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**Evaluation of the Commission's
support to
Southern African Development
Community – SADC
Regional Level Evaluation**

SYNTHESIS REPORT

October 2007

Volume One – Main report

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ABBREVIATIONS

ACP	Africa-Caribbean-Pacific
AfDB	African Development Bank
AFS	Afrique du Sud
AMESD	African Monitoring of the Environment for Sustainable Development
APRM	African Peer Review Mechanism
ART	Anti-Retroviral Therapy
AU	African Union
BNLS	Botswana, Namibia, Lesotho, Swaziland
CBI	Cross Border Initiative
CET	Common External Tariff
CIDA	Canadian International Development Agency
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DRC	Democratic Republic of Congo
E&SA RSP	Eastern and Southern African Regional Strategy Paper
EAC	East African Community
EC	European Commission
ECCAS	Economic Community of Central African States
EDF	European Development Fund
EIB	European Investment Bank
EPA	Economic Partnership Agreements
EPRD	European Programme for Reconstruction and Development
EQ	Evaluation Question
ESIPP	EU – SADC Investment Promotion Programme
EU	European Union
FANR	Food, Agriculture and Natural Resource
FDI	Foreign Direct Investment
FIP	Finance and Investment Protocol
GNI	Gross national income
HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immune Deficiency Virus/Acquired Immune Deficiency Syndrome
ICP	International Co-operating Partner
ICT	Information and Communication Technology
IDA	International Development Association
IGAD	Inter Governmental Authority on Development
IMF	International Monetary Fund
IMF	International Monetary Fund
IOC	Indian Ocean Council
IOR-ARC	Indian Ocean Rim Association for Regional Co-operation
IRCC	Inter-Regional Co-ordination Committee
JPR	Joint Progress Report
LDC	Least Developed Country
MDG	Millennium Development Goals
NAFTA	North American Free Trade Association
NAO	National Authorising Officer
NEPAD	New Economic Partnership for Africa's Development
NIP	National Indicative Programme
NSA	Non-State Actor
NTB	Non-tariff barriers
PMU	Project Management Unit
PTCM	(SADC) Protocol on Transport, Communications and Meteorology
RAO	Regional Authorising Officer
REC	Regional Economic Communities
RIFF	Regional Integration Facilitation Forum
RIOs	Regional Integration Organisation)
RIP	Regional Indicative Programme

RISDP	Regional Indicative Strategic Development Plan
ROM	Results Oriented Monitoring
RPTF	Regional Preparatory Task Force
RRSU	Regional Remote Sensing Unit (SADC FANR)
RSP	Regional Strategy Paper
RVAC	Regional Vulnerability Assessment Committee (under SADC FANR)
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SADC-DMC	Drought Monitoring Centre
SDI	Spatial Development Initiative
SIDA	Swedish International Development Agency
SIPO	Strategic Indicative Plan for the Organ
SNC	SADC National Committee
SPS	Sanitary and Phytosanitary
SQAM	Standards, Quality Assurance, Accreditation and Metrology
TBT	Technical Barriers to Trade
TDCA	EC-SA Trade and Development Co-operation Agreement
TOR	Terms of Reference
WTO	World Trade Organisation

Sector abbreviations and colour coding as used in the document

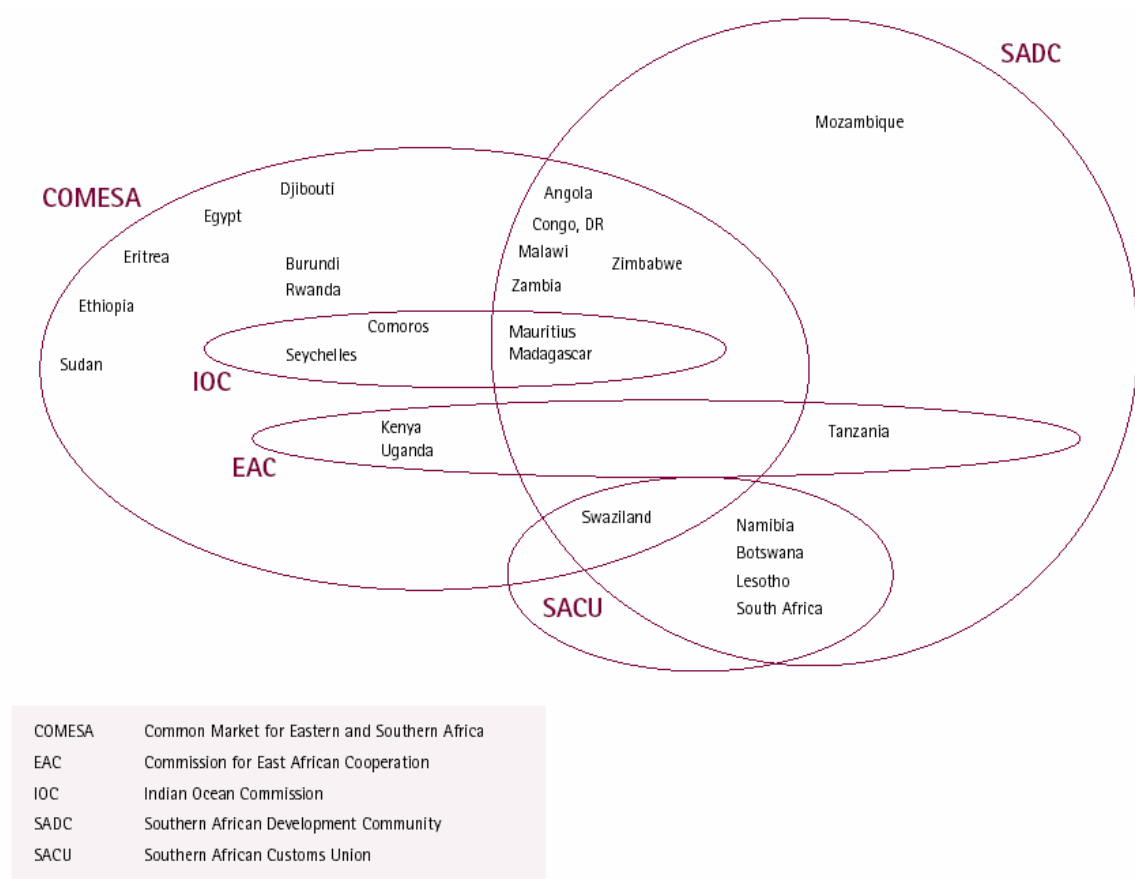
Project sector	
Health and HIV/AIDS	H
Institutional Capacity Building and Human Resources Development	ICB &HRD
Mining, Hydropower and Gas	M, H & G
Non-Focal Sectors	NFS
Rural Development, Environment and Food Security	RD, E & FS
Regional Integration and Trade	RIT
Transport and Communications	T&C
Water Resources Management	WRM

Map 1 Map of the SADC Region



Source: WWW.Sadc.int

Figure 1: Overlapping memberships in regional organisations



SUMMARY

Objectives and Scope

The present report covers the Evaluation of the Commission's support to the Southern African Development Community – SADC – (1996 – 2007) and is a regional level evaluation.

The main objectives of the evaluation are:

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

The Evaluation was carried out during the period April 2006 – July 2007, covering the EDF8 and EDF9 period (during which period a number of EDF6 and EDF7 interventions were still being implemented), and overlapped, to some extent, with the EDF 10 preparation process. The principal sectors covered under the evaluation were: Regional Integration and Trade; and Transport and Communications (identified as focal sectors). These two sectors, together with Food Security, span the broad sectoral approach as seen both by the two SADC RIPs and by SADC's own Regional Indicative Strategic Development Plan (RISDP). In addition, as a result of the prevalence and importance of the HIV/AIDS pandemic in Southern Africa, special attention was paid to HIV/AIDS.

Whereas the EDF8 RSP/RIP still had a strong peace and structural stability focus, the EDF9 RSP/RIP shifted this to a primarily poverty reduction focus, thus linking in with the MDGs as well as taking into account the fact that greater stability was coming to the

region with the ending of a number of armed conflicts.

The Evaluation was structured around ten evaluation questions built around internationally recognised evaluation and assessment criteria. However, already during the desk phase it was agreed that **relevance** was central to the evaluation as it was recognised that with the considerable delays in implementation, drawing conclusions on actual **impact** would be premature – particularly so for many of the EDF9 interventions still in the pipeline.

The Evaluation Context

The Southern African region provides the context for this evaluation, particularly the relationship with SADC. However, the region is characterised by a multiplicity of regional organisations with overlapping mandates, and by the fact that most southern African countries are members of at least two regional organisations, and sometimes more. This complexity is mirrored by the EC which has two support programmes to the region, namely the SADC RSP/RIP – linking to the SADC Secretariat based in Gaborone, Botswana - and the ESA RSP/RIP - which links to the Lusaka-based COMESA Secretariat (as well as the EAC, IGAD and the IOC).

SADC, as an organisation has gone through a period of upheaval, change and re-organisation. In 2001, the organisation moved its central organs and secretariat to Gaborone, Botswana. The existing decentralised directorates (one in each SADC country) were re-structured into four main directorates at SADC Headquarters.

However, in many ways, centralisation has not yet brought the benefits envisaged. Between 60-70% of the budget of the organisation still comes from donors; many posts remain unfilled or frozen, and funding levels remain considerably below what they were before centralisation.

Centralisation of SADC was to have been accompanied by the creation of SADC National Committees with the mandate to ensure the links between SADC and the Member States. In addition, non-state actors – particularly civil society – were supposed to be involved in this process. There was no evidence found, during the evaluation, to show that this process took place to any great extent. The role of civil society is a particular issue because, throughout the region, even where civil society is relatively well established, it is still viewed with suspicion.

As regards the EC programming, there is also a lack of coherence between its own regional programme and the national programmes as reflected in the Country Strategy Papers (CSPs) and the National Indicative Programmes (NIPs). The CSP/NIPs largely do not recognise the regional dimension and are purely focused on the national level. The EDF10 planning process appears to have taken this into consideration with the NIPs now taking account of the regional context.

Main Findings

The evaluation found that although EC support is increasingly poverty oriented, little actual impact on poverty alleviation could be documented. There are various reasons for this, most of which are completely external to EC support – namely the HIV/AIDS pandemic and the economic situation in Zimbabwe, which has a direct spin-off on neighbouring countries. This is a combination of a loss in investor confidence in the region (linked to the situation in Zimbabwe) and an out migration of millions of Zimbabweans into neighbouring countries. Coupled to this, EDF projects were late in starting and the time period of one five-year EDF programme cycle is probably too short to provide a valid and measurable horizon. Economic growth rates of over 6% per annum were considered as being the target if SADC countries were to achieve the MDG poverty reduction targets and -

although some countries in the region, in recent years, are achieving growth rates close to those required - the general prognosis for the region remains pessimistic.

The future of the SADC region also remains uncertain. To some extent, the EPA negotiations have been an additional factor adding to an ongoing internal political process within the region, which is affecting the existence of the present regional configurations. While there is a certain amount of feeling within the region that “we are all southern Africans”; this feeling is moderated by a number of factors pulling in the opposite direction. South Africa remains the region's economic powerhouse, and this is resented by a number of SADC nations; the region has seen a rise in xenophobia; and the proposed regional groupings under the EPAs – in respect of SADC and the ESA-IO EPAs - do not seem to be based purely on economic considerations, but also on political considerations. The dust will probably need to settle on the EPA negotiations before continued region building in southern Africa can become a reality.

The three main sectors which form the core of the evaluation (Regional Integration and Trade; Transport and Communications; Food Security) are closely inter-linked, thus responding to the EC's aim of global impacts in “regional integration”, “sustained economic and social development” and “poverty reduction”, as well as being coherent with the policies, protocols and policy declarations of SADC – including the RISDP. The evaluation confirms that there is a coherence and logical inter-linkage between these three sectors, and, thus, also confirms the basis on which the RSP/RIP was formulated.

The attention paid to HIV/AIDS was also apt and pertinent given the significance of the pandemic in the region and the very high levels of infection.

If SADC – as an institution - is to survive, its institutional capacity will also need to increase, both at the regional as well as at the national level – but this is first and foremost the responsibility of the SADC Member States. ICPs can only support this process – they should not drive the agenda. This having been said, the regional agenda also needs to be supported at the national level through the NIPs – for example through support to SADC National Committees – provided that the initiative and ownership rests with the recipient.

The evaluation found that while SADC, as an organisation, faced many challenges, other constraints arose from within the EC itself. These are problems which are not inherent to the EC's support to SADC *per se* but are almost generic to the EC as an organisation. The same criticisms have been made in other evaluations.

The EC procedures are slow and complicated, and keep changing. For example, programming has been delayed to the extent that many relevant projects identified under EDF 9 had not even started and others identified during EDF 8 only started during the EDF 9 implementation period. Delays have accumulated to the extent that for some EDF 9 projects, planning is simply being abandoned. There is no obvious short-term solution to this, as SADC procedures and capacity will need to be considerably improved if SADC is to become eligible to receive funds through Contribution Agreements.

The combination of an organisation lacking capacity (SADC) with an organisation where adherence to proper procedures is very important (EC) has contributed to delays at all stages of implementation. The EC's institution-based focus has also made a genuine regional vision difficult – in the sense that the RIP's focus tends to be on the **institution** and its processes, rather than on the **issues**. Moreover, the NIPs only have a national focus and work with national

institutions. Meanwhile, other IFCs are starting to become involved in regional funding of programmes which by-pass SADC structures and which are increasingly issue-based.

Main Conclusions

Relevance and Coherence (EQ 1)

EC programmes reflect poverty reduction, economic growth and regional integration. Regional priorities as contained, for example, in the RISDP, are well reflected in the RSP/RIPs, but less so in the CSP/NIPs. Regional strategies and projects are well conceived. The enhancement of coherence between RSP/RIP and CSP/NIP will be a key factor in facilitating the Commission's future regional support. EC's regional interventions are generally relevant, coherent and poverty oriented. Most of EC's national interventions with regional implications are consistent with the substance of the national poverty reduction strategies.

Ownership and Alignment (EQ 2)

The issue of the multiplicity of regional organisations has not been adequately tackled, neither by SADC nor by the EC. SADC is not active in the IRCC; and there is little communication between the (Southern African) EC Delegations with regional responsibilities. In addition, the split of SADC Member States into two EPA groups definitely complicates inter-, and intra-regional co-operation, even though there will still be a number of programmes that can be implemented whether a country is a member of SADC or not.

SADC Member States' ownership of the regional programme is limited as Member States do not support the SADC national Committees adequately. Neither is the regional perspective well elaborated in national plans and development programmes. If progress is to be made with the regional agenda then the constructive participation of SADC Member States' in the regionalisation process is imperative. The prospect for alignment is further

compounded by the EC's lack of strategies and resources at the national level (as reflected in the CSP/NIPs) to pursue the regional integration and economic growth agenda.

Complementarity, Coordination and Harmonisation (EQ 3)

At the policy and strategy level, EC interventions are well related to regional and national development frameworks and anchored in the mandated institutions. This provides good prospects for coordination with other donors. The result is that aid modalities are radically changing in many of the SADC countries, with the expansion of sector-wide approaches and sector budget support, as well as the implementation of the Paris Accords. These changes in development co-operation are likely to affect regional development cooperation positively in the medium-term, as it promotes long-term policy and strategic considerations, which in all probability will include the need for inter-, and intra-regional co-operation.

Effectiveness (EQ 4 – 7)

Regional Integration and Trade

The regional programmes in support of regional integration and trade have either yet to start or are in the early stages of implementation. The review of the available evidence to date suggests that the evolution of the strategy and the areas of support reflect developments in the SADC region. However, the effectiveness of working only through SADC to achieve the objective of regional integration has been brought into doubt. Other donors in the region have been seeking to work with a broader range of delivery mechanisms at regional level.

Transport sector

The national EC interventions that have materialised have contributed well to national objectives and indirectly to regional objectives. The EC transport interventions have resulted in the warranted outcomes at the national level, but outcomes at the regional level

are being constrained by a transport market in the SADC region where the liberalisation reforms are still in their infancy stage. The SADC Member States need to emphasise much more the implementation of transit facilitation reforms and effective regulation in order to make regionalisation work.

Food security

The tendency has been to regard food security as a national concern rather than addressing opportunities for **regional** food security. Due to numerous emergency situations (droughts, natural disasters) food security interventions have tended to focus on short-term responses to crisis situations. The EC long-term interventions within the sector, supporting capacity and institutional building, are of high relevance; however, due to the long-term character and delayed implementation, they do not allow for the assessment of outcome and impact. The EC focus on the long-term solutions and the projects addressing such solutions under EDF9 have only just been approved or are in the final stages of preparation. Initial indications suggest positive outcomes but follow-up will be necessary to ensure the sustainability.

Non-focal Areas

The principal non-focal area addressed was that of HIV/AIDS. HIV/AIDS is an important crosscutting issue particularly linked to Food Security and to Transport. The problems posed by HIV/AIDS in the SADC region are nowhere near a solution. Regional HIV/AIDS strategies are in place and supported by regional donor support programmes (EC, DFID, USAID, etc.) but there are no immediate indications that infection levels are going down, while life expectancy trends remain negative. Institutional strengthening has taken place, HIV/AIDS activities are included as crosscutting activities in many projects and also at the policy levels many positive steps are being taken. However, these have not yet

translated themselves into a reversal of the above-mentioned trends.

Nonetheless, it is obvious that some Member States have been able to slow down the negative trends thus demonstrating that well conceived interventions do have an effect – even if only in the long term. Many of the HIV/AIDS interventions focus on a huge cross-section of the community and it may well take a whole generation before the tide turns.

Efficiency (EQ 4 – 7)

Linking of RIP and NIPs

For implementation to take place at Member state level stronger links need to be forged between the RIP and the NIPs. The implication here also is that the role of the NAO vis-à-vis the RAO needs to be examined and possibly changed so that more implementation takes place at the national level (in much the same way as has already happened in the transport sector).

EC delegations' facilitation of the regional agenda

Delegations with Regional responsibilities do not meet on a regular basis and thus have difficulties to coordinate their activities, and to expand their agenda to also take on board regional aspects as issue-based rather than institution-based activities. Correspondingly, the EC Delegations generally would benefit from becoming increasingly involved in the regional agenda.

Issue-based support versus institutional based support

A number of ICPs are already supporting regional activities – on an issue-based rather than institution-based approach - through parallel processes and institutions because of the challenges faced in implementing through the SADC Secretariat.

Effectiveness of capacity building of regional organisations

There has been a focus on capacity building activities to support a regional organisation (the SADC Secretariat) in

a situation where: there are too few posts for the mandate; existing posts are frozen or unfilled; the posts that are filled are often filled through a quota system and not through a competitive procedure; and the Executive is dominated by the SADC heads of state and has little independent manoeuvrability.

Participation of NSAs

Throughout the SADC region, civil society, in particular, and non-state actors, in general, are treated with suspicion. Civil society is not well developed and has little capacity to focus on regional issues. The fact that the bulk of NSA/CSO capacity for SADC exists in South Africa poses its own problems of regional jealousy – as does the fact that South Africa also dominates the region economically.

EC procedures

The complex procedures have also affected the capacity of the EC to work with civil society. For civil society to make a difference, it needs to be **proactive** rather than **reactive**. The main requirement for this is a certain amount of core funding in order to be able to mobilise quickly, and the EC will need to consider whether their procedures can be modified to accommodate this kind of support.

Contribution agreements are an additional opportunity, which will allow for the utilization of the procedures of the recipient institution rather than EC procedures, but this does imply a major challenge to institutionally weak organisations with poorly developed procedures such as SADC. In order for SADC to benefit from contribution agreements SADC will need to submit itself both to an EC Institutional Analysis as well as implementing its recommendations. The institutional analysis of SADC carried out on behalf of the EC during the first quarter of 2007 suggested that SADC has a long way to go before it is ready for a Contribution Agreement.

Impact and Sustainability (EQ 8, 9 & 10)

Most of the development indicators in the SADC region show negative trends. Few countries in the SADC region are achieving high growth figures, and only few the 6% growth figures calculated as being necessary for poverty reduction. It remains difficult to assess the impact of EC interventions in relation to regional integration, as many of the key programmes supporting the enabling environment for trade and regional economic integration are being implemented in an imperfect policy, economic and social environment. Nonetheless EC's assistance has contributed significantly to promoting the concept of regionalisation in the SADC countries, in the SADC Organisation, among the SADC Member States, and among ICPs.

SADC, as an organisation remains weak both at the regional level as well as at the national level. National level interests continue to take precedence over the regional level, and there is no guarantee that decisions taken at the regional level will be implemented nationally.

The EPA negotiations – because of the negotiating timetable - are likely to accelerate the Member States' decision on which REC to belong to, and on the form that deeper regional economic integration will take. Once these decisions have been made and the confusion of overlapping memberships is eliminated, regional interventions are likely to have greater impact and be more sustainable.

Recommendations

The Evaluation's Conclusions derive from, and have been grouped according to, the Evaluation Questions. While the recommendations are based on this analysis, it has been found more useful to arrive at recommendations which are more encompassing, and which cut across the EQs, with some having a very broad focus and others a more sector specific focus.

Thus, recommendations have been grouped into three broad categories: (i) Policy and Strategy; (ii) Implementation Arrangements; and (iii) Sector-specific recommendations related to the Focal and Non-Focal areas.

Recommendations have been divided into three categories: "high"; "medium" and "low". Those graded as "high" link especially to the EDF10 preparation process. Those rated "medium" are considered to be operational recommendations that can be implemented during the EDF 10 period – these recommendations strive to focus on approaches which will improve the regional dimension of EC assistance to SADC and to Southern Africa. Those recommendations rated "low" are more wide-ranging, do not relate just to SADC, and may involve a decision-making process which involves other actors within the EC than just those involved with SADC. Recommendations are focussed on the EC's operational framework and not on either the RECs or ICPs. The recommendations which have been made are limited to those considered to be implementable. Unrealistic recommendations have been avoided.

(i) Policy and Strategy

It is recommended that:

Recommendation 1: Under the (on-going) preparation process of the EDF10 strong efforts be made to integrate the regional (RIPs) and the national (NIPs) so that the regional dimension in NIPs becomes evident. (*High*)

Recommendation 2: The EC set as a condition for the implementation and coordination of the SADC and E&SA EDF10 RIPS that SADC fully participates in the IRCC. (*High*)

(ii) Implementation Arrangements

It is recommended that:

Recommendation 3. The EC institute the practice of regional delegations meeting regularly to address regional issues; that national delegations join the debate on regional integration; and that budget lines are provided to allow for this to happen. (*Medium*)

Recommendation 4. EC and other ICPs proactively pursue sector wide approaches at the regional level as well as at the national level, and between the regional and national levels; and the comparative advantages of the ICPs are flexibly exploited. (*Low*)

Recommendation 5. The EC provides the required funds to help SADC – or other relevant regional institutions within the SADC region, for example, SACU – to develop their procedures to such an extent that these organisations will be able to receive EC funds directly and implement using their own procedures as defined through a contribution agreement. (*High*)

Recommendation 6. As part of a greater complementarity between RIPs and NIPs under EDF 10, alternative funding channels are explored for funding regional support through NAOs or through a second RAO located outside the SADC Secretariat – potentially in SACU. (*Medium*)

Recommendation 7. EC maintain a regional programme for the SADC region, including support to the SADC Secretariat, while at the same time promoting increased SADC Member State participation in the regional programme with a view to increasing Member State ownership of this programme and achieving a proper balance between ICP and SADC Member State fund allocations to regional programmes. (*Medium*)

Recommendation 8. Efforts are made – through the NIPs - to support relevant institutions at the national level that can contribute to regional integration, particularly SADC national committees, in an effort to increase national ownership and awareness of regional

issues, and also to stimulate the national debate. (*Medium*)

Recommendation 9. EC advocates for: (i) the adoption of the regional perspective for each of the focal and non-focal areas in the NIPs, where relevant; and (ii) increased focus on the regional dimension in Member States' poverty reduction strategies. (*Medium*)

Recommendation 10. EC facilitates a proactive NSA participation at regional and national with a view to promoting the regional perspective through core funding of NSA activities. (*Low*)

(iii) Sector Specific Recommendations

It is recommended that:

Recommendation 11. EC facilitates the EPA related discussions at the regional as well as the national level, while also addressing coordination and harmonisation issues between SADC and COMESA, and assisting the discussion on the optimal constellation of states in the two emerging EPA groups. (*High*)

Recommendation 12. EC support SADC's facilitation and coordination role in: liberalising the transport market in Member States; promoting regional development corridors; and establishing prioritisation criteria for distribution of available infrastructure funds; and that support to the transport sector as contained in the NIPs adopts both a regional and national focus. (*Medium*)

Recommendation 13. The EC's approach to food security emphasises its long-term character with a view to enhancing the sustainability of food security in the region. (*Medium*)

Recommendation 14. A capacity be set up within the EC – in the form of an HIV/AIDS Help Desk – that can support the integration of HIV/AIDS into all EC programmes within the Region. (*Low*)

1 INTRODUCTION

This report covers the Evaluation of the Commission's support to the Southern African Development Community (SADC) and is a regional level evaluation. The report synthesises the findings of the desk phase and field phase.

The Evaluation was carried out during the period April 2006 – July 2007. The Evaluation is centred on the Intervention Logic (see Annex 3) and its 10 Evaluation Questions, which were conceived during the Inception. The Evaluation overlapped, to some extent, with the EDF 10 preparation process. It is the hope of the Evaluators that some of the conclusions and the recommendations from this Evaluation may be helpful within this process.

The structure of the report is based on the table of contents included in the Evaluation's Terms of Reference (included as Annex 2 in Volume 2) but adapted in accordance with the Evaluation Guidelines on the Europe Aid website.

The report is structured into four major elements:

- The methodology: Chapter 2
- The context in which the evaluation took place: Chapters 3-5
- The answers to the evaluation questions: Chapter 6
- Conclusions and recommendations: Chapters 7-8

Every effort has been made to keep the main report short and readable. Accordingly a number of annexes have been prepared, which are contained in a separate volume to the main report. Volume 2 contains the data and findings on which the main report (Volume 1) is based.

