strengthened as follows:

(a) Sector Coordinating Units

The workshop expressed concern that the organisation, and administration of Sector Coordinating Units was the responsibility of the individual member States hosting a given sector. Consequently, the performance of Sector Coordinating Units was largely influenced by the level of support given by the respective member States.

In order to streamline the operations of Sector Coordinating Units, the workshop made the following recommendations:

- i) each Sector Coordinating Unit should establish its optimum staffing level;
- ii) Sector Coordinating Units should be manned by qualified, full-time officers;
- iii) member States should make adequate provision, through the establishment of special budgets, for the running of Sector Coordinating Units;
- iv) Sector Coordinating Units should prepare annual sectoral management plans, indicating sectoral priorities and proposed implementation schedules;
- v) Sector Coordinators should work out the cost implications of SCUs evolving into Community institutions; and
- vi) Sector Coordinating Units should put regional interest above national ones in the management of their Sectoral programmes.

(b) Sectoral Contact Points

The workshop confirmed that Sectoral Contact Points constituted an important link in the management and coordination of the SPA.

The workshop, therefore, recommended that:

- i) SADC desks in Government Ministries responsible for the coordination and management of the various SADC sectoral programmes be established;
- ii) desks so established should be adequately manned and funded, and have access to adequate support services; to enable them perform their functions effectively and efficiently; and
- iii) member States should arrest the frequent turnover of Sectoral Contact Points.

(c) National Contact Points

The workshop observed that National Contact Points were expected to play a crucial role in the coordination of the SPA at the national level, as well as in harmonising national and regional development strategies.

The workshop, therefore, endorsed the functions and responsibilities currently performed by National Contact Points, including having direct contacts with Sector Coordinators, Sectoral Contact Points and other relevant public and private sector institutions.

The workshop urged member States to ensure that National Contact Points devote more time to the management and coordination of the SPA.

(d) The Secretariat

The workshop reaffirmed the central role of the Secretariat in the management and coordination of the SPA. The workshop, therefore, recommended that it be strengthened by, for instance:

- i) establishing Desk Officer positions to adequately cover all the sectors;
- ii) filling of all professional positions established by Council in Arusha, in August 1991; and
- iii) engaging the services of a legal officer, particularly to assist with the preparation of protocols.

In addition, the workshop called on the Secretariat to establish clear lines of communication with Sector Coordinating Units and urged both institutions to work in close consultation with each other, and avoid unnecessary confrontation especially during meetings.

The workshop expressed concern that the late submission of documents especially for important meetings such as Council, Summit and the Annual Consultative Conference had not improved. The workshop urged the Secretariat to perform better in the future.

Furthermore, the workshop recommended that the Secretariat should be delegated sufficient decision-making authority to superintend all key areas of SPA coordination across sectors, particularly over the activities of SCUs.

(e) Standing Committee of Officials

The workshop reconfirmed the functions and responsibilities of the Standing Committee of Officials in relation to Council.

The workshop emphasised that the role of the Standing Committee of Officials should continue to be the provision of advice to Council.

3.2.2.2 Project Selection and Approval

3.2.2.2.1 The workshop noted that in 1985, Council had approved guidelines for developing sector-specific strategies and project selection criteria.

3.2.2.2.2 The workshop further noted that by 1989 when the study was commissioned, most of the sectors had already formulated project selection criteria.

3.2.2.2.3 The workshop was concerned that in the majority of cases the approved criteria were not adhered to for various reasons, including:

- (a) member States' insistence that their nominated projects be included on the SPA;
- (b) laxity on the part of Sector Coordinating Units in applying project selection procedure and criteria in screening projects submitted for approval; and
- (c) deliberate efforts by Sector Coordinating Units to promote bigger sectoral programmes, as a measure of progress and effectiveness.

3.2.2.2.4 The workshop, therefore, recommended:

- (a) strict adherence to laid down guidelines and project selection criteria by both member States and Sector Coordinating Units; and
- (b) refinement of project selection criteria and approval procedures to conform to sectoral priorities and objectives.

3.2.2.2.5 The workshop re-confirmed the current classification of the SPA portfolio as being adequate.

3.2.2.3 Size and Growth of the SADC Programme of Action (SPA)

3.2.2.3.1 The workshop concurred with the conclusion of the consultant that the SPA had grown to unmanageable levels, and that "there was an urgent need to review the entire programme".

3.2.2.3.2 The workshop recommended that:

- (a) all Sector Coordinators should immediately review their sectoral programmes in order to reduce them to manageable levels. In this regard appropriate measures should be taken on projects recommended by the consultant in annex 4 for remedial action;
- (b) Sector Coordinating Units and member States should observe the Council moratorium of 1990 on new projects;
- (c) new Sectors of Culture and Information, and Marine Fisheries be exempted from the Council moratorium of 1990;
- (d) implementation plans should include budgets, all items of expenditure, targets and time-scales;
- (e) the SADC Secretariat, together with SCUs, should design procedures for monitoring and reporting actual disbursement of member States' own pledges to the SPA; and
- (f) all SADC functionaries should be familiar with projects on the ground.

3.2.2.4 Resource Mobilisation and Utilisation

3.2.2.4.1 The workshop agreed generally with the observations contained in the consultant's report concerning the over-dependence of member States on external funding. The workshop expressed concern over the low utilisation rate of pledged resources due to lack of proper follow-up, mainly by Sector Coordinating Units and member States. With regard to the latter, the workshop noted that a study had been commissioned by the Secretariat to examine the slow disbursement of funds under Lome II and III to determine the principal factors responsible for the low rate of utilisation of resources.

3.2.2.4.2

The workshop recommended that:

- (a) The SADC Development Fund should be established as soon as possible to act as a vehicle for mobilisation of resources for implementation of the SPA;
- (b) member States should meet their contributions towards the implementation of the SPA;
- (c) all support services provided by member States hosting institutions and projects should be costed and their value consolidated into SPA funding totals;
- (d) projects under the SPA should be prioritised;
- (e) a standard format for documenting all pledges of resources should be developed and applied by all sectors;
- (f) cooperating partners should be encouraged to present their pledges in more specific and detailed terms than has been the case in the past;
- (g) a workshop should be organised for cooperating partners and SCUs to discuss the issues of disbursement and utilisation of resources more substantively; and
- (h) SCUs should maintain comprehensive, accurate and up-date information and records on each project under the SPA, and monitor and report on actual progress of each and every project under implementation.

3.2.2.5 SPA Information Systems

3.2.2.5.1

The workshop endorsed the consultants observations that effective management of the SPA suffers from poor quality of data capture and maintenance. In particular, the workshop noted that:

- (a) The current information and documentation system was inadequate for effective coordination and management of the SPA;
- (b) there was absence of defined information systems requirements;

- (c) responsibility for preparation and circulation of specific SPA data was not clearly designated;
- (d) suppliers and users of specific information were not clearly and formally designated resulting in vital SPA data not being readily available to relevant users;
- (e) existing computer hardware and software capabilities were not standardised and optimised to facilitate data inter-change.

3.2.2.5.2

The workshop, therefore, recommended that the Secretariat, in consultation with SCUs, should develop a computerised data management system to:

- (a) ensure the timely capture and maintenance of accurate, reliable and meaningful data;
- (b) identify key users of all data segments;
- (c) streamline information flows; and
- (d) develop a common hardware and software system.

3.2.2.5.3

The workshop stressed that such a management information system should be run and maintained by well-trained and competent staff.

3.2.2.6 Other Observations

3.2.2.6.1

The workshop noted that a number of observations and recommendations made above had been discussed at previous fora and subsequently forwarded to Council for decision. This was particularly the case regarding the conclusions and recommendations of the Management Workshop held in Maseru in April 1990, most of which had not been implemented.

3.2.2.6.2

In view of this observation, the workshop recommended that emphasis in the future should be placed on the implementation of Council decisions and not on undertaking more studies and the holding of more workshops.

3.2.2.6.3

The workshop, therefore, called upon the Secretariat, National Contact Points, Sector Coordinators, Sectoral Contact Points, and other relevant government functionaries to take stock of all past recommendations and take appropriate measures to implement them.

3.2.2.6.4 The workshop, however, recognised the enormous financial, human and other constraints faced by member States in implementing SADC projects and programmes.

3.2.2.7 The Way Forward

In the light of the signing of the Treaty establishing the Southern African Development Community, the workshop was of the view that the overall SADC Programme of Action needed to be re-examined and new priorities and objectives clearly spelt out.

3.3 PREPARATION AND MANAGEMENT OF SECTORAL WORKING GROUP MEETINGS

3.3.1 The workshop considered a Note presented by the SADC Secretariat. The main concerns raised under this item were that:

- (a) notices for meetings indicating venues are circulated rather late;
- (b) most Sector Coordinators still continue to circulate in working group meetings supplementary sectoral reports in contravention of the decision of Council of January, 1990 directing all Sector Coordinators to refrain from circulating unofficial documents;
- (c) only a few Sectoral Contact Points attend these meetings. As a result, problems affecting implementation of specific projects in member States are not adequately addressed and appreciated at the meetings;
- (d) discussion papers are usually copies or summaries of sectoral conference documents, which cooperating partners and member States already have;
- (e) in some Sectoral Working Groups, most of the time is taken up by lengthy presentations by Sector Coordinators and technical staff, leaving very little time for engagement of cooperating partners on policy issues that underpin the programmes and analysis and discussion of the operational constraints to efficient project implementation and management;
- (f) there is generally lack of touch with issues affecting each project implementation, resulting in rather poor response to questions raised on the discussion floor; and

- (g) there is no appreciation in the majority of cases of the issues raised by the Conference Theme in the management of the programme. In particular, no attempt is made to indicate how the theme would be implemented by the Sectors.

3.2.2 The workshop further noted that cooperating partners had also in some cases contributed to the lack of discussion, even where efforts had been made to engage the policy/programme issues. Some cooperating partners had tended to present set statements about the role their countries have played in SADC's Programme of Action, instead of responding to issues on the Agenda. Others had simply sat through meetings and made no contribution to the working group discussions.

3.2.3 On the basis of the foregoing, the workshop made the following recommendations:

- (a) agendas for the meetings should be circulated well in advance, preferably at the time the Conference documents are being dispatched, so as to assist cooperating partners and member States to compose appropriate delegations;
- (b) the programme and venues for various Sectoral Working Groups should be part of the ACC programme, or announced in advance;
- (c) presentations should focus more on policy issues and constraints to project implementation strategies than on detailed project description;
- (d) meetings should be organised in a focused manner to ensure that issues affecting the Sectors are discussed fully;
- (e) discussion notes should be short and to the point, and there should be only one presentation per Sector;
- (f) there should be no presentation of set statements;
- (g) Sector Coordinators should assume that all participants have read the official conference documents, and should not, therefore, seek to present their sectoral reports verbally;
- (h) Sector Coordinators should not circulate unofficial Sectoral documents at Sectoral working groups, as these tend to confuse the cooperating partners and other participants;

- (i) Sectoral Contact Points should attend and participate fully in Sectoral Working Group meetings in order to involve member States directly in the discussions. This will avoid the current Sector Coordinator-cooperating partner dialogue. There should be a fuller engagement of the issues than has been the case previously;
- (j) records of Sectoral Working Group meetings should be prepared in such a way as to capture the main issues. The records would then form part of the proceedings of the ACC; and
- (k) Sector Coordinators should take appropriate follow-up action on all matters raised and discussed during Sectoral Working Group meetings.

SOUTHERN AFRICAN LABOUR COMMISSION

Note from the Secretariat

1. Background

The Southern African Labour Commission (SALC) was established in January, 1980, initially comprising Botswana, Lesotho, Mozambique and Swaziland; with the aim to "improve the situation and ensure the human rights and dignity of all migrant workers" in Southern Africa. Malawi, Namibia, Tanzania, Zambia and Zimbabwe joined the organisation in 1989. During that year, SALC was transformed from an inter-governmental machinery into a tripartite body comprising government, employers and workers' representatives. The objectives of SALC were also widened to cover issues relating to:

- employment generation programmes;
- coordination and harmonisation of terms and conditions of service of national employees;
- standardisation of social security schemes;
- harmonisation of regulations relating to factory inspections and drug and alcohol abuse at work places;
- devising health and safety programmes in industrial work places;
- developing vocational and management skills programmes aimed at replacing expensive expatriate personnel;
- enhancement of the capacity of nationals of the member States to improve and expand industrial production;
- coordinating labour relations, labour administration and procedures and social programmes;

2. SADC/SALC Cooperation

2.1 The issue of SADC/SALC cooperation started as far back as 1983, when SALC wanted to be recognised by SADC as a regional institution of SADC, in order to be treated in a manner currently reserved for SADC institutions. Council will recall that, at its meeting in 1989 in Harare, it recognised that:

There is already an organisation, the Southern African Labour Commission (SALC) which provides a regional machinery for member States to cooperate with each other on matters of employment and labour. The SADC Secretariat will continue to monitor developments in

these areas and to bring them to the attention of member States, as appropriate.

