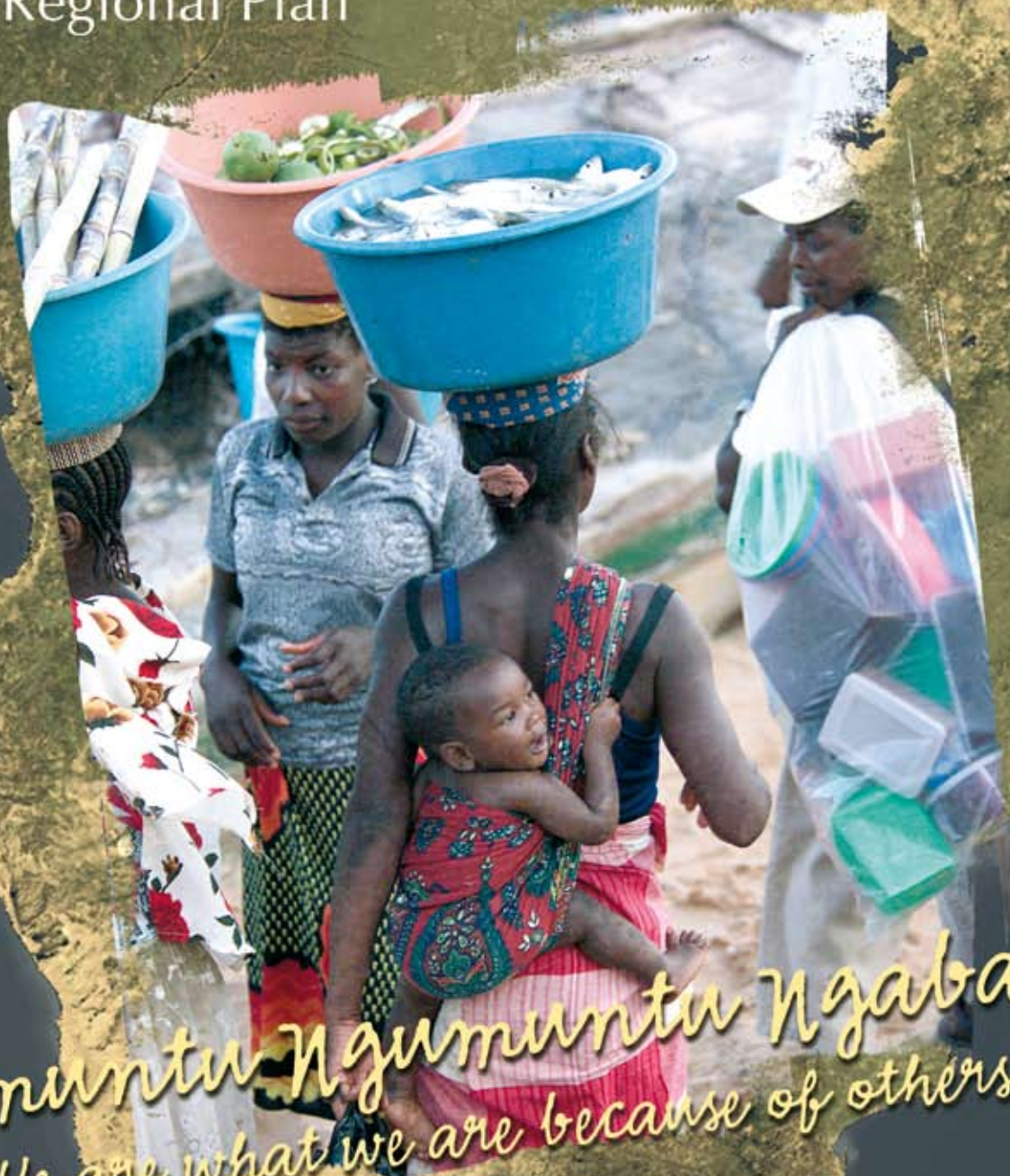


# Southern Africa

Regional Plan



*Umntu Ngumuntu Ngabantu*  
*We are what we are because of others*

# Department for International Development

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DFID, the Department for International Development: leading the British government's fight against world poverty. One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own measurable targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

DFID works directly in over 150 countries worldwide, with a budget of nearly £4 billion in 2004. Its headquarters are in London and East Kilbride, near Glasgow.