Volume 2 contains ten annexes. The most important of these annexes is Annex 1, which brings together the data from both desk and field phases, and structures this according to the ten Evaluation Questions. The other annexes feed into this main annex in a number of ways. The data annexes include: The Intervention Logic (Annex 3); the List of projects (Annex 5); Background to the SADC region (Annex 6); the Desk analysis of the CSP/NIPS for the SADC region (Annex 8) and the Country and Sector Reports from Field Visits (Annex 9).

Volume Two also contains: the Terms of Reference for the Evaluation (Annex 2); a detailed Methodology Annex (Annex 4); the List of Documents consulted (Annex 7) and the List of persons met (Annex 10).

2 EVALUATION FRAMEWORK AND METHODOLOGY

2.1 FRAMEWORK AND OBJECTIVES

The Evaluation of the European Commission's support to the Southern African Development Community is a regional level evaluation and is part of the 2005 evaluation programme as approved by the EC's External Relations and Development Commissioners.

Objectives and Scope

The main objectives of the evaluation are:

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

In geographical terms, the Evaluation covers not only the SADC region but also the individual countries within the region to the extent that co-operation with them is important for the regional dimension of the EC's co-operation with the SADC. The framework for the Evaluation is the EDF8 SADC RSP/RIP (1996-2001) and the EDF9 SADC RSP/RIP 2002-2007.

The Evaluation is related to a number of criteria: a) the 3Cs – coordination, complementarity and coherence; b) the OECD/DAC evaluation criteria – relevance, efficiency, effectiveness, impact and sustainability; and c) the Paris Declaration – ownership, alignment and harmonisation.

Focal Areas

The three main sectors covered by the Evaluation have been identified based on the regional strategy documents, the TOR for the Evaluation, and the analysis undertaken as part of the Inception and Desk Phases. These are:

- Regional integration and trade;
- Transport and communications;
- Food security, environment and natural resources

Of these three, Regional Integration and Trade; and Transport and Communications have been identified as **focal areas** in the EDF9 RSP/RIP.¹ In addition, important financial resources were allocated to projects falling in the broad category of Food, Agriculture and Natural Resources – particularly during EDF8 – and also to capacity building. In addition, the evaluation covers a number of non-focal sectors – including promotion of peace and security, promotion of human rights and democratisation, and, in particular, the reduction in HIV/AIDS prevalence.

Comparative assessment of the EDFs

Although there are significant overlaps between the EDF8 SADC RSP/RIP (1996-2001) and the EDF9 SADC RSP/RIP (2002-2007) there are also significant differences.

The 8th EDF RIP, at the level of objectives (global impact) envisages sustained socio-economic development leading to improvements in the standard of living and improved quality of life, and in the long term to the securing of peace and structural stability in the SADC region – with poverty alleviation as one of the outcomes. Meanwhile, EDF9 is more in line with the present overall objective of EU co-operation with the developing countries and with the Millennium Development Goals, which

¹ Terms of Reference: Evaluation of the Commission's Support to the SADC, p.4; SADC-EC RSP/RIP 2002-2007.

place poverty eradication as the primary and overarching objective of EU development policy². In the specific framework of EC co-operation with ACP countries, the overall regional objective acquires a poverty reduction focus. The objective “to increase economic growth and reduce poverty through support for higher levels of regional economic integration” has poverty reduction as the intended contribution to the longer-term impact. This is envisaged as being achieved through integration of the SADC countries into the world economy, which will lead to increased economic growth and sustainable economic and social development of the SADC countries.

Both the RSP/RIP and SADC's own Regional Indicative Strategic Development Plan (RISDP of 2004) follow the vision of the Cotonou Agreement. Although the Cotonou Agreement was only signed in 2000, both EDF8 and EDF9 can be seen as fitting within the framework of the intentions of the Agreement in respect of Regional Co-operation and Integration. As outlined in the Windhoek Declaration SADC has identified four sectoral co-operation and integration areas: ³

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

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

Food Security, Agriculture and Natural Resources, an important component under EDF8, was not retained under EDF9. However, it was agreed to retain Food Security in this Evaluation as a third area of priority on the basis that there are projects under implementation ⁴ and also that Food Security is likely to feature more strongly under EDF10. Particularly the link between food security, the rural economy and poverty alleviation was strongly underlined as a further reason for inclusion under EDF10 (reference is made to the statement by Louis Michel, Commissioner EC Development and Humanitarian Aid ⁵).

2.2 METHODOLOGY

2.2.1 Approach to the Evaluation

Two challenges need to be addressed during the evaluation:

- Challenge 1: Many regional support programmes are either yet to start or are in the early stages of implementation.
- Challenge 2: Evaluating impact of activities supporting processes and capacity building is problematic and a recognised area of weakness in the logframe approach⁶. This challenge is compounded by evaluation requiring an assessment of a portfolio of such activities not just the programmes themselves.

² European Consensus on Development 2005

³ Windhoek Declaration, para. 41., p.10

⁴ Food Security projects make up some 5% of “planned disbursements” – as compared to 9% for Regional Integration and Trade and 40% for Transport and Communications. The pie chart in section 6.1.2 gives a complete overview of planned distribution based on the projects thus far identified.

⁵ Louis Michel: Regional Programming Seminar 2006. Speech to Plenary Session, 25th February 2006 – Gaborone, Botswana.

⁶ P. 59 of “Project Cycle Management Guidelines” European Commission (2004).

Given the early stage of implementation, in assessing the likely impact outcome of the activities, **relevance becomes central to the evaluation**. Verification of the problematic situation, the quality of the proposition takes highest priority. Assessment of the likely **efficiency** of the programmes will require identification of a counter-factual of how else the results may have been achieved – both in terms of activities and alternative institutions. Assessing potential **effectiveness** will involve testing the assumptions and risks of the programme – in particular with regards to the future shape of regional integration.⁷ The assessment of the **likely impact** on the indicators and therefore the judgement criteria will be determined in large part by the extent to which the programme is relevant and effective and through consultations with intended recipients and beneficiaries of assistance.

However, the assessment of likely impact requires an evaluation of more than how the programmes are likely to contribute to regional integration. Regional integration is a means to an end – and regional integration needs to be managed if it is to contribute to sustainable development and growth and ultimately poverty eradication. While the sector specific evaluation questions will provide an initial perspective on this issue, it is intimately linked with the analysis of other Evaluation Questions, in particular those linked to impact and sustainability.

Challenge 2 needs to address activities and purposes, and the likely impact on sustainable development and poverty alleviation. However, many of the programmes are only in the early stage of implementation will not be contributing to these indicators such as impact and effectiveness.

2.2.2 Hypotheses

A number of hypotheses were formulated at the start of the evaluation, which were tested during the course of the desk and field phases. The Evaluation questions were based on these hypotheses.

1. The **first hypothesis** links to the overall objective for EU cooperation with the ACP countries. EC support to regional integration and integration in the world economy, has contributed to sustainable economic and social development, which has impacted on poverty reduction. Responses to EQs 1, 2 and 10 relate to this hypothesis.
2. A **second hypothesis** links to the overall objective for EU cooperation with SADC. Regional integration will be achieved within the SADC region if (i) SADC instruments and performance capacity is increased; (ii) the instruments and capacities of central and local governments are increased; (iii) the participation of the private sector (modern, rural and informal) is increased and its capacity is developed; and (iv) civil society is fully involved. Responses to EQs 3, 8 and 9 relate to this hypothesis.

A number of external factors are also playing a role. The following **additional hypotheses** were accordingly formulated. Responses to EQs 4-7 relate to these hypotheses.

3. Regional integration is difficult to achieve because there is a discrepancy between the policy statements in respect of regional cooperation and integration – for example, those made by the SADC Heads of State and by the SADC RISDP - and the instruments required at national government level to implement these policy statements. The tendency may therefore be to retain a focus on national projects rather than on regional projects – even when drawing funds from the EC's regional support to SADC.

⁷ To illustrate: A programme whose impact is dependent only on SADC achieving an FTA is less vulnerable relative to one requiring the achievement of a Customs Union.

4. Support to capacity building of regional institutions will not contribute to regional integration (and ultimately poverty reduction) if the SADC governments themselves do not also ensure that all positions in the SADC Secretariat and institutions are filled, and that suitably qualified staff are employed in these positions.
5. There is no real feeling of a regional SADC identity. South Africa, which has negotiated its own agreement with the EC, remains the Region's economic powerhouse, dictating rather than co-operating. In addition, SADC is not negotiating as a single bloc with the EC in discussions on an EPA. Instead SADC countries are negotiating as several blocs, with only a smaller group of 8 countries negotiating specifically as SADC.

2.2.3 Evaluation Questions

The evaluation questions derive from the hypotheses and from the intervention logic prepared for the two RIPs. The table below illustrates the relationship between the Evaluation Criteria and other selected Assessment Criteria, on the one hand, and the Evaluation Questions on the other, and also explains the sequence of the questions, starting with the relevance of the conceived interventions (EQ1) and ending with their sustainability (EQ10). The full text of the evaluation questions and the answers to these questions are contained in Annex 1, Volume 2 of this report.

However here it is worth noting that EQs 4, 5, 6, and 7 focus on the specific sector interventions – Regional Integration and Trade; Transport and Communications; Food Security; and the Non-Focal Sectors.

Table 1: Relationship between Evaluation and Assessment Criteria and the Evaluation questions

	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
Relevance	x									
Coherence	x									
Ownership		x								
Alignment		x								
Complementarity and Coordination			x							
Harmonisation			x							
Efficiency				x	x	x	x			
Effectiveness				x	x	x	x			
Outcome				x	x	x	x			
Impact								x	x	x
Sustainability								x	x	x

2.3 DATA COLLECTION

2.3.1 Project information

The CRIS databases (CRIS production and the CRIS Consultation) were the main sources of information on the EC interventions in the SADC region in the period under investigation. An inventory has been assembled of planned actions in the region (at regional and country level as relevant) relating to regional co-operation and regional economic integration, funded through the EC during the 1996-2007 period. The databases display the names of the countries and region where the projects are planned, the titles and identification numbers, the budget planned, contracted and

paid and the source of funding as well as the Delegations in charge and in some cases the task managers. (The full list of the projects is included as Annex 5).

The EC's ROM database has proved to be a key source of information on the specific interventions. However, not all the projects in the SADC region have been monitored. The evaluators therefore still required documentation on a number of key projects. Since deconcentration, it has become more difficult to acquire all relevant project documentation in Brussels as this now tends to be held at the Delegation level.

Three additional entries not found on the CRIS database were included in the list of regional projects following the suggestions of members of the Reference Group. These entries correspond to projects that are still at the appraisal stage and that therefore were not recorded in CRIS with a project identification number.

2.3.2 Additional documentation

An indicative documentation list was included as part of the Terms of Reference. This list was considerably expanded during the course of the evaluation with reports acquired through focused research on the Internet and through reports acquired as a result of meetings held in Brussels and during the field visits. The full list of reference documents is included as Annex 7.

2.3.3 Interviews and Focus Groups

A SADC Questionnaire Matrix (used both as an interview schedule and a check list – see Annex 9) was prepared for the field visits based on, and adapted to the structure of, the ten Evaluation Questions.

Interviewees included the EC Delegation (which was contacted prior to the field visit and requested to suggest other relevant national and regional actors); NAOs; relevant PMUs/project staff; civil society/non-state actors (NSAs); other relevant donors. Interviews were conducted in accordance with the SADC Questionnaire Matrix so that these became structured qualitative interviews as a supplement to the quantitative information accessed through statistics. Fewer focus groups than initially hoped for could be arranged but, in many if not most of the meetings, more than one individual participated – thus giving a broader perspective.

As already noted in the Inception and Desk Reports, use of a large-scale questionnaire-based quantitative survey was ruled out since (i) response rates tend to be low and unrepresentative unless extra time, money and effort is dedicated to the exercise – which would mean a revision of both the budget and the work plan - and (ii) sufficient reliable quantitative data is expected to be available through existing sources.

2.4 FIELD PHASE

The objective of the field phase was to supplement the information and analytical elements collected during the desk phase in order to answer the Evaluation Questions fully, through systematically addressing each of their Judgement Criteria and related Indicators. There were four principal channels through which information was sourced:

- Ongoing analysis of relevant documents and websites; collection of missing project information for key RIP and selected NIP projects.
- Visits to a limited number of countries in the region. Selection will be based on those countries where there is an overlap between the main sectors of the evaluation – in order to better focus on whether the logic at the level of overall impacts (sustainable development; regional integration; poverty reduction) is correct – and an overlap between the regional sectors and the priorities in the NIPs

- Direct interviews: with parties involved in the regional strategy, either as actors or stakeholders. This will include: relevant national and regional authorities/organisations; beneficiaries; the EC Services in Brussels and the relevant EC Delegations; relevant donors, international and regional research institutions and experts.
- Study of a limited number of regional projects within the main sectors of regional co-operation: Regional Integration and Trade; Transport and Communications; Food Security; and HIV/AIDS.

Field visits were essential because they provided the examples for the sequence of particular interventions from start to end of the project cycle. However, the fieldwork was not intended as an in-depth assessment of activities or projects, but more an analysis of their relevance to the EC's regional support to SADC, the policy approach, the challenges related implementation, etc. This means that, although there will be a broad coverage, the interviews will not be "representative" in the statistical sense; neither will projects be evaluated.

The approach to the projects varied. Physical infrastructure projects – such as roads – are implemented nationally, even though they have a regional importance; Malawi's national road projects have a regional implication, for example. In this sense there are no regional roads projects, although most major roads projects will have regional implications. The Regional Integration and Trade projects are different in that they remain regional, and here the Regional RIT Projects would take priority over national projects focusing on regional integration. Here also there is a clear distinction to be made between those projects implemented under EDF 8 (statistics, investment promotion, capacity building), which have seen significant disbursement – and those under EDF 9, where implementation has just started. For these reasons the choice of countries is important when making the final choice of projects.

The four international experts visited at least one country in the Region. In addition all experts overlapped within the region during a short period of time. Advantage was taken of the fact that Johannesburg is a regional hub to schedule a team meeting there during the field phase – and then, on the advice of the Delegation in Botswana – to also visit the Regional Delegation and the SADC Secretariat. The main objective of this team meeting was to share the results of the field phase between team members, as a preparation for the writing of the final report, and as a preparation for the visits to the SADC Secretariat and the debriefing of the EC Delegation in Gaborone.

2.4.1 Country choice for field visits

The following countries were included for field visits: Botswana; Malawi; Namibia; South Africa; Swaziland, Tanzania and Zambia. Several considerations influenced this choice. They include (i) the limited available resources for the field phase and hence (ii) a postulated maximum of one week per country. This should be feasible as it was the intention to evaluate the framework for intervention, the decision-making process and the approach to implementation. It may be noted that neither Zimbabwe nor Mozambique were considered for field visits. Zimbabwe because of the on-going EC position on Zimbabwe, and Mozambique because it was considered that the delegation would be over-stretched as a result of needing to manage several evaluations scheduled for the same period. Both countries could have been considered suitable for field visits relating to Food Security; particularly Zimbabwe which had previously hosted Food Security activities and which is still home to a certain number of SADC-related Food Security activities.

The point of departure for country choice has been identification of countries where there is a spread over a number of the principal areas of concentration, where there is significant implementation, and where other relevant factors come into play (e.g.

regional headquarters, memberships of different regional organisations, location of regional research institutions, chronic food insecurity, etc.)

Based on these considerations, the following countries were identified for field visits:⁸

Box 1: Choice of countries for the field visits

Country	Reasons for level of priority accorded	Team Member
Botswana	Headquarters of SADC. Many regional projects. EC Regional Delegation to SADC. Member of SACU. SADC Council of NGOs. Funding of regional HIV/AIDS programme. In addition, very high incidence of HIV/AIDS and a Government which has taken many positive steps to tackle the crisis.	DN, NC, SK, PKH, TM
Malawi	LDC. ESA EPA. Chronic food insecurity. Landlocked country with transport corridor projects	PKH
Tanzania	LDC. Important regional transport corridors. Negotiating EPA with SADC. Agriculture and Food security issues. EAC Secretariat. (Team member visiting Tanzania within the context of a bilateral donor mission looking at transport – would also look at the EU transport programme).	TM, (PKH)
Namibia	Member of SACU. Headquarters of SACU. Fisheries programme. Transport corridors.	NC
South Africa	Member of SACU. Regional economic hub. Support from EPRD to SADC regional projects. Regional HIV/AIDS programme. Regional research institutes and programmes.	DN, NC, PKH, TM, SK
Swaziland	Member of SACU. SAPP; member of COMESA. Negotiating EPA with SADC. Private sector projects; trade related assistance; HIV/AIDS issues;	NC
Zambia	LDC. Chronic food insecurity. ESA EPA; Regional EC Delegation for ESA. COMESA headquarters. Landlocked country with transport corridor projects. (Team member visiting Zambia within the context of a bilateral donor mission looking at transport – would also look at the EU transport programme.)	DN, (PKH)

2.5 CONSTRAINTS FACED DURING THE EVALUATION

A number of constraints were faced:

Access to materials

With deconcentration, project documentation is no longer all held in Brussels which meant that, during the desk phase, it was not always possible to access all project material. In many cases, the only details that were available to the Evaluation Team were what was contained in the CRIS database. A number of monitoring reports did exist but as many of the projects under the EDF 9 RIP have barely started there was little information available.

In addition, because many of the projects started very late (for example some projects planned in 2000 were only just starting implementation in 2007⁹) assessing project

⁸ It may be noted here that, following the meeting of the Reference Group, it was agreed to replace Mozambique with Tanzania; and to add Swaziland because of the private sector and trade related elements under implementation.

impact (as well as efficiency and effectiveness) becomes impossible. In addition, the context in which projects were planned might no longer be the same as it was then, also making the judgement of relevance difficult.

Timing

The Field mission had to be delayed because the timing overlapped with the preparation of an Extraordinary Summit of the SADC Heads of State. This forced a postponement of several months because of team members' previous engagements in the period following the originally planned field visits, as well as the SADC Christmas break. In the event it was still not possible to meet all those targeted for interviews as meetings, seminars and workshops continued to be planned notwithstanding the imminent visit of the evaluators.

Key informants

Certain key informants could not be met – this was especially the case with the SADC National Committees (SNCs). The main reason for this, however, was that these SNCs exist in name only and, in fact, hardly function. It was also difficult to meet the senior programme management staff of SADC because they were all out of town at a workshop during the Team's visit. Nonetheless a very broad spectrum of individuals and institutions were met. The full list is contained in Annex 10.

2.6 THE PROCESS FOLLOWED

As mandated through the Terms of Reference, the Evaluation has progressed through four main phases. The Inception Phase was formally terminated with an Inception Report, as was the Desk Phase. Both reports were presented to the Reference Group which has played a major inter-active role on the Evaluation, both with inputs on the contents of the two reports, and on the methodological approach to the field visits. The Reference Group formally approved both reports.

There was an unfortunate gap between the Desk Phase and the Field Phase through circumstances beyond the control of the Evaluation team. However, in order to maintain momentum, a short initial visit to Swaziland was undertaken by a team member based in the SADC region, before the main series of field visits. This contributed to sharpening the approach to the fieldwork methodology.

Then, once started, the fieldwork phase ran smoothly and the whole team joined forces in the region to engage in a joint briefing session with the Regional Delegation in Gaborone and with SADC officials. The joint working sessions of the Team while together in the Region also allowed for the exchange and cross-checking of information as each team member – in addition to his own sector specialisation – also attempted to cover aspects of the other sectors, using the evaluation check list.

This report contains the outcome of the Synthesis Phase – drawing on the previous phases and draws out conclusions and recommendations.

⁹ This is further illustrated in the figures for “planned, contracted and paid amounts per sector” as contained in the figures in Annex 5 – figures, 5, 6 and 7.

3 THE SADC REGIONAL CONTEXT

A more detailed and in-depth discussion of the SADC regional context – also containing the earlier history of SADC when it was still the Southern African Development Coordination Conference (SADCC) and before the accession of South Africa to SADC - is included as Annex 6.

3.1 OVERVIEW OF THE SADC REGION

Formation of SADC and its characteristics

SADC transformed itself from a “Coordination Conference” into a “Development Community” at the end of the apartheid era when, with South Africa no longer the enemy, it became apparent that Southern African nations would benefit from the economies of scale afforded by regional integration. The treaty transforming SADCC to SADC was duly signed in August 1992, with South Africa itself joining in 1994.

In 2007, SADC still has 14 Member States (Angola, Botswana, the Democratic Republic of Congo – DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe). It should, however, be noted that the 14 now include Madagascar but not the Seychelles.¹⁰

Since its inception, SADC has inculcated a sense of regional belonging as well as a tradition of consultation among the peoples and governments of Southern Africa. Furthermore, SADC has developed protocols in a number of areas of co-operation, which provide the legal framework for co-operation between Member States.

The region is characterised by a mixture of Least Developed Countries (LDCs) and countries with stronger economies (notably South Africa, but also Botswana, Mauritius, Namibia and Swaziland). South Africa's role as the regional economic powerhouse is regarded with suspicion and jealousy by many of its neighbours, a legacy from the time that SADCC's objective was to make the “front-line” States independent of South Africa's economic hold on the region, and on their countries' economies. Migration to South Africa – much of it illegal – continues as job-seekers are drawn to the prospect of jobs in the region's largest economy. South Africa's dual role is illustrated by its negotiation of a separate economic agreement with the EC (the Trade, Development and Co-operation Agreement – TDCA).

Restructuring of SADC and Member States' contribution to the regional agenda

The lack of appropriate mechanisms capable of translating the high degree of political commitment into concrete programmes of community building and integration culminated in a decision – implemented in 2001 - to restructure the twenty-one existing sectors (located in institutions spread throughout the SADC member countries) into broader clusters under four Directorates located at the SADC Secretariat in Gaborone, Botswana. At national level, the SADC National Committees were to be established to co-ordinate the respective individual Member State interests relating to SADC. The objective of the restructuring was to increase the efficiency and effectiveness of SADC policies and programmes and to implement a more coherent and better co-ordinated strategy to eliminate poverty in the Region.

Member State contributions to the regional agenda are limited, with SADC mostly relying on donor support; policy commitments made by national leaders at regional conferences are slow to be implemented at national level; involvement of NSAs also varies considerably, with at the low end of the scale Zimbabwe which, with its NGO Bill, effectively muzzles non-state actors. Governance issues are of such importance nationally, that little focus appears to have been given to a regional civil society. There

¹⁰ When the RSP/RIP was signed the Seychelles was still a member of SADC. Although this is no longer the case, negotiations are ongoing with a view to the Seychelles re-joining SADC. Madagascar joined SADC in 2005.

are very few regional NGOs and many different traditions for governance within the region – with, on the one hand, the DRC holding its first election in forty years, and on the other hand, Botswana, which has been a multi-party democracy holding regular elections since 1966.

The Regional Integration and Strategic Development Plan (RISDP)

In 2004, in order to underpin the restructuring of SADC institutions, the SADC Secretariat prepared a Regional Indicative Strategic Development Plan (RISDP). The purpose of the RISDP is to deepen regional integration in SADC, and to provide SADC Member States with a consistent and comprehensive programme of long-term economic and social policies.

The first priority for the RISDP is regional integration and the promotion of trade and economic liberalisation. The establishment of a SADC Common Market is an important element for achieving these ends, but implies a focus on strategies, which include enhancement of competitiveness; harmonisation of policies, and legal and regulatory frameworks for the free movement of factors of production. The SADC Trade Protocol and Transport and Communications Protocol are key elements in realising these objectives¹¹.

The RISDP also emphasises energy and water resources. The need for focusing investment in the Southern African Power Pool (SAPP) has been identified to pre-empt future energy problems and to further develop water resources management, building on the Shared Watercourse Systems Protocol.

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

The Strategic Indicative Plan for the Organ (SIPO)

SADC institutions and protocols exist to tackle these issues (e.g. Strategic Indicative Plan for the Organ – SIPO – dealing with politics, defence and security, etc.). In the agendas on peace and security, and on democracy and good governance, SADC is aligning itself with the African Union (AU) and NEPAD initiatives, with 8 SADC Member States joining NEPAD's African Peer Review Mechanism (APRM) on governance.

Here it is worth noting that more than half of those members of the African Union signing up for the Peer Review mechanism are in fact members of SADC, making SADC the “most peer-review-aligned region on the continent”. This should serve as a positive indicator of regional convergence in the direction of good governance. However, SADC organs are reticent in their criticism of human rights and good governance issues in member states. Thus while political freedom continues to become stronger in the region as a whole, the average masks large country differences¹².

Development constraints and challenges of the SADC Region

Despite the statements of unity, much of the SADC region remains in a post-conflict situation with substantial challenges to the consolidation of security, stability and democracy. These challenges include: dealing with refugees and displaced persons,

¹¹ Reference is also made to the analysis in the **Joint Progress Report on Co-operation between SADC and the EC (2005)**

¹² Freedom House indicators – as quoted in the NEPRU Regional Integration Yearbook for 2004 – suggests that the region as a whole has become freer, but with a number of countries (including Angola, Congo and Zimbabwe) still classified as “not free”. The 2006 elections in the Congo may well contribute to changing this classification for Congo.

trafficking of small-arms and light weapons; de-mining; demobilisation; human trafficking; and drug abuse.

The economic situation in Zimbabwe is causing a regional overspill affecting neighbouring SADC countries. This is coupled with a huge migration problem in the Region (in SA, from Zimbabwe and Mozambique; and in Botswana and Zambia, with in-migration from Zimbabwe), and a resultant rise in xenophobia. Zimbabwe has become the exception to every regional trend, skewing all the regional figures and pulling all the averages down. The migration of Zimbabweans to neighbouring countries to escape from poverty and the political situation in Zimbabwe contributes to the rise of xenophobia but also to the continuing restrictions on the freedom of movement of people and services.

Poverty eradication remains a high priority for SADC with approximately 40% of the region's population living below the \$1 per day poverty datum line and about 70% living under \$2 per day.¹³ This situation is compounded by the growing incidence of HIV/AIDS, tuberculosis and malaria, increasing mortality and morbidity rates which are skewing demographic profiles, removing individuals from the workforce and resulting in growing numbers of orphaned and vulnerable children. On this basis, the SADC/EC Joint Progress Report has concluded that: "Human poverty appears to be deepening in all SADC countries, with the exception of Mauritius, and the achievement of the MDGs by 2015 seems rather unlikely"¹⁴.