It was, in recognition of the existence of SADC, and also in order to avoid duplication, that SADC had refrained from establishing formal activities (sector) in the area of labour and employment.

Since its establishment, SADC work has been managed by a temporary or interim joint secretariat comprising the ICA/MULPOC and ILO/SATIP, pending the establishment of a permanent coordination arrangement. The two institutions have indicated their desire to terminate their services, and have called on SADC to establish its own secretariat.

2.4 SADC conducted a consultancy study in 1989/90 on the feasibility of establishing a secretariat, which has argued the case for a SADC secretariat. However, on account of budgetary constraints, the heavy external debt burden of Member States, general economic decline, drought and the implementation of structural adjustment programmes by most member States, SADC Ministers decided they could not sustain the operations of a full secretariat. Following this decision, SADC sought to address this issue within the context of SADC.

2.5 Since 1989, and for every subsequent year, the SADC Chairmen were mandated to seek dialogue with SADC, initially, in order to improve SADC/SADC cooperation. This was to be achieved through the exchange of reports and ideas on issues of employment and labour by the two organisations, and the attendance of each other's meetings. Later, the focus was on the establishment of a SADC Secretariat. In this connection two meetings have recently been held between SADC Chairmen and the Chairman of Council accompanied by the Executive Secretary.

2.6 In its response, SADC accepted to cooperate with SADC, and in this respect has been exchanging reports and attending most of SADC's meetings. SADC has been invited to, and attended a number of SADC's Annual Consultative Conferences. However, on the issue of establishing a permanent secretariat for SADC, SADC advised that SADC should find accommodation within the SADC Human Resources Development Sector. In their 1992/93 communications, the SADC Chairmen have argued that this proposal has been found to be inadequate to meet the needs of employment and labour.

2.7 At the last meeting held at Gaborone between the current SADC Chairmen and SADC, the proposals were presented to SADC for consideration.

- * Employment and labour issues could be subsumed under the Human Resources Development Sector; and

- A new Sector on employment and labour issues could be formed within SADC coordinated by a member State as a Unit or as a Commission, along the lines of SATC and SACCAR.

2.8 Council is invited to note that the Chairman of SALC has considered these scenarios and submitted a proposal for Council's consideration. The document carrying the proposal was circulated to all members of Council in July, 1991.

2.8.1 The SALC Proposal

SALC's main proposal is that a new cooperation sector on employment and labour within SADC to be coordinated by a member State, be established. The new Sector will operate in accordance with the SADC programme for integration and community building. In the proposal, SALC has requested that the Tripartite aspect of SALC should be retained. The issue seems to have shifted from the search for SADC recognition and general cooperation to the coordination of what is currently the Programme of SALC, within the SADC structure of operations.

2.9 Secretariat Observations.

2.9.1 In considering the proposal, Council is invited to note that, documents available, and the Secretariat's review of reports of meetings of SALC do not show that this issue of the inclusion of employment and labour matters into the HRD Sector has been discussed adequately. In all the communications and the consultations with SADC, the case, on why SALC programmes cannot be accommodated in the HRD Sector, has not been fully made.

2.9.2 The 1991 Theme Document, entitled Human Resources: Primary Factor in Development recognised the need for the development of human resources in the widest context possible, to include issues relating to employment, labour, social welfare, working environment, brain drain, etc., and all issues contained in the current objectives and programme of SALC. Unfortunately, in the development of the HRD Sectoral Strategy, which was recently approved by Council in Harare, in January, 1993, the issues of employment and labour were left out. The Sector's Programme of Action, as currently designed, covers issues of technical/vocational and university training only.

2.9.3 There is concern/disappointment both within SALC and other human resources development related institutions in the region, like basic/foundation education, employment and labour, human settlement, etc., that

their areas of activities are not accommodated in the HRD Sectoral Programme of Action. The perception is that the HRD Sector Coordination machinery that exists at the moment is unable/unwilling to deal with a wider Sector covering all these areas of concern. The HRD Sector Coordinating Unit has expressed similar concerns that if it is already unable to manage a limited area of the wider sector, it may not be able to managed effectively, an enlarged Sector. There are, already, calls by Education Ministers, similar to that made by SADC, to establish new sectors covering the areas of basic/foundation education, social welfare, population and human settlements, etc. With respect to employment and labour issues, it is unclear why the Ministers of Labour of the SADC member States, most of whom participate in the work of the HRD Sector, have not brought these issues into the HRD Sector meetings and the Programme of Action.

2.9.4 Council is also invited to recall that at its meeting in Gaborone in August, 1990, it discussed the issue of the enlarged HRD Sector and the proposal to establish a Regional Commission that would embrace all conceivable activities that belong to the HRD Sector, but are not currently covered under the Sector. Given the paramountcy and centrality of human resources development in the development of the Community, it may be opportune to revisit the question of establishing the Commission for Human Resources Development. This would avoid the splintering that is bound to happen, as a result of the existing capacity concerns in the Unit in Swaziland. Council is further invited to note that the tripartite nature of SADC represents a positive development whereby governments are working in partnership with workers and employers. This is in line with the new policies of SADC calling for cooperation under SADC to be broadened beyond governments. If the tripartite arrangement is retained, as requested by SADC, the implications are that Ministers, workers and employers will sit together in Sectoral Committee Meetings, making policies.

2.10 In the light of the foregoing, Council is invited to note that there are three major options for addressing the proposal from SADC:

- a) To either restate the 1990 decision that the mandate of the Human Resources Development Sector should include employment and labour issues, population and human settlement, basic/foundation education, etc., and urge Swaziland to endeavour to abide by this decision;

b) Or direct that a review be carried out on the question of establishing a Commission for Human Resources Development Sector, which was discussed in 1990, and to be coordinated by Swaziland;

c) Or to approve the splintering of the Sector into a number of distinct sub-sectors coordinated by different member States. These sub-sectors would in turn be coordinated by an overall coordinator for the Human Resources Development Sector, along the lines for Food, Agriculture and Natural Resources Sector. In the case of this option, Council would be expected to approve the establishment of new sectors for employment and labour, basic education and training, and to identify countries for the coordination of each.

1. Council is invited to direct the Sector Coordinator for Human Resources Development, assisted by the Secretariat, and in consultation with SALC, to examine closely the three options above, and to present to Council, at its next meeting, a definitive recommendation on the matter. Council is further invited to recommend, in the meantime the Human Resources Sector Coordinator, assisted as appropriate by the Secretariat, should manage the work of SALC; and should convey this decision to SALC, ECA/MULPOC and ILO/SATEP.

SADC Secretariat
August, 1993

REPORT OF THE JOINT PLANNING COMMITTEE

1. INTRODUCTION

1.1 The Council is invited to note that, since its meeting, held in Windhoek, in August 1992; the Joint Planning Committee (JPC) has held two meetings. The first meeting was held in Gaborone, in March, 1993, and the second meeting in Mbabane, in September, 1993. At these meetings, the Ministers:

- a) reviewed recent developments in the Region;
- b) considered the role of the Region in the democratisation of South Africa; and,
- c) issues and parameters relating to the evolution and management of regional relations and cooperation post-apartheid.

1.2 The JPC meetings received briefings from representatives of the Governments of Angola and Mozambique, on the current situation in their respective countries; and representatives of the Liberation Movements, on the situation in South Africa.

2. Recent Developments in the Region

2.1 Regarding recent developments in the Region, the Joint Planning Committee reviewed the situations in individual SADC member States. The democratisation, and pacification process, as well as the difficulties encountered in Angola and Mozambique were analyzed in detail. The Ministers noted the positive political transformations underway in Lesotho, Malawi, Swaziland and Tanzania; and the bright prospects for the restoration of the territorial integrity of Namibia.

2.2. The Committee further considered developments inside South Africa in general; more particularly the Multi-Party Negotiations Process; the issues at the negotiations table, namely the constitution-making mechanism, transitional arrangements, elections, violence; white right-wing mobilisation, and the issue of unity of the oppressed.

2.3. Ministers made the following observations, conclusions and recommendations for noting and consideration by Council, as appropriate:

- (a) Recent developments in the Region have, in the main, been positive, thereby preparing the Region for meaningful participation in the increasingly interdependent and competitive international relations, as the world moves into the 21st century.
- (b) Democracy, human rights, and public accountability are being consolidated; and sound and effective economic management systems are being put in place in SADC member States. Lesotho, Malawi, Swaziland and Tanzania are undergoing political transformation towards democratic plural systems. Namibia is about to achieve its territorial integrity, with the projected incorporation of Walvis Bay and the Offshore Islands.
- (c) The situation in Angola, following the collapse of the Bicesse Peace Accord, has degenerated into a full-scale conventional warfare, with immense destruction of lives and property. A grave situation has developed that requires the urgent revitalisation of the efforts of the international community, with meaningful regional inputs to address the political, military and humanitarian aspects of the crisis in the country.
- d) The Ministers noted that the situation in Angola be a subject of Special United Nations Security Council debate on the 15th September, 1993, which would result in sanctions being imposed on Unita. To the end the Committee urged that SADC Foreign Ministers attend the meeting in order to lend visible support to the peace process in Angola.
- e) Council is invited to agree on the need for member States of SADC to display solidarity with the people of Angola in order to alleviate the desperate humanitarian situation obtaining in the country, and to this end, to direct the Executive Secretary to consult with member States on the best possible means and options to achieve this objective.
- (f) In Mozambique, the overall situation is getting better, albeit slowly. The ceasefire is holding, and life is gradually returning to normal. Progress has been made in ironing out differences over provincial administration and the status of the Police Force. However, there are some outstanding issues that may still further stall the implementation of the Peace Accord, and the timetable for general elections. These include lack of progress on the demobilisation of the armies, the finalisation of the Electoral Law. Hopefully, the current talks between President Chissano and RENAMO Leader, Mr. Diakana in Maputo, herald a positive turn for the peace process in the country.

- (g) In South Africa, there is a ray of hope in the horizon, for a negotiated solution of the perennial problem of apartheid in that country; since the resumption of the Multi-Party Negotiations Process in April, 1993. Strategic alliances and blocks have emerged within the context of the negotiating process, thus complicating the desirable unity of the oppressed. At the same time, politically motivated violence, and white right-wing mobilisation, present the main threat to the democratisation of that country.
- (h) The Region is concerned about escalating violence in South Africa; The possible fragmentation of the country into regions on ethnic-racial basis and the lack of unity among the approved, all factors which could in various ways impact negatively on neighbouring SADC member States, in view of geographic proximitities, affinities and historic links in the Region.
- (i) There is broad agreement in South Africa on the need to end violence and to secure peace in South Africa. To this end, proposals have been made for a national peace-keeping force (NPKF) drawn from different armed formations, deployed in collaboration with the United Nations and OAU initiatives; in the run-up to the elections.
- (j) There is a need for the Liberation Movement to give guidance and lead on the determination of the question of the future relations of South Africa with the rest of the international community in general; and in particular on the participation of the country in SADC, with the advent of a Transitional Executive Council/Transitional Authority. This is a matter that requires urgent consultations between the Chairmen of SADC and the FLS and the Liberation Movements.
- (k) The way forward to transition from apartheid to democracy in South Africa is the holding of non-racial general elections scheduled for the 27th April, 1994.
- (l) SADC/FLS member States should continue to closely monitor and follow the situation in the Region, and assert their leadership, in the face of rapid changes taking place; with a view to determine the direction of current and future developments.