**Department for International Development**  
**February 2006**



"With the Rand so strong against the dollar, it is only with the help of that 'little extra' on the load that long distance haulers make any profit". *Nick Jacobs, Southern African truck driver talking about the need to overload his truck (Pretoria News December 2nd 2004).*

Born in Zimbabwe and living in South Africa for 11 years, I still have strong links with Zimbabwe, the contributions that my family makes to the clan cannot be much (a few rand converting to many thousands of Zimbabwe dollars). *Otillia Dube in Insider Magazine, Issue 3 2004.*

"We are what we are because of others".  
*Brenda Fassie.*

Thank you maAfrica, I wouldn't be what I am without you. You have given me the will, the will to succeed. Thank you for the opportunity. Ngiyabonga (thank you) brothers and sisters for standing behind me all the way. It gives me hope and it gives me strength and it is just because umuntu ngumuntu ngabantu (we are what we are because of others).

"The situation is out of hand, with increasing reports of refugees entering surrounding villages to steal crops and livestock. More worrying is that young girls from the refugee community are being forced into prostitution". *Zambian home affairs permanent secretary, Peter Mumba told IRIN 31st January 2005.*

"I left my country, came to Tanzania and then Malawi. I didn't want to travel anymore but I met a man, a truck driver from South Africa, who promised me a job and a house in South Africa. When we arrived in South Africa he started to abuse me, wanting sex". *Christine, a Ugandan trafficking victim. In seduction, sale and slavery, trafficking in women and children for sexual exploitation in southern Africa, IOM 2003*

"I am in South Africa for money, my heart is at home with my children".

*Joanna Dlamini Mozambican Hawker in Johannesburg (Business Day December 3rd 2004).*

"Swaziland needs to diversify its agricultural base, but the water quota is reserved for the production of sugar and we must share our water with Mozambique".  
*Swazi business man at CFA workshop.*

South African defence intelligence have estimated an HIV infection rate of 50% in 1999 in the armed forces of Angola, the DRC and Malawi, 55% in the Zimbabwean army and 60% in the Zambian military in 1998. *In African Security Review, ISS 2001.*

There is an increasing number of companies that are operating sub-continentially; ABSA, Standard Bank, Spar, Murray and Roberts, Nandos, DSTV, MTN and Woolworths". *Iraj Abedian.*

**"WE ARE WHAT WE ARE  
BECAUSE OF OTHERS"**



# Southern Africa Regional Plan

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# One: Introduction

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- 1.1 The unprecedented level of political willingness to make poverty history in Africa has been made possible by the leadership of change from within Africa and a growing consensus across the international community about how best to support transformation and development on the continent. The challenge now is to make it happen.
- 1.2 The UK Government put Africa at the centre of the 2005 G8 agenda. The commitments made by G8 leaders at the Gleneagles summit provide unprecedented political support for the changes set out by African leaders in the African Union (AU) Nepad (New Partnership for Africa's Development) agenda. Regional approaches are central to this and the Commission for Africa (CFA) report supports the African Union's view that Regional Economic Communities (RECs) will be key 'building blocks' of an Africa-wide development agenda.
- 1.3 The clear priority being given to regional approaches by all these institutions compels the UK to assess when, where and how such approaches can best complement strategies at country and continental levels to deliver the Millennium Development Goals (MDGs).
- 1.4 The Regional Plan describes the vision and rationale for piloting a regional approach to poverty reduction which will add value to the country-led approach. Taking account of the specific characteristics of the Southern Africa region interventions in three thematic areas are proposed:
  - Growth, jobs and equity,
  - Resilient livelihoods, and
  - Peace and security.

These themes are interrelated. A secure environment is a prerequisite for people to be able to pursue a livelihood. Roads and viable transport are needed to get produce to markets. Increased investment, essential for promoting and sustaining economic growth, will only happen in a secure environment with a sound infrastructure and a healthy and stable workforce.