Apart from Mauritius, where poverty levels seem to be stable at around 10%, the rest of the SADC area does not show marked improvements – rather the opposite. Many observers suggest that persistent poverty is linked to the effects of the HIV/AIDS pandemic which continues to ravage the region. Natural disasters – such as droughts and floods – also affect the region, and have a direct impact on Food Security. Recovery after poor harvests is only exacerbated by the HIV/AIDS situation, which contributes to reducing the number of able-bodied individuals capable of working in the food production sector.

This gloomy vision is confirmed by the End of Term Review of the SADC EDF 9 RIP/RSP and the Draft EDF 10 RIP/RSP which both note that, although for 2005 the average GDP growth for the region is expected to have increased to 4.7% from the 4.2% achieved in 2004, growth levels remain insufficient to achieve the MDGs which will require a sustained growth rate of 6.5% in order to halve poverty by 2015. Although regional growth rates are expected to rise during 2006 and 2007 (according to IMF September 2006 figures) this mostly reflects the accelerated pace of economic growth in South Africa and the figures for Angola fuelled by oil exports.¹⁵ The conclusion is that: the regional growth rate has generally remained below the average for Sub-Saharan Africa and significant national disparities remain¹⁶.

Major challenges and problems remain. As stated in the SADC Barometer: On governance and conflict questions, the region is hopelessly divided. On policy harmonisation, leaders are distracted. And in trade liberalisation – arguably the most obtainable SADC goal – leaders are backtracking on agreed schedules¹⁷. The situation in SADC during the EDF9 period has been characterised by a number of unforeseeable climatic problems and resultant food shortages. This has had a strong influence on the

¹³ Figures have been taken from the: **Joint Progress Report on Co-operation between SADC and the EC (2005)**

¹⁴ **Joint Progress Report on Co-operation between SADC and the EC (2005)**, p.2

¹⁵ Comparative national poverty figures for the SADC region based on the Human Poverty Index are contained in Annex 1.

¹⁶ Reference is made to: EC – End of Term Review: SADC EDF 9 RSP/RIP; and EC – (Draft) RSP/RIP for the period 2008-2013.

¹⁷ SADC Barometer. Issue 3, October 2003. p.21

economic development of a number of the countries in the SADC region and hence on the regional integration process.

3.2 REGIONAL INTEGRATION INITIATIVES AND INSTITUTIONS

The Southern African Region is characterised by a multiplicity of regional integration initiatives and institutions, of which SADC is just one. There is a significant overlap in the membership of regional organisations as SADC also includes members of COMESA, EAC, ECCAS, IOC and SACU. An overview of the overlapping memberships in regional institutions in the southern African region is illustrated in Figure 1.

Apart from the overlapping memberships in various African regional institutions, the Eastern and Southern African countries are supported by two EC regional programmes, notably the SADC RSP and the E&SA RSP (the latter covering COMESA, EAC, IGAD and IOC). There is a certain amount of overlap between the two RSPs as a number of SADC Member States are also members of COMESA, and thus potentially also benefit from programmes funded under the E&SA RSP. The two RSPs have been harmonised to the greatest extent possible, particularly with respect to the Regional Integration and Trade focal sector.

There is an agreement between E&SA and SADC on harmonising the programmes funded under the respective RSPs/RIPs. The ESA EDF 9 RIP/RSP were prepared jointly by four Regional Integration Organisations (COMESA; EAC, IOC and IGAD). SADC had been invited to join this process but preferred to retain its own RSP/RIP.

Box 2: IRCC Mid Term Evaluation

As stated by McLeod: In the light of their inexperience (in the management of regional projects), the four RIOs decided to create an Inter-Regional Co-ordinating Committee (IRCC) with members including the EC and the Southern African Development Community (SADC). (p.i) Within a year, by October 2002 an IRCC had been formally established by the four RIOs and the €223 million RSP/RIP for the ESA Region (excluding SADC) had been presented to the EDF Committee. Although SADC was to continue to be a member of the IRCC, it was recognised that, by having its own RIP, it was not appropriate for it to act as one of the lead RIOs in the formulation and execution of projects in the ESA Region. (p.7)

Source: McLeod, 2005. Mid-Term Evaluation of the IRCC Support Project.

However, SADC appears to have withdrawn its formal membership of the IRCC and retained only observer status – and, in fact, only rarely participates as an observer. Thus, while the IRCC appears to effectively coordinate COMESA, EAC, IGAD and IOC, activities related to the SADC RIP are not dealt with by the IRCC and there is no effective coordinating mechanism.¹⁸

In addition, the Southern African Customs Union (SACU), comprising South Africa, Botswana, Lesotho, Namibia and Swaziland, is another powerful regional organisation within the SADC region, pre-dating the other RIOs. SACU came into existence on 11 December 1969 with the signature of the Customs Union Agreement between South Africa, Botswana, Lesotho and Swaziland, and entered into force on 1 March 1970, thereby replacing the Customs Union Agreement of 1910.¹⁹

Overlapping membership is particularly problematic given the overlapping mandates of the different Regional Economic Communities (RECs). COMESA, EAC, SACU and SADC all overlap in most key areas of economic integration. While SACU and EAC

¹⁸ Ref: McLeod, J. 2005. **Mid-Term Evaluation of the IRCC Support Project.**

¹⁹ SACU is the oldest Customs Union in the world. It meets annually to discuss matters related to the Agreement. There are also technical liaison committees, namely the Customs Technical Liaison Committee, the Trade and Industry Liaison committee and the Ad hoc Sub-Committee on Agriculture, which meet three times a year.

have already established a Customs Union, ²⁰ both SADC and COMESA have also committed themselves to becoming Customs Unions. Moreover Lesotho, Namibia, South Africa and Swaziland are party to a Common Monetary Area within SACU.

Although not necessarily a problem if the regional organisations aim to strengthen functional co-operation (such as regional food security programmes, peace and security, cultural co-operation, etc.), overlapping mandates – particularly trade related - may present more complications when moving towards a more formal customs union, as “membership of more than one Customs Union (CU) is technically impossible”.²¹ In a situation where most Regional Economic Communities in Eastern and Southern Africa wish to move towards a Customs Union, Member States with multiple memberships at present will have to strike the balance of the costs and the benefits of belonging to one CU grouping. The conclusion of the Jakobeit *et al* report on Overlapping Membership in COMESA, EAC, SACU and SADC is that: “only fully functional CUs can act as relevant facilitators of trade expansion and can therefore be expected to impact most positively on investment and growth”²².

These issues are recognised, and the view held by the SADC Secretariat is that the multiplicity of membership by SADC Member States of several regional economic blocs is a concern and may have negative impacts on regional integration efforts. It is noted that the matter is under discussion at the broader SADC level with a view to ensuring that the Region's integration agenda remains on course. The Joint Factual Document on the Status of SADC Regional Integration concludes that: “the view of SADC is that EPA negotiations should not determine the SADC integration agenda, but should rather support regional efforts in this regard”²³.

However, this view may well be overtaken by events. The move towards both SADC and COMESA Customs Unions will require countries to choose which Customs Union they wish to belong to. This decision is being catalysed by the EPA process and integration in Southern and Eastern Africa may in fact end up being built on the two other organisations – SACU and the EAC, rather than SADC and COMESA. There is still a lot of ongoing discussion in relation to the final groupings of the two EPAs. Delays are expected in the negotiations at the International Level (WTO/Doha, etc.) but also at the regional level as the regional groupings for the EPAs have not been finally resolved. There are also indications that choice of regional grouping is based on political ideas rather than economic realities, and that the decisions in respect of which specific EPA grouping to belong to have been taken at a level far above that of even senior level state and non-state actors.

While the answer to the overlapping membership question may impact on regional economic integration and trade, non-trade related regional endeavours will continue to transcend such geographical boundaries. Road, rail and air transport are not really dependent on whether the EPA is negotiated as SADC or as SACU (transport in SADC is already linked up with, for example, the Sub-Saharan African Transport Policy Programme; and “regional” transport corridors will link SADC with COMESA countries). The Southern African Power Pool also involves SADC and COMESA Member States. Both Food Security as well as HIV/AIDS programmes will also need to be dictated by a regional logic, which is broader than just SADC (whether in the smaller SADC EPA or the larger SADC).

²⁰ The EAC has established a Common External Tariff with the objective of reaching a Common Market by 2008. As regards the Customs Union, this was launched in 2005, but major tariff barriers still exist.

²¹ Ref: Jakobeit, C et al. 2005, p. vi

²² Ref: Jakobeit, C et al. 2005, p. vi

²³ SADC. **Joint Factual Document on the Status of SADC Regional Integration**, 2006, p.34

4 THE EU – SADC COOPERATION FRAMEWORK

4.1 SADC TRADE RELATIONS WITH THE EU

Trade agreements and overlapping regional memberships

Economic Partnership Agreements (EPAs) will come to represent agreements between the European Union and the African, Caribbean and Pacific (ACP) group on trading relationships. Their objective is to create a regime, which is more trade-effective and compatible with the requirements of Article XXIV of the General Agreement on Tariffs and Trade (GATT) and Article V of the General Agreement of Trade Services (GATS). Within this context, the Cotonou Partnership Agreement (CPA) sets the end of 2007 as the date for creating a new trade relationship between the ACP and the EU.

Negotiations on the SADC EPA began formally on July 8th 2004 in Windhoek, Namibia. The SADC “Group” is made up of 7 countries: Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania (with South Africa initially participating as an observer but now an officially involved negotiating partner). The other members of SADC – Madagascar, Malawi, Mauritius, Zambia and Zimbabwe - are negotiating as COMESA members in the Eastern and Southern Africa (ESA) configuration or as part of the Central African EPA – DR Congo.

In addition, South Africa has signed the Trade, Development and Co-operation Agreement (TDCA) which governs South Africa's trade relations and development co-operation with the European Union, whereby SACU member states – the BLNS - were constrained to adopt the same tariff schedules. This complex situation calls for an alignment of the two negotiating processes (EC-SADC EPA and TDCA Review). Therefore clarifying the relationship between SACU and the long-term objectives of a more deeply integrated SADC Group would constitute an important element in determining both the regional integration agenda in southern Africa and the EC's bi-regional negotiations with SA.

The formal involvement of South Africa as a full partner in the SADC EPA negotiations process cannot fail to have implications for the future of the TDCA; for the future of SACU and South Africa's relationship with the BNLS states; and for the future of SADC as a REC. The mandate of SADC, COMESA and the EAC to become Customs Unions places the region at a critical turning point and the EPA negotiations have forced the pace of this decision-making process.

Current options for regional integration

The question arises as to the likely future of regional integration – in terms of both geographical configuration and depth of integration. A recent analysis of the issue of overlapping membership in the Southern and East African region ²⁴ identifies three options which are essentially between deeper and faster economic integration on the basis of the existing CUs acting as fast-track RECs, on the one hand, and a larger but shallower integration project for the region as a whole, on the other.

Option 1 – “Status Quo plus larger integration project”:

SACU and EAC with their current members serve as fast-tracking groupings, while SADC and COMESA remain FTAs with a view to forming one larger, integrated Eastern and Southern African trade zone at a later stage.

Option 2 – “Variable Geometry Option” or “SACU+ and EAC+ Option”:

Enlarged SACU and EAC become fully fledged CUs by 2010, and countries not participating in the CUs remain members of the SADC or COMESA FTAs for the time being, with a view to forming separate SADC and COMESA CUs in the medium term

²⁴ Jakobeit et al (2005).

Option 3 – “Leap Forward Option”

Where COMESA and SADC move to CUs in the near future: COMESA and SADC become CUs by 2010/12 and merge with the current SACU and EAC respectively. All countries take a decision on their membership of either the SADC or the COMESA CU.

In the last years, there have been several developments pointing to options 1 or 2 as the most likely configurations for the future. The events are:

- The agreement of Kenya, Tanzania and Uganda on an EAC common external tariff and on the establishment of a Customs Union by 2010.
- The start of negotiations on Rwanda's and Burundi's accession to the EAC.
- The agreement in March 2006 by the Senior Officials of the SADC “Group” to base EPA negotiations on the provisions of the TDCA, strengthening the focus on SACU as a whole in these negotiations. It is proposed that Mozambique, Angola and Tanzania maintain EBA access as LDCs and adopt the EPA tariff provisions on the formation of the SADC Customs Union. The EC has yet to give an official response on this position.

The likely implications for SADC are:

- If the current EPA configurations prevail, then the establishment of a SADC customs union will be an impossibility.
- The agenda for SADC's trade in goods will be limited to implementation of the SADC Protocol. This will allow non-tariff barriers, including TBT and SPS and customs administration, to be addressed.
- The role of SADC and the SADC Secretariat may become less significant as SACU and the EAC/COMESA gains strength. This is likely to impair the ability of SADC to carry forward integration in the area of services, investment and movement of people and to act as a representative of countries in the region on trade matters.

While acknowledging the conclusion of the **Joint Factual Document on the Status of SADC Regional Integration** that “the view of SADC is that EPA negotiations should not determine the SADC integration agenda, but should rather support regional efforts in this regard”²⁵, it is difficult to see how in practical terms this can be avoided, at least with regards to trade in goods. The EPAs have to be concluded by end of December 2007, but it is not likely that Member States have made the decision on which REC to belong to by then.

4.2 EC'S DEVELOPMENT COOPERATION WITH SADC

Confirmation of EC's regional strategy towards SADC

The Joint Progress Report (on which the Mid-Term review is based) confirmed the pertinence of the focus and strategy of the EDP9 RIP. Thus the pertinence of the two main priority areas for EC assistance was confirmed: Focal area 1 – Regional Integration and Trade; and Focal area 2 – Transport and Communications. The pertinence of this approach was again confirmed by the End of Term Review. It was also stated that within these focal areas of support, HIV/AIDS, gender, capacity building and environmental management will continue to form important cross-cutting thematic issues.

Focal and Non-focal Areas

Indicative commitments for EDF8 and EDF9 RSP/RIPs were €121 million for EDF8

²⁵ SADC. **Joint Factual Document on the Status of SADC Regional Integration**, 2006, p.34

and € 101 million for EDF9. In comparison, it may be noted that € 223 million was allocated to the Eastern and Southern African (ESA) RSP as ESA also covers a number of SADC countries and there is a certain overlap. The distribution of these allocations between sectors (focal and non-focal areas) is shown in Table 3.

There is a clear prioritisation of support for the core agenda of SADC regional economic integration, with the percentages of the RIP budget allocated to Trade and Regional Integration increasing from 10% under EDF 7, to 20% under EDF 8 and currently 49% under EDF 9.²⁶ By its nature, transport and communications remains the heavyweight in terms of actual amounts planned, contracted and paid as the amounts necessary for infrastructure – especially roads infrastructure – are considerable. In terms of volume, transport and communications accounts for over 50% of the total combined budget for both EDFs 8 and 9 although, as noted, transport projects – including those with regional dimensions – have tended to be transferred from the RIP to the NIPs.

The importance of Food Security as part of a regional programme was downgraded from EDF8 to EDF9 but, as a result of ongoing food security problems in the region, and the contribution of food security to poverty alleviation, Food Security is coming back in EDF10 as a major “area of intervention” under Component 2: SADC Economic integration and trade, termed “Food Security Policy and Information Management”²⁷. Food security, during EDF9, was mostly tackled within the national context, even though national deficits (as well as surpluses) have wider regional implications both for trade as well as for emergency relief.

Support to HIV/AIDS programmes became important during EDF8 and increased in importance during EDF9. The HIV/AIDS crisis remains a major concern in the SADC region and there are no indications of major positive changes. Reference is made, for example, to the high adult prevalence rates in the SADC region – which in fact show very little change²⁸.

Interface between regional and national programmes

It has also been noted that, although there is an overlap in priority and focal sectors between the RSP/RIP and the CSP/NIPs, there is very little evidence that the CSPs have considered the regional dimension. Particularly important here is whether there has been any participation of non-state actors in regional issues and whether organisations such as the SADC National Committees have had any impact at all on linking the regional with national dimension and vice versa. No evidence was found during the field phase that this was the case.

Participation of non-state actors

The Joint Progress Report expressed the hope that there would be increased participation in all programme aspects (design, implementation, monitoring) by non-state actors (NSAs), implicitly recognising that involvement by NSAs, generally speaking, is poor in many SADC Member States. The Joint Progress Report, therefore, also acknowledged that further capacity building support would be required to facilitate appropriate levels of participation.

²⁶ Source: EC Delegation in Botswana

²⁷ Louis Michel: Regional Programming Seminar 2006 Gaborone; and the text from the Draft SADC EDF 10 RSP/RIP

²⁸ See for example the tables referring to HIV/AIDS prevalence contained in Annex 1, EQ 7. It should be noted that the low figures for the DRC are likely to be the result of an unreliable monitoring and reporting system, rather than low infection rates. The low figures for Angola – according to the International Organisation for Migration (IOM) – are more a result of the fact that Angola was largely isolated and cut-off during their civil war. In fact, the HIV/AIDS threat is now increasing as refugees are being repatriated from high infection areas, such as Zambia, following the implementation of the peace accords.

Table 2: Indicative commitments; EDF8 and EDF9

	Focal Areas						Non-Focal Areas							
	Trade, Investment and Finance	Regional Integration and Trade	Economic Integration and Trade	Infrastructure and Services	Transport and Communications	Management of Natural Resources	Food Security, Agriculture and Natural Resources	Human Resources Development	Capacity building in the SADC Secretariat	Other Activities	Promotion of Peace and security and the role of gender	Promotion of human rights and democratisation	Reduction in the HIV/AIDS prevalence	
EDF8 SADC RSP/RIP 1996-2001	20			45			15	10	2	8				EUR 121 m
EDF9 SADC RSP/RIP 2002-2007		35-45			35-45									EUR 101 m
EDF9 ESA 2002 – 2007			45-55		15-25	15-25								EUR 223 m

The figures shown in the table for **Focal** and **Non-Focal Areas** are percentages linked to the indicative allocation of resources between the priority areas – both Focal and Non-focal.

Under the EDF9 SADC RSP/RIP, 15-25% of the total allocation has been made available for the “other programmes”, but no allocation between the non-focal areas was made.

The **Focal** and **Non-focal** areas of EDF9 ESA 2002 – 2007 are shown as ESA also covers a number of SADC countries and, hence, a number of ESA-funded interventions are to be found in a number of SADC countries.

SADC's absorptive capacity

A major concern remains the absorptive capacity to implement the regional programme. This has caused major delays in a number of important Regional Integration and Trade programmes (to such an extent that these were only at the approval stage when the Evaluation was in its field phase). This will inevitably present problems in evaluating impact.

As regards the Transport and Communications Sector, the delays in implementation of regional projects resulted in the transferring of implementation responsibility to National Authorising Officers, rather than leaving the responsibility with the SADC Regional Authorising Officer. Those projects remaining in the EDF9RIP have not been launched.

The issues of absorptive capacity of both SADC and EC have remained critical and it has been difficult to speed up disbursement. The SADC Secretariat remains understaffed and EC procedures remain onerous, despite deconcentration.²⁹

²⁹ As regards SADC's capacity, particular reference is made to the Institutional Assessment of the SADC Secretariat, carried out on behalf of the EC Delegation in Botswana by Ernst & Young. Only the Draft Report of March 2007 was made available to the Evaluation Team, and it is to this report that reference is made. As regards the EC procedures, the general comments as regards delays echo those of the Mid Term Review of the SADC 9th EDF RSP/RIP. The same criticism has been delivered on a more global basis by other organisations/research institutions – for example; Sven Grimm (ODI, July 2004): **Aid disbursement and effectiveness**; Open Europe (2007): **EU aid: is it effective?**; Alliance 2015. **The MDGs: A comparative performance of six EU Member States and the EC Aid Programme**; Oxfam (2005): **Paying the Price**, etc.

5 THE INTERNATIONAL COOPERATION PARTNERS

Harmonisation and coherence of regional development support

Harmonisation with those interventions from other International Co-operating Partners (ICPs) that have a bearing on the objectives and strategies of regional co-operation in the SADC region are an important element to be taken into consideration.

In February 2002 SADC's International Co-operating Partners (ICPs) asked the EC Delegation in Botswana to take the lead in a donor co-ordination initiative aimed at improving coherence of support and policies vis-à-vis SADC, initially in the context of commenting on the draft RISDP and more recently as regards its implementation. To this end the Delegation regularly convenes meetings with ICPs. These include those EU Member States accredited to SADC, but also CIDA, NORAD, USAID, the World Bank and UNDP. The agenda has focused on topics such as ICP support to SADC restructuring, the RISDP, political issues related to the Pan-African or regional context, and ways of developing a more consistent and coherent donor approach through identification of gaps in existing donor support and more efficient ways of avoiding overlaps and duplication³⁰.

As noted in the EC/SADC 2003 Annual Operational Review, the ICPs recognise that donor co-ordination can only be effective if led by the beneficiary. A joint taskforce of SADC and the International Cooperating Partners (ICP) was established at the end of 2003. It has worked out orientations for a New Partnership between SADC and ICPs in the context of the RISDP – based on the Paris Declaration on Aid Effectiveness, enshrined in the Windhoek Declaration – adopted at the SADC Consultative Conference in Windhoek in April 2006³¹.

A related issue on the agenda for SADC and the international donor community is the support to the SADC National Committees (SNCs)³². These are the key actors for the linking and co-ordination of the national plans with the regional plans and for ensuring efficient implementation, monitoring and results of SADC regional projects and programmes.

In the same way that the CSPs and NIPs do not always reflect the relationship between the national and the regional levels, the programmes of other donors also have difficulties in reflecting this relationship. The absence of such co-ordination between national and regional is a problem and there is need to improve on this. Thus “In almost all external aid agencies, the relationship between regional and country support is poorly conceived or non-existent”³³. It is noted that increased co-operation will require improved co-ordination between countries and the region.

Funding of SADC's operations and financial sustainability

SADC estimates that approximately 80% of funds for SADC project portfolios in the year 2000 came from foreign sources³⁴. This support also includes technical assistance provided by expatriates and consultants to various project implementation units at national and regional levels. There are some indications that there may have been some improvement since 2000, but it has proved difficult to establish exactly how much of SADC funds actually comes from ICPs – latest figures suggest that Member

³⁰ EC/SADC Annual Operational Review 2003, p.18

³¹ SADC: WINDHOEK DECLARATION on a new partnership between SADC and the international cooperating partners (27 April 2006)

³² The objective of the SNCs is to ensure that Member States effectively participate in SADC policy formulation and implementation so as to derive maximum benefits from the process of regional integration. The committees shall be composed of representatives of ministries, agencies and organizations involved in the core areas of regional integration and co-operation.

³³ SADC Barometer, Issue 4; January 2004, p.16.

³⁴ SADC Barometer, Issue 4; January 2004, p.15.

States may now be funding between 40 and 50% of SADC's budget but that 70% of the Member States contribution goes to paying the running costs of the Secretariat of which 30% is allocated to projects and programmes of the RISDP and SIPO. This still means that ICPs fund well over 60% of SADC's budget. There are two additional issues linked to this: firstly, the SADC Secretariat is still under-staffed and under-capacitated; and secondly; planned donor funds, which are not contracted get sent back³⁵.

In addition to donor funding that goes through SADC structures, there is considerable regional funding that does not go through the formal SADC structures but, nonetheless, forms part of the regional co-operation agenda. This includes funding of regional organisations or regional activities that fall outside the SADC structures³⁶. Major contributors to regional organisations outside SADC include Sweden, Norway, Denmark, USAID and the UK – support covering regional finance and audit institutions, governance, human rights and democracy, HIV/AIDS, as well as support to the media.

The level of donor support makes the existence of SADC, as an organisation vulnerable should there be a withdrawal or realignment of ICP support. This is particularly pertinent given the discussions on the future roles of regional organisations and configurations in Southern and Eastern Africa within the context of the EPA negotiations, discussed above.

Ownership and institutional sustainability

With most of the funds for SADC project portfolios coming from ICPs, including the considerable support given to the SADC structures themselves, both through capacity building and through technical assistance, it is clear that SADC as an organisation is heavily dependent for its continued existence on the ICPs. The sustainability of this support is by no means guaranteed. Overlapping regional organisations with different mandates, EPA configurations that cut across regional organisations and a move by certain donors taking an issue-based approach rather than an institution-based approach³⁷ may result in a shift from support to SADC as an institution. Should this happen, and should Member States not step in to fill the financial vacuum, then the whole future of the organisation may be at risk.

This places demands on the SADC national committees (SNCs) whose role it is to link the national with the regional, as well as the government departments charged with implementing SADC programmes and their respective roles “co-ordinating and mobilising national consensus to regional initiatives”³⁸. As evidenced during the field phase, these SNCs do not function³⁹. This also places demands on the ICPs when programming national and regional support to ensure that there is coherence in their national and regional interventions.

³⁵ Reference is made to the institutional analysis of SADC being carried out by Ernst & Young (2007)

³⁶ For example, support to the SADC Barometer (by NORAD and USAID); support to the Namibian Economic Policy Research Unit - NEPRU. (Publication of the Annual Monitoring Regional Integration, supported by the Konrad Adenauer Foundation); support to the Southern African Regional Poverty Network (working together with organisations such as Oxfam and ODI), etc.

³⁷ For example, both DfID and US AID are now involved in regional funding outside the SADC structures.

³⁸ As described in the SADC RISDP, section 6.3.4 and 6.3.5

³⁹ During the Swaziland field visit, it was noted that although a SADC National Committee had been established and provided with a Secretariat, input into the regional agenda – for example, RIP had been extremely limited. Generally speaking, lack of funding of the SNCs contributes to their lack of activity and involvement. Similar conclusions are reached by Ernst & Young (2007) in their “**Institutional assessment of the SADC Secretariat**”.

Many ICPs privately express reservations about the slow movement and poor performance of SADC, and actively seek alternative channels to assist regional co-operation". In addition, a widespread view is that SADC has limited capacity to absorb additional donor funds and that supporting regional activities through other channels is a good alternative⁴⁰.