3. The Role of the Region in the Democratisation of South Africa

3.1 Concerning the role of the Region in the democratisation of South Africa: the JPC meetings recalled the decision of the 1992 Summit held in Windhoek, in August 1992, requesting the Chairman of SADC to consult with the Chairman of the Frontline States; in order to agree on the most appropriate and effective way to afford the Region a meaningful and pro-active role in the process of change in South Africa.

3.2 The Ministers noted that the Chairmen of SADC and the FLS agreed on the need for the Region to have a physical presence in South Africa, in the form of a Regional Resident Mission. The mission consists of all countries of SADC, and is coordinated and directed by the Chairman of SADC, supported by the Chairman of FLS, and serviced by the SADC Secretariat, as appropriate.

3.3 The JPC deliberated on the issues relating to the mandate and operationalisation of the Regional Resident Mission in South Africa, especially:

a) the harmonisation of levels of headships of individual member States Missions at ambassadorial rank, in order to ensure equivalence and coherence, and enhance the authority of the mission in representing the views of the region;

b) the provision of experts to the Resident Mission in order to enhance its capacity to carry out its mandate;

3.4 The Committee urged member States to provide the required experts in various fields, in order to enable the Mission to carry out its mandate;

3.5 Council is invited to note the progress made on the operation of the Resident Mission since its formal launching in March, 1993.

4. Regional Relations and Cooperation Post-Apartheid

4.1 The JPC considered a number of framework, strategic and policy issues and options related to future regional relations and cooperation post-apartheid, and made the following conclusions and recommendations.

a) With regard to the Macro Framework Study on Regional Relations and Co-operation Post Apartheid, commissioned by the Secretariat, the JPC concluded that it represented a broad conceptual, strategic and policy instrument for the negotiations of future regional relations and cooperation post-apartheid; and an important input to planning for regional integration through the community building process.

- b) There is consensus between SADC and the South African Liberation Movements that the parameters of future relations should not be negotiated and fixed now with the apartheid regime, but by all eleven members of the enlarged SADC, inclusive of democratic South Africa.
- c) Democratic South Africa will be intergrated into the Region in accordance with SADC's fundamental principles of equity, balance and mutual benefit.
- d) While recognising and appreciating South Africa's relatively advanced level of development and resource and capacity endowments, SADC does not accept that South Africa can play the role of engine or locomotive of development for the whole region. Besides, South Africa itself will need assistance, and the opportunities available through regional cooperation and intergration, will be beneficial to South Africa as well.
- e) The accession of a democratic South Africa into SADC will be a straightforward act, in accordance with the Windhoek Treaty. The accession will, however, facilitate the process of negotiations aimed at restructuring existing unbalanced regional relations.
- f) Nevertheless, even before the accession of a democratic South Africa to SADC membership, negotiations among the current ten SADC member States will already take on board, to the extent possible, issues emerging from the Macro-Framework Study.
- g) Negotiations are envisaged as taking place in "baskets" of issues, but with a strong coordinating mechanism, to facilitate trade-offs across the different baskets, and to evolve a common vision on the overall path of development for the region as a whole, after apartheid.
- h) While both SACU and CMA are, at present, the only functioning arrangements of their kind in the Region, yielding some benefits to its members; they are nonetheless, inequitable and undemocratic. There is a need, therefore, to restructure them, to make them more democratically run collectively by all their members; more equitable in economic operations, including the revenue sharing mechanism. In accordance with SADC's strategy for integration, the Organisation envisages future restructured SACU and CMA initially as sub-sets of the future Community; a basis for evolving a region-wide customs and monetary unions, on the basis of the principles of balance, equity and mutual benefit, espoused by SADC and the South African Liberation Movements.

- i) It was in recognition of the need for this restructuring that, at their meeting held in Mbabane, Swaziland in August, 1993; SACU members of SADC agreed not to engage in substantive negotiations with the present South African authorities about the SACU and CMA Agreements. They, however, agreed to re-negotiate these arrangements with a new democratically elected government.
- j) This approach would both provide for more equitable bargaining, and be compatible with the overall perspectives on building regional integration, being defined by SADC. These perspectives recognise the "variable geometry" of the region, and accept the need and desirability for particular sub-groups to move at different paces and evolve their own specific arrangements. At the same time, however, it is envisaged that any such sub-set arrangements should be located within a broader framework, which envisages a longer term progressive harmonisation of such arrangements across the whole region at an increasingly higher level of integration.
- k) With a view to underpin the formulation of the strategy for the restructuring SACU and CMA, the four SADC member States of SACU/CMA further agreed that more detailed studies and work be undertaken; by the JPC, in consultation with the member States directly concerned.
- l) To this end, the four SADC member States of SACU further agreed to liaise closely with the JPC and the SADC Secretariat with a view to evolving a common regional strategy towards restructuring of SACU and CMA.
- m) The issues that will require further examination and elaboration include:
 - a) In the trade regime:
 - i) revenue sharing;
 - ii) industrial polarisation balance;
 - iii) barriers to market access;
 - iv) compensation.
 - b) In the fiscal/monetary regime:
 - i) currency convertibility and the status of the Rand;
 - ii) foreign reserves;
 - iii) fiscal policies.

- n) In addition to the issues and areas identified for the multi-lateral negotiations table, a window of demonstrable "special interests" would be left open to accommodate special circumstances of individual member States. Such "special interests" would be provided for either in special protocols or special clauses of general protocols.

SCIENCE AND TECHNOLOGY

Note From The Secretariat

2. BACKGROUND

1.1 Council will recall that at its meeting in Maputo, Republic of Mozambique, in July, 1988, it directed the Secretariat to carry out a detailed study of Science and Technology in the SADC Region to enable member States achieve:

- a) the adoption by member states, of national policies and programmes designed to foster the building up of local technological capabilities and facilitate the transfer, adaptation, development, and the use of technologies suited to local conditions and factor endowment;
- b) the development of technological capabilities in SADC member states;
- c) the generation, diffusion, and application of technologies needed to solve the regions development problems; and
- d) the establishment of guidelines to assist member states to use the most appropriate technologies.

1.2 Council is invited to note that in compliance with its instruction, the Secretariat commissioned a Team of Regional Consultants to carry out the study. The Study Team consisted of the following:

- a) Professor K. E. Mshigeni, Professor of Botany, University of Dar Es Salaam, United Republic of Tanzania;
- b) Professor H. A. M. Dzinotyiweyi, Professor of Mathematics, University of Zimbabwe, Republic of Zimbabwe;
- c) Mr. A. R. Zikonda, Director-General, African Regional Industrial Property Organisation, Harare, Republic of Zimbabwe;
- d) Engineer C. A. Martin, Honorary Tutor, Faculty of Engineering, University of Zimbabwe, Republic of Zimbabwe; and
- e) Mr. T. Duncan, Managing Director, Maendeleo (Botswana) Ltd., Gaborone, Republic of Botswana.

- 1.3 Council is also invited to note that the Team completed the Study and submitted its report to the Secretariat which was circulated to all the member States in March, 1993. The Secretariat then convened a Management Workshop in Lusaka, Republic of Zambia, on 21st and 22nd July, 1993 to consider the findings of the Study.
- 1.4 The Workshop was attended by Senior Government Officials and experts in Science and Technology from within and outside the region. However, Council is invited to note that several National Contact Points and Sector Coordinators did not attend this important Workshop. Furthermore, some National Contact Points to whom copies of the Report were consigned in March, 1993, did not circulate the Report to intended participants until two weeks before the Workshop was held. This did not give adequate time for participants to digest and consult on the findings of the Study.

2. CONCLUSIONS AND RECOMMENDATIONS OF THE WORKSHOP

- 2.1 Council is invited to consider the conclusion and in particular the following recommendations made by the Workshop:

2.1.1 Economic Setting

- a) The impact of the global economy on the development of science and technology in SADC, and the means of addressing the new economic order, should be determined.
- b) SADC countries must create a peaceful and enabling environment in order to promote the development of S & T.
- c) SADC should take appropriate measures to enable the potential market of over 73 million people, contribute to the economic development of the region.
- d) Deliberate efforts must be made to nurture a science culture, strengthen practical science education at all levels, and expand and consolidate practical technical education.
- e) Investment decisions should be influenced by economic and technical and not political considerations.
- f) Scientists and technologists must be given adequate incentives, including appropriate remuneration, to encourage them foster their fields of competence. SADC might wish to share with Botswana its experience in the operation of a Parallel Progression System.

- g) National and foreign experts of similar qualifications and practical experience should be remunerated on equitable basis.
- h) In order to attract foreign investors, undesirable bureaucratic practices should be addressed, attractive incentive packages created, and infrastructure such as transport and communication, improved.

2.1.2 Education and Human Resources Development

- a) At primary and secondary school levels:
 - i) the teaching of natural science and mathematics should be introduced early in the school system;
 - ii) elementary design and technology should be taught during the senior years of primary education;
 - iii) teachers for science and mathematics should be well trained, or re-trained, through the organisation of refresher workshops, to expose them to new advances in S & T;
 - iv) every effort should be made to promote interest in the study of science among the youth, e.g., through the establishment of science villages, science camps, television programmes, etc.;
 - v) special efforts must be made to ensure that schools are well-equipped for the teaching of science; and
 - vi) affirmative action should be adopted as regards the education and training of women in S & T.

- b) At university level:
- i) education facilities for science and technology should be expanded; and
 - ii) university/industry linkages must be encouraged and strengthened in order to produce graduates with appropriate practical skills.
- c) To promote cooperation in Science and Technology:
- i) a feasibility study on the establishment of a scientific equipment maintenance and training centre should be undertaken;
 - ii) an efficient regional network for continuous exchange of Technology information and advice should be developed;
 - iii) sharing of existing university science facilities, equipment and human resources, which would enhance increased collaborative Research and Development (R&D) among SADC member States, should be encouraged;
 - iv) a feasibility study on the establishment of facilities for production of science and mathematics text books for use throughout the SADC region, should be undertaken;
 - v) the training and teaching of English language in the SADC countries should be strengthened, with special emphasis on Angola and Mozambique, to strengthen the scope for cooperation in S & T with Angola and Mozambique;
 - vi) transfer and dissemination of improved technologies between user groups should be promoted and sharing of technology at community level in the informal sector should be encouraged as a way of improving skills, and a special fund should be set up for this purpose;
 - vii) abstracts of all scientific research undertaken in the SADC region should be published and publicised periodically;
 - viii) schemes for mutual recognition of technical and professional qualifications and special skills by SADC member states should be established;

- ix) SADC should assist in identifying new strategies for the funding of education, especially to improve school laboratory facilities, for the production and supply of text books, and for conducting refresher workshops for mathematics and science teachers;
- x) the use of new educational technologies for distance education in the teaching of science and technology should be promoted;
- xi) measures for improving efficiency in the utilisation of existing educational resources, including student and staff exchanges in the region, should be explored;
- xii) potential "centres of specialisation" for enhanced promotion of science and technology education in the region, to serve as nuclei for regional postgraduate training in specialised fields relevant to the region, should be explored;
- xiii) salaries, working conditions, and fringe benefits for science teachers at all levels, should be upgraded to alleviate the problem of brain-drain;
- xiv) school curricula, especially in primary and secondary schools, should be reviewed, in order to produce school graduates who have a sound grasp and understanding of scientific principles and methods of solving problems;
- xv) colleges for technical education, and institutions for vocational training for artisans should be expanded, and efficiency in the utilisation of existing ones promoted and enhanced; and
- xvi) science education, at all levels, should emphasise the applied aspects, and linkages with entrepreneurship and joint ventures should be promoted.

National Organisation, Management, and Legal Aspects of Science and Technology

- a) The name of the national body for coordination of Science and Technology and Research and Development should be "National Research and Development Coordination Body" (NRDCB).
- b) All the SADC member States should establish National Research and Development Coordination Bodies.
- c) The portfolio of S & T should be headed by a Cabinet Minister or Office of a Head of State or Government.
- d) Each member State should formulate a national policy on Science and Technology.
- e) The policy on Science and Technology and the implementation strategy of such policy, should be reviewed regularly. Such reviews should constitute an essential part of the process of identifying and developing further strategies of implementing the policy.
- f) SADC should endeavour to provide assistance to NRDCBs to strengthen their internal capacities and capabilities.
- g) SADC should organise annual and other meetings, as appropriate, aimed at facilitating the sharing of experiences in S & T. Participation at such meetings should be financed by member States from their national resources.
- h) The functions of the NRDCB should include the following:
 - i) chart out the direction, and identify priorities in science and technology development, in line with the national socio-economic requirements;
 - ii) promote, monitor, and coordinate scientific research and technology activities;
 - iii) initiate research and development activities with a view to optimising utilisation of local resources on a sustainable basis;
 - iv) advise the Government on scientific and technological policy issues, including human resources development education and information required;

- v) popularise science and technology at all levels, including that of the general public.
- i) the membership of the NRDCBs should include active scientists, representatives of R & D institutions, the private sector, professional bodies associated with S & T and relevant Government ministries/departments;
- j) in order to make meaningful progress in the promotion and development of S & T, member States should commit themselves to the promotion of S & T by allocating not less than 1% of their GNP to S & T as stipulated in 1980 Lagos Plan of Action.