- 1.5 Within these areas, priorities are drawn directly from the G8 commitments on trade, infrastructure, food security, water, climate change, HIV and AIDS, infectious diseases and conflict.

## Targets for impact of DFID investments

By 2010 up to:

- 30% increase in local sourcing by South African supermarkets
- 5% increase in horticultural exports
- 30% decrease in waiting time at one stop border posts
- 25% reduction in transport costs for landlocked countries
- 10% of predictable hunger needs being covered in at least three countries in the region
- 50% reduction in malaria related mortality
- 50% increase in TB case detection and treatment
- Reduction in HIV infection rates



## Two: The 'Pan African Agenda'

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- 2.1 In Africa, there is a growing view that while Africa may not have determined its past, Africans should determine its future.
- 2.2 This principle drives the 'Pan-African Agenda', as set out by the African Union (AU) and its development programme, the New Partnership for Africa's Development (Nepad). The CFA report is based upon this.
- 2.3 The Pan-African Agenda seeks to change the terms of Africa's relationships with the world, both politically and economically. The aim is to move Africa beyond poverty and dependence, to become a dynamic continent characterised by peace, democracy and thriving economies. A continent in which benefits are delivered to poor people in a manner that respects human rights.
- 2.4 A central premise of the 'Pan African Agenda' is that no African country can, on its own, achieve these goals, nor overcome Africa's current marginalisation in world affairs or in the global economy. Hence the need to examine regional approaches.
- 2.5 The vision and leadership for this has come from a cross-section of African nations, and has managed to straddle some of the traditional divisions on the continent. Yet the process is not without tensions both between and within states. For example there are different views on the priority to be given to political integration versus economic integration, with some leaders favouring a United States of Africa style approach and others a more incremental approach in line with the African Economic Treaty on which the AU was founded.

### The primary objectives of AU-Nepad:

- To eradicate poverty;
- To place African countries, individually and collectively, on a path of sustainable growth and development;
- To halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy;
- To accelerate the empowerment of women.

[Nepad Annual Report 2003/4]

- 2.6 In developing the vision of a new partnership with the developed world, African leaders have in turn been challenged to build a new partnership with their own citizens also. At the centre of the Pan-African Agenda is a commitment to more open and accountable African politics, which is presently highly uneven and often fragile. The Pan African Agenda provides the basis for the solutions to Africa's problems to be developed within Africa by a range of groups and constituencies, strengthening African ownership, and also providing the basis for holding African leaders accountable for good governance and democracy, and the delivery of the MDGs.
- 2.7 At the same time African leaders and citizens are demanding a shift in relations with the rest of the world, to a more open structure based on mutual accountability to support solutions that are generated in Africa.

## Three: The rationale for regional approaches

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- 3.1 A critical mass of African leaders<sup>1</sup> recognize that in order to make poverty history in their own countries, instances of conflict, genocide, human rights abuses, despotic rule, corruption and poor governance on the continent will have to be made history first. These leaders are now attempting to turn their common interest in cleaning up the continent into common action.
- 3.2 It is this momentum that G8 leaders agreed to support at Gleneagles. And with it, the argument that continental and regional approaches are required to make the breakthroughs Africa needs to move into a different stage of social and economic development.
- 3.3 The populations of most African countries are too small to constitute significant markets or to attract external investment; and local business does not pack the weight needed to get a foothold in global markets. In addition, the patchwork of porous borders within regions adds costs and constraints to most forms of economic activity, from multinationals to informal traders. At 18% Africa has the lowest investment to GDP ratio of any developing region. There are just too many different regulatory regimes, types of red tape, border controls and tariffs through which goods, services, money and people have to pass to do business in Africa.<sup>2</sup>
- 3.4 Regional economic integration is central to creating larger markets, eliminating inefficiencies, and creating a wide range of economies of scale, to generate the kind of economic growth needed to make a serious dent in poverty.
- 3.5 Regional approaches are also necessary to create regional 'public goods'. For example, regionally integrated systems of infrastructure are a priority for both human and economic development. This includes road and rail systems, ports and airfreight capacity, energy and communications. The state of Africa's infrastructure is so poor, with such detrimental impacts on productivity, that at a recent meeting African Finance Ministers identified infrastructure as the top priority for promoting growth.<sup>3</sup> The need for massive infrastructure development is a key continental priority that needs integrated regional-level planning.<sup>4</sup>
- 3.6 Regional approaches are also expected to make it possible to support countries in addressing many common social challenges cost-effectively and quickly, from access to affordable drugs to providing the essential skills required to deliver health and education services.
- 3.7 Peace and security are prerequisites for sustainable development and are central to achieving the MDGs. History shows that conflicts across Africa are not confined within country borders. This is evidenced by the incursions by the Apartheid South Africa into Mozambique, Namibia and Angola and the involvement of Southern African states (Angola, Zimbabwe and Namibia) in the conflict in the Democratic Republic of Congo (DRC). Rebel groups with weapons and conflict goods can move at will across borders creating havoc and driving refugees to seek safe haven in neighbouring countries. Regional and Pan-African approaches are central to preventing and managing conflict.
- 3.8 Finally, continental strategies and regional approaches assist in marshalling resources, rationalising the costs of dealing with donors, and putting available institutional capacity to the best use.