Box 3: Update on donor coordination in the framework of the Windhoek Declaration

A Joint SADC-International Cooperating Partners (ICP) Task Force (JTF) was set up in 2003 with the main objective to improve coordination between ICPs and SADC, in order to contribute to the implementation of SADC's Regional Indicative Strategic Development Plan (RISDP) and to work out orientations for a New Partnership between SADC and ICPs in the context of the RISDP – based on the Paris Declaration on Aid Effectiveness, enshrined in the Windhoek Declaration – adopted at the SADC Consultative Conference in Windhoek In April 2006. The JTF is also to contribute to an enhanced dialogue within the framework of SADC-ICP cooperation which consists of a Wider Group of ICPs and representatives of the SADC Secretariat with the possible participation of the SADC Troika and other SADC bodies and stakeholders such as SADC National Committees.

The overall objective of the New Partnership is to contribute towards the achievement of the SADC Common Agenda, the attainment of the SADC Mission of promoting sustainable and equitable economic growth and the achievement of deeper regional cooperation and integration. It also aims to ensure good governance, strengthened regional capacity, and durable peace and security in the region.

The Declaration establishes an institutional structure for dialogue on political, policy and technical issues, and improves coordination of efforts between SADC and the ICPs. It provides for regular dialogue at Ministerial level and at a Joint SADC-ICP Task Force comprising the SADC Secretariat, SADC Double Troika at senior official level and ambassadors from both sides.

The New Partnership will ensure alignment, harmonisation and streamlining of operational procedures, rules and other practices in the delivery of development assistance to SADC and guarantee synergies and complementarity of support at the national and regional levels. The New Partnership established Thematic Groups which will improve and further operationalise coordination in areas of significant ICP involvement. A "lead ICP" is designated for each group and drives the process together with the SADC Secretariat. The Thematic Groups will remain part of the overall coordination and harmonisation structures of the JTF.

The coordination with ICPs is a strategic task of the SADC Secretariat and has a strong impact on the implementation of the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), which SADC committed itself under the New Partnership to implement and monitor into prioritised, result-oriented programmes. The section works in close liaison with the directorates and other units in the Secretariat as it becomes a single entry point for the International Community on development cooperation and programming of resources.

Source: Delegation of the European Commission in Gaborone

⁴⁰ SADC Barometer, Issue 4; January 2004, p15.

6 ANSWERS TO THE EVALUATION QUESTIONS

The chapter focuses on the answers to the ten Evaluation Questions based on the work carried out during the desk and field phases. The full analysis, with all the details, is included in the Annexes – particular reference is made to Volume Two, Annex 1 – Evaluation Questions. In this chapter, for each of the evaluation questions, a similar format is followed. Each section is introduced by the full text of the Evaluation Question, followed by the **coverage** of the question and the **answer** to the question. This answer is based on the argumentation as contained in the discussions of, and conclusions on each of the judgement criteria, which were identified during the desk phase and on which an initial analysis was already made during this phase. In addition to Annex 1, which follows the same structure as this chapter but contains more detail, further evidence to support the findings and conclusions is contained in Annex 6 (Background to the region), Annex 8 (Desk Analysis of CSP/NIPS for the SADC Region) and Annex 9 (Country and sector Reports from the Field Visits).

6.1 EVALUATION QUESTION 1: RELEVANCE AND COHERENCE

EQ 1	To what extent are the conceived interventions of the Commission's RSP/RIPs and CSP/NIPs (1996-2007) relevant to and coherent with the promotion of regional integration and economic growth – and to what extent have these interventions incorporated poverty reduction?
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Coverage of the question: This question covers the linkage between the strategic objectives of the Commission's programmes and interventions in the SADC region and its overall cooperation objectives. It attempts to assess the justification for the central objective of promoting regional integration and to verify on which basis this has been defined.

Answer to the question: EC programmes, particularly in the EDF9, reflect poverty reduction, economic growth and regional integration. Regional priorities as contained in, for example, the RISDP, are well reflected in the RSP/RIPs, but less so in the CSP/NIPs. The issue of the multiplicity of regional organisations has not been seriously tackled neither by SADC nor by the EC. SADC is not active in the IRCC; and there is little communication between the EC Delegations with regional responsibilities. EC's regional interventions are generally relevant, coherent and poverty oriented. Most of EC's national interventions with regional implications are consistent with the national poverty reduction strategies.

Discussion of and conclusion on the judgement criteria

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

The judgement criterion had to make a distinction between EDF 8 and EDF 9, as poverty reduction was much more explicitly brought to the forefront in EDF 9. The link in RIP 8 is less clear because regional economic cooperation and integration were considered not as an overall objective. Moreover, while the RIPs set out the rationale for regional integration this is not the case with the NIPs. The NIPs tend not to touch on the regional dimension at all.

Poverty reduction is not mentioned in the RIP 8 (it was not a priority of the EDF8). The medium term objective is "to support sustained economic growth in order to raise standard of living and in the long term to secure place and structural stability for the future". This changes for the RIP9, which does take up the link between poverty reduction and regional integration; however, while the NIPs do take up poverty reduction they tend to be silent on regional integration, in particular, and on the regional dimension, in general.

The main strategy being followed under RIP 8 to achieve poverty reduction through higher levels of export led economic growth is macro-economic liberalisation (including liberalisation of trade policy, harmonisation of tax policy and more efficient and effective forms of economic management) as well as promotion of investment and supply-side measures to assist the region to increase production. The specific challenge is the full implementation of the SADC Free Trade Area by 2008.

The main objective of SADC is the same as the RIP9 namely to achieve poverty reduction, development and economic growth, through deeper regional integration, built on democratic principles and equitable and sustainable development. Integration into the world economy will help SADC to achieve the economic growth needed to realise SADC's main goal of poverty reduction.

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

The RIP 8 specifies that priorities have been agreed on by the parties concerned, and in the RSP some consultative mechanisms between EU and SADC are mentioned. The RIP specifies the sectoral policies as set by the SADC protocols and how the European Union will support them, however a diagnostic review of SADC priorities is not mentioned in the documents.

RSP 9 took place under a changing environment where SADC (in 2001) established revised priorities for the organisation. Although it was decided to move towards a more centralised institutional set-up, the principle of subsidiarity was adopted. As a result of the decision on the restructuring of SADC, it was anticipated that substantive amendments to the protocols would be undertaken following the preparation of the Regional Indicative Strategy Development Plan (RISDP).

Box 4: Relation between RISDP and 9th EDF RSP/RIP

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

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

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

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

The RISDP aims to reinforce the linkage between national objectives and priorities and regional programmes. The SADC regional priorities include trade facilitation,

investment harmonisation and infrastructure development, aimed at reducing transaction costs within the region, and conflict prevention and resolution. These objectives are also part of the RSP9. However, as became evident during the field phase, there is a major gap between policy decisions taken by SADC leaders and the domestication of these policies. The SADC Secretariat has only limited capacity and negotiations on customs unions and free trade areas are far behind schedule.

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

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

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

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

While several CSPs recognise regional integration and provide for support to regional integration as a non-focal sector, the Evaluation found that (a) regional integration is not considered as a strategic tool to assist with achieving national objectives, and (b) the time taken to design and implement a programme under the NIP can take too long to be effective, in particular for EPA negotiations. In general there was very little integration of the regional agenda in the NIPs an issue which is further discussed in Annex 8. This is a fact, which has already been recognized by the Commission. The point was made during the field visits that the EDF10 programming exercise had identified this problem and that this would be rectified as part of EDF10 programming.

Additional funding was also earmarked for regional integration activities from the European Programme for Reconstruction and Development (EPRD) for South Africa which has the capacity to provide upwards of 15% of the total assistance package to be allocated annually to regional activities. Under this arrangement complementary co-financing funding has been provided for activities covering agriculture, illicit drugs, HIV/AIDS and trade, finance and investment. While the additional funds originating from the EPRD have been appreciated, the cumbersome procedures experienced, when co-funding projects, has meant delays and complications at the project preparation stage.

In practice, while a number of projects were co-funded utilising EPRD funds for SADC activities there is significant under-programming and limited absorption capacity, and

much of the regional allocation earmarked for SADC remains unused. Attempts are being made to re-allocate some of these funds to NEPAD and AU activities.⁴¹

Box 5: EPRD Contributions to RIP

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

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

In the area of Common Foreign and Security Policy (CFSP), political dialogue and conflict prevention, the EU-SADC dialogue has deepened since the launch of the Berlin Initiative in 1994, and has provided a framework for intense dialogue in political matters, as is evident from the assistance provided to the Lusaka Peace

Process since 1999. The existence of political dialogue has also opened the door for sharing experiences and exchanging ideas on regional integration as well as deepening and strengthening democracy in the region.

As regards the establishment of coordination mechanisms between the programming of RIPs and the programming of other EU assistance, the RIP9 preparation process foresaw the need to support preparation for the negotiation and implementation of EPAs. In this context close coordination and synergies has been sought with the EU-SADC Investment Promotion Programme (ESIPP), Intra-ACP funding in support of the private sector (EBAS, PROINVEST, etc.) and the Cotonou Investment Facility to be managed by the European Investment Bank

6.2 EVALUATION QUESTION 2: OWNERSHIP AND ALIGNMENT

EQ 2 What is the degree of SADC's and its Member States' ownership of the Commission's support and to what extent is the support aligned with the SADC's and Member States' regional policies and institutional frameworks that contribute to regional integration and economic growth?

Coverage of the question: This question deals with the principles of the Paris Declaration, which are also recalled in the European Consensus; assesses the extent to which the EC respects SADC countries' leadership; and explores whether SADC procedures are used.

Answer to the question: There is clear compatibility between the RSP/RIPs and SADC's own RISDP. However, the extent of Member State participation, and the participation of non-state actors in the planning process, is limited at best. Documentation, studies and the field visit suggest that there is a gap between regional policy statements and national level commitment to implement them; in addition, in many of the SADC countries, non-state actors have been marginalised and their role in the national and regional political debate is minimal.

⁴¹ Reference is made to the comments from the Delegation in Gaborone, to the **End of Term Review** (SADC EDF9 RSP/RIP) and to the 2005 **Joint Progress Report**.

The level of SADC policies, protocols, and programmes are generally well conceived and constitute in these aspects a high degree of ownership. However, SADC's ownership is highly affected by the capacity constraints it encounters – to a large degree due to the restructuring of the organisation and inadequate staffing levels – which imply that there are not adequate resources to facilitate implementation at neither the regional nor national levels. The Member States' ownership is limited as the regional perspective is not well elaborated in national plans and development programmes, which constrains the prospect for EC's alignment. The prospect for alignment is further compounded by the EC delegations' lack of strategies and resources at the national level to pursue regional integration and economic growth.

Discussion of and conclusion on the judgement criteria

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

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

In addition, there was very little contact between national stakeholders (SADC national committees; non state actors, etc.) and the Commission. Meetings tended to be with the SADC Secretariat. The activities which did take place were mostly information activities, resulting in little input as quick turnaround times were required.

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

Virtually no contacts were established with the SADC National Committees – which are more or less dormant and incapable of acting as sparring partners. Also very little regular contacts were achieved with NSA as these are not always well organised or working with a regional perspective. Their capacity also varies enormously between SADC countries.

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

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

The RIPS do not specifically mention SADC implementation mechanisms. Furthermore, interviews during the field visits confirm that SADC's implementation and financial procedures are, at best, unclear. This is further confirmed by the Institutional assessment of the SADC Secretariat (Ernst & Young, 2007) which also notes the absence of standard reporting formats, the absence of QA checks on annual work programmes and budgets, lack of monitoring and control of implementation, etc. For this reason they note, for example, that: "it is very difficult to assess what activities in the 2006 programme have been achieved".

6.3 EVALUATION QUESTION 3: COMPLEMENTARITY AND COORDINATION; HARMONISATION

EQ 3

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

Coverage of the question: The question intends to verify to what extent the EC strategies and activities take into account other donors – including EU Member States – programmes and activities in the region.

Answer to the question: The restructuring of SADC has improved the possibilities of donor co-ordination at regional level. At regional level the EC Delegation in Gaborone functions as the donor chef-de-file for co-operation with SADC. There is still some way to go, however, before achieving harmonisation of procedures. The onerous EC procedures themselves make it difficult to benefit fully. At the policy and strategy level, EC interventions are well related to regional and national development frameworks and anchored in the mandated institutions, which provides good prospects for coordination with other donors. The problem is that not all donors pursue the Paris Declaration on Aid Effectiveness which will complicate complementarity and harmonisation aspects and processes. The adoption of the 'sector wide approach' at the regional level has in recent year been pursued by a number of donors. A major assumption for effective coordination and harmonisation between donors, is that there exist a high degree of (regional) ownership, which unfortunately is not the case – both due to the overlapping memberships of the RECs and SADC's limited capacity.

Discussion of and conclusion on the judgement criteria

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

There are many positive moves by the ICPs to complement and harmonise activities; however, in practice it has proved difficult to move from agreement to implementation.

Donor coordination has in the past been limited to the annual SADC consultative conferences. The decentralised SADC structure in the past also meant that it was difficult to coordinate and pool resources. However, with restructuring and centralisation this should have become easier. Four EU Member States are represented in Botswana (Germany, France, Sweden and the UK). The European Commission's Delegation was chosen early in 2002 to act as chef de file for the donor community.

The coming into force of the Paris Declaration has been widely welcomed and embraced by many donors – although some (sometimes on issued-based projects) still take a separate approach. However, the EU remains the largest donor to the SADC region and is the major trading partner. The challenge is: How to make the most of this and build on the EC's comparative advantages. The opportunities are there to build on the Paris Declaration and work closely with EC Members States and other donors, particularly as the EU is the lead donor in Botswana. The Delegation in Zambia is also an important "shaker-and mover" in respect of donor harmonisation, although this is mostly focused on the COMESA agenda. Experience has also been built up at the national level, working with other donors in Sector Wide Approaches (for examples, the SWAs in the transport sector).

While the delegations with regional responsibility do have a regional focus for "their" region, Delegations with only national responsibilities tend not to have any regional focus, only focusing on the NIPs and on national priorities – although here too there is increasing donor cooperation and harmonisation. In fact, harmonisation and joint

assistance strategies are probably easier to achieve at the national level – see for example the Joint Assistance Strategy for Zambia (JASZ) - where the EC Delegation is an important player.

However, the EC's procedures (onerous, time consuming) are seen as being an obstacle in the way of moving from planning to implementation. Therefore, one approach that allows for the matching of donors complementarity is to allow the more flexible donors with decentralised decision-making powers spearhead funding and provision of project support and involving EC in the start-up process as a partner – allowing for larger EC support to come in later.

An additional issue is the fact that the EC procedures are so time consuming also for staff at the Delegations. Therefore the challenge here is how to make sure that Delegation staff have the time to engage in subject-matter activities rather than in administrative activities.

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

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

The creation of thematic coordination groups as an important step to the implementation of the objectives of the Windhoek Declaration. The EC has taken over the role of lead ICP in the newly created thematic coordination group on trade, industry, finance and investment and is participating in a number of other thematic groups (food security, HIV/AIDS, water, energy, transport...). This is a positive step but is also creating an additional burden on scarce resources. In addition, a lot of formal and informal coordination among donors is already taking place. However the overall capacity of SADC as well as their capacity to engage with the ICPs and take a leading role and ownership of the process remains limited.⁴²

Box 6: From Gaborone to Paris and Back.

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

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

⁴² See for example the analysis of SADC's organisational dynamics in Ernst & Young (2005) op cit; Tjønneland, E.N. (2006). **SADC and Donors – Ideals and Practices. From Gaborone to Paris and Back.**

6.4 EVALUATION QUESTION 4: EFFICIENCY, EFFECTIVENESS AND OUTCOME – REGIONAL INTEGRATION AND TRADE

EQ 4

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

Coverage of the question: The question covers support to regional integration and trade in goods, services and investment and building capacity in trade policy and negotiations. The assessment looks at whether activities are likely to effectively address priority regulatory and administrative barriers to trade in goods and services and promoting investment. An important feature of recent support to the SADC region has been their engagement in trade negotiations – including support with EPA negotiations, and the likely effectiveness of capacity building in this area will be analysed.

The issue here is that most regional programmes in support of regional integration and trade have either yet to start or are in the early stages of implementation. The evaluation therefore has focused on the **relevance** of support in the context of the likely future of regional integration in SADC.

Answer to the question: The evolution of the strategy and the areas of EC support reflect developments in the SADC region, and the specific areas of support are indeed relevant to regional integration within SADC. Most support programmes can in large measure be implemented irrespective of the dynamics of regional integration, although implementation may be a challenge in countries belonging to both SADC and COMESA or the EAC. However, the customs administration programme and support to the Finance and Investment Protocol need to take careful account of the potential consequences of the ongoing EPA negotiations and the potential ramifications on SADC as an organisation with a possible split into a smaller SADC EPA and a larger much looser SADC, less relevant as a vehicle for regional integration beyond a Free Trade Area.

Discussion with various forums during the fieldwork has led the Evaluation Team to question a key implicit assumption of support to regional integration in the SADC context: namely the integrity and strength of SACU.

A functioning SACU helps provide the backbone for integration in SADC. Conversely, if integration in e.g. services and investment becomes log jammed in SACU, progress in SADC is at risk. SACU's long track record may be leading to complacency about its future. Focus groups and individual interviews carried out by the Team highlighted that SACU is in a period of transition.⁴³ Up until now it has been largely viewed by the BNLS as a revenue sharing institution, with the Ministries of Finance taking the lead on SACU issues. But both the new Agreement and the new challenges of generating private sector led growth require SACU to be valued for what it can deliver on trade. This transition requires that SACU's institutions be developed and that its competence extends beyond trade in goods. SACU therefore needs to be considered: explicitly within the strategic framework of support to SADC integration; and also for greater technical assistance, if appropriate and welcomed by SACU Member States.

In institutional terms, a requirement for SACU Member States is to establish National Bodies to support the implementation and development of the SACU (see box). The development of effective national bodies is key if SACU is to make a successful

⁴³ These views can also be found documented in various publications, for example: Draper. P (ed.) 2005: **Reconfiguring the Compass. South Africa's African Trade Diplomacy**; Draper, Alves & Kalaba. 2006: **South Africa's International Trade Diplomacy**; Bertelsmann-Scott, T & P. Draper (eds) 2006. **Regional Integration and Economic Partnership Agreements. Southern Africa at the Crossroads.**

transition from a revenue sharing to a trade arrangement. This is because the current SACU CET is generally skewed towards South African Industrial Policy and in several cases is damaging the competitiveness of other SACU members. A recent study jointly undertaken by BIDPA and the World Bank also highlights the negative impact not only of the CET on Botswana, but also of antidumping duties imposed on SACU as a region⁴⁴. For Lesotho however, the tariff structure offers scope for export diversification in a restricted number of products.⁴⁵

Box 7: Article 14 of the SACU agreement National Bodies

1. Member States shall establish specialized, independent and dedicated National Bodies or designate institutions which shall be entrusted with receiving requests for tariff changes and other related SACU issues. The National Bodies will carry out preliminary investigations and recommend any tariff changes necessary to the Tariff Board.
2. The National Bodies will study, investigate and determine the impact of tariffs within respective Member States and periodically propose such changes as may be deemed necessary and make recommendations to the Commission through the Secretariat. The National Bodies shall adhere to similar procedures in all Member States.
3. SACU will assist Member States with the establishment of common procedures and technical capacity to ensure effective, efficient and transparent functioning of National Bodies.

With regards to issues, the new SACU agreement commits parties to develop Industrial, Agricultural, Competition, and Unfair trade practices polices (articles 38, 39, 40 and 41 respectively). Competition is of particular interest and support in this area could contribute to the development of competition policy at the broader SADC level.

For support to regional integration and trade to be effective, implementation at Member State level is important. The Member States are the key actors for adhering to the SADC protocols and for developing their regulatory frameworks accordingly. The effectiveness and efficiency of working only through SADC to achieve the objective of regional integration has been brought into doubt. Other donors in the region have been seeking to work with a broader range of delivery mechanisms at regional level. In order to operate in an equivalent manner within the framework of ACP – EU procedures would require flexibility and innovation in how the EC and the RAO work together. They would need to jointly identify activities and institutions to support to achieve the objectives of the RISDP and the RSP but which may either require innovation in, or be outside of, the protocols and institutional framework of SADC.

Discussion of and conclusion on the judgement criteria

JC1 Non Tariff Barriers reduced

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

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

⁴⁴ See “Prospects for Export Diversification of Botswana” at www.bidpa.bw/archive.html.

⁴⁵ See “Prospects for Export Diversification of Lesotho” at http://www.tralac.org/pdf/-20060202_sandreywp10.pdf

of the SADC Trade Protocol – in 2008. However, enforcement capacities in food safety standards are accepted by Member States to constitute a significant obstacle to further SADC regional integration.

Trade facilitation through customs modernisation is now recognised as a key win for regional integration and is widely supported by donors including the EC. The Customs Modernisation Programme (9 ACP SAD, €18 million) though yet to be implemented will play to the comparative strength of SADC in performing a co-ordinating role to ensure assistance is well orchestrated and delivers results. Furthermore the inclusion in the programme of diagnostic studies at the Member State level will also contribute to the required co-ordination between national and regional activities.

The programme covers all SADC countries, which will require it to co-ordinate across the SADC – COMESA split: a crucial issue if broader regional integration is to be supported. And while the programme encompasses the move by SADC towards a Customs Union – a move commentators in the region are extremely sceptical about – the greater majority of its activities will deliver impact irrespective of the dynamics of regional integration.

The removal of non tariff barriers is likely to benefit those exporters and traders on lowest income relatively more than the larger companies that are better able to cover the fixed costs of NTBs through economies of scale.

JC2 The framework for investment improved

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

According to UNCTAD, South Africa has become the most important investor in Sub Saharan Africa (see figure below) in the nineties, though United States investment in the region has grown faster in the second half of the decade.⁴⁶

There is a very strong “neighbourhood” effect, with an estimated 37% of investment in the region going to SACU. This reflect the results from recent surveys of South African Investment in Africa⁴⁷ which indicate familiarity and the need to use South Africa as the “anchor” economy are important determinants of investment.

The extent to which non SADC investors will also see South Africa as an anchor for their investment in the SADC region (excluding investment in mineral and natural resource extraction) has not been established. But South Africa is generally considered to have the potential to act as growth pole for the region. This potential can be best harnessed when SADC countries harmonise or approximate their treatment of investors within the region – so countries drawn to the South African market would have minimal costs in establishing throughout the region.

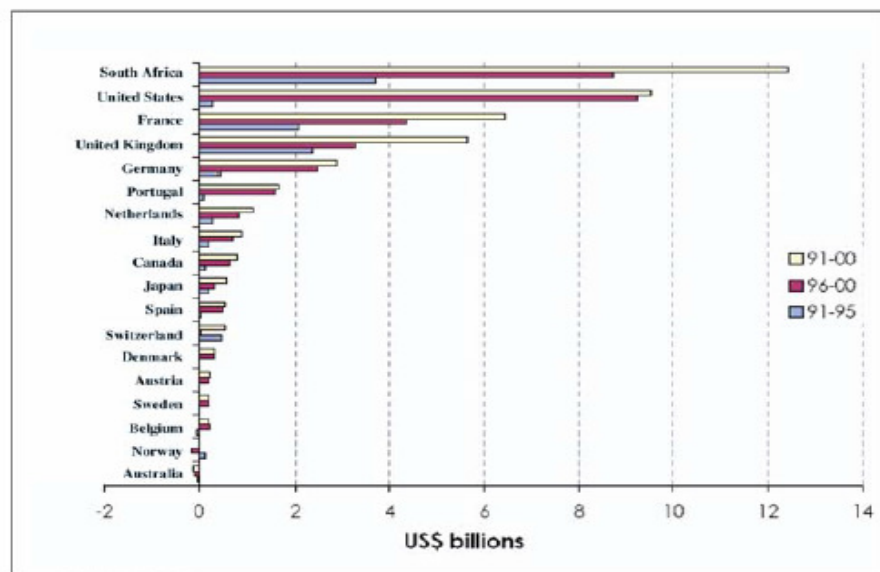
In terms of what needs to be addressed to increase investment in SADC, policy uncertainty and macroeconomic instability were the most important constraints to FDI in the survey of investors in the SADC region.

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

⁴⁶ “South Africa’s business presence in Africa” (2004), Occasional Paper No. 3, South Africa Foundation.

⁴⁷ Diana Games (2004), “The Experience of South African Firms Doing Business in Africa: A Preliminary Survey and Analysis” South African Institute of International Affairs, www.saiia.org. Neuma Grobbelaar (2004) “Every Continent Needs an America: The Experience of South African Firms Doing Business in Mozambique”, www.saiia.org.

Figure 2: Investments in Sub-Saharan Africa



Source: LiquidAfrica, UNCTAD

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

The process of integration in financial services markets is very much private sector led, with the Johannesburg Stock Exchange (JSE) being very active in promoting regional listings for companies. In addition, the commercial banks of South Africa now have a presence in all SADC FTA countries and are aggressively pursuing expansion into the rest of Africa.

SADC has a role to play in underpinning this integration through the Finance and Investment Protocol (FIP), though it is not clear at present how the FIP will contribute. Furthermore, the use of EC support needs to avoid displacing work that the JSE and Commercial Banks would seek to develop.

Finally, the EU-SADC Investment Promotion Programme (ESIPP – 8 ACP RAU 010) has attempted to support the involvement of the SADC private sector in the evolving regional economic governance arrangements. However, the programme has been plagued by delays, with, as a result: “much of the intended benefits of funding follow-on initiatives from the Business-to-Business events and other programme initiatives being lost in a confusion of administrative procedures and delays”⁴⁸. While procedures, the complexity of grants to business processes, complexity of the calls-for-proposals mechanisms and the absence of effective “hand-holding mechanisms” to assist applicants are major constraints slowing effective implementation – and in fact mirror many of the procedural problems described elsewhere in this report – ESIPP has begun to raise the awareness of the region as an investment location and has successfully launched an investment promotion process in the region. The capacity,

⁴⁸ Ref: Executive Summary, Transtec 2007. **Final Evaluation of The EU-SADC Investment Promotion Programme (*ACP RAU 010)**

however, of SADC-based intermediary organisations to sustain this remains a concern⁴⁹.

JC3 Trade negotiation capacity strengthened

SADC has produced and transmitted to the EC a framework document for the SADC EPA, to which the EC has recently responded through a Communication to Council in respect of South Africa's position as full partner in the negotiations. However, the scope of what should be negotiated within an EPA has still not been established.