2.1.4

Legal Aspects of Science and Technology

- a) Member States which did not have National Bureaux of Standards, should be assisted, as appropriate, by the SITCD and ARSO, to establish National Bureaux of Standards.
- b) Standards of products and processes which may have associated health and/or safety hazards, should be made compulsory.
- c) Member States which have dependent laws should enact independent laws, and Angola and Mozambique, assisted as appropriate by ARIPO, should be encouraged to enact independent property laws.
- d) Member States which did not have legislation against unfair trade practices should enact such laws, and SADC should facilitate human resources development in the field of transfer of technology and technology licensing agreements.

2.1.5

Status of Research and Development Institutions, and Cooperation in Science and Technology

- a) Set national priorities with regard to R & D;
- b) Establish S & T and R & D policies and strategies that are in line with development plans. Such policies should address issues of trained personnel and demonstrate the political will;
- c) Facilitate, through incentives such as tax rebates, the participation of the private sector in R & D;
- d) Ensure that adequate resources are provided for R & D activities.

Cooperation in Science and Technology

- a) SADC should assist in promoting S & T cooperation in the region as soon as possible. In view of its importance to regional development, a distinct sector for S & T should eventually be established under the SADC Programme of Action.
- b) Cooperation in S & T should be introduced initially on a pilot basis, through the establishment of a small S & T Coordinating Unit within the SADC Secretariat. This Unit should be charged with the task of launching the proposed cooperation mechanisms, promoting S & T issues, and developing longer term institutional arrangements for cooperation in S & T.
- c) An advisory Group of experts should be established to assist the Coordinating Unit in establishing priorities and inter-sectoral linkages on S & T within SADC.
- d) Due emphasis should be placed on the provision of trained personnel, together with an increasing level of R & D, necessary to support those sectors which remain the main contributors to foreign exchange earnings, namely, the Mining Sector and the production of "biomass" in all its forms (animals, vegetable, marine, microbial).
- e) Measures should be taken to promote an Integrated Chemicals industry to provide the basic large tonnage chemicals to underpin the manufacturing industry and agriculture.

2.2 Council is invited to note that several recommendations made by the Workshop require specific attention of the member States and their institutions at national and bilateral levels for appropriate actions. However, a number of recommendations relate to possible areas of cooperation in Science and Technology at regional level.

2.3 Council is also invited to note that for recommendations which require attention of member States at regional level, the Workshop has proposed that a mechanism be established by SADC for this purpose. In this respect, the Workshop has recommended the establishment of:

- a) a Technical Unit in the Secretariat as an interim measure to coordinate the promotion of S & T and develop longer term institutional arrangements for cooperation in S & T;
- b) an Advisory Group of Experts to assist the Technical Unit in establishing priorities and inter-sectoral linkages on Science and Technology.

2.4 The Workshop recommended this course of action for two main reasons:

- a) Science and Technology covers a wide range of areas of the current SPA. It would, therefore, be inappropriate to locate the portfolio to any one of the existing sectors; and
- b) The Workshop deemed it necessary to develop the issues for cooperation on a step by step basis before determining to create a specific sector for S & T. The Workshop felt that this process would take at least 5 years.

3. OBSERVATIONS

- 3.1 The study has exposed all the issues about, and characterised the current status of the development of Science and Technology in the region. It is quite clear from the analysis that there is a case for a programme of cooperation in Science and Technology.
- 3.2 There is also merit and justification for the establishment of an Advisory Group of Experts to develop the programme and advise SADC on appropriate mechanisms for cooperation in Science and Technology.
- 3.3 There is also need for member States to take appropriate measures on the recommendations of the Workshop which require action at national level in order to enhance the development of Science and Technology and build a sound foundation for cooperation at regional level in this strategic area.

4. RECOMMENDATIONS

Council is invited to:

- a) approve the conclusions and recommendations of the Workshop;
- b) approve the establishment of a Programme of Cooperation in Science and Technology;
- c) approve the establishment of an Advisory Group of Experts to develop the programme and advise SADC on the appropriate mechanisms for cooperation in Science and Technology;
- d) direct the Secretariat to manage the processing of cooperation in this area in the interim;

- e) urge member States to take appropriate measures on the recommendations of the Workshop which require action at national level; and
- f) note that the proceedings of the Workshop and the Report of the Consultants will be published.

SADC/PTA RELATIONSNote From The SADC Secretariat

1. Council will recall that at its meeting in Harare, in January, 1993, it approved Terms of Reference and a Workplan for the Study on Coordination of Relations Between SADC and PTA.
2. Council will also recall that at its meeting in Lusaka in January, 1993, the PTA Authority noted the decision of the SADC Summit that SADC and PTA should continue to exist as autonomous, but complementary entities. The PTA Authority nonetheless decided that:
 - a) the matter be resolved at the political level by the Authorities with the support of a Joint Committee of Ministers made up of three Ministers each from PTA and SADC which will examine the question of harmonisation and coordination between PTA and SADC and the issue of merger of the two Institutions. The Committee would have the option of engaging Consultants to facilitate its task; and
 - b) a dialogue be initiated at the level of the Chairman of the PTA Authority and the Chairman of the SADC Summit with a view to resolving the merger issue amicably.
3. Council is invited to note that the Chairman of SADC and the Chairman of the PTA Authority met in Gaborone, on 27th February, 1993 and agreed that:
 - a) there was consensus between PTA and SADC on the need for both PTA and SADC to individually and collectively avoid duplication of their activities;
 - b) a Joint Committee of Ministers, made up of three Ministers each from PTA and SADC, under the Chairmanship of an eminent person acceptable to both sides, and assisted by an equal number of officials from PTA and SADC, and Consultant(s) agreed upon by both sides, be appointed to examine the question of harmonisation and coordination between PTA and SADC;
 - c) taking into account the decisions of the SADC Summit, at its meeting in Windhoek, Namibia, on 17th August, 1992, against the proposed merger between PTA and SADC, harmonisation, coordination and rationalisation of the activities of the two Organisations would be the subject of the proposed study.

4. Council is further invited to note that in pursuance of their decision, the two Chairmen duly constituted a Joint Committee of Ministers consisting of the following:

a) SADC

- i) Botswana: Hon. A. M. Mogwe, Minister of Mineral Resources and Water Affairs;
- ii) Mozambique: Hon. P. Mocumbi, Minister of Foreign Affairs;
- iii) Tanzania: Hon. C. Msuya, Minister of Industries and Trade.

b) EIA

- i) Burundi: Yet to be appointed;
- ii) Uganda: Hon. Richard H. Kaijuka, Minister of Commerce, Industry and Cooperatives;
- iii) Zambia: Hon. A. S. Hambayi, Minister of Commerce, Trade and Industry.

The Committee of Ministers is supported by an equal number of officials from the same countries.

The two Chairmen also appointed Mr. K. K. S. Dadzie, Secretary-General, United Nations Conference on Trade and Development (UNCTAD), as Chairman of the Joint Committee of Ministers.

5. Council is further invited to note that the Joint Committee of Ministers met in Harare, Republic of Zimbabwe on 5th June, 1993 and approved:

- a) The Terms of Reference for the Joint Study;
- b) The Workplan;
- c) The Budget; and
- d) The Appointment of Consultants.

6. Messrs Ibbo Mandaza, Zimbabwean; Iddi Simba, Tanzanian; Gilbert Mudenda, Zambian and Sylvester Nsanzimana, Rwandese were appointed jointly by the two Secretariats as Consultants to carry out the Study.

7. Copies of the approved Terms of Reference, and the Workplan are attached as Annexes 1 and 2 to this Note for information.

8. Council is invited to note that the cost of the joint study will be financed as follows:

- a) the cost of the members of the Committee of Ministers and officials will be met by their respective Organisations. In the case of SADC this cost is estimated at US\$32,808; and
- b) the cost of Consultants, the Chairman of the joint Committee of Ministers and the logistical support and secretarial services for the meetings of the Committee would be borne jointly on equal basis by SADC and PTA. This cost is estimated at US\$180,000.

9. The total cost of the joint Study attributable to SADC will, therefore, be as follows:

a) cost of SADC's members of the Committee	32,808
b) share of the joint cost	190,000

c) Total	222,808

The Council of Ministers, at its meeting in Harare, in January 1993, approved a budget of US\$165,000 for the Study originally planned by SADC. It will, therefore, be necessary for SADC to raise extra resources in the sum of US\$57,808 to meet the additional cost. The budget for the cost of the Study attributable to SADC is at Annex 3 and the main budget for the Study approved by the Committee of Ministers is at Annex 4 for information only.

10. Council is invited to:

- a) authorise an expenditure in the sum of US\$57,808 to meet the additional cost of the Study. It is hoped to meet the additional expenditure from any savings in the 1993/1994 Financial Year or reserves;
- b) take note of the progress made on the Study; and
- c) urge member States to give the Consultants maximum cooperation.

TERMS OF REFERENCE FOR THE JOINT STUDY ON
HARMONISATION, COORDINATION AND RATIONALISATION
OF THE ACTIVITIES OF THE
PREFERENTIAL TRADE AREA FOR EASTERN AND
SOUTHERN AFRICAN STATES (PTA) AND
THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

1. **BACKGROUND**

- 1.1 At their Summit meeting held in Lusaka, Republic of Zambia, from 30th - 31st January, 1992, the PTA Authority considered the need to strengthen regional cooperation and integration in Eastern and Southern Africa as a basis for attaining economic recovery and sustainable growth of the region. They examined the following options:
- a) to continue to support and develop, as separate regional entities, the existing economic groupings in Eastern and Southern Africa, such as the PTA, SADC (SADC), the Indian Ocean Commission (IOC) and the Economic Community of the Countries of the Great Lakes (CEPGL); or
 - b) to strengthen regional economic integration in this region by rationalising and consolidating these existing institutions into one stronger regional grouping under the umbrella of the Common Market for Eastern and Southern Africa (COMESA).
- 1.2 They came to the conclusion that the interests of the member States as a whole would best be served by one consolidated and stronger economic grouping. They, therefore, "resolved that PTA and SADC be merged into a single Common Market for Eastern and Southern African States within the context of the Abuja Treaty for the African Economic Community."
- 1.3 The PTA decision was based on the consideration that both PTA and SADC had the same ultimate objective, namely, to create an economic community among the member States.

1.4 The issues considered by the PTA Authority in support of the resolution for the merger of SADC and PTA are that:

- a) duplication of regional organisations in the sub-region, such as the PTA and SADC, hindered rather than enhanced the process of integration;
- b) cooperation between SADC and the PTA aimed at avoiding duplication of efforts had not been effective; and
- c) it would be in the best interest of the sub-region to have one single sub-regional group as the building block for Eastern and Southern Africa, within the context of the African Economic Community.

1.5 At its meeting in Windhoek, Republic of Namibia, on 17th August, 1992, the SADCC Summit considered the Resolution of the PTA Authority passed in Lusaka in January, 1992, that the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern African States (PTA) be merged into a Common Market for Eastern and Southern Africa (COMESA). The Summit noted that SADCC positions and actions with regard to the two Organisations had been based on the recognition and clear understanding that:

- a) the two Organisations existed as conscious creations of their member States;
- b) their objectives, mandates, and programmes were clearly defined;
- c) scope existed and efforts would be made to avoid conflict, duplication and overlap, and rationalise the programmes, projects and activities of the two Organisations to minimise costs and maximise the benefits to their common members.

1.6 Further, the SADC Summit recalled that the Chairman undertook a mission to member States in May, 1992, to consult on, among other issues, the PTA proposal for the merger of the two Organisations.