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<sup>1</sup> Presidents Mbeki, Wade, Obasanjo, Bouteflika and Mubarak were the founding fathers of Nepad

<sup>2</sup> To overcome the obstacles of doing business in Africa, the CFA recommends donor governments and the private sector commit US\$550 million, over seven years, to the Investment Climate Facility.

<sup>3</sup> January meeting in Cape Town hosted by Trevor Manuel (South Africa Minister of Finance) attended by African Finance Ministers and Gordon Brown, UK Chancellor of the Exchequer.

<sup>4</sup> The CFA has recommended that Africa needs an additional US\$10 billion a year for infrastructure investment.

## Four: Regional approaches – a critical analysis

### Understanding the spectrum of regional approaches

- 4.1 The AU intends to rationalise the fourteen existing regional economic communities (RECs) – many with overlapping membership – into seven. The borders of the RECs are in flux, and their mandates and institutional scope vary considerably – from trade agendas, through peace and security, to wider political mandates.
- 4.2 Despite stronger performance from some, such as ECOWAS (Economic Community of West African States) and COMESA (Common Market for Eastern and Southern Africa), many RECs are weak, without much track record of effective delivery. Enormous hope is being pinned on them as 'building blocks' and 'implementation organisations' for delivering growth and development but there is a lack of clarity on how this will work.
- 4.3 There are a range of other regional institutions that have a track record of engaging in regional approaches to different degrees. These include civil society bodies such as business associations, trade unions, lobby groups and policy think tanks, the private sector and financial institutions. They also include agencies such as South Africa's Development Bank of Southern Africa and the Industrial Development Corporation.
- 4.4 In practice, regional and continental approaches can take a variety of forms, across a spectrum of options. They range from 'the velvet glove' of the Africa Peer Review Mechanism's (APRM) voluntary peer review process, to the 'harder' forms of formal economic and political integration, that entail ceding sovereignty (see figure 1).
- 4.5 Regional approaches need to find their niche in the space between country-level approaches and continental approaches. They focus only on those interventions where regional-level processes add specific value to what can be achieved by programmes at country level.
- 4.6 The fact that an issue is common across a region does not necessarily mean that it is always best addressed through a regional programme, nor is this a measure of its developmental importance. Many of the MDGs respond to challenges that are common across Africa, but are most effectively delivered in country, and only lend themselves to regional approaches on the margins.

The HIV and AIDS pandemic affects all the countries in Southern Africa. It has a range of regional impacts, for example, on migration and the regional labour market. There are lessons to be learnt from sharing regional experiences and policy approaches; there is value in co-operation on research; and there may be gains to be made from a regional approach to the procurement of drugs to achieve economies of scale and to ensure trade agreements contain flexibility relating to the manufacture of generic essential medicines. But this does not detract from the fact that the greatest impacts in terms of prevention and treatment will be as a result of good policies implemented within each of the countries of the region.