The overwhelming impression from country visits was that Member States and the EC Delegations in the countries visited is that regional integration is not considered as a strategic factor in developing programmes at country level. Even where "trade and regional integration" are included as non-focal sectors in the CSP/NIP, there is a mechanistic, bureaucratic approach taken to "trade" with little appreciation of national self-interest and the strategic trade-offs which the different negotiations will imply for the Member States.

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

JC4 Trade volumes increase

Looking at trade flows on a product specific basis, it seems that regional integration efforts are showing some signs of unlocking the region's export potential, to a large extent through the actions of the private sector. For example, South African exports of plastic packaging to Zambia have helped enable the growth of Zambia's horticultural exports to Europe.

Volumes of trade have increased and intra SADC trade reached about 20% of total SADC trade in 1998 but has not really moved much since then. Trade remains focused on OECD and China. As regards non-SACU exports to SACU markets, exports remain low. This may reflect the incidence of non-tariff barriers, competitiveness or both.

Increasing trade volumes is a means to an end rather than an end in itself. The objective is to promote economic growth through a process of convergence in incomes, with the poorer countries catching up. Economic theory demonstrates that unless properly managed, regional free trade (as opposed to unilateral or multilateral free trade) can actually lead to divergence in incomes unless greater competition is ensured. In this context it should be noted that while there is convergence within SACU, there is evidence of growing inequalities amongst SADC and COMESA members, as measured by GDP per capita. It is beyond the scope of this evaluation to determine the nature and causes of this difference in performance. But it is clear that the process of integration needs to be monitored and managed - including at the national level - as regional economic convergence cannot be guaranteed through regional free trade alone.

⁴⁹ Ref: Executive Summary, Transtec 2007. **Final Evaluation of The EU-SADC Investment Promotion Programme (*ACP RAU 010)**

6.5 EVALUATION QUESTION 5: EFFICIENCY, EFFECTIVENESS AND OUTCOME – TRANSPORT AND COMMUNICATIONS

EQ 5

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

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

Answer to the question: The transport sector has been relatively slow in absorbing resources. This is particularly the case for the EDF9 RIP projects, but also EDF 8 & 9 NIP projects have encountered significant delays. Only a few EDF9 projects are in the pipeline. The delays have been caused by a combination of low capacity in the SADC Secretariat and in national agencies and by cumbersome EDF procedures. The national EC interventions that have materialised have contributed well to national objectives and indirectly to regional objectives, as the interventions formed part of national development programmes that also contributed to regionalisation – even though Member States have a limited focus on the regional perspective. Despite limited efficiency, the EC interventions have been effective, as national EC programmes/projects have contributed well to the regional transport networks.

The EC transport interventions – mainly road infrastructure and road sector reforms – have resulted in the warranted outcomes at the national level, but outcomes at the regional level are being constrained by a transport market in the SADC region where liberalisation reforms are still in their infancy stage. The SADC Member States need to emphasise the implementation of transit facilitation reforms and effective regulation much more in order to make regionalisation work. An adequate funding level for maintenance on infrastructure remains a major challenge necessary to preserve the infrastructure assets.

Discussion of and conclusion on the judgement criteria

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

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

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

Interventions in the transport sector were previously driven by the individual Member States and were from the outset prepared as national projects with resources primarily drawn from the NIPs and supplemented by the RIP. With the 'regionalisation' there was an uncertainty as to the responsibility for the undertaking of road projects between SADC and Member States. SADC's professional capacity in regional transport facilitation and coordination has been seriously eroded as a consequence of the restructuring process. This resulted in a corresponding severe setback for regional integration and economic growth, as transport infrastructure and services are two of the key determinants. Due to SADC's capacity constraints, it was decided to transfer implementation responsibilities to the NAOs. This raises the issue of whether the SADC Secretariat should have an implementation capacity of its own, or whether it should rather focus on the regional planning aspects and facilitate the effective integration of the regional dimension into the NIPs. The Member States have relatively well functioning road authorities/agencies, which will be capable of implementing the national components of regional development programmes.

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

A higher degree of interface between the RIP and the NIPs is clearly warranted. The RIP should outline the framework for support to regional transport systems consistent with SADC's Regional Transport Master Plan (not yet finalised) and should include facilitation support to: development corridors/Spatial Development Initiatives (SDIs); and liberalisation and harmonisation of the regional transport market. The adoption of the Regional SWAp by ICPs is promising, but needs to be supported by adequate SADC capacity. Except for the WB and EC, none of the other ICPs have been involved in regional transport projects. However, the bilateral co-operation between the ICP and the SADC Member States has included substantial interventions of regional

significance. This emphasises the need to consider the combined national and regional interventions in the transport sector in a broader perspective. A Joint SADC-ICP Thematic Group on Transport was created in October 2006 with the aim of improving coordination in the spirit of the Windhoek Declaration on a new SADC-ICP Partnership. The overall leadership of the coordination efforts lies with the SADC Secretariat with support from DFID as the 'Lead ICP' in transport.

The Sub-Saharan Africa Transport Programme (SSATP) has played a significant role in policy development and in linking transport and poverty reduction. SSATP also promotes regional integration through the cooperation with RECs. Regional and national transport associations have participated actively in regional and national fora. EC has been instrumental in supporting the regional and national transport frameworks through: the direct support to SADC; the funding contribution to SSATP; and through an active participation in national level transport/road SWAp and MTEF arrangements in countries where transport is a focus area.

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

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

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

Box 8: EDF contributions to Transport Corridors

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

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

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

Tazara Development Corridor (Dar es Salaam Corridor): The Corridor is a strategic artery Southern Africa with East Africa and Central Africa. The Corridor links Zambia and Tanzania. The Corridor interlinks with the Nacala Corridor, the North South Corridor and the Great Lake Area. The Corridor comprises a trunk road and a railway line.

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

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

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

The primary road networks are generally in a better condition than the secondary and tertiary networks, which thus hampers interconnectivity between the networks and accessibility to the rural areas.

The focus on development corridors and SDIs is judged to provide an appropriate strategic framework for the preparation of Regional Transport Master Plans. Road transport and services are particularly important as in some countries as much as 90% of all transport is on roads. An additional aspect to be considered in the Regional Transport Master Plan is to provide access to areas with cyclical or chronic food shortages – being a combination of regional and national responsibilities to secure access. Strategic Environmental Assessments (SEAs) should ideally be applied – but

are frequently omitted⁵⁰ - in connection with major corridor development plans and programmes to mitigate unwarranted negative impacts.

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

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

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

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

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

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

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

⁵⁰ See for example the: **EC Country Environmental Profile – Zambia** (Adam Pope, September 2006)

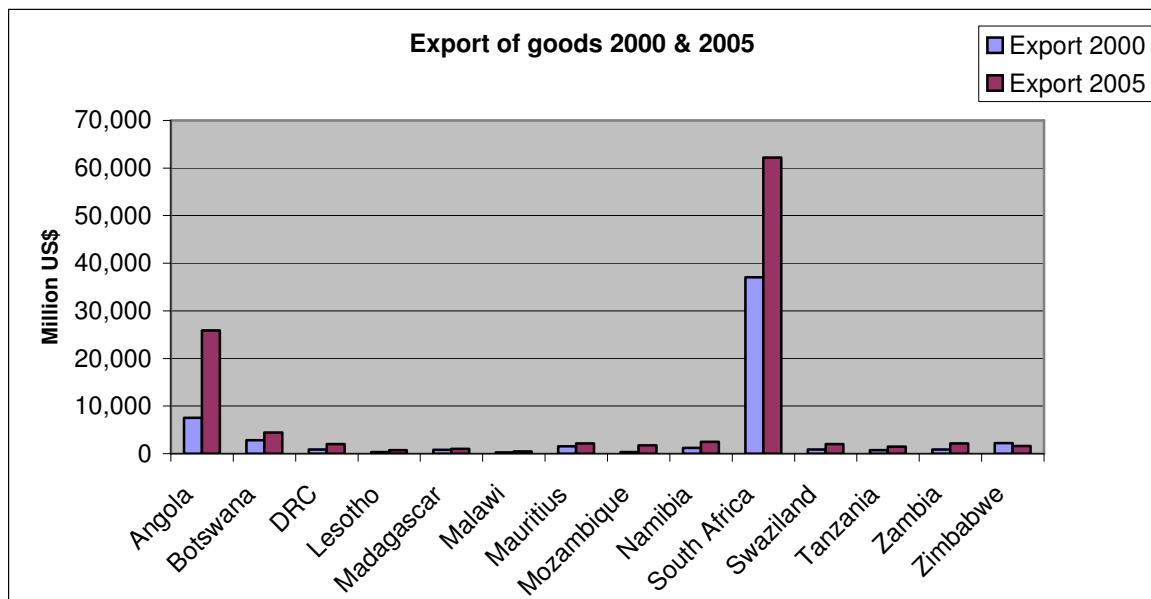
has provided substantial support to airport infrastructure in Zambia and Tanzania, which have improved air transport services significantly.

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

There has been a significant increase in transit and custom facilitation in terms of cargo and passengers, as among others, formal and informal trade has increased. However, the impediments to free movements remain high, despite a number of interventions and substantial efforts to improve transit and custom facilities. There exist a number of bilateral agreements among the Member States, but a multilateral agreement for the SADC and COMESA regions that could effectively liberalise the transport market has not yet materialised. As the non-physical barriers continue to hamper free movements, a liberalised transport market will be high on the agenda. Regional transport associations already take active part in such discussions, but their role could further enhanced.⁵¹

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

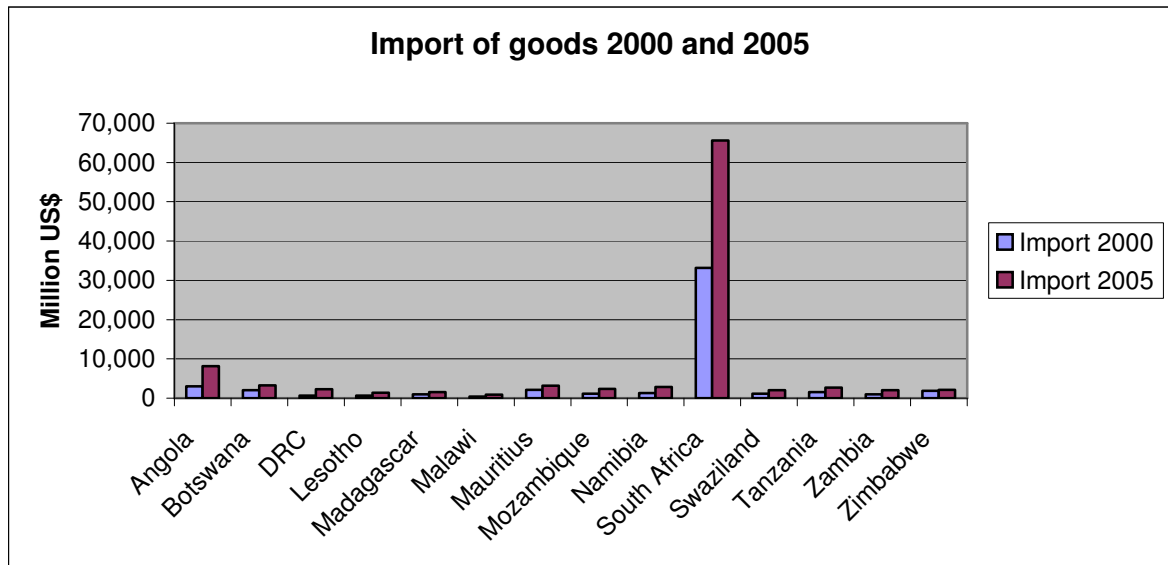
Table 3: Export of goods 2000 & 2005



Source: SADC Statistics: Facts and Figures 2005

⁵¹ The “Evaluation of the EC interventions in the transport sector in third countries, May 2004” confirms that there has been a positive effect on trade and regional integration in the ACP countries.

Table 4: Import of goods 2000 and 2005



Source: SADC Statistics: Facts and Figures 2005

6.6 EVALUATION QUESTION 6: EFFICIENCY, EFFECTIVENESS AND OUTCOME – FOOD SECURITY

EQ 6 To what extent are the planned and/or ongoing **Food Security, Agriculture and Natural Resources** interventions likely efficiently and effectively to produce outcomes which contribute to regional integration and economic growth?

Coverage of the question: The question will cover the issues related to regional Food Security programmes and national programmes with a regional significance. It will also include the aspects of Rural Development and the more specific sectors like fisheries, animal husbandry (including animal health) and agriculture. It will be assessed to what extent the EC's interventions have resulted in sustainable improvements in food security. The assessment examines whether the relevant interventions have resulted in an increase in availability as well as access to food in the region.

Answer to the question: The issues of this area fall under the responsibility of the FARN Directorate within the SADC Secretariat, where the different technical units address the specific programmes. Food Security is part of their overall objective which includes the promotion and harmonization of agricultural policies, the promotion of gender sensitive development strategies and programmes, promotion of biodiversity, phytosanitary, crop and animal husbandry policies, management of fisheries, increased agricultural production, effective and sustainable utilization and management of natural resources. It includes also agro-processing and the promotion of trade in agricultural products. In this sense Food Security is understood as a cross cutting issue at both national and regional levels. Taking the regional dimension into consideration, it shows a strong link to, and clear and complementarity with programmes in other sectors, particularly with the two focal sectors Trade and Transport.

A crucial weakness is the absence of an overall SADC protocol governing Food Security strategy. However a number of protocols addressing the different sub-sectors do exist. In this sector there are relatively few EC-projects, which have directly addressed Food Security at the regional level – despite its inclusion as a regional focus under EDF8. Most of the projects are related to one of the sub-sectors with an indirect relation to the overall objective Food Security, such as for example the training programmes.

The tendency of the national Governments has been to regard food security as a national concern rather than addressing opportunities for **regional** Food Security. During most years, the region taken as a single entity will be able to ensure regional food security in term of availability, but also with larger or smaller pockets of food insecurity. Thus one cannot state that food supply is secured throughout the region and a certain chronic insecurity and vulnerability of parts of the population will continue to exist. This fact refers to the differences between geographical and agro-climatic zones, where in addition to the climate uncertainties, also the agro-ecological conditions are poor, such as e.g. in great parts of Botswana and Namibia or in Member States where the population density is relatively high like in Malawi. Due to recurring crisis situations (droughts, natural disasters) food security interventions have to follow two lines: on one hand the emergency programmes with a focus on short-term responses, and on the other hand the long-term solutions.

Both types of interventions relate mainly to national level policy interventions. The policy agenda as contained in the Member States' NIPS only partly shows clear links to the objectives and programmes of the SADC RISDP. This tendency is also reflected in the different interviews during the field visits where the Governments regard the Food Security issue primarily as their responsibility, and as an integral part of their national poverty reduction programmes. However the main focus of the national PRSP programmes is still the availability of food, while less priority is given to the other two important strategies of the Food Security Framework document from 1997: namely the issue of access to food and the nutritional value of the food. These are strategies which are relevant especially for the most vulnerable parts of the population.

The agricultural research and training programmes, which indirectly address food security issues, provide an important contribution to the long-term oriented interventions. The overall goal of Agricultural Research and Training is to contribute to poverty alleviation and sustainable growth through agricultural and natural resources research and training in the region. The Food Security Training Programmes (8 ACP RAU 3 and 9 ACP SAD 2) have provided a platform for closer interaction and collaboration between national Agricultural Research Systems and have contributed to strengthen national research capacities. They are part of a long-term strategy in terms of capacity building. The EDF8 and EDF9 projects i.e. land and water management applied research programme (8 ACP RAU 018) follow the same vein. However implementation and coordination of agriculture research and training (9 ACP SAD 01); promotion of regional integration in the livestock sector (9 ACP SAD 002) are under implementation, so it is too early to judge their impact.

The food security programmes funded from the Food Security Budget Line are oriented to long-term responses for food security and are seen as appropriate complementarity. The EC focus has been on the long-term solutions but projects addressing such solutions under EDF9 have only just been approved or are in the final stages of preparation.

The EC long-term interventions, supporting capacity and institutional building are of high relevance; however, due to the long-term character and delayed implementation, they do not allow for the assessment of outcome and impact. Thus the evaluation of efficiency and effectiveness has to be made at a later stage.

Discussion of and conclusion on the judgement criteria

JC1 Agricultural production is increasing, enhancing regional food security and early warning systems are in place.

The availability of food products differs considerably from country to country and also gives a different picture every year; thus a clear regional trend cannot be identified. Though chronic deficit countries are Botswana and Namibia and a typical surplus producer is South Africa.⁵² Nevertheless, due to the prevailing climatic dependence of agricultural production, mainly in the countries, where food supply is critical, there are regular shortages. Even within the Member States the availability varies between different sub-regions. A regional food storage mechanism has been under discussion over the last 20 years, but it is only recently that new efforts by the SADC FARN directorate have been undertaken, to move from discussion to implementation.

Increases in food production, which have taken place in some SADC sub-regions, mainly in respect of the different cereal crops, have in general terms not kept pace with population growth. The production of food crops – with the exception of South Africa – relies very much on smallholders with little market orientation, who practise rain-fed agriculture (and thus depend on climatic factors) and who have little access to agricultural inputs and technologies.

Although the SADC region as a whole can be seen as self-sufficient in food production – at least in statistical terms - this does not imply automatically that even under normal circumstances no external imports are made. For Tanzania, for example, it is easier to organise imports from Kenya or Uganda (which are EAC members) than from the more distant SADC member state South Africa.

As result of national politics such as trade restrictions and other political decisions (e.g. price regulations) one observes a busy informal trade with food products in border areas, with cross-border prices being higher than transporting in-country to a structurally deficit region.⁵³

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

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

⁵² Although this was not the case in 2007, where a major drought and demands on crops, such as maize, for biofuels, has had an important impact on regional food security.

⁵³ Particular examples which can be mentioned are those in relation to the recent droughts in Zambia and Malawi, where national level pricing policies and export restrictions increased informal cross-border trading.

which, and policy makers who have to take the relevant decisions to mitigate the impacts of any impending food shortage.

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

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

In most of the SADC countries agriculture continues to be the backbone of the economy, with a percentage of more than 70% of the population living in rural areas and depending on agriculture for their subsistence. In some countries, such as Malawi and Mozambique, the percentage is even higher than 80%. Increase in productivity as result of research and training programmes will only be realised in the long run.

The NIPs indicate the necessity of non-farm economic activities in the rural areas, but limited diversification has taken place thus far. The general information obtained during the field visits made it clear that Governments are aware of the problem, but in real terms it has not been possible to improve the employment situation in rural areas significantly. In most SADC countries, the rural migration to towns continues.

The trade within the SADC Member States – not only with food products - still suffers from a number of restrictions, which are clear hindrances for cross border exchange. Although this has less of an effect on the informal than on formal trade. Limiting effects include: poor infrastructure (bad roads), lack of relevant information dissemination and long distances. As a result intra-regional trade with food products has not increased substantially – except during emergency situations.

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

Food Security demands short-term results. Although it is also important that conservation aspects and the long-term soil fertility should be taken into consideration, this rarely happens. The strategy of the SADC FANR Directorate, responsible for the sector, also has no elaborated concept for sustainable management of natural resources, of which eco-farming is an integral part. Although this issue is included in the list of long-term measures in the Dar es Salaam Declaration⁵⁴ no specific research is being carried out in this particular field under SADC auspices. The EU-sponsored ICART programme has only recently started.

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

⁵⁴ Dar es Salaam Declaration and Plan of Action on Agriculture and Food Security in the SADC Region, May 2004

JC4 Food supply and employment in the rural areas has improved.

At the SADC regional level, there is an overall sufficiency in food supply; however this is not evenly distributed and varies from year to year, although there are also areas within Member States, which are still chronically food insecure. This relates not only to the availability but much more to the access of the most vulnerable parts of the population to food supplies.

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

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

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

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

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

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

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

Apart from initial delays - especially with tender procedures and choice of implementing agency - the regional programme for monitoring, control and surveillance of fisheries (8 ACP RAU 1), which has been evaluated in 2006, has proved to be rather successful. Although to support the sustainability and to guarantee a longer term impact the evaluation report recommends follow up activities. However, in respect of other EC supported programmes, these are still too recent and will still need

to be followed up in order to judge their sustainability. Nonetheless interviews in different countries suggest that the regional food security training programme (8 ACP RAU 3) which has been completed only recently is starting to make a positive impact.

6.7 EVALUATION QUESTION 7: EFFICIENCY, EFFECTIVENESS AND OUTCOME – NON-FOCAL SECTORS

EQ 7

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

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

Answer to the question: The principal non-focal sector addressed has been in regard to HIV/AIDS activities supported by the EC. Regional HIV/AIDS strategies are in place and supported by regional donor support programmes (EC, DFID, USAID, etc.) but there are no immediate indications that infection levels are going down, while life expectancy trends remain negative. Institutional strengthening has taken place, HIV/AIDS activities are included as crosscutting activities in many projects and also at the policy levels many positive steps are being taken. However, these have not yet translated themselves into a reversal of the above-mentioned trends. But, it should also be noted that this is a long haul exercise and it should not be expected that there are necessarily short-term results. Many of the HIV/AIDS interventions focus on a huge cross-section of the community and it may well take a whole generation before the tide turns.

The non-focal sectors also include support to governance (in the sense of adherence to democratic principles, the rule of law, respect for human rights, promotion of the values of citizenship and the role of civil society) and to capacity building of SADC as an organisation. International data suggest that there is a wide divergence in adherence to recognised standards of good governance, and that there is little that SADC as an organisation can do to ensure that regionally-accepted guidelines are accepted nationally. The EC will be including governance profiles to trigger disbursement allocations under the EDF10 but this will be at the national level; there is no real indication as to how such an approach would translate into the regional arena.

Capacity-building improvements at the level of the SADC Secretariat have been difficult to achieve in a situation where many posts remain unfilled, although this is now being corrected – since the start of 2007. This previous lack of capacity contributed to slowing down the implementation of the EC programme.

The Non-Focal Area interventions are mostly implemented at the national level. As there are great differences in which the Member States address the non-focal areas, there is a corresponding variation in respect of the efficiency in which the EC interventions are implemented – as the efficiency of programme implementation is highly related to the efficiency of the national frameworks. Although the EC interventions have not been adequately effective to change the trends positively, it is obvious that some Member States have been able to slow down the negative trends thus demonstrating that well conceived interventions do have an effect. The outcomes of EC's interventions are judged on the basis they have contributed positively to creating awareness and reducing the negative trends.

Discussion of and conclusion on the judgement criteria

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

The entry into force of the **Protocol on Politics, Defence and Security Cooperation** in March 2004, together with the SADC Council's February 2005 decision to establish a fifth Directorate on Politics, Defence and Security, reflect the highest degree of political will and commitment to guaranteeing peace and political stability in the region. To put the Protocol into operation, the SADC Member States have concluded a Mutual Defence Pact and drawn up a Strategic Indicative Plan for the Organ (SIPO). With these instruments, the SADC Organ on Politics, Defence and Security Cooperation now has a well-defined structure and clear reporting lines, which will allow SADC to play an enhanced role in regional conflict management and to safeguard peace and security in the region. The test for SADC will be how it will use the Organ to resolve the political, and resulting economic, crisis in Zimbabwe

Overall the SADC region is now better equipped to deal with the different types of crisis which the region has faced in the past ten years or so – post-apartheid (South Africa), post-conflict/democratic modernisation (Mozambique), post-conflict (Angola), post-conflict/pre-election (DR Congo), etc. The political situation in Zimbabwe is far from being solved, however, with a ripple effect taking place as refugees and economic migrants are leaving Zimbabwe, literally in their millions, and trying to make a living in the neighbouring states.

The EU-SADC Political Dialogue, set up under the September 1994 Berlin Declaration, provides a forum for discussing all the abovementioned issues and developments.

JC2 Reduced levels of human rights abuses in the region

The region has been a witness to recent positive events such as the emergence of Angola out of Civil War; first elections in DRC since 1961; both of which events are likely to have a positive effect on human rights abuses in the region.

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

Since 1992 SADC has produced a series of resolutions, treaties and protocols on human rights issues. However, according to Mutasah (2005)⁵⁵, these treaties must be translated into national legal systems in order to be effective but this has not happened: “Without domestication, excellent regional agreements signed by African leaders are useless nationally, except as fashionable showpieces on the international good governance catwalk”.

Some concrete action has, however, taken place on setting up monitoring systems with the creation of: “A regional electoral advisory body and human rights commission”. This emerged from the ministerial meeting of the Southern African Development Community (SADC)-European Union (EU) Double Troika held in Maseru, Lesotho, in November 2006. SADC announced at the meeting that it is focusing on further developing and entrenching good governance and democratic practices through the creation of supportive institutions such as the Human Rights Commission and the SADC Electoral Advisory Council (SEAC).

⁵⁵ Source: <http://www.newzimbabwe.com/pages/opinion98.13573.html>

The SADC Human Rights Commission will be a regional institution whose main objective is to entrench constitutional democracy in southern Africa through the promotion and protection of human rights. It will, among other things, be responsible for addressing human rights violations and seeking effective redress for such violations; monitoring and assessing the observance of human rights by member states; raising awareness of human rights issues within the region; and educating and training stakeholders on human rights issues”.

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

Civil society in the region remains weak, divided and unable to optimise existing channels for participation or to create new ones. And to make matters worse, Southern African political leaders have an innate distrust of civil society and often undermine their ability to play a meaningful and participatory role in regional development.

There is very little regionally based non-governmental institutional capacity dealing with governance and civil society and what there is, is based in South Africa. This is also a problem in a region which already sees South Africa as being too dominant. There is an increasing imbalance within the region between transparent, well-functioning NGOs in South Africa which are capable of working both nationally and regionally, and NGOs in the rest of the region which, at best, have the capacity to work nationally – but where, in many cases, their very existence is threatened. This also causes friction between South Africa and the rest of the region. Most SADC region NGOs dealing with civil society and governance have a national and not a regional focus.