1.7 After due consideration of the matter, the SADC Summit:

- a) confirmed the consensus of member States that the two Organisations had distinct objectives and mandates and must, therefore, continue to exist as autonomous, but complementary entities;
- b) reaffirmed previous positions and procedures to avoid conflict and duplication with the PTA, and maximise benefits of membership of both;

- c) directed the Council of Ministers to commission an independent study to advise on how best to harmonise relations between SADC and PTA, in the context of the process toward the establishment of the African Economic Community.

2.8 In January, 1993, the PTA Authority recalled its decision taken at its Tenth meeting in 1992, with regard to the merger of PTA and SADC; and noted the decision of the SADC Summit that PTA and SADC should continue to exist as autonomous, but complementary entities. They, nevertheless, decided that:

- a) the matter be resolved at the political level by the Authorities with the support of a Joint Committee of Ministers made up of three Ministers each from PTA and SADC which will examine the question of harmonisation and coordination between PTA and SADC and the issue of merger of the two Institutions. The Committee would have the option of engaging Consultants to facilitate its task; and
- b) a dialogue be initiated at the level of the Chairman of the PTA Authority and the Chairman of the SADC Summit with a view to resolving the merger issue amicably.

2. CONSULTATIONS BETWEEN THE CHAIRMEN OF PTA AND SADC

2.1 At their meeting in Gaborone, Republic of Botswana, on 27th February, 1993, the Chairmen of the PTA Authority and the SADC Summit agreed that:

- a) there was consensus between PTA and SADC on the need for both PTA and SADC to individually and collectively avoid duplication of their activities;
- b) a Joint Committee of Ministers, made up of three Ministers each from PTA and SADC, under the Chairmanship of an eminent person acceptable to both sides, and assisted by an equal number of officials from PTA and SADC, and Consultant(s) agreed upon by both sides, be appointed to examine the question of harmonisation and coordination between PTA and SADC; and
- c) taking into account the decisions of the SADC Summit, at its meeting in Windhoek, Namibia, on 17th August, 1992, against the proposed merger between PTA and SADC, harmonisation, coordination and

rationalisation of the activities of the two Organisations would be the subject of the proposed study.

3. OBJECTIVE OF THE PROPOSED STUDY

3.1 Bearing in mind the need for PTA and SADC to evolve in such a manner as to contribute effectively to economic recovery and sustainable development in the region and to the establishment of the African Economic Community as envisaged under the Abuja Treaty, the purpose of the proposed study is to enable the Joint Ministerial Committee to make concrete recommendations to the PTA Authority and the SADC Summit aimed at the harmonisation, coordination and rationalisation of the activities of the two Organisations.

3.2 These broad objectives encompass in particular:

- a) the elimination of duplication and overlapping in the activities of the two Organisations;
- b) on the basis of the principle of complementarity, the establishment of a more effective division of labour between the two Organisations, including the possibility of desistment by either of them from particular activities in the interest of cost-effectiveness;
- c) joint or collaborative planning and execution of activities, as appropriate;
- d) the integration of activities of the two Organisations where required in the interests of cost-effectiveness and improved services to member countries.

3.3 In formulating its recommendations for the achievement of these objectives, it will be necessary for the Joint Ministerial Committee to review and analyse the relevant policy decisions taken as well as the guidelines, directives and procedures laid down thus far by the appropriate authorities of PTA and SADC. The recommendations of the Joint Ministerial Committee should also include proposals with regard to the mechanisms, including procedures, processes and institutional arrangements required to give full effect to them.

4. THE TASK

- 4.1 Guided by the purposes and objectives outlined in paragraph 3 above, the Consultants will be required to:
- a) study the objectives and mandates of PTA and SADC, as outlined in their respective treaties, and other relevant founding instruments, and subsequent decisions and compare and contrast these objectives and mandates of the two Organisations;
 - b) study and analyse the policies, strategies, programmes and projects of SADC and PTA, in all sectors of cooperation to identify the specific points of difference or of duplication in their operations;
 - c) study and analyse guidelines, directives and procedures laid down by SADC and PTA authorities to avoid conflict, duplication and overlap of responsibilities of the two Organisations and the reasons and remedies for any inadequacies;
 - d) study the ways in which the evolution of SADC and PTA will be consistent with and contribute towards the implementation of the Abuja Treaty on the establishment of the African Economic Community;
 - e) study such other issues as are relevant to the objectives stated in paragraph 3 above.
- 4.2 The results of this work will be submitted to the Joint Ministerial Committee.
- 4.3 On the basis of the foregoing, the Consultants should present, for consideration by the Joint Ministerial Committee, options with regard to mechanisms, including procedures, processes and institutional arrangements required to give full effect to the findings and proposals emerging from the task.

5. METHODOLOGY

- 5.1 In carrying out the Study, the Consultants are expected to consult relevant authorities of all the SADC member States, and six PTA non-SADC member States, namely, Burundi, Ethiopia, Kenya, Mauritius, Sudan and Uganda; the PTA and SADC Secretariats; the OAU and ECA Secretariats and the African Development Bank.
- 5.2 The Consultants will, apart from government authorities, also, to the maximum extent possible, obtain the views of representatives of the business community, including central, development and commercial banks, and academic, development and research institutions.

6. BACKGROUND MATERIAL

6.1 The following materials will be made available to Consultants:

- a) Southern Africa: Toward Economic Liberation - A Declaration by the Governments of Independent States of Southern Africa, April, 1980.
- b) The Memorandum of Understanding on the Institutions of the Southern African Development Coordination Conference, July, 1981.
- c) The Treaty for the Establishment of the Preferential Trade Area for Eastern and Southern African States, December, 1981.
- d) The Treaty of the Southern African Development Community, August, 1992.
- e) Towards the Southern African Development Community: A Declaration by the Heads of State and Government of the Southern African States, August, 1992.
- f) The PTA Trade and Development Strategy, January, 1992.
- g) The SADC Theme Documents for 1990, 1992 and 1993.
- h) Resolution passed by the PTA Authority on the Merger of the Preferential Trade Area (PTA) and the Southern African Development Coordination Conference (SADCC), in Lusaka, January, 1992.
- i) Extract of the 1992 SADC Summit Record.
- j) PTA and SADC: Rationalisation or Merger: An Issues Paper by the Secretary-General of the PTA, January, 1992.
- k) PTA/SADC Merger: An Agenda for the Future, December, 1992.
- l) Communique of the Eleventh Meeting of the Authority of the Preferential Trade Area for Eastern and Southern African States, January, 1993.
- m) Joint Statement of the Chairmen of SADC and the PTA Authority, on SADC/PTA Relations, February, 1993.
- n) PTA Programme of Activities.
- o) SADC Programme Documents.
- p) Agreed Minutes of the Meeting Between the SADCC and PTA Secretariats, March, 1991.

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- a) Southern Africa: Toward Economic Liberation - A Declaration by the Governments of Independent States of Southern Africa, April, 1980.
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- m) Joint Statement of the Chairmen of SADC and the PTA Authority, on SADC/PTA Relations, February, 1993.
- n) PTA Programme of Activities.
- o) SADC Programme Documents.
- p) Agreed Minutes of the Meeting Between the SADCC and PTA Secretariats, March, 1991.

- q) The Draft Treaty Establishing the Common Market for Eastern and Southern Africa.
 - r) The Treaty Establishing the African Economic Community, June, 1991.
 - s) The Lagos Plan of Action for the Development of Africa: 1980 - 2000, April, 1980.
 - t) Study on the Rationalisation and Harmonisation of the Programme Activities of the Inter-Governmental Organisations in the PTA Sub-Region, November, 1989.
 - u) Economic Integration in Southern Africa - A Report for the ADB, December, 1992.
 - v) SADCC Intra-Regional Trade Study.
 - w) Various OAU Resolutions, especially Nos. CM/RES/5(1) of 1963 and 464(XXVI) of 1976, the Lagos Plan of Action of 1980, the Abuja Treaty and any other official documents on the establishment of the African Economic Community.
- 6.2 The Consultants are at liberty to use any other background materials which they deem appropriate, for purposes of this task.

MEETING OF THE SADC/PTA JOINT COMMITTEE OF MINISTERS

Harare, Zimbabwe: 4th - 5th June, 1993

W O R K P L A N1. 4TH - 5TH JUNE, 1993

Meeting of the Joint Committee of Ministers to approve the:

- i) Terms of Reference;
- ii) Workplan;
- iii) Budget;
- iv) Appointment of the Consultants.

2. JULY - SEPTEMBER, 1993

Consultants:

- i) Desktop work;
- ii) Visits to:
 - nine SADC/PTA member States;
 - one non-PTA SADC member State;
 - six non-SADC PTA member States;
 - SADC and PTA Secretariats;
 - OAU and ECA Secretariats and the ADB Headquarters.

3. OCTOBER, 1993

Submission of Draft Report to the Joint Committee of Ministers.

4. NOVEMBER, 1993

Consideration of the Draft Report by the Joint Committee of Ministers.

5. DECEMBER, 1993

Submission of Final Report to the Joint Committee of Ministers.

6. JANUARY, 1994

Consideration of Final Report by the Joint Committee of Ministers.

SAIX/PTA JOINT STUDY
 MINISTERIAL COMMITTEE
 BUDGET (SADC ONLY)

	Ministers	Officials	Total
1. TRAVEL COSTS (US\$)			
a) Meeting in Harare			
Gaborone/Harare	550	455	1,005
Maputo/Harare	285	342	627
Dar es Salaam/Harare	612	510	1,122
	-----	-----	-----
	1,447	1,307	2,754
	-----	-----	-----
b) Meeting in Gaborone			
Maputo/Gaborone	786	655	1,441
Dar es Salaam/Gaborone	1,150	958	2,108
	-----	-----	-----
	1,936	1,613	3,549
	-----	-----	-----
c) Meeting in Lusaka			
Gaborone/Lusaka	690	574	1,264
Dar es Salaam/Lusaka	698	582	1,280
Maputo/Lusaka	1,135	946	2,081
	-----	-----	-----
	2,523	2,102	4,625
	-----	-----	-----
TOTAL	5,906	5,022	10,928
	-----	-----	-----

2. SUBSISTENCE ALLOWANCE

2.1 Ministers

Harare: 3 Ministers x US\$156 x 4 days
Gaborone: 2 Ministers x US\$168 x 4 days
Lusaka: 3 Ministers x US\$246 x 4 days
Sub-Total

1,872
1,344
2,952

6,168

2.2 Officials

Harare: 3 Officials x US\$156 x 4 days
Gaborone: 2 Officials x US\$150 x 4 days
Lusaka: 2 Officials x US\$220 x 4 days
Sub-Total

1,872
1,200
2,640

5,712

3. OTHER COSTS

Total (2.1 + 2.2 + 2.3)

10,000

32,808

4. SUMMARY COST FOR SADC

a) Specific cost of SADC Member of the Committee and Officials

32,808

b) 50% of joint cost

190,000

222,808

SAIXC/PTA_JOINT_STUDY

BUDGET SUMMARY

1.	CHAIRMAN	US\$
1.1	Fare	32,037
1.2	Subsistence Allowance	3,754
1.3	Other Costs	26,800
	Sub-Total	62,591
2.	CONSULTANTS	
2.1	Honorarium	147,500
2.2	Reimbursables	135,443
	Sub-Total	282,943
3.	CONTINGENCY	34,553
	GRAND TOTAL	380,087
4.	SAY	380,000

1. MINISTERIAL COMMITTEE

1.1 Chairman

	US\$	
1.1.1 Fares	32,037	
1.1.2 Subsistence Allowances	<u>3,754</u>	35,791
1.2 <u>Logistical Support to the Committee</u>	<u>26,800</u>	26,800

2. CONSULTANTS

2.1 HONGKAIUN

2.1.1 Team Coordinator	41,300	
2.1.2 Consultants	<u>106,200</u>	147,500

2.2 Reimbursable Expenses

2.2.1 IKAYOL

2.2.1.1 Joint Briefing Meeting, Harare	1,845	
2.2.1.2 Ministerial Meetings	4,992	
2.2.1.3 Country Visits	25,101	
2.2.1.4 Interim Meeting	<u>1,885</u>	33,823

2.2.2	Subsistence Allowances		
2.2.2.1	Ministerial Meetings	4,724	
2.2.2.2	SADC/FPA Joint Briefing Meeting	1,440	
2.2.2.3	Meeting with ADB	2,232	
2.2.2.4	Country Visits	35,200	
2.2.2.5	Interim Meeting with Chairman	1,920	51,520
2.2.2.6	SADC/FPA Desk Top Research	<u>7,040</u>	
2.2.3	Other Costs		
2.2.3.1	Local Transport	17,500	
2.2.3.2	Communication	12,500	
2.2.3.3	Secretarial Services	10,000	
2.2.3.4	Report Reproduction	<u>10,000</u>	50,000
	Sub Total		282,943
	TOTAL		<u>345,534</u>

SADC/PTA JOINT STUDY ON HARMONISATION,
COORDINATION AND RATIONALISATION
OF THE ACTIVITIES OF SADC AND PTA

B U D G E T

1. ASSUMPTIONS

1.1 Ministerial Committee

1.1.1 Composition

The Ministerial Committee will consist of one Minister and one Official each from six countries; namely Botswana, Burundi, Mozambique, Tanzania, Uganda and Zambia.