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

For civil society to make a difference, it needs to be **proactive** rather than **reactive**. Requirement for this is a certain amount of core funding in order to be able to mobilise quickly. EC has not been able to support civil society in any significant way because EC procedures are more geared to a reactive situation – call for proposals, etc. This takes a long time and success rates are low. The result is that the EC's reputation for onerous and lengthy procedures frightens off the NGOs/CSOs. However, there are opportunities to work with groups of other donors in joint arrangements following agreed procedures.⁵⁶

JC4 Drug trafficking and use reduced

The SADC Protocol on **Combating Illicit Drugs**, entered into force on 20th March 1999. Angola is to ratify the protocol and DRC is required to accede to the Protocol.⁵⁷

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

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

The SADC Protocol Against Corruption has been ratified by: Botswana, Lesotho, Malawi, Mauritius, South Africa, Tanzania, Zambia and Zimbabwe. Angola, DRC,

⁵⁶ For example, Southern Africa Trust which has secured start-up funding from DFID (and is going to include SIDA, CIDA, SDC, etc. into the basket)

⁵⁷ Source: <http://www.sadc.int/english/documents/legal/protocols/status.php>

Mozambique, Namibia and Swaziland are required to ratify the Protocol. The Protocol had not yet entered into force according to the official SADC Website.⁵⁸

Corruption indicators are available, for example through Transparency International. Although the Transparency International Corruption Index has been criticised for reinforcing negative images in Africa, while ignoring corruption by multinational companies and Western Government, yet its focus on the bribing of politicians and state officials in developing countries clearly highlights the problem that corruption is rife in many SADC states, with Zimbabwe as one of those which scores high amongst the most corrupt according to Transparency International.

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

As part of its restructuring, SADC has established a **Gender Unit** under the responsibility of the Chief Director which assesses all projects as part of the appraisal procedures. Agreed policies for gender equity are in place (e.g. 30% targets for women's involvement in public office, etc.) and new targets are being developed raising this to 50%. However, this has been criticised by SADC NGOs (e.g. NGO CC in Zambia) where the point is made that raising targets when the first targets have not been met is a pointless exercise. The Gender Committee is seen as not being very strong, no monitoring takes place and no system of sanctions exist if targets are not met.

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

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

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

The 'constraints' mentioned in **2.5** above apply similarly to the HIV/AIDS sector. Especially access to materials and meetings with key informant were difficult. Copies of previous reviews and evaluations were sometimes difficult to obtain, and the field visits for the HIV/AIDS expert were limited. The only member states visited were Botswana and South Africa. Finally, since the HIV/AIDS programme for SADC relies on financial input from both the EDF and EPRD budgets, with the restrictions on expenditure that each of these imply, and the separation of EU administrative mechanisms that go paired with it, there is difficulty and confusion possible, not the least of which is possible in the minds of SADC partners.

There is a relationship between what will be called the *substantive*⁵⁹ focuses of this Evaluation, *viz* regional integration and trade, transport and communication and the matter of food security, on the one hand, and HIV/AIDS on the other. Any inaction or

⁵⁸ Source: <http://www.sadc.int/english/documents/legal/protocols/status.php>

⁵⁹ Also referred to as the focal areas or sectors, as opposed to HIV/AIDS which is spoken of as a non-focal sector of the evaluation.

lack of efficacy of activity on the HIV/AIDS front has serious repercussions for the substantive sectors themselves. The incorporation of HIV/AIDS, as a cross-cutting issue within the substantive areas, denotes the centrality of the illness to the Development Community as a whole. This said, it must be noted that another cross-cutting issue, Gender, is treated differently from HIV/AIDS in the organogram of the SADC Secretariat. Whereas the Gender Unit is directly responsible to the Executive Secretary, the HIV/AIDS Programme reports through the Social and Human Development & Special Programmes (SHD&SP) Directorate⁶⁰, reporting to the Executive Secretary through the Chief Director.

In the HIV/AIDS arena, the efficiency and efficacy of interventions, whether in the focal areas of EU/SADC assistance under EDF8 or EDF9, or purely in the HIV/AIDS sector, would be most easily measured in terms of the 3rd criterion, namely the 'outcome'. These outcomes would be reflected in changes, hopefully reductions, in the various metrics, which surround HIV/AIDS, of which there are many. Since EU/SADC expenditure on these sectors has been in place since 1996⁶¹ it might reasonably be expected that some positive indicators would begin to work their way through the statistics by now. Unfortunately, as the Table below indicates, this has not been the case.

Table 5: Adult (15 - 49 years) Prevalence Rate in SADC Region, 2003 and 2005⁶²

Country	Year	Rate	Range ⁶³
Angola	2003	3.70	(2.3 - 5.3)
	2005	3.70	(2.3 - 5.3)
Botswana	2003	24.00	(23.0 - 31.6)
	2005	24.10	(23.0 - 32.0)
Congo DRC	2003	3.20	(1.8 - 4.9)
	2005	3.20	(1.8 - 4.9)
Lesotho	2003	23.70	(22.3 - 25.1)
	2005	23.20	(21.9 - 24.7)
Madagascar	2003	0.50	(0.2 - 1.0)
	2005	0.50	(0.2 - 1.2)
Malawi	2003	14.20	(7.0 - 21.5)
	2005	14.10	(6.9 - 21.4)
Mauritius	2003	0.20	(0.1 - 0.7)
	2005	0.60	(0.3 - 1.8)
Mozambique	2003	16.00	(12.5 - 19.7)
	2005	14.10	(12.5 - 20.1)
Namibia	2003	19.50	(8.7 - 30.6)
	2005	19.60	(8.6 - 31.7)
South Africa	2003	18.60	(16.6 - 20.5)
	2005	18.80	(16.8 - 20.7)
Swaziland	2003	32.40	(20.7 - 44.1)
	2005	33.40	(21.4 - 45.3)
Tanzania	2003	6.60	(5.9 - 7.3)
	2005	6.50	(5.8 - 7.2)
Zambia	2003	16.90	(15.9 - 18.0)
	2005	17.00	(15.9 - 18.1)
Zimbabwe	2003	22.10	(14.6 - 30.4)
	2005	20.10	(13.3 - 27.6)

⁶⁰ New SADC Secretariat Organisational Structure as approved by SADC Council of Ministers, 25th February, Grand Baie, Mauritius.

⁶¹ Under EDF8.

⁶² Source: The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone.

⁶³ 'Range' refers to the series of numbers within which the 'Rate' can be expressed at the 95% confidence level. Where the range is large, data is less reliable.

For the latest period for which data is available and the comparative previous period, only very small improvements in the Rate within the 15 – 49 age-group are found, and then amongst the figures of only four member states.⁶⁴ Only in two, Lesotho and Tanzania, between 2003 and 2005, is there an improvement in the Range data, making the improvements in the figures of the other two member states, Mozambique and Zimbabwe, at least, debatable.⁶⁵

With only a small proportion of the populations who require it receiving the 'scientific' Western-medicine-approved treatment regimes for HIV/AIDS. As indicated in the Table below - high prevalence rates remain, and are almost universally the order of the day in the Region.

Table 6: Percentage of HIV-infected adults receiving ARV's in selected SADC member states, end 2005⁶⁶

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

Table 7: Summary Table of the AIDS Epidemic in the SADC Region
(Rate, with Range in brackets)⁶⁷

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

⁶⁴ Lesotho, Mozambique, Tanzania & Zimbabwe.

⁶⁵ In the case of Zimbabwe the Range is so large (15.8 in 2003 and 14.3 in 2005) as to make the resulting Rate unreliable, and the same holds for Mozambique (Rate < 7.2 in both 2003 and 2005).

⁶⁶ Source: UNAIDS 2006, quoted in The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone

⁶⁷ Source: UNAIDS 2006, quoted in The SADC/EU Project on HIV/AIDS, Progress Report 2004 – 2006, SADC HIV/AIDS Unit, Gaborone

SADC HIV/AIDS strategy implemented and SADC Health Protocol ratified

Against this bleak picture must be contrasted any progress made so far.

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

The Declaration aims to combat the pandemic as a matter of urgency through multi-sectoral strategic interventions as contained in the new SADC HIV and AIDS Strategic Framework and Programme of Action 2003-2007. In particular the Declaration outlines five priority areas requiring urgent attention and action and specifies strategies through which to address them:

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

The implementation of activities addressing these strategies has been funded by SADC's own resources, financial commitments from individual donor organisations, and multi-lateral agencies. This includes an EU contribution of €7.614.000. The activities undertaken have focussed on individual nations, groupings of SADC member states, and organisation-wide initiatives. Additionally the efforts referred to have been specifically health oriented, as well as taking major account of the necessarily cross-cutting nature of effective HIV/AIDS programmes.

The relocation of HIV/AIDS Unit, in terms of the establishment of the Secretariat and all its functions in Gaborone, makes it easier to coordinate all the elements that go into making a coherent strategy workable and able to be implemented.

As regards the Regional joint donor approach to HIV/AIDS within the SADC region, this is coordinated by SIDA in Lusaka, Zambia – lead donor in the Regional HIV/AIDS Team for Africa - with the EU as an observer.

Monitoring systems in place and showing positive trends

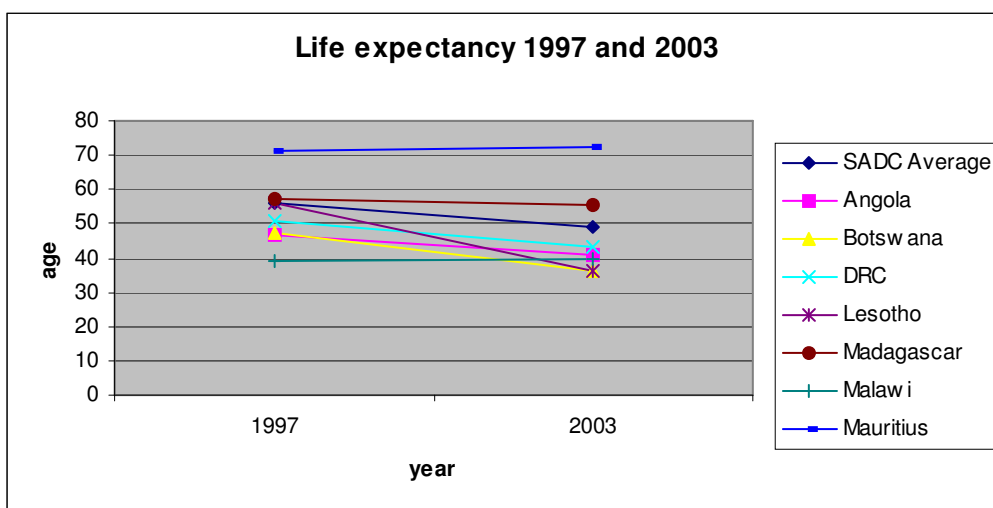
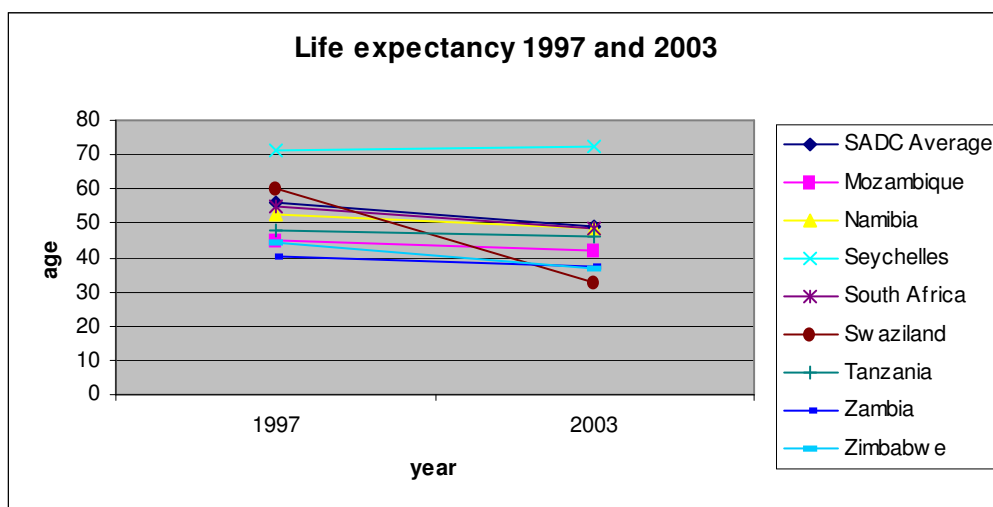
Monitoring systems are, increasingly, being put in place, and data gathering and quality of data are being improved, but the positive trends that were expected to result from these processes as well as the other interventions sponsored by, amongst others the EU, are not occurring as quickly as hoped or expected.

The numbers of people living with HIV/AIDS is, in the absence of widely accessible anti-retroviral treatment (ART), closely related to life expectancy, and overall life expectancy too is showing a downward trend⁶⁸, as can be seen from Figure 3 below.

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

⁶⁸ This figure shows data for selected SADC countries. Further details may be found in Volume Two – Annex 1 of this Evaluation.

Figure 3: Life expectancy trends



Implementation of HIV strategy at all levels of society and in all sectors supported by EC

EU support to SADC totals €7.614.000, with €3.114.000 from the EDF and an amount of €4.500.000 sourced from the EPDR.

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

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

Regarding this project, a late 2006 Monitoring Report⁶⁹ states:

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

⁶⁹ Re-Monitoring Report, South African Region – RAU – Regional Support for an expanded Multisectoral Response to HIV/AIDS in SADC Region, MR-00838.02-15/12/06.

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

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

In closing, the Report balances the achievements of the findings highlighted above with recommendations regarding the need for increased communications and marketing, and praising the recent ⁷⁰ appointment of additional staff to the HIV/AIDS PMU.

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

In the light of these comments one is forced to ask, what might the statistics have looked like *if it were not* for the EU's, and other funding agency's, commitment to the programmes mentioned?

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

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

It will be difficult to carry out an institutional assessment until SADC unfreezes frozen posts, and fills and funds these. At present, SADC depends on external support to carry out its mandate – it is also likely that, in fact, more posts would be needed if SADC is to fulfil its mandate. The centralisation of SADC (seven years ago) has not yet brought about many positive changes and there is much criticism that the organisation is much weaker now than it was when the Directorates were decentralised in the Member States. As long as SADC Member States do not provide the bulk of the Secretariat's funding and unless the Secretariat is adequately staffed, the opportunities linked to the centralisation of SADC will be missed.

Capacity of the SADC Secretariat remains limited because there is no regional commitment to fully staff the organisation; and because there is no domestication of what is decided at regional level. The result is that some donors are bypassing SADC especially as regards implementation. SADC may be involved at an overall policy level, but implementation is done through other regional bodies.

As regards the SADC National Committees, the conclusion from the field phase – and a conclusion echoed by the Ernst & Young institutional consultants – is that these mostly exist in name only and hardly function. Neither is there any evidence to suggest that NSAs were involved in the discussions leading up to the RISDP.

⁷⁰ January 2007

6.8 EVALUATION QUESTION 8: IMPACT AND SUSTAINABILITY

EQ 8	To what extent has the Commission's support had an impact on key stakeholders' capacity (through applied instruments – policies, protocols - and allocated resources) to promote regional integration and economic growth, and to what extent will these be <i>sustainable</i> ?
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Coverage of the question: The first area of focus will be on the SADC restructuring exercise, notably the centralising of functions at the Regional Secretariat in Gaborone and the role to be played at national level by the SADC National Committees. The question will also analyse the extent to which the support given to the capacity development of the key stakeholders to support regional integration has created regional capacities, which will also be sustainable after withdrawal of external support. Finally, there will also be an analysis of the changes in regional SADC strategy (notably through the implementation of the RISDP; and in SADC's positioning on EPA negotiations) and the extent to which these changes are reflected in the EC's programming vis-à-vis SADC.

Answer to the question: The obligation of ACP States to negotiate regional EPAs with the EC has brought out a number of the existing fracture lines in the region. As regards the EPAs, SADC is split into two negotiating camps – with a number of SADC States negotiating as part of COMESA. Discussions are still ongoing within the region in respect of which negotiating positions to take, and current EPA groupings are considered to be unstable.

SADC, as an organisation remains weak both at the regional level – where Member State financial contributions are not sufficient to sustain the organisation – as well as at the national level – where the involvement in SADC of non-state actors and SADC National Committees is minimal. The regional perception in Member States is not well developed at the national level.

SADC policies and protocols are generally well conceived, but Member States' allocated resources to the SADC Secretariat and to SADC National Committees are inadequate to implement the policies and protocols. Within this context, it has been difficult for the EC to support capacity building efforts within SADC. EC's efforts have major positive implications for maintaining the regional agenda, but EC could contribute further by paying more attention to regionalisation in all of its delegations in the SADC Member States. The EPA negotiations will have a catalytic effect on the Member States' decision on which REC to belong to. This will also guide future capacity building efforts. Once these decisions have been made and some of the confusion relating to overlapping memberships has been eliminated, regional interventions are likely to have greater impact and be more sustainable.

Discussion of and conclusion on the judgement criteria

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

While the current configurations for EPA negotiations are clear, with a SADC EPA and an ESA group, informed observers doubt the sustainability of Tanzania being in a SADC EPA grouping that does not include its EAC partners and question Angola's commitment to the EPA process. Informed observers suggest that there may be delays in the trade negotiations leading to the signing of EPAs – both at the International Level (WTO/Doha, etc.) but also at the regional level as the final regional groupings for the EPAs may be unstable. However, the growing awareness of the implications of the loss of Cotonou market access on e.g. beef and fish exports may be galvanising a more

concerted effort by the SADC EPA group. South Africa's inclusion in negotiations is also seen as offering greater negotiating capacity to the group.

An additional issue, which emerged was in relation to EPA membership. Interviews carried out during the field phase suggest that the decisions in respect of which specific EPA grouping to belong to were taken at a level far above that of even senior level state and non-state actors. In addition, in many cases, decisions seem to have been made on political or ideological rather than on economic grounds.

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

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

The EPA negotiations need to be concluded by December 2007. The outcome of the EPA negotiations remains uncertain, as does the final configuration of the EPA groupings. Due to the high level of uncertainty that the EPA negotiations have encountered, the stability of the southern African EPAs – when they are concluded – could be at risk. SADC's and COMESA's capacity to negotiate the EPAs is of paramount importance, but the capacity itself will not be sufficient if all Member States' political will to enter into rational conclusions is not present.

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

The first priority for the RISDP is on regional integration, and the promotion of trade and economic liberalisation as a means of facilitating competitive and diversified industrial development through the establishment of a Common Market. All indications suggest that this will be behind schedule.

A key element of the SADC restructuring efforts was to have well functioning SADC National Committees that link up with the SADC Secretariat and promote regional integration at the national level. Limited resources are provided by SADC member States to the SADC National Committees, and for this and other reasons they are generally not fulfilling their purpose – thus weakening the national anchorage for a regional perspective.

In addition, SADC civil society and NSAs are relatively weak – although there is quite some variation between Member States. There is, however, no evidence to suggest that there was any major contribution by NSAs in the formulation of the RISDP, nor that the Secretariat is involving them on discussion related to regional issues, including the EPAs.

Centralisation may, in fact, have resulted in a weakened regional perception in Member States with the closing of the national SADC Departments, the non-functioning of SADC National Committees, and the limited involvement of NSAs.

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

In many ways SADC is still an organisation under development – despite the fact that centralisation took place in 2001. Many posts remain either frozen or unfilled and in the absence of a full complement of staff and with a quota system that does not always ensure that the most competent staff are seconded to SADC, the development of SADC procedures has been problematic. There is very little evidence of the involvement of the national level in SADC activities – whether through state or non-state actors. SADC national committees are either non-functioning or dormant. Although there is a clear overlap at the overall policy level between RISDP and the RIP – at the member state national level there is little ownership of either the RISDP or of the RIP. The contact between the SADC Secretariat and the political level, on the one hand, and the national state and non-state actors, on the other, appears limited.

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

Salary levels are also lower than comparative salaries in COMESA and the AU – this is a general problem but, in the case of South Africa, a particular problem. SA does not fill its SADC quota mainly because the salary levels are so low compared to other opportunities in SA.

Although membership contributions appear to be being paid more regularly, these contributions are not adequate for SADC to function as a strong and independent organisation. As long as SADC member states do not provide the bulk of the Secretariat’s funding and unless the Secretariat is adequately staffed, the opportunities linked to the centralisation of SADC will be missed. Donor-funding of over 60% of SADC is not a sound basis for ownership by member states.

6.9 EVALUATION QUESTION 9: IMPACT AND SUSTAINABILITY

EQ 9	To what extent has the Commission’s support had an impact on the enabling environment that promotes regional integration and economic growth in the SADC region and how will the enabling environment further evolve and be sustainable?
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Coverage of the question: The question will examine whether the enabling environment in the SADC region has been enhanced and whether there is national ownership of SADC regional policies and regional accords; and whether national governments have committed themselves to regional integration through normative, legislative and economic decrees and implementation instruments.

Answer to the question: Many of the key programmes supporting the enabling environment for trade and regional economic integration are about to start. Therefore assessing impact – not to speak of efficiency and effectiveness - in this situation is difficult. However, the most critical problem identified is the lack of domestication – national level interests continue to take precedence over the regional level, and there is no guarantee that decisions taken at the regional level will be implemented nationally. By the same token, the CSP/NIPs also do not take into account the regional dimension.

EC has, by its continued support to regionalisation, contributed to the enhancement of an enabling environment. However, due to inadequate follow-up by SADC Member States and conflicts in the region, an enabling environment for regional integration remains in its infancy stage. Thus the full impact of SADC's policies and protocols remains to materialise.

Discussion of and conclusion on the judgement criteria

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

Intra-SADC trade picked up significantly following the end of apartheid with increasing exports of manufactured goods from South Africa. In 1998 intra-SADC trade reached about 20% of total SADC trade and remains much the same today.

South Africa plays a key role. It may be noted that in volume and value terms, intra-SADC trade is dominated by South Africa. South Africa's exports to the Southern African region amount to 19 % of total exports, of which 13 % goes to other SACU member countries. Most of South Africa's imports from Southern Africa come from other SACU member countries. Moreover for most BLNS countries, South Africa is their major export market.

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

Table 8: SADC Trade Flows 1998 and 2002

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

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

Source: SADC Secretariat

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

Trade barriers are being reduced, but at a slow pace. The legal framework in Member States is also slow in being harmonised with the SADC protocols, which would otherwise speed up the process of reducing the trade barriers.

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

SADC Protocol on Trade and the amendment provide some basis for this. However, the actual situation on the ground is less clear. Although some improvements have been attained, technical and non-technical barriers continue to constrain free movement. Transport of imported and exported good is heavily affected by prevailing barriers imposing additional high costs on goods and services – particularly so in the land-locked Member States.

One of the major factors standing in the way of improved regional integration and trade are the internal problems faced by the region. This also includes the fall-out from the political and economic situation in Zimbabwe. This has resulted in an out-migration from Zimbabwe to neighbouring countries of millions of Zimbabweans (SAMP figures suggest over 4 million Zimbabweans in South Africa alone, many as illegal immigrants). It is important to note that as long as this situation remains unresolved, this will impact on a number of protocols – for example the free movement of goods and of individuals

Free movement has been facilitated in some Member States, but are constrained in others. Constraining factors are related to security problems and a slow pace of reforming and implementing investment and trade policies in Member States.

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

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

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

The Transparency International Corruption Index clearly highlights the problem that corruption is rife in many SADC states. But while incidences of corruption are still widespread throughout SADC, they are receiving more visibility in a number of SADC countries. A strong civil society is necessary if governance reforms are to be achieved throughout the region and, as already mentioned, the strength of civil society varies throughout the region.

The SADC policies and protocols have created a common framework for the Member States, which outlines the regional integration objectives and within which donor support can be channelled and is in this sense enabling. The Member States are generally slow in harmonising the national legislation, strategies and development planning with SADC's policies and protocols, which imply that the regional integration process has been held back.

6.10 EVALUATION QUESTION 10: IMPACT AND SUSTAINABILITY

EQ 10	To what extent has the Commission's support to SADC had an impact on (contributed to) sustainable economic and social development, on regional integration, and on poverty reduction in the SADC region, and is this impact likely to be sustainable?
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Coverage of the question: This question focuses on the overall objective of EC assistance to the ACP states and stands at the core of the EC's approach to development assistance during the EDF9. Poverty reduction has been clearly linked to

economic growth in the EU's regional strategy for SADC where it is contended that: "Poverty reduction depends on achievement of economic growth levels of 6%" – with regional integration being one of the factors which stimulates growth – and hence "poverty reduction".

Attributing direct causal links between EC interventions and poverty trends in the SADC region is very difficult to document as numerous factors influence these economic developments.

Answer to the question: Few countries in the SADC region are achieving high growth figures, and only few the 6% growth figures calculated as being necessary for poverty reduction. In fact, most of the development indicators show negative trends (low growth figures; high levels of HIV/AIDS; poor scores on anti-corruption indicators; etc.).

This does not necessarily mean – all other things being equal - that the theory that "regional economic integration and sustainable socio-economic growth will lead to poverty reduction" is wrong – but the conditions do not yet seem to be in place to achieve this goal.

In addition, many SADC Member States continue to prioritise the national political agenda above the regional economic integration agenda. The requirement to negotiate EPAs as regional groupings – and the choices SADC countries make in respect of which configuration to join - may change this; but it may, at the same time, contribute to splitting SADC into two.

Finally it remains difficult to assess the impact – let alone the efficiency and effectiveness - of EC interventions in relation to regional integration when so many of these interventions have only just started, and are being implemented in an imperfect policy, economic and social environment.

Discussion of and conclusion on the judgement criteria

JC1 Increased integration of the region into the world economy

It became clear during the field phase that there was still a lot on ongoing discussion in relation to the final groupings of the two EPAs. Informed observers suggest that there will be delays in the trade negotiations leading to the signing of EPAs – both at the International Level (WTO/Doha, etc.) but also at the regional level as the final regional groupings for the EPAs are not stable – and in many cases based on political ideas rather than economic realities. An increased integration into the world economy of the SADC region is constrained by the overlapping REC memberships.