1.1.2 Frequency of Meetings

The Committee will meet for two days three (3) times over the duration of the assignment as follows:

- a) Harare: to agree on Terms of Reference; the Workplan and the Budget and to approve the appointment of the Consultants;
- b) Gaborone: to discuss the Draft Report;
- c) Lusaka: to approve the Final Report.

1.1.1.3 Terms and Conditions of Appointment

a) Subsistence Allowances

- i) The subsistence allowances of the Ministers and Officials of Member States shall be paid by the respective Organisations;
- ii) The Chairman's subsistence allowances will be paid at the UN rate plus 40% by the two Organisations from the joint account.

b) Air Travel

- i) The cost of air travel of the Ministers and Officials of Member States shall be met by their respective Organisations;
- ii) The Chairman shall travel first class or business/economy class where first class is not available. The Chairman's cost of travel shall be met by the two Organisations from the joint account.

1.2 Consultants

1.2.1 Point of Recruitment

Consultants undertaking the study will be recruited from the region.

1.2.2 Composition of the Team

The composition of the Team will be as follows:

a) Team Coordinator	1
b) Team Members	3
Total	4

1.2.3

Qualifications

It is hoped that the members of the Team will possess the following qualifications:

- a) Team Coordinator: Advanced degree in Economics with wide practical experience in regional cooperation. A Ph.D in Economics would be an advantage.
- b) Consultants: two with a Degree each in Economics with bias in development economics, and the other with a Degree in International Law, preferably in investment and trade. The Consultants should have wide practical experience in development and regional cooperation.

1.2.4

Countries/Institutions to be Visited

1.2.4.1

The Consultants will visit all the SADC member States, Burundi, Ethiopia, Kenya, Mauritius, Sudan and Uganda for a period of 3 working days each exclusive of travel time. The Consultants will also visit the SADC Secretariat, the PTA Secretariat, the OAU Secretariat, the ECA Secretariat, the ADB Headquarters, IGADD Secretariat, ECCAS Secretariat and IOC Secretariat. The Team Coordinator and all the members of the Team will attend the briefing session with the two Secretariats, and the two meetings of the Committee of Ministers at which the Draft and Final Reports will be considered.

1.2.4.2

The Study Team has proposed an interim meeting with the Chairman in October, 1993 before it proceeds to draft the Report. A provision has, therefore, been built into the budget for this purpose.

1.2.5

Terms of Appointment

The Consultants will be paid honorarium and subsistence allowances. SADC and PTA will also meet the cost of business or economy class airfares for the Consultants; secretarial services and production of the Report.

2. THE BUDGET

2.1 Ministerial Committee¹

Total

2.1.1 Travel Costs (Chairman)

US\$

17,498
2,560
6,124
5,755

Geneva/Harare/Geneva (Three visits)
Geneva/Cairo/Geneva
Geneva/Gaborone/Geneva
Geneva/Lusaka/Geneva

32,037

2.1.2 Subsistence Allowances (Chairman)

Harare:	1 Person	x	US\$120	x	4 days	x	3 missions	1,440
Cairo:	1 Person	x	US\$230	x	3 days			690
Gaborone:	1 Person	x	US\$160	x	4 days			640
Lusaka:	1 Person	x	US\$246	x	4 days			<u>984</u>

3,754

Sub-Total

¹ Includes cost of an interim meeting with the Team of Consultants in Harare in October, 1993.

2.1.3 Logistical Support For The Committee

a) Local Transport:	3 meetings x	US\$5,000	15,000
b) Conference Facilities:	3 meetings x	US\$2,000	6,000
c) Communications:	3 meetings x	US\$1,200	3,600
d) Secretarial Support Services:	3 meetings x	US\$400	1,200
e) Documentation:			<u>1,000</u>
	Sub-Total		<u>26,800</u>

2.1.4 Total: (2.1.1 + 2.1.2 + 2.1.3)

62,591
=====

3. CONSULTANTS

3.1 Man days

a) Team Coordinator		Days
Ministerial Committee Meetings:	4 days x 2 meetings x 1 person	8
Joint briefing by the two Secretariats:	3 days x 1 briefing x 1 person	3
Visit to ADB:	3 days x 1 visit x 1 person	3
Country Visits:	10 countries x 5 days x 1 person	50
SADC/PTA desktop research:	2 Secretariats x 10 days x 1 person	20
Interim meeting with the Chairman:	4 days x 1 meeting x 1 person	4
Report writing		<u>30</u>
		118
		===

b) Consultants ²			
Visit to ADB	1 visit x 3 persons x 3 days		9
Ministerial Meetings	4 days x 3 persons x 2 meeting		24
Joint Briefing	3 days x 1 briefing x 3 persons		9
Country Visits: (3 x 10)	30 countries x 5 days		150
(accompany either the Team Coordinator or the two alone)			192
Desktop Research:	3 x 2 Secretariats x 10 days		60
Interim meeting with the Chairman:	1 visit x 3 Consultants x 4 days		12
Report writing:	1 x 3 Consultants x 30 days		90
			162
			354
c) Total Man Days			

² Note: Visits to the OAU, ECA, IGADD, ECCAS and IOC Secretariats are budgeted for under visits to countries in which the Secretariats are located.

3.2 Honorarium Structure (Per man day)

Team Coordinator:	US\$350 x 118 man days	US\$
Consultants (3):	US\$300 x 354 man days	41,300
		106,200
Total		147,500

3.3 Reimbursable Costs

3.3.1 Travel US\$

a) Ministerial Committee Meetings (Four Consultants)	
Dar es Salaam/Lusaka/Dar es Salaam	US\$588 x 1 person
Dar es Salaam/Gaborone/Dar es Salaam	US\$962 x 1 person
Harare/Lusaka/Harare	US\$252 x 1 person
Harare/Gaborone/Harare	US\$432 x 1 person
Kigali/Lusaka/Kigali	US\$412 x 1 person
Kigali/Gaborone/Kigali	US\$1,193 x 1 person
Lusaka/Gaborone/Lusaka	US\$574 x 1 person

588
962
252
432
991
1,193
574

4,992
=====

b) Joint Briefing Visit

Dar es Salaam/Harare/Dar es Salaam:	1 person x 1 visit x US\$620	620
Lusaka/Harare/Lusaka:	1 person x 1 visit x US\$252	252
Kigali/Harare/Kigali:	1 person x 1 visit x US\$970	970
		<u>1,845</u>
		=====

c) Country Visits (Including OAU, ECA, IGADD, ECCAS and IOC)

i) Harare/Gaborone/Windhoek			
2 Consultants: US\$592 + US\$868		1,460	
ii) Harare/Gaborone			
2 Consultants: US\$1,231 + US\$967		2,198	
iii) Lusaka			
2 Consultants: US\$1,015 + US\$588		1,460	
iv) Mbabane			
1 Consultant: US\$670		670	
v) Lusaka/Mbabane			
1 Consultant: US\$601		601	
vi) Port Louis and IOC Secretariat/Lilongwe			
2 Consultants: US\$1,236 + US\$1,883		3,119	
vii) Entebbe/Kampala/Nairobi/Abidjan			
4 Consultants: US\$2,370 + US\$2,527 + US\$2,250 + US\$1,635		8,842	

viii) Addis Ababa
 2 Consultants: US\$814 + US\$949
 1,763

Addis Ababa/Khartoum/IGADD/Bujumbura/ECCAS
 2 Consultants: US\$880 + US\$1,446
 2,326

ix) Luanda/Maputo/Maseru/Johannesburg
 2 Consultants: US\$1,170 + US\$1,349
 2,519

25,101
 =====

d) Interim Meeting, Harare
 3 Consultants: US\$252 + US\$970 + US\$663
 1,885

Total (3.3.1 (a - d))
 33,823
 =====

3.3.2 Subsistence Allowances

3.3.2.1 SADC/PTA Joint Briefing
 US\$
 Harare: 3 people x 4 days x 1 meeting x US\$101
 1,212

3.3.2.2 Ministerial Meetings
 Gaborone: 4 people x 4 days x 1 meeting x US\$137
 2,132
 Lusaka: 3 people x 4 days x 1 meeting x US\$211
 2,532
 4,724
 =====

3.3.2.3	ADB Visit		2,232
	4 people x 3 days x US\$186		
3.3.2.4	Country Visits		
	Team Coordinator:	1 x 10 countries x 5 days x US\$176	8,800
	Consultant:	1 x 10 countries x 5 days x US\$176	8,800
	Consultant:	1 x 10 countries x 5 days x US\$176	8,800
	Consultant:	1 x 10 countries x 5 days x US\$176	8,800
			35,200
3.3.2.5	Interim Meeting With The Chairman		
	Harare:	3 people x 4 days x 1 visit x US\$101	1,212
3.3.2.6	PTA/SADC Desk Top Research		
	Team Coordinator:	1 person x 10 days x US\$176	1,760
	Consultants:	3 people x 10 days x US\$176	5,280
			7,040
3.3.2.7	Total (3.3.2.1 - 3.3.2.6)		51,620

3.3.3	Local Transport	
3.3.4	Communication	20,000
3.3.5	Report Reproduction	20,000
		<u>10,000</u>
		50,000
		=====
	Total (3.2 + 3.3)	<u>282,943</u>

UN SUBSISTENCE ALLOWANCE RATES
AS AT 30TH JUNE, 1993

City	Basic Rate US\$	Plus 20%	Plus 40%
1. Luanda, Angola	300	360	420
2. Gaborone, Botswana	114	137	160
3. Maseru, Lesotho	109	131	153
4. Lilongwe, Malawi	130	156	182
5. Maputo, Mozambique	169	203	237
6. Windhoek, Namibia	136	163	190
7. Mbabane, Swaziland	98	118	137
8. Dar es Salaam, Tanzania	114	137	160
9. Lusaka, Zambia	176	211	310
10. Harare, Zimbabwe	84	101	118
11. Johannesburg, South Africa	126	151	176
12. Port Louis, Mauritius	143	172	200
13. Nairobi, Kenya	133	160	185
14. (a) Entebbe, Uganda	175	210	249
(b) Kampala, Uganda	195	234	273
15. Addis Ababa, Ethiopia	192	230	269
16. Khartoum, Sudan	148	178	207
17. Bujumbura, Burundi	157	189	220
18. Abidjan, Cote d'Ivoire	155	186	217

WEIGHTED_AVERAGE_RATE_OF_PER_DIEM_(PLUS_20%)

			US\$
1.	Angola	US\$360 x 1	360
2.	Botswana	US\$137 x 2	274
3.	Lesotho	US\$131 x 3	393
4.	Malawi	US\$156 x 4	624
5.	Mozambique	US\$203 x 5	1,015
6.	Namibia	US\$163 x 6	978
7.	Swaziland	US\$118 x 7	826
8.	Tanzania	US\$137 x 8	1,096
9.	Zambia	US\$211 x 9	1,899
10.	Zimbabwe	US\$101 x 10	1,010
11.	South Africa	US\$151 x 11	1,661
12.	Mauritius	US\$172 x 12	2,064
13.	Kenya	US\$160 x 13	2,084
14.	Uganda	US\$210 x 14	2,940
15.	Ethiopia	US\$230 x 15	3,450
16.	Sudan	US\$178 x 16	2,848
17.	Burundi	US\$189 x 17	3,213
18.	Cote d'Ivoire	US\$186 x 18	3,348
		171	30,081
			171
			175.92