JC2 Increased regional integration

Many commentators are questioning the likelihood of SADC moving to a Customs Union; indeed SADC still has several issues to address before establishing an effective Free Trade Area and no political decisions have been made regarding implementation. Furthermore, the split in SADC, reflected in the EPA configuration, would suggest that a customs union beyond the SADC 7 (or 8 with the inclusion of South Africa) would be very difficult achieve in the immediate future. The fact that South Africa is now participating fully in the negotiations (thus effectively making a SADC 8) does change the equation, and again opens up for a discussion around the expansion of the existing SACU customs union into a larger body. Clearly SACU will remain a key REC within the region and the revenue sharing formula on which it is based may well develop into a broader platform carrying forward integration in the area of services, investment and the movement of people. This may impair SADC's ability to move forward in these same areas and may also weaken the role of the secretariat. In addition, it is still likely to leave SADC split into two camps. A clarification streamlining memberships, whatever the configurations may be, will in all probability contribute to increased regional integration.

JC3 Sustainable social development

The SADC average growth rate was between 3% and 4 % in the period 2002-2003. This growth rate is about half the target rate of 6%, which must be reached if the region is to achieve the Millennium Development Goals (MDGs) of halving poverty by 2015. Although the SADC region has an aggregate GDP of approximately \$168 billion an estimated 40% of the region's population lives below the poverty datum line of \$1 a day and about 70% below \$2 a day. The growing incidence of HIV/AIDS, tuberculosis and malaria is pushing up mortality rates, skewing the demographic profile and adding to the numbers of orphaned and vulnerable children. These factors, together with food shortages in many parts of the region, accompanied by weak social and economic governance structures have meant that human poverty appears to be deepening in all SADC countries, with the exception of Mauritius. In terms of the MDGs this apparent trend, together with levels of economic growth below those required to finance the necessary investment in infrastructure and social services, suggests that it is unlikely that any of the MDGs will be achieved by 2015.

Opportunities for pro-active use of new technologies to increase accessibility to banking services for the poor have largely been missed. Already cellphone ownership has revolutionised communication for poor people and experiences from South Africa have shown that technological sophistication has not proved to be a barrier to access banking services for the under-resourced.⁷¹ This provides an opportunity for increasing a pro-poor focus for regional integration under EDF10.

JC4 Increased economic growth

There are regional economic growth divergences in the region, with rapid GDP growth rates in Angola helping to pull up the overall SADC average, although counteracted by the economic meltdown of Zimbabwe. There is great variation in the GDP growth rates among the SADC member states. However, according to recent IMF estimates, those countries which may be expected to reach a growth rate of minimum 6 % (requisite for poverty reduction) in 2005-2007 are: Angola, Botswana, DRC, Malawi, Mozambique, Tanzania and Zambia.

Improvements in GDP growth rate in some of the SADC economies are attributed, amongst other things, to dividends associated with peace, increased oil output (notably in Angola although the country is still suffering from after-effects of the civil war), and improved management of macroeconomic policies in most SADC Member States. Improved performance in the largest economy in the region – South Africa, accounting for nearly 70% of the region's GDP – contributes also to more economic stability in the SADC region.

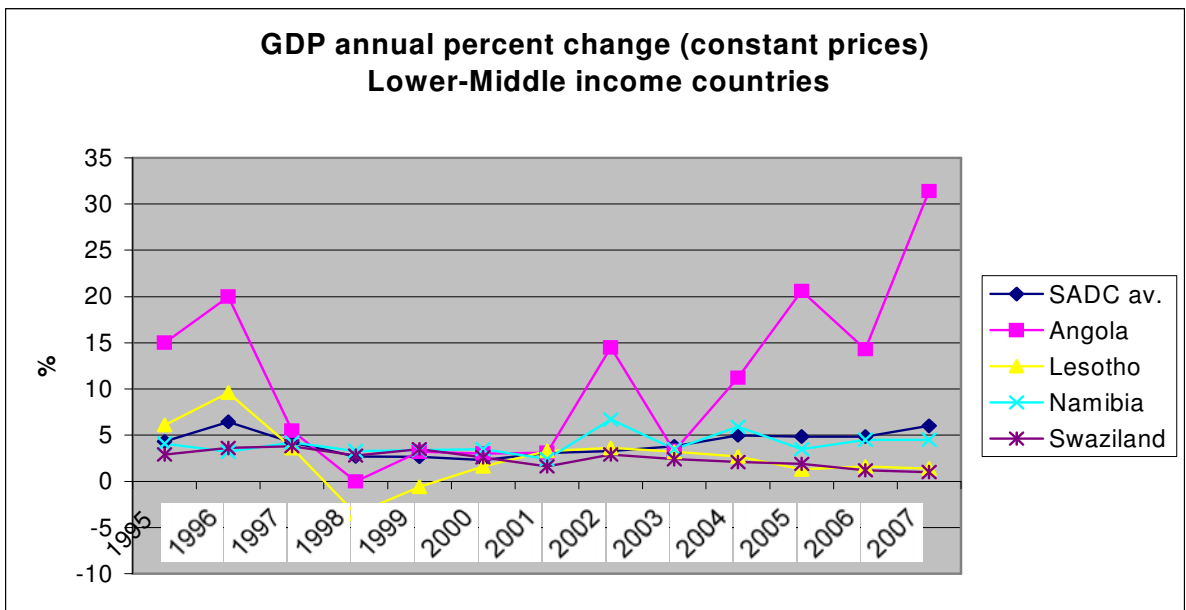
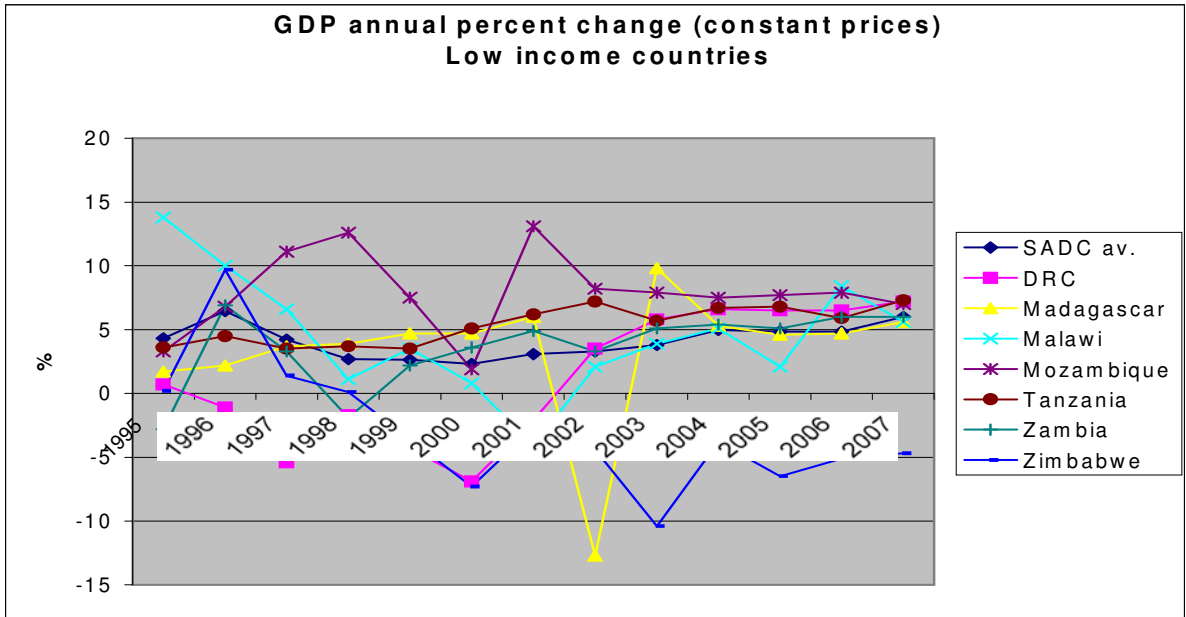
The following three tables show GDP based on purchasing-power-parity (PPP) valuation of country GDP.⁷² The tables are grouped in low, lower-middle and upper-middle income countries.⁷³

⁷¹ Based on research carried out by FinMark Trust

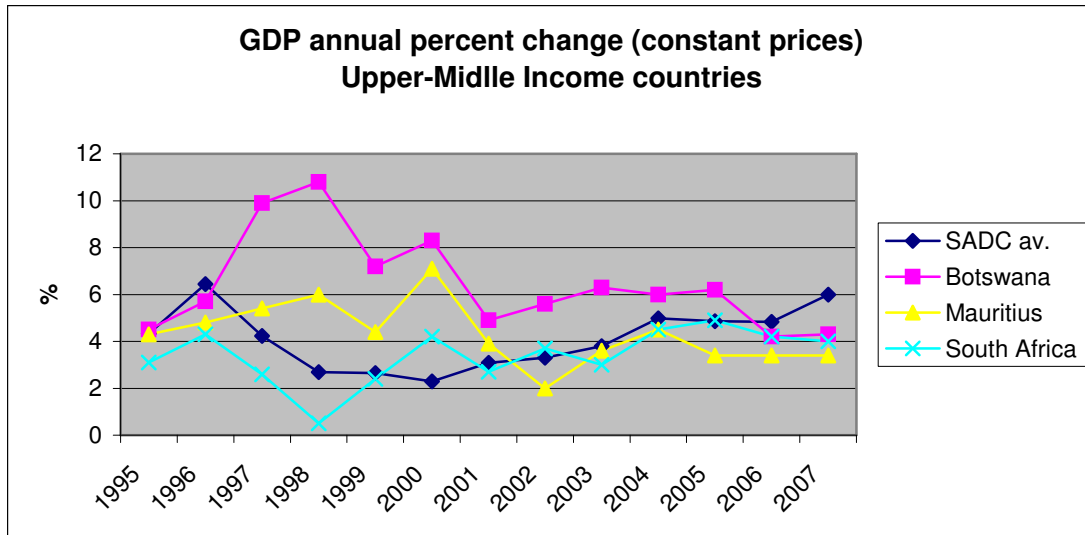
⁷² These indicators are "calculated by dividing a country's nominal GDP in its own currency by the PPP exchange rate. This measure of a country's GDP is used in the WEO online database to construct aggregate indicators (weighted averages) of changes for example in consumer prices, nominal and real GDP growth, and nominal and real GDP per capita growth for groups of countries when the indicator being measured is expressed in local currency" Source: <http://www.imf.org/external/pubs/ft/weo/faq.htm> Reports are generated from: <http://www.imf.org/external/pubs/ft/weo/2006/02/data/weoselgr.aspx>

⁷³ Note that intervals on the Y-axis are not similar in all three graphs. Figures for 2005-2007 are IMF estimates. "SADC av" means SADC average.

Figure 4: GDP annual percent change



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



JC5 EC regional interventions specifically focus on poverty alleviation

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

Although there was a distinct shift between EDF8 and EDF9 as regards the emphasis on “poverty reduction”, there is little evidence to support the contention that EC programmes were also planned based on an analysis of the impact on the most vulnerable groups. As has been stated elsewhere, little evidence was found of involvement of NSAs (the private sector, non-government institutions and civil society organisations) in the preparation of either the RSP or the RISDP. Moreover, there was no evidence to suggest that the CSPs linked in with the RSP.

However, having said this, both transport and food security sectors tend to be influenced by poverty alleviation issues. The EC transport sector projects – mainly road infrastructure – are generally an integral part of the country’s ‘road sector investment programme’, which to some extent has been shaped by the country’s poverty reduction strategy. Food security also tends to be tackled at a national level and is also influenced by poverty reduction strategies – typically, though, the focus tends to be national rather than regional. Regional Integration and Trade activities tend to be based on the hypothesis that increased regional integration and trade will – automatically – contribute to poverty alleviation. While this may well be true, the period of time required to achieve such objectives is probably longer than that contained within the timeframe of one EDF.

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

Box 9: Using regional integration to improve financial services for the poor

On the information currently available for Botswana, Lesotho, Namibia and Swaziland access to financial services, apart from for savings, is poor. Access to credit ranges from below 2% of the adult population in Lesotho to around 14% in the other countries⁷⁴.

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

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

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

⁷⁴ <http://www.finmarktrust.org.za/documents/2003/MARCH/>

7 CONCLUSIONS

The Evaluation Questions – discussed in Chapter 6 - were formulated based on the hypotheses developed during the Evaluation's Desk Phase, and on the reconstruction, by the Evaluation Team, of the EC's Intervention Logic for its regional support to SADC. Hence the responses to the EQs feed back into the testing of these hypotheses, and to their proving or disproving; by the same token, the responses to the EQs confirm both the pertinence and relevance of the EC's intervention logic while, at the same time, noting that achieving poverty alleviation (the overall objective) is a long process difficult to achieve within a five or ten-year time span.

The Conclusions linked to the Hypotheses and to the Intervention Logic are covered in the first two sections of this chapter. The third section deals with conclusions related more directly to the EQs and follow the same sequence as the analysis presented in Chapter 6. The conclusions here build directly onto the "Answer" to the EQ.

7.1 HYPOTHESES.

A number of hypotheses were developed during the Inception Phase and referred to in Section 2.3. These hypotheses have guided both the desk and the field phases. It seems pertinent therefore to refer back to these hypotheses to see which conclusions can be drawn at the end of the evaluation process. The **first hypothesis** links to the overall objective for EC cooperation with the ACP countries.

1. *EC support to regional integration and integration in the world economy, has contributed to sustainable economic and social development, which has impacted on poverty reduction.* (This hypothesis was tested through the responses to EQs 1, 2 and 10.)

There is not sufficient evidence available to either prove or disprove this hypothesis. There are a number of factors beyond the influence of the EC, which have impeded regional integration, and have had negative impacts on sustainable economic and social development. Generally speaking, overall economic growth for the SADC region has not exceeded the 6% necessary to achieve poverty reduction with an estimated 40% of the region's population still living below the poverty datum line of \$1 a day and about 70% below \$2 a day. HIV/AIDS and tuberculosis are pushing up mortality rates amongst the adult population, whilst malaria continues to be a scourge in many SADC countries. Food shortages – also a result of adverse climatic conditions - and weak political, social and economic governance also impact on this trend. In addition, the economic situation in Zimbabwe has impacted not only on Zimbabwe's internal economy but also on the region. Linked to this, many of the EC programmes, which were to focus on aspects of regional integration started very late and have not had the chance to make any impact.

The negative trends in the SADC countries' development indicators cannot only be ascribed to the effectiveness (or otherwise) of development assistance, but is also the result of many factors beyond the control of SADC's international development partners. There will be an ongoing need to continue to support and promote regional integration and economic growth.

The conclusion is that it is unlikely that MDG targets for the SADC region – with a few national exceptions - will be achieved by 2015. The fact that MDG targets are not being met does not, however, necessarily disprove the hypothesis that regional integration and sustainable economic and social development will lead to poverty reduction. It only underlines, given the difficulties that the region is facing, how difficult this is to achieve.

The **second hypothesis** links to the overall objective for EC cooperation with SADC.

2. *Regional integration will be achieved within the SADC region if (i) SADC instruments and performance capacity are increased; (ii) the instruments and capacities of central and local governments are increased; (iii) the participation of the private sector (modern, rural and informal) is increased and its capacity is developed; and (iv) civil society is fully involved. (This hypothesis was tested through the responses to EQs 3, 8 and 9.*

Again, this hypothesis is difficult to prove or disprove because many of the requirements have only partially been met or hardly met at all. The general opinion in the region is that centralisation of SADC in Gaborone has not yet had the hoped for result of a stronger more capacitated institution. The organisation remains understaffed and under resourced; and there is no concrete link between regional policy and national domestication of regional decisions. National interests continue to take precedence over regional. Furthermore, there has been only limited involvement of non-state actors (the private sector and civil society) in decision-making processes.

A number of external factors may also play a role. The following **additional hypotheses** were also tested.

3. *Regional integration is difficult to achieve because there is a discrepancy between the policy statements in respect of regional cooperation and integration – for example, those made by the SADC Heads of State and by the SADC RISDP - and the instruments required at national government level to implement these policy statements. The tendency may therefore be to retain a focus on national projects rather than on regional projects – even when drawing funds from the EC's regional support to SADC. (Covered by EQs 4 to 7)*

This tendency is confirmed, but some national projects were found to have contributed to regional integration, notably in the transport sector.

4. *Support to capacity building of regional institutions will not contribute to regional integration (and ultimately poverty reduction) if the SADC governments themselves do not also ensure that all positions in the SADC Secretariat and institutions are filled, and that suitably qualified staff are employed in these positions. . (Covered by EQs 4 to 7)*

SADC is under-staffed, posts are still frozen and certain quotas (i.e. from South Africa) remain unfilled. Moreover, even if all the posts were to be filled, the SADC Secretariat would still be under-funded in relation to previous funding levels before centralisation. A major rethinking of the restructuring process by the SADC Member States, including revisiting the staffing requirements of the Secretariat and increasing the funding flows from Member States to the SADC Secretariat, will be warranted in order to improve SADC's performance.

5. *There is no real feeling of a regional SADC identity. South Africa, which has negotiated its own agreement with the EC, remains the Region's economic powerhouse, prescribing rather than co-operating. In addition, SADC is not negotiating as a single bloc with the EC in discussions on an EPA. Instead SADC countries are negotiating as several blocs, with only a smaller group of 8 countries negotiating specifically as SADC. (Covered by EQs 4 to 7)*

This hypothesis holds true with modifications. There is a certain amount of feeling within the region that "we are all southern Africans"; but this feeling is moderated by a number of factors pulling in the opposite direction. While South Africa remains the region's economic powerhouse, this is resented by a number of SADC nations; the region has seen a rise in xenophobia; regional groupings under the EPAs are being decided on political and emotive rather than on economic grounds. Neither are the proposed EPA groupings the most logical economic partnerships and these groupings may still change before final negotiations have taken place. Already the fact that South

Africa is now participating as a full negotiating partner in the SADC EPA will have a major impact – also on the future of the TDCA. The dust will probably need to settle on the EPA negotiations before continued region building in southern Africa becomes a reality.

7.2 INTERVENTION LOGIC

The three main sectors which form the core of the evaluation – Regional Integration and Trade; Transport and Communications; and Food Security - are closely inter-linked, thus responding to the EC's integrated aim of global impacts in “regional integration”, “sustained economic and social development” and “poverty reduction”, as well as being coherent with the policies of SADC as contained in the RISDP, and the various protocols and policy declarations.

There is a strong coherence and interlinkage between the three main sectors, which also underlines the importance of the strategic approach to poverty alleviation. As indicated in the Intervention Logic, all three sectors play an important part in the achievement of the overall objectives of poverty alleviation. HIV/AIDS is an important cross-cutting issue particularly linked to Food Security and Transport.⁷⁵

Both the Mid-Term and the End-of-Term Review of the SADC EDF 9 RSP/RIP re-confirm the pertinence of the choice of sectors; their overlap with SADC priority sectors; and of the over-arching importance of the poverty alleviation objective.

In addition, the RSP/RIP and SADC's own RISDP follow the vision of the Cotonou Agreement. Although the Cotonou Agreement was only signed in 2000, both EDF8 and EDF9 can be seen as fitting within the framework of the intentions of the Agreement in respect of Regional Co-operation and Integration. There is thus strong coherence with SADC policy on the one hand and the EC programmes the other.

In the specific framework of EC co-operation with ACP countries, the **overall regional objective** – particularly under EDF9 - acquires a poverty reduction focus. The objective “to increase economic growth and reduce poverty through support for higher levels of regional economic integration” has **poverty reduction** as the intended contribution to longer-term impact. However, as is shown under the discussion on EQ 10, analysis of some of the most important indicators in relation to poverty reduction for the SADC region are pessimistic as regards the achievement of these objectives. Nonetheless, achievement of the poverty reduction objectives remains of utmost importance and the Evaluation Team can see no reason to question either the importance of the objectives or the logic for achieving them.

Regional integration is seen as a key element for Sustainable Development and Poverty Alleviation. It is the premise on which EC co-operation with the SADC region is based. Regional integration is central to the development of the region because⁷⁶:

- Regional infrastructure and institutional integration are likely to reduce the high costs imposed by the many borders and fragmented markets
- The small size of most economies in SADC means they do not have the critical mass of human, financial or technological resources required to become competitive and need to pool these resources
- Small domestic markets necessitate access to the region – in particular the South African market ⁷⁷

⁷⁵ Reference is also made to the Table 1 in Annex 3: **Sector programmes, coherence with SADC policy and with other sectors.**

⁷⁶ We are grateful to DFID's Regional Trade Facilitation Programme for allowing us to draw on this material.

⁷⁷ Though the priority is for access to the markets of large developed and developing country markets, regional markets can be important for the growth of non traditional exports E.g. SACU markets account for over 80% of Botswana's non traditional exports

- It will enhance FDI from South Africa and outside the region
- It will provide a regulated and liberal framework for the movement of people.

The challenges to regional integration are:

- Overlapping membership of several regional economic communities and organisations.
- Provision of benefits to all Member States; currently there is a view that not all benefit equally, with South Africa, often seen as the regional powerhouse capable of forcing through its own agenda, sometimes operating at the expense of others.
- National interests in the regional integration agenda often differ, and can be affected by political cycles in Member States
- Regional approaches are often slow, with many of the benefits accruing to some countries only over the longer term. This dampens enthusiasm for a project that requires the strong political commitment necessary to make regional integration work.

The main conclusion reached is that while the intervention logic is sound, the time dimension has not been sufficiently taken into account. Given the prevailing political, economic and social situation in the SADC region and the implementation difficulties faced, the time horizon for the achievement of the poverty reduction objectives was not realistic and could not be achieved within the framework of a single EDF. Present trends are also not optimistic in relation to meeting the poverty reduction targets by the MDG's 2015 target. The assessment confirmed the coherence and inter-linkage between the three main sectors, and their contribution to the achievement of the overall objectives of poverty alleviation. Linked to these sectors, HIV/AIDS is an important crosscutting issue particularly linked to the food security and the transport sectors.

7.3 CONCLUSIONS IN RELATION TO THE EVALUATION AND ASSESSMENT CRITERIA

7.3.1 Relevance and Coherence (EQ 1)

EC programmes reflect poverty reduction, economic growth and regional integration. Regional priorities as contained, for example, in the RISDP, are well reflected in the RSP/RIPs, but less so in the CSP/NIPs. Regional strategies and projects are well conceived. The enhancement of coherence between RSP/RIP and CSP/NIP will be a key factor in facilitating the Commission's future regional support. EC's regional interventions are generally relevant, coherent and poverty oriented. Most of EC's national interventions with regional implications are consistent with the national poverty reduction strategies.

7.3.2 Ownership and Alignment (EQ 2)

The issue of the multiplicity of regional organisations has not been seriously tackled, neither by SADC nor by the EC. SADC is not active in the IRCC; and there is little communication between the (Southern African) EC Delegations with regional responsibilities. In addition, the split of SADC Member States into two EPA groups definitely complicates inter-, and intra-regional co-operation, even though there will still be a number of programmes that can still be implemented whether a country is a member of SADC or not.

SADC Member States' ownership is limited as they do not support the SADC national Committees adequately and the regional perspective is not well elaborated in national plans and development programmes, which also constrains the prospect for EC's alignment. If progress is to be made with the regional agenda then the constructive

participation of SADC Member States' in the regionalisation process is imperative. The prospect for alignment is further compounded by the EC's lack of strategies (as reflected in the CSP/NIP) and resources at the national level to pursue the regional integration and economic growth agenda.

7.3.3 Complementarity, Coordination and Harmonisation (EQ 3)

At the policy and strategy level, EC interventions are well related to regional and national development frameworks and anchored in the mandated institutions, which provides good prospects for coordination with other donors. EC Delegations in the region are important partners in joint assistance approaches at both regional and national levels. The result is that aid modalities are radically changing in many of the SADC countries, with the expansion of sector-wide approaches and sector budget support, as well as the implementation of the Paris Accords. These changes in development co-operation are likely to affect regional development cooperation positively in the medium-term, as it promotes long-term policy and strategic considerations, which in all probability will include the need for inter-, and intra-regional co-operation. The problem is that not all donors pursue the Paris Declaration on Aid Effectiveness and this will, as such, complicate complementarity and harmonisation aspects and processes.

7.3.4 Effectiveness (EQ 4 – 7)

Regional Integration and Trade

The regional programmes in support of regional integration and trade have either yet to start or are in the early stages of implementation. The review of the available evidence to date suggests that the evolution of the strategy and the areas of support reflect developments in the SADC region. The customs administration programme and support to the Finance and Investment Protocol need to take careful account of the potential consequences of fast tracking regional integration groupings based around SACU and EAC, and of the ongoing EPA negotiations with the EU, both of which have potential ramifications on SADC as an organisation with a possible split into a smaller SADC EPA (possibly based on a SACU+ option) and a larger much looser SADC, less relevant as a vehicle for regional integration beyond a Free Trade Area. The effectiveness and efficiency of working only through SADC to achieve the objective of regional integration has been brought into doubt. Other donors in the region have been seeking to work with a broader range of delivery mechanisms at regional level.

Transport sector

The national EC interventions that have materialised have contributed well to national objectives and indirectly to regional objectives. The EC transport interventions – mainly road infrastructure and road sector reforms – have resulted in the warranted outcomes at the national level, but outcomes at the regional level are being constrained by a transport market in the SADC region where the liberalisation reforms are still in their infancy stage. The SADC Member States need to emphasise the implementation of transit facilitation reforms and effective regulation much more to make regionalisation work.

Food security

There is no overall SADC protocol governing food security. Moreover there are very few projects, which have directly addressed food security at the regional level. The tendency has been to regard food security as a national concern rather than addressing opportunities for **regional** food security. Due to numerous emergency situations (droughts, natural disasters) food security interventions have tended to focus on short-term responses to crisis situations. Due to implementation delays, the outcome and effectiveness of the long-term interventions on research and training could not be assessed. The EC focus on the long-term solutions and the projects addressing such

solutions under EDF9 have only just been approved or are in the final stages of preparation. Initial indications suggest positive outcomes but follow-up will be necessary to ensure the sustainability.

Non-focal Areas

The Non-Focal Area interventions are mostly implemented at the national level. There are great differences in which the Member States address the non-focal areas, which correspondingly affect the effectiveness of EC interventions.

HIV/AIDS is an important crosscutting issue particularly linked to the Food Security and to the Transport sectors. The problems posed by HIV/AIDS in the SADC region are nowhere near a solution. Neither have EC interventions been adequately effective to change the trends positively. Nonetheless, it is obvious that some Member States have been able to slow down the negative trends thus demonstrating that well conceived interventions do have an effect – even if only on the long term, as positive changes now will still impact over the period of a generation. However, the question can be asked whether it makes sense to have a dedicated HIV/AIDS support programme; or whether HIV/AIDS should be much more consequently integrated into all support programmes as a cross-cutting issue.