SAY

176

PLANNED NUMBER OF MAN DAYS PER COUNTRY

Total
Man Days

1.	Angola	2	Consultants	x	4	days	8
2.	Botswana	4	Consultants	x	5	days	20
3.	Lesotho	2	Consultants	x	4	days	8
4.	Malawi	2	Consultants	x	4	days	8
5.	Mozambique	2	Consultants	x	4	days	8
6.	Namibia	2	Consultants	x	4	days	8
7.	Swaziland	2	Consultants	x	4	days	8
8.	Tanzania	2	Consultants	x	4	days	8
9.	Zambia	4	Consultants	x	5	days	20
10.	Zimbabwe	4	Consultants	x	4	days	16
11.	South Africa	2	Consultants	x	4	days	8
12.	Mauritius	2	Consultants	x	5	days	10
13.	Kenya	4	Consultants	x	4	days	16
14.	Uganda	4	Consultants	x	4	days	16
15.	Ethiopia	4	Consultants	x	5	days	20
16.	Sudan	2	Consultants	x	5	days	10
17.	Burundi	2	Consultants	x	4	days	8
18.	Cote d'Ivoire	4	Consultants	x	3	days	12
							212
							195

SUMMARY ALLOCATION OF TEAM MANDAYS

Type of Activity	Team Coordinator	No.	Consultants	No.	Total
1. Ministerial Meetings	2 M x 4 D x 1 TC	8	2 M X 4 D X 3 C	24	32
2. Joint Briefing	1 M x 3 D x 1 TC	3	1 M X 3 D X 3 C	9	12
3. Visit to ADB	1 V x 3 D x 1 TC	3	2 V X 3 D X 3 C	9	12
4. Country Visits	10 C x 5 D x 1 TC	50	10 C X 5 D X 3 C	150	200
5. SADC/PTA Desk Top Research	25 M x 10 D x 1 TC	20	25 M X 10 D X 3 C	60	80
6. Interim Meeting With Chairman	1 M x 4 D x 1 TC	4	1 M X 4 D X 3 C	12	16
7. Report Writing	1 R x 30 D x 1 TC	30	1 R X 30 D X 3 C	90	120
8. Total		118		354	472

KEY

- M - Meeting
- D - Days
- TC - Team Coordinator
- C - Consultant
- R - Report
- V - Visit

PLANNED COUNTRY VISIT BY THE CONSULTING TEAM

1. DR. I. MANDAZA, TEAM COORDINATOR
 Angola, Botswana, ADB, Cote d'Ivoire, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Uganda and Zambia.
2. DR. G. MUDENDA
 Angola, Botswana, ADB, Cote d'Ivoire, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Uganda and Zambia.
3. DR. S. NSANZIMANA
 Botswana, Burundi, ADB, Cote d'Ivoire, Ethiopia, Kenya, Sudan, Uganda, Zambia and Zimbabwe.
4. DR. I. SIMBA
 Botswana, Burundi, ADB, Cote d'Ivoire, Ethiopia, Kenya, Sudan, Uganda, Zambia and Zimbabwe.

5. SUMMARY

	<u>No. of Countries</u>	
a) Dr. I. Mandaza	1 x 14	14
b) Dr. G. Mudenda	2 x 13	26
c) Dr. S. Nsanzimana	3 x 9	27
d) Dr. I. Simba	<u>4 x 9</u>	<u>36</u>
	10	103
	---	---
		10 x 10 = 100
		10.3

Average No. of Countries per Team Member

SAY

10

Business Council concluded the Business Council also
organise the Business Council, unless measures in
original goal of being a vanguard organisation.

- 1.7 USAID has indicated that it will not continue to
the Business Council in its present form, with effect
September 1993.
- 1.8 The Business Council convened a conference in Harare
16th and 17th August, 1993, to assess the future of
Organisation, and in particular to determine whether
continue with the Business Council to examine the fu-
The conference appointed a Committee to examine the fu-
of the Organisation, and submit recommendations to another
conference.
- 1.9 The Secretariat will remain engaged with the business
community, and offer support and assistance as
appropriate, with a view to developing an effective
regional organisation for the enterprise sector.

RELATIONS WITH COOPERATING PARTNERS
Organisation of African Unity (OAU)/African Economic
Community (AEC)

- 2.1.1 The Secretariat has continued to participate in the
work of the Permanent Steering Committee of the OAU,
which is charged with the responsibility of guiding
the development of the African Economic Community.
The Secretariat was represented at the Assembly of
Heads of State and Government of the OAU, at its 29th
Ordinary Session in Cairo, Egypt, from 28 - 30 June,
1993.
- 2.1.2 The Assembly was advised that, to date, not enough
member States have ratified the AEC Treaty, to bring
it legally into force. The Assembly, therefore,
requested those States that have not done so, to take
urgent steps to ratify the Treaty.
- 2.1.3 A call was made to all member States to organise, with
the help of the OAU Secretariat, national seminars to
popularise the Treaty. The SADC Secretariat has
submitted to the OAU Secretariat, and requested the OAU to
launching to our Community, and requested the OAU to
agree to coordinate its programme of seminars with
SADC, to enable both processes to be integrated,
within Southern Africa.

2.2.4 The Assembly also called on countries in different regions of the continent to rationalise existing regional organizations. Each regional economic community was also requested to rationalise their own treaties with the AEC Treaty. Furthermore, each regional economic community was requested to submit to the OAU, an annual report on its activities.

2.2 AFRICAN DEVELOPMENT BANK (ADB)

2.2.1 Council will recall that, in 1992, the ADB commissioned a study on regional integration in Southern Africa; and that the Executive Secretary serves on the Steering Committee directing this study.

2.2.2 The final report of this study is being prepared for publication in September, 1993. The ADB plans to organise seminars in the member States, to publicise the report.

2.2.3 As with the OAU, the Secretariat has submitted the SADC programme of community building to the ADB, and requested the latter to agree to coordinate and integrate its activities with those of SADC. The Secretariat plans to utilise the ADB report as a resource and input into our integration process.

2.4 EUROPEAN COMMUNITY (EC)

2.4.1 The European Community is one of the first cooperating partners with whom SADC concluded a formal Memorandum of Understanding on Joint Programming of Resources, in January, 1986.

2.4.2 In accordance with the provisions of the MOU, representatives of SADC and the Commission have met each year to review progress in their cooperation, including the utilisation of resources.

2.4.3 Experience gained during the life of the MOU has shown that, whereas the allocation of resources to programmes and projects has been satisfactory, the disbursement rate has been unsatisfactory, during Lome II and III.

2.4.4 To date, a sum of ECU 15 million for special loans is still uncommitted, under Lome III. It seems that sectors and member States are unwilling to accept these resources, preferring grants.

2.4.5 Progress even in the allocation, let alone the disbursement of resources under Lome IV, has been very slow. This is nearly mid-way through the first five years of the first Financial Protocol of Lome IV.

Only during the Joint SADC/EC meeting in Harare, in January, 1993, were 40 projects, valued at ECU 104.933 presented to the EC. The Commission has not been able to make a definite commitment to finance the majority of the projects, as it still requires more information from SADC, to enable it appraise the projects. In this regard, out of the 40 projects presented, the Commission has only agreed to finance 6, valued at ECU 34.2 million. This represents a commitment rate of 28.3%. At this rate of allocation, it will be difficult for SADC to justify a claim for allocation of additional resources by the EC.

2.4.6 Apart from the EDF grant resources, approximately ECU 820 million, in the form of soft loan finance from the EIB, carrying interest rates of 3 - 6%, was made available to Southern Africa under Lome IV. Of this amount, only ECU 20.175 million has been committed to two projects in the Energy Sector.

2.4.7 One of the major factors contributing to the low rate of commitment of resources to projects is the poor quality of project preparation and documentation, and the failure of functionaries of SADC and member States to make an effort to study and understand the EC procedures and project documentation formats.

2.4.8 Unless these matters are addressed seriously and urgently, SADC is losing credibility, and risks losing the support of cooperating partners.

2.4.9 The Secretariat commissioned a Special Audit of the Utilisation of Lome II and III Resources, in January, 1992; to determine the factors responsible for the poor performance. The findings and recommendations of this study will be submitted to Council at its next meeting. Meanwhile, Council is invited to urge Sector Coordinators and member States, assisted as appropriate by the Secretariat, to take appropriate and urgent measures to improve project formulation and the rate of submission of projects; to expedite the utilisation of Lome IV and the balance of Lome III resources.

2.3 UNITED STATES OF AMERICA

2.3.1 The Secretariat was represented at the 23rd African American Institute Conference, held in Reston, Virginia, from 19th - 21st May, 1993. The Conference, which coincided with the 40th anniversary of the founding of the Institute, was held under the theme of African Capacity Building: Effective and Enduring Partnerships.

- 2.3.2 All senior US Administration officials connected with Africa, viz: the Secretary of State, the Assistant Secretary of State for Africa, the USAID Administrator and the National Security Advisor, addressed the Conference. President Clinton also sent a personal message.
- 2.3.2 The central message of the US Administration was that the US was seeking a new relationship with Africa, in pursuit of 'common interests and shared values of democracy and free markets'. This new relationship would be based on US 'respect for African solutions, pledge to work with and assist Africans find solutions to their problems, and to enhance, not erase or negate those African solutions'. Africans were assured that the continent was not being marginalised or forgotten.
- 2.3.3 To demonstrate this commitment, it was announced that this financial year, the Administration would be seeking \$800 million for the Africa Development Fund (this is the appropriation from which aid to the continent is derived), \$500 million for disaster and emergency relief, and \$70 million for the environment and natural resources. It was also announced that during the 1992 drought, \$1 billion, had been allocated to the Southern Africa region alone.
- 2.3.4 In all the formal speeches presented by Administration and other US officials, Southern Africa and SADC were constant points of reference. The SADC experience kept coming up in discussions of regional cooperation and prospects for future growth and development. In this context, the AID Administrator announced that his Organisation would be launching a 'Demonstration Project' on SADC. The idea is to formulate an 'integrated strategic' regional plan, and take this plan to other donors'.
- 2.3.5 The Secretariat has maintained contact with AID officials, and it has been agreed to evolve this "project" together, instead of SADC being the subject of a US initiative.
- 2.4 WORLD BANK
- 2.4.1 The World Bank Vice President for Africa, Mr E Jaycox, attended and addressed the AAI conference referred to above. In what must be the freshest and most candid statement on Africa, to come from the World Bank, Mr Jaycox announced new thinking on the Bank's approaches to the continent's development challenges.

He prefaced the announcement by critiquing the experiences of African development, and admitting that 'mistakes have been made in the Bank's approaches to economic adjustment and reforms'. He then announced that, in future, initiatives would be taken in three areas.

Structural Adjustment

- 2.4.2 The Bank would ask governments to formulate their own SAPs, and the Bank would only critique or comment. Then, governments would take primary responsibility for implementation, with appropriate assistance from the Bank.

Reform of the Public Service

- 2.4.3 He proffered a new concept to 'projectise public service reform'. The idea is not just to go for reduction of the public sector, but to formulate projects for delivery of services, e.g. in health or education; and then contract the doctors, nurses or teachers to execute the service at cost, rather than as established workers.

Technical Assistance

- 2.4.5 In the context of the conference theme of capacity building, Mr Jaycox was very critical of the \$4 billion per year technical assistance industry. In future, the Bank will insist on local executors for projects. 'No more resident Technical Assistance; only short term consultants or technical back-up'. He illustrated this new policy by a Bank-funded project of post-graduate (masters degrees) training at McGill University, in Canada. 'McGill has been instructed to transfer this project to two African Universities within three years'.

- 2.4.6 The Secretariat views these positions as positive introspection by the Bank. However, for them to yield meaningful results, member States will need to develop the capacity and self-confidence to take the lead. The Secretariat will follow these developments closely, and advise member States accordingly.

3. AFRICAN DEVELOPMENT CONFERENCE - TOKYO

- 3.1 Council may be aware that Japan, in collaboration with the World Bank and the Global Coalition for Africa (GCA), is organising an international conference on development in Africa. The conference will be held in Tokyo on 5th - 6th October, 1993. All OAU member states have been invited to the conference.

In addition, the African Development Bank (ADB), the Organisation of African Unity (OAU) and the Economic Commission for Africa (ECA) have also been invited.

- 3.2 Japan, as one of the most industrialised countries, has great capacity to extend assistance to the region. Japan has been seeking ways of playing a bigger role in world affairs, including in development cooperation and assistance; commensurate with its economic strength. This conference is one such effort.
- 3.3 It is useful to note that Japan's current cooperation with the SADC region is on bilateral basis with individual member states, or through multilateral agencies. However, in response to the signing of the SADC Treaty, Japan has indicated a willingness to review its current position, and to consider cooperation with SADC as an entity. Therefore, great scope exists for SADC member States to enhance their current bilateral programmes with Japan through cooperation at regional level as well.
- 3.4 Council is, therefore, invited to urge member States to participate in the Tokyo conference at appropriate levels, and to agree to project the interests, concerns and prospects of the region as a whole; with a view to persuading the Japanese to become more actively and substantially involved in the development efforts of member States and the region.

4. SOUTH AFRICA

- 4.1 The Executive Secretary made his first official visit to South Africa on 26th March, 1993, to officially establish the regional Resident Mission. Then, on 5th April, 1993, at the invitation of Kagiso Trust, a non-governmental community development organisation in South Africa, the Executive Secretary went again to Johannesburg.
- 4.2 The purpose of the April visit was to afford the Executive Secretary an opportunity to make contact, and to initiate dialogue with a broad cross-section of South African society; to establish channels of communication and exchange views on the common future of the Region, inclusive of a democratic South Africa.
- 4.3 The meeting, arranged by Kagiso Trust, was attended by representatives of twenty six organisations. These included the ANC, PAC, development agencies, trade unions, academic institutions, the business community and the media. Although they had been invited, political parties other than ANC and PAC, declined.

and the role of a democratic South Africa, were presented and explained both by the Executive Secretary and ministers representing member States.

6. ADMINISTRATION AND MANAGEMENT

Immunities and Privileges

- 6.1 Council will recall that Article 5(1) of the Protocol to the Treaty, defines the Immunities and Privileges to be enjoyed by officials of SADC. Council will also recall that, Article 5(4) provides that:

The Executive Secretary shall specify the positions to which provisions of this Article shall apply. A list of these positions shall be submitted to the Council for approval. Thereafter, the list shall be communicated to all Member States. The names of officials occupying these positions shall, from time to time, be made known to Member States.

- 6.2 Council will further recall that the Protocol provides that Immunities and privileges at different levels, shall be conferred on different categories of officials.

- 6.3 The following are the positions established in SADC institutions, which are eligible to the immunities and privileges provided in the Protocol.

In addition, the African Development Bank (ADB), the Organisation of African Unity (OAU) and the Economic Commission for Africa (ECA) have also been invited.

- 3.2 Japan, as one of the most industrialised countries, has great capacity to extend assistance to the region. Japan has been seeking ways of playing a bigger role in world affairs, including in development cooperation and assistance commensurate with its economic strength. This conference is one such effort.
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- 4.3 The meeting, arranged by Kagiso Trust, was attended by representatives of twenty six organisations. These included the ANC, PAC, development agencies, trade unions, academic institutions, the business community and the media. Although they had been invited, political parties other than ANC and PAC, declined.

4.4 During the discussion that followed the Executive Secretary's presentation, the representatives of the South African society welcomed the move by SADC to open lines of communication, and expressed a keen interest in associating with their regional counterparts. They also generally agreed with the parameters defined by SADC for shaping future relations in the region.

5. WORLD ECONOMIC FORUM

5.1 The Secretariat was represented at a conference held in Cape Town, South Africa, from 27th-28th May, 1993. The Conference was organised by the World Economic Forum, an independent and non-profit making foundation established in 1971, with its headquarters in Geneva, Switzerland. The main mission of the World Economic Forum is to integrate world leaders from business, politics, academia and the professions, into a creative global partnership for economic and social progress.

5.2 The meeting attracted participation from prominent international and regional political leaders, chief executives of SADC, South African and international companies, officials from multi-lateral development organisations, eminent academics and researchers and members of the media.

5.3 The meeting provided the participants an opportunity to:

- (a) assess prospects for, and progress so far, in political change in South Africa;
- (b) assess whether the South African leadership can achieve a common platform for economic growth and social development;
- (c) evaluate the economic prospects of the Southern African region as a whole, in view of economic and political reforms in the member States', regional integration, and the role of a new South Africa as a full partner in the Southern African Development Community; and,
- (d) discuss the role of the international business and development community in promoting Southern Africa as an important trading and economic partner in the world.

5.4 The meeting accorded SADC an opportunity to present the imperative case for regional cooperation and integration in Southern Africa. The region's position on, and plans for regional relations post-apartheid, in the context of SADC; and especially the position

and the role of a democratic South Africa, were presented and explained both by the Executive Secretary and ministers representing member States.

6. ADMINISTRATION AND MANAGEMENT

Immunities and Privileges

- 6.1 Council will recall that Article 5(1) of the Protocol to the Treaty, defines the Immunities and Privileges to be enjoyed by officials of SADC. Council will also recall that, Article 5(4) provides that:

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- 6.2 Council will further recall that the Protocol provides that Immunities and privileges at different levels, shall be conferred on different categories of officials.

- 6.3 The following are the positions established in SADC institutions, which are eligible to the immunities and privileges provided in the Protocol.

Category A:

Heads of Institutions and Heads of Departments

Position	Institution
Executive Secretary	
Deputy Executive Secretary	
Director	SACCAR/SATCC
Chief Economist	Secretariat
Principal Administration Officer	Secretariat

Category B:

Other Regionally Recruited Staff

Position	Institution
Principal Programmes Officer	SACCAR
Principal Economist	Secretariat
Planning Coordinator	SATCC
Senior Administration Officer	SACCAR/SATCC
Senior Programmes Officer	SACCAR/SATCC
Senior Finance Officer	Secretariat
Senior Economist	Secretariat
Public Relations Officer	Secretariat
Statistician	Secretariat/ SATCC
Information Officer	Secretariat
Civil Aviation Specialist	SATCC
Ports Specialist	SATCC
Surface Transport Specialist	SATCC
Finance Officer	SACCAR/SATCC
Telecommunications Specialist	SATCC
Planning Officer	SATCC
Documentalist	SATCC
Training Officer	SATCC

Category C:

Locally Recruited Staff

Position	Institution
Librarian	Secretariat
Assistant Administration Officer	All
Assistant Programmes Officer	SACCAR
Assistant Finance Officer	Secretariat
Assistant Information Officer	Secretariat
Personal Assistant/Secretary	All
Secretary	All
Accounts Clerk	All
Registry Clerk	All
Telex/Fax Operator	All
Receptionist/Telephonist	All
Senior Driver	Secretariat
Driver/Messenger	All

6.4 Council is invited to approve the list of positions.

Appointment of Auditors for SATCC

6.4.1 Council will recall that, at its meeting in Harare, in January, 1993, it deferred the appointment of external auditors for SATCC for the 1992/93 financial year, to enable SATCC to make recommendations.

6.4.2 Council is invited to approve the appointment of Messrs. Coopers and Lybrand (Mozambique) as the external auditors for SATCC for the year ended 31 March 1993, at a fee of US\$ 490,00.

Secretariat staff

6.4.3 Council is invited to note that the following new officers at the Secretariat:

<u>Name</u>	<u>Position</u>	<u>Date duty assumed</u>
Mr T A Kalebe (MAL)	Chief Economist	21 Feb 93
Dr C J G Hove (ZIM)	Principal Economist	01 Feb 93
Ms B Saidi (MAL)	Senior Economist	28 Feb 93
Mr M Madonsela (SWA)	Senior Economist	01 Apr 93
Mr E Odirile (BOT)	Statistician	13 Apr 93

SATCC Staff

6.4.4 Council is invited to note that the following are new officers:

<u>Name</u>	<u>Position</u>	<u>Date duty assumed</u>
Mr C C Musonda	Planning Officer	May 93
Mr J O Mkinga	Port & Shipping Specialist	May 93
Mr A NemaKonde	Statistician	May 93

6.4.5 The Council is invited to note that the meeting of Committee of Ministers held on 3rd June, 1993 in Arusha, Republic of Tanzania, recommended that a post of Railways Training Officer be established in view of the importance of training in this sector.

The job description is as follows:

- a) undertake detailed planning of railway training programme.
- b) provide leadership and guidance in regional railway training programme.
- c) ensure professional and specialist input on a sustainable basis.
- d) organise railway training programmes and liaise with the cooperating partners.
- e) monitoring and evaluation of the training programme.

Justification

6.4.6 The Council is invited to note that the position has been in existence since 1989 under Technical Assistance Programme.

The recent Railways Training Project Review Mission has confirmed the evergrowing demand for management and specialist training beyond the current project life which ends in 1993. Due to its importance, the post should be established on a permanent basis. The cooperating partners are willing to provide financing if the member States can demonstrate a commitment to sustaining the programme beyond cooperating partners financing. The financing formula described below is intended to be indicative of the member States commitment on a phased basis as they are not ready to immediately assume full responsibility for the financing of the project.

Financial Implication

6.4.7 The following is the proposed financing arrangements:

- April 1994 - 25% contribution by SATCC
75% contribution by Cooperating Partners
- April 1995 - 50% contribution by SATCC
50% contribution by Cooperating Partners
- April 1996 - 100% contribution by SATCC.

The Council is invited to approve.

COUNCIL OF MINISTERS

2ND SEPTEMBER, 1993
MBABANE, SWAZILAND

PRESENT

CHAIRMAN

Hon. F.G. Mogae
Vice President and Minister of Finance
and Development Planning, Botswana
Chairman of SADC Council of Ministers

Mr. L.M. Mokone
Secretary for Foreign Affairs, Botswana
Chairman of SADC Standing Committee of Officials

Dr. S.H.S. Makoni
Executive Secretary

ANGOLA

Hon. A.A. Africano
Minister of Petroleum

Mr. Domingos Vieira Lopes
National Contact Point
State Secretary for Cooperation

Mr. Antonio M.M. Pinto
Coordinator for Technical Affairs
TAU Energy Sector

Mr. Mario F. Fontes
State Secretary for Energy & Water Affairs

Ms. Maria Helena da Silva
SADC Permanent Official
State Secretary for Cooperation

Mr. Elias a da Rosa
Ministry of Finance

Ms Edith Cieta
Senior Economist
Cabinet Office

Mr. Mburua Tchico
Senior Trade Official
Ministry of Commerce

Mr. Henrique S. da Rosa
Petroleum Officer
Ministry of Petroleum

Mr. Carlos Miranda
Senior Official
Cabinet Office

Mr. Antwala Mpetelo Seke
Senior Official
Ministry of Transport and Communications

Mr. Mateus P. Ingles
Senior Official
Ministry of Fisheries

Mr. Ernestina F. Fernandez
Executive Secretary
Ministry of Trade

Ms M.A. Fragata de Moraes
Director
Office of the Minister
Ministry of Petroleum

BOTSWANA

Hon. A.M. Mogwe
Minister of Mineral Resources and Water Affairs

Hon. K.P. Morake
Minister of Agriculture

Hon. D.N. Magang
Minister of Works, Transport and Communications

Mr. L. Mothibatsela
Secretary for Economic Affairs
Ministry of Finance and Development Planning

Mr. M.C. Lekaukau
Permanent Secretary
Ministry of Agriculture

Mr. A.V. Lionjanga
Permanent Secretary
Ministry of Works, Transport and Communications

Mr. G.L. Motsemme
Deputy Permanent Secretary
Ministry of Commerce and Industry

Mr. M. Sekwale
Deputy Permanent Secretary
Ministry of Mineral Resources and Water Affairs

Dr. M.L. Kyomo
Director
SACCAR

Dr. M.V. Raborokgwe
Acting Deputy Director
Department of Animal Health and Production
Ministry of Agriculture

Mr. D.C.M. Nkgowe
Acting Director for International Relations
Department of Foreign Affairs

Mr. S.K. Silo
Acting Senior Planning Officer
Ministry of Works, Transport and Communications

Ms I. Mannathako
Senior Economist
Bank of Botswana

LESOTHO

Hon. S. Baholo
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