Governance is another important crosscutting issue and there have been discussions related to governance profiles and incentive tranches related to governance being included in the EDF10 NIPs. There have also been discussions within the EC on governance tranches for the regional programmes although how this would be implemented remains unclear. What is clear, for example, is that the economic situation in Zimbabwe – which it could be argued is governance related - is a problem, not just for Zimbabwe, but for the region as a whole. What this suggests is the link between governance and poverty alleviation. What is also clear is that this is a regional (and African) problem, which cannot be resolved by direct external interference. It still remains the litmus test for SADC as an organisation to resolve this situation.

Although SADC is at the crossroad as an organisation and its future remains uncertain, SADC has succeeded in providing a framework for discussing regional integration in southern Africa and has also been a unifying force in the region both during and after the *apartheid* era.

7.3.4 Efficiency (EQ 4 – 7)

Linking of RIP and NIPs

For any support to be delivered efficiently, implementation at Member State level (for example through the NIPs) is important, and the links need to be made between RIP and NIP. The implication here also is that the role of the NAO vis-à-vis the RAO needs to be examined and possibly changed so that more implementation takes place at the national level (in much the same way as has already happened in the transport sector). Nowhere within the region were the SADC national committees found to be functioning properly – which also questions ownership of the SADC organisation at the national level. Although there might well be room for EC support to these institutions under EDF 10 this should be as a support to a national initiative; rather than an ICP-driven initiative.

EC delegations' facilitation of the regional agenda

More efforts need to be made to ensure that at the regional level, where there is the amount of overlap that one sees in Southern Africa, that Delegations with Regional responsibilities meet and coordinate on a regular basis, and expand their agenda to also take on board regional aspects as issue-based rather than institution-based (i.e. not only dealing with the regional **institution** – SADC, COMESA, SACU - but also with regional **issues**). This does not happen at present. Neither do Delegations with

only NIPs look at regional issues – this is a challenge, which needs addressing during EDF10 to ensure that the links between the national and the regional are made.

Issue-based support versus institutional based support

In addition, a number of ICPs are already supporting regional activities – on an issue-based rather than institution-based approach - through parallel processes and institutions. Therefore the logic of having only one RAO located in SADC responsible for the RIP and signing on behalf of the Member States could also be questioned.

Effectiveness of capacity building of regional organisations

Moreover, as regards capacity building of regional organisations, the question may also be asked whether it makes sense to support organisations with capacity building activities in a situation where: there are too few posts for the mandate; existing posts are frozen or unfilled; the posts that are filled are often filled through a quota system and not through a competitive procedure; and the Executive is dominated by the SADC heads of state and has little independent manoeuvrability.

Participation of NSAs

The SADC Treaty also underlines the importance of involving non-state actors (the private sector, non-governmental organisations and civil society) as well as the creation of SADC national committees to support SADC nationally when the organisation became centralised and the Secretariat was created in Gaborone. In fact civil society, in particular, and non-state actors, in general, are treated with suspicion throughout the region. Civil society is not well developed and has little capacity to focus on regional issues. (This is a truth with modifications, as there is wide divergence within the region. Civil society in South Africa is strong but is only slowly emerging in other countries within the region or even being suppressed in others; the capacity for civil society to focus on regional issues is present in South Africa but very limited in the rest of the region). The fact that the bulk of NSA/CSO capacity for SADC exists in South Africa poses its own problems of regional jealousy – as does the fact that South Africa also dominates the region economically.

EC procedures

The EC procedures are slow and complicated. In addition they keep changing so that EDF 8 procedures are different from EDF 9 procedures, and so on. Planning has been so slow that many relevant projects identified under EDF 9 had not even started and their impact could not be evaluated. There is also evidence of delays mounting up to such an extent that project planning is simply being abandoned.

The combination of an organisation lacking institutional strength and capacity (SADC)⁷⁸ with an organisation where adherence to proper procedures is very important (EC) has made for a difficult process. The EC's institution-based focus has also made a genuine regional vision difficult – in the sense that the focus tends to be on the regional institution rather than on regional issues. Thus the SADC RIP focuses on SADC as an institution and its processes, and the NIPs only have a national focus and work with national institutions, etc.

Deconcentration of the EC has helped to a certain extent, but because of the complication of the procedures many decisions that could in fact be taken at the level of the Delegation are still being referred back to Brussels for confirmation.⁷⁹ This also includes the difficulties of recruiting qualified regional consultants based in South

⁷⁸ The EC Delegation in Gaborone also notes that main reasons for the delays in translating EDF 9 programming into financing proposals were the lack of valid project proposals from SADC.

⁷⁹ This point emerged from interviews with, amongst others, the regional delegations in both Gaborone and Lusaka.

Africa who, initially, could not be hired by the EC to work on SADC-related issues; and afterwards could be hired but only after so much time constraining paperwork that it remained easier to hire European-based consultants. All the extra procedural work goes at the expense of the time available to Delegation staff to involve themselves in the subject matter of their programmes – rather than just in the administration thereof.

As regards EPRD and the indicative allocation of 10% earmarked for regional cooperation; a number of projects have been funded in the field of HIV/AIDS as well as the EU-SADC Investment Promotion Programme. However, while co-funding might be desirable from a political perspective, management of these programmes with two different sets of procedures (EDF and budget) has, according to the Delegation in Botswana, often been an administrative nightmare. Facilitation of co-financing through the alignment of procedures, or through the use one single set of procedures could be an appropriate way forward.⁸⁰

The complex procedures have also affected the capacity of the EC to work with civil society. For civil society to make a difference, it needs to be **proactive** rather than **reactive**. The main requirement for this is a certain amount of core funding in order to be able to mobilise quickly, and the EC will need to consider whether their procedures can be modified to accommodate this kind of support. As it is, the EC's reputation for onerous and lengthy procedures frightens off many CSOs.

The window of opportunity is to work with other, more flexible donors within the context of the Paris Accords. Here the EC can contribute with its influence in the early phases of cooperation activities and its funds into later phases – allowing the more flexible, decentralised ICPs take the lead in earlier phases. Contribution agreements are an additional opportunity, which will allow for the using the procedures of the recipient institution rather than EC procedures, but this does imply a major challenge to institutionally weak organisations with poorly developed procedures such as SADC. Certainly in the short term, contribution agreements will not provide an alternative to EC procedures for SADC as an institution.

In order for SADC to benefit from contribution agreements it will need to submit itself both to an EC Institutional Analysis as well as implementing its recommendations. The institutional analysis of SADC carried out on behalf of the EC during the first quarter of 2007 suggested that SADC has a long way to go before it is ready for a Contribution Agreement.⁸¹ As regards the issue of administrative procedures and Contribution Agreements, COMESA's procedures are better developed than SADC's and they will manage to enter into a Contribution Agreement arrangement with the EC.⁸² This is unlikely to be the case for SADC Secretariat for the time being. Their own procedures need a lot more strengthening that, for the foreseeable future, they will have no choice but to continue using EC procedures.

7.3.6 Impact and Sustainability (EQ 8, 9 & 10)

Most of the development indicators in the SADC region show negative trends. Few countries in the SADC region are achieving high growth figures, and only few the 6% growth figures calculated as being necessary for poverty reduction. It remains difficult to assess the impact of EC interventions in relation to regional integration, as many of the key programmes supporting the enabling environment for trade and regional economic integration are being implemented in an imperfect policy, economic and social environment. Thus the full impact of SADC's policies and protocols remains to materialise. Nonetheless EC's assistance has contributed significantly to promoting the

⁸⁰ The Evaluation Team concurs with this suggestion from the Delegation in Botswana.

⁸¹ Ref: Ernst & Young. Op cit.

⁸² Reference is made to various IRCC documents – for example, the Final Report of the 11th Meeting of the IRCC February 2007) and the ESA/IO Regional Cooperation Mid Term Review.

concept of regionalisation in the SADC countries, in the SADC Organisation, among the SADC Member States, and among ICPs.

SADC, as an organisation remains weak both at the regional level – where Member State contributions are not sufficient to sustain the organisation – as well as at the national level – where the involvement in SADC of non-state actors and SADC National Committees is minimal. SADC policies and protocols are generally well conceived, but Member States' allocated resources to SADC and to SADC National Committees are inadequate to implement the policies and protocols. National level interests continue to take precedence over the regional level, and there is no guarantee that decisions taken at the regional level will be implemented nationally.

The EPA negotiations – because of the negotiating timetable - are likely to accelerate the Member States' decision on which REC to belong to, and on the form that deeper regional economic integration will take. Once these decisions have been made and the confusion of overlapping memberships is eliminated, regional interventions are likely to have greater impact and be more sustainable.

8 RECOMENDATIONS

The Evaluation's Conclusions – Chapter 7 - derive from, and have been grouped according to, the sequencing and logic of the Evaluation Questions. While the recommendations are based on this analysis, it has also been found useful to, where possible, take these to a higher level where they cut across several EQs, rather than making one recommendation per EQ. The result of this approach is that this gives a broader scope to a number of recommendations, even though other recommendations retain a sector-specific focus, and hence can be more directly related to specific EQs or focal sectors.

The 14 recommendations which have been made are grouped into three broad categories: (i) Policy and Strategy; (ii) Implementation Arrangements; and (iii) sector-specific recommendations related to the Focal and Non-Focal areas. Each recommendation is introduced by a brief text which justifies and contextualises the recommendation, and which links the recommendation with the Evaluation's Conclusions contained in Chapter 7. Because of the way the recommendations have been grouped, most recommendations relate to more than one evaluation question and more than one conclusion, hence the grouping into these broad categories.

Recommendations are prioritised into “high”; “medium” and “low”. Those graded as “high” link especially to the EDF10 preparation process. Those rated “medium” are considered to be realistic recommendations that should be implemented during the EDF 10 period – these recommendations strive to focus on approaches which will improved the regional dimension of EC assistance to SADC and to Southern Africa. Finally, those recommendations rated “low” are more wide-ranging, do not relate just to SADC, and may involve a decision-making process which involves other actors within the EC than just those involved with SADC. Recommendations are focussed on the EC and not on either the RECs or ICPs. Attempts have been made to only arrive at recommendations that are considered to be implementable – unrealistic recommendations have been avoided. However it is not seen as the responsibility of the Evaluation Team to work out the actual implementation arrangements.

A summary table of recommendations is given below.

Box 10: Summary of Recommendations and Level of Priority

	<i>Text of the Recommendation</i>	<i>Priority</i>	<i>Link to EQ</i>
1	That under the (ongoing) preparation process of the EDF10 strong efforts be made to integrate the regional (RIPs) and the national (NIPs) so that the regional dimension in NIPs becomes evident.	High	1,2,3,9 & 10
2	That the EC set as a condition for the implementation and coordination of the SADC and E&SA EDF10 RIPS, that SADC fully participates in the IRCC.	High	9
3	That the EC institute the practice of regional delegations meeting regularly to address regional issues; that national delegations join the debate on regional integration; and that budget lines are provided to allow for this to happen.	Medium	1 & 2
4	That EC and other ICPs proactively pursue sector wide approaches at the regional level as well as at the national level, and between the regional and national levels; and the comparative advantages of the ICPs are flexibly exploited.	Low	2 & 3

5	That the EC provides the required funds to help SADC – or other relevant regional institutions within the SADC region, for example, SACU – to develop their procedures to such an extent that these organisations will be able to receive EC funds directly and implement using their own procedures as defined through a contribution agreement	High	9
6	That as part of a greater complementarity between RIPS and NIPs under EDF 10, alternative funding channels are explored for funding regional support through NAOs or through a second RAO located outside the SADC Secretariat – potentially in SACU.	Medium	9
7	That EC maintain a regional programme for the SADC region, including support to the SADC Secretariat, while at the same time promoting increased SADC Member State participation in the regional programme with a view to increasing Member State ownership of this programme and achieving a proper balance between ICP and SADC Member State fund allocations to regional programmes.	Medium	2,9 & 10
8	That efforts are made – through the NIPs - to support relevant institutions at the national level that can contribute to regional integration, particularly SADC national committees, in an effort to increase national ownership and awareness of regional issues, and also to stimulate the national debate.	Medium	2 & 9
9	That EC advocates for: i) the adoption of the regional perspective for each of the focal and non-focal areas in the NIPs, where relevant; and ii) increased focus on the regional dimension in Member States' poverty reduction strategies.	Medium	9 & 10
10	That EC facilitates a proactive NSA participation at regional and national with a view to promoting the regional perspective through core funding of NSA activities.	Low	4,5,6 & 7
11	That EC facilitates the EPA related discussions at the regional as well as the national level, while also addressing coordination and harmonisation issues between SADC and COMESA, and assisting the discussion on the optimal constellation of states in the two emerging EPA groups.	High	1,2 & 4
12	That EC support SADC's facilitating and coordination role in: liberalising the transport market in Member States; promoting regional development corridors; and establishing prioritisation criteria for distribution of available infrastructure funds; and that support to the transport sector as contained in the NIPs adopts both a regional and national focus.	Medium	1,2,3 & 5
13	That the EC's approach to food security emphasises its long-term character with a view to enhancing the sustainability of food security in the region.	Medium	2,3 & 6
14	That a capacity be set up within the EC – in the form of an HIV/AIDS Help Desk – that can support the integration of HIV/AIDS into all EC programmes within the Region	Low	2,3 & 7

8.1 RECOMMENDATIONS ON POLICY AND STRATEGY

Recommendation 1: Relation between RSP/RIP and CSPs/NIPs

There are no clear links between the RSPs and the CSPs, which among others imply that the opportunity for promoting the regional perspective at the national level has been missed. It is **recommended** that under the (ongoing) preparation process of the

EDF10 strong efforts be made to integrate the regional (RIPs) and the national (NIPs) so that the regional dimension in NIPs becomes evident.

Recommendation 2: Policy coordination with AU, NEPAD and RECs

The overlapping memberships of RECs in the SADC region – and generally in the Africa Continent – is counterproductive to effective regionalisation and needs to be resolved in conjunction with the establishment of free trade areas and customs unions. The target for SADC is to establish the free trade area by 2008 and the customs union by 2010. The AU is an important mediator for reaching a rational configuration of RECs and achieving effective coordination mechanisms between the RECs. Similarly, AU and NEPAD are intended to play a major role in coordinating policy and investment priorities. The process of concluding the configuration of the RECs for the medium- term needs to be intensified and be guided by AU's overall policy framework for the African Continent; coordination mechanisms between the RECs need to be elaborated; and NEPAD investment priorities and criteria need to be defined. In addition, SADC needs to be brought back into the Inter-Regional Co-ordination Committee (IRCC) discussion forum with the EC, which brings together COMESA, EAC, IGAD and IOC. In this context it is **recommended** that: the EC set as a condition for the implementation and coordination of the SADC and E&SA EDF10 RIPS that SADC fully participates in the IRCC.

8.2 RECOMMENDATIONS ON IMPLEMENTATION ARRANGEMENTS

Recommendation 3: Increased focus on regionalisation in EC Delegations

There is little interaction between regional delegations on issues related to regional integration. Instead each Delegation deals with “its” regional organisation (the EC Delegation in Gaborone with SADC and the EC Delegation in Lusaka with COMESA, etc). There are numerous challenges facing regional integration including the question of multiple- and over-lapping memberships, and different EPA groupings. Accordingly it is **recommended** that the EC institute the practice of regional delegations meeting regularly to address regional issues; that national delegations join the debate on regional integration; and that budget lines are provided to allow for this to happen.

Recommendation 4: Enhanced donor coordination

While EC has been the main facilitator for regionalisation, other ICPs are increasingly taking the regional agenda on board. This calls for identical approaches at the regional level mirroring those that are currently gaining momentum at the national level, e.g. the sector wide approach in order to ensure that ICPs' regional interventions are harmonised and that these are also harmonised with national interventions – as is recommended in relation to the RSP/RIP with the CPSs/NIPs. It is **recommended** that EC and other ICPs proactively pursue sector wide approaches at the regional level as well as at the national level; between the regional and national levels; and the comparative advantages of the ICPs are flexibly exploited.

Recommendation 5: Improved EC procedures

EC procedures have the reputation of being onerous, time consuming and constantly changing, making it difficult for even EC staff to fully master their intricacies. Accordingly it becomes a key element of future cooperation that the EC programmes begin to align more with the Paris Accords and move towards channelling funds using recipient organisations procedures, within the context of Contribution Agreements. In order for this to happen, the EC requires that an Institutional Analysis of recipient organisations take place to judge their capacities and procedures. This poses a particular problem for SADC as their procedures are extremely weak. The issue of the simplification of EC procedures has been the subject of previous reviews and

evaluations, and it is realised that simplifying EC procedures poses difficulties, as this would require changes beyond the scope of this evaluation. It is furthermore realised that within the SADC region, other regional institutions exist which may also be capable of taking the issue of regional integration further. Accordingly, it is **recommended** that: the EC provides the required funds to help SADC – or other relevant regional institutions within the SADC region, for example, SACU – to develop their procedures to such an extent that these organisations will be able to receive EC funds directly and implement using their own procedures as defined through a contribution agreement. It is again noted that the EC procedures remain onerous and there would be great benefits in these procedures being simplified. However, the Evaluation Team has refrained from making this a recommendation, as it is not considered as being easily implementable.

Recommendation 6: Increased flexibility in EC disbursements

The SADC regional support programme works through the RAO at the SADC Secretariat. There are, however, a number of programmes, which could benefit from alternative authorising officers, as has already been the case within the transport sector where many transport projects with regional implications are implemented through the NAOs. In addition, the EC has, in the past, functioned with more than one RAO. A number of ICPs are already funding regional programmes through issue-based rather than institution-based support. Therefore, it is **recommended** that as part of a greater complementarity between RIPS and NIPs under EDF 10, alternative funding channels are explored for funding regional support through NAOs or through a second RAO located outside the SADC Secretariat – potentially in SACU.

Recommendation 7: Strengthening of the SADC Secretariat

The restructuring of SADC has resulted in an organisation that has neither the capacity nor the resources to effectively address the challenges of regionalisation. The restructuring process was basically a political process addressing a number of perceived weaknesses linked to the decentralised operations of the various sectors in Member States and the difficulty of addressing regional challenges from decentralised bases. The outcome – seven years later – is a weakened SADC, where it is necessary to reconsider its future role and functions, and also to consider alternative scenarios for the evolution of the configuration of the RECs in Southern and Eastern Africa. It is **recommended** that EC maintain a regional programme for the SADC region, including support to the SADC Secretariat, while at the same time promoting increased SADC Member State participation in the regional programme with a view to increasing Member State ownership of this programme and achieving a proper balance between ICP and SADC Member State fund allocations to regional programmes.

Recommendation 8: Strengthening of SADC National Committees

There is very little understanding of what is happening at the regional level in the Member States. The result is that there is very little ownership or understanding of the regional agenda at the national level. There has been little involvement of non-state actors and the SADC National Committees do not function. Therefore it is **recommended** that efforts are made – through the NIPs - to support relevant institutions at the national level that can contribute to regional integration, particularly SADC national committees, in an effort to increase national ownership and awareness of regional issues, and also to stimulate the national debate. This national capacity is also vital within the context of the EPA decision-making process, which, thus far, does not appear to have national-level ownership. Increased debate will help to finalise regional groupings – and would also be an advantage both for COMESA and for the EAC and not just for SADC. A more active participation in the IRCC could help SADC Member States clarify the problems of overlapping memberships.

Recommendation 9: Advocacy for regional integration in Member States

Besides advocating for increased participation of Member States and strengthening of the SADC National Committees, there is also a further need to mobilise the regional perspective in national agencies that have a stake in regionalisation, as this is where policy decisions are transformed into sector policies, regulatory frameworks and programmes. The SADC National Committees should be the major driving force in this regard. It is **recommended** that EC advocates for: i) the adoption of the regional perspective for each of the focal and non-focal areas in the NIPs, where relevant; and ii) increased focus on the regional dimension in Member States' poverty reduction strategies.

Recommendation 10: Strengthening of NSAs' participation

The NSAs involvement has been limited as regards regional strategies, formulation of protocols, design of interventions, and monitoring of their implementation. NSAs have, potentially, a strong advocacy role whilst also being heavily involved in service delivery. Regional NSAs, ideally linked up with national NSAs, can contribute to: increasing the awareness of benefits from regionalisation and improving service delivery. It is **recommended** that EC facilitates a proactive NSA participation at regional and national with a view to promoting the regional perspective through core funding of NSA activities.

8.3 RECOMMENDATIONS ON FOCAL AND NON-FOCAL AREAS

The EDF10 RSP's (2008-2013) response strategy comprises two components: 1) EPA implementation; and 2) and SADC economic integration and trade. Component 2 comprises the following sub-components: Trade Integration, Investment Promotion, Infrastructure Development, and Food Security Policy and Information Management. Recommendations are made for the principal focal and non-focal sectors covered under the present Evaluation.

8.3.1 Regional Integration and Trade

Recommendation 11

SADC's regional positioning on EPA negotiations and the likely re-positioning of the region as a result of these negotiations, will draw into the discussion the roles of the other regional organisations (principally SACU, COMESA and EAC). However it is important that these discussions and the resultant re-positioning are based on national ownership and national discussions of these options.

Co-ordination and co-operation particularly between SADC and COMESA on the EPAs is critical for SADC integration, and this process needs to be guided by the rationale for achieving an effective – political and economic - regionalisation. It is also important that the issue of fiscal dependency on tariff revenue be recognised as one of the main constraints to further integration and trade liberalisation, and this needs to be explicitly addressed by technical assistance and included in national programmes where appropriate.

It is therefore **recommended** that: EC facilitate the EPA related discussions at the regional as well as the national level, while also addressing coordination and harmonisation issues between SADC and COMESA, and assisting the discussion on the optimal constellation of states in the two emerging EPA groups.

8.3.2 Transport and Communications

Recommendation 12

EDF 9 did not perform well at the regional level for large-scale investment in infrastructure development. As a consequence, EDF10 will emphasise the development of the policy environment and regulatory framework at the regional level. EDF10 will focus on support to the SADC Regional Infrastructure Master Plan – of which the Regional Transport Master Plan will be an integrated element, which builds on Development Corridors – and the Spatial Development Initiative as developed through NEPAD.

Under EDF 10, it is suggested that EC takes a much more holistic approach to regional transport interventions in support of regional integration and economic growth, and that this support is not necessarily based on specific support to one regional institution, but that this is based on transport, trade and investment imperatives as these are developed and formulated by neighbouring states or groups of states. It will be imperative that cooperation and coordination links are established between regional level and national level agencies in order to enhance the regional dimension at the national level and create regional ownership among national transport agencies.

In this context, it is **recommended** that EC support SADC's facilitating and coordination role in: liberalising the transport market in Member States; promoting regional development corridors; and establishing prioritisation criteria for distribution of available infrastructure funds (e.g. RIP and the All ACP African Infrastructure Facility – once it is operational), but that funds to implement projects can be located elsewhere; and that support to the transport sector as contained in the NIPs adopts both a regional and national focus.

There exist a number of transport sector challenges that should be considered when working out the details for the specific interventions. These are summarised in the Table below.

Table 9: Regional land transport challenges

- Finalise of the SADC Regional Transport Master Plan based on the development corridor/ SDI concepts in consultation with COMESA and EAC and regional development banks – which promote inter-modal transport interventions and reduction of non-physical barriers to free movement.
- Select eligible regional transport projects from the long list of identified projects or new projects through established criteria, including an appropriate level of Economic Internal Rate of Return (EIRR). Projects identification/selection should facilitate comprehensive transport systems including ports.
- Identify transport routes linked to the transport corridors that can provide access to areas that are periodically susceptible to food shortage.
- Conduct Strategic Environmental Assessments (SEAs) for each corridor or segments of the corridors. (As required by European Directive 2001/42/EC: Assessment of the effects of Certain Plans and Programmes on the Environment)
- Develop further the regional level SWAp with SADC and ICPs.
- Promote interface between RIP and NIPs and national transport policies and development plans.
- Develop further the national level SWAp with national agencies, ICPs and transport operators through the EC delegations – with a balanced approach between rehabilitation and periodic maintenance.
- Define the facilitation role of the SADC Secretariat;
- Facilitate regional/national level implementation and management institutional structures for each corridor/SDI and coordination links with the SADC Secretariat;
- Promote the implementation of the SADC Protocol on Transport, Communications and Meteorology with a view to liberalise and regulate the transport market and monitor its implementation at the national level.
- Promote further transport sector reforms at the national level – including increased participation of NSAs and the private sector.
- Advocate for increase of maintenance funding through national revenue generation mechanisms in order to preserve the infrastructure assets.
- Promote transport safety and the crosscutting issues: HIV/AIDS, gender, environment and governance. HIV/AIDS require particular attention, as it spreads more frequently along major transport corridors at border crossings and other locations where trucks congregate.

8.3.3 Food Security

Recommendation 13

Food security is probably the key element to poverty alleviation within the region, and it needs to be recognised as one of the pillars for the achievement of the MDGs. In this context, Food Security should not be seen solely a national issue, nor an availability issue, nor a short-term issue.

Finally it is important that the existing early warning systems for crisis situations are integrated in the overall strategy and decision-making process at national and regional level (e.g. SADC FANR) to make them more effective.

It is **recommended** that the EC's approach to food security emphasises its long term character. The links between national food security strategies within a regional food security approach should be strengthened, and the focus needs to be not only on availability, but also on accessibility and utilisation, with a view to enhancing the sustainability of food security in the region.

8.3.4 Non-Focal Areas

Recommendation 14: HIV/AIDS

Considerable support is being provided through a number of ICPs to HIV/AIDS programmes and considerable progress has been made in joint donor approaches to HIV/AIDS in the SADC region. Therefore there may be less of a reason to support a dedicated HIV/AIDS programme as part of EDF 10 – but rather to ensure that HIV/AIDS is professionally and thoroughly integrated into all EC programmes as a cross-cutting issue rather than supporting structurally weak organisations with the responsibility for implementing programmes which they are structurally incapable of carrying out. Accordingly, it is **recommended** that a capacity be set up within the EC – in the form of an HIV/AIDS Help Desk – that can support the integration of HIV/AIDS into all EC programmes within the Region.