So the fact that an issue has a regional dimension, does not mean that the programmatic focus should shift away from national programmes to regional ones. Rather that the two should be seen as presenting opportunities at different levels.

### Why are regional approaches hard to do?

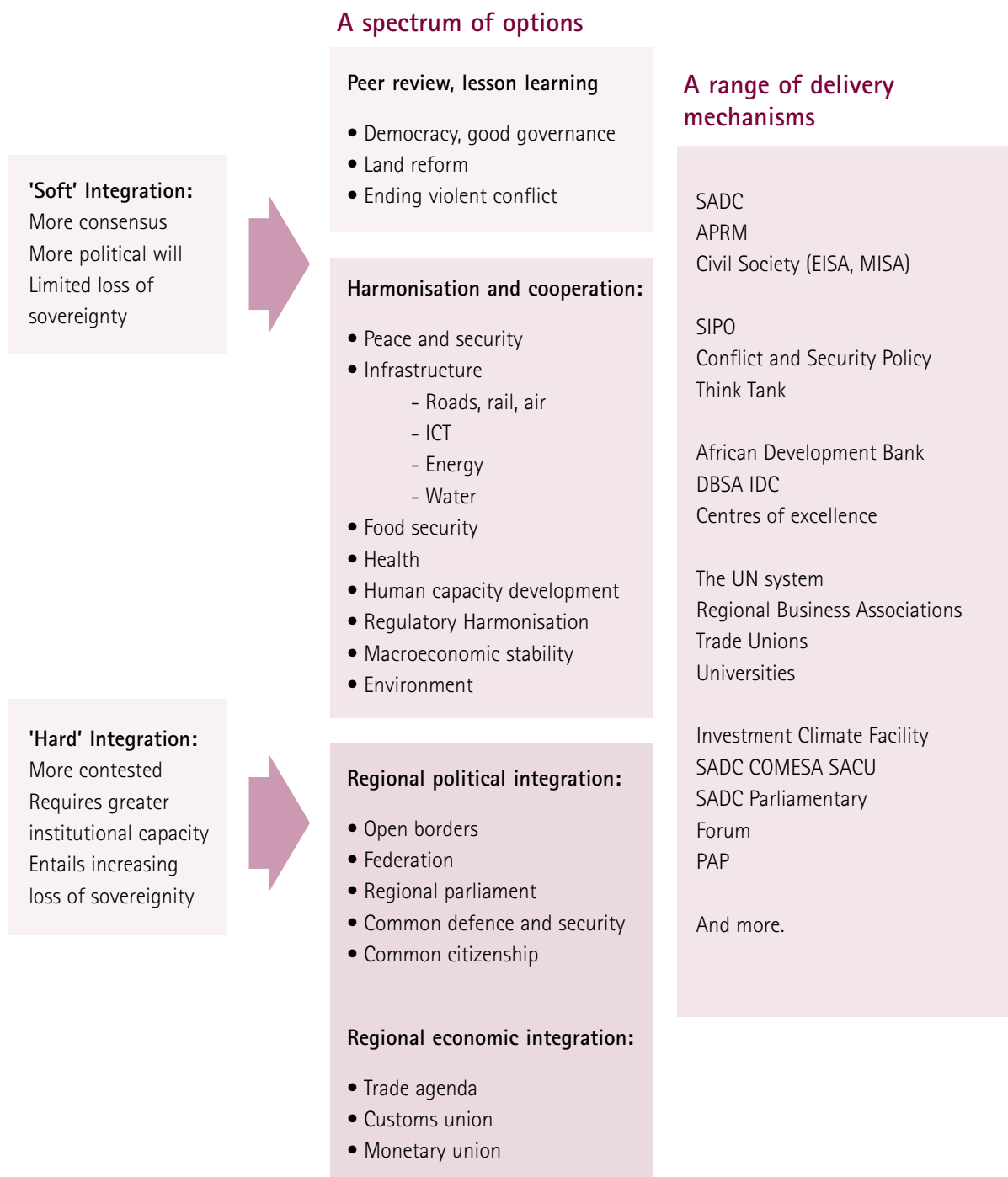
- 4.7 The purpose of regional approaches is to create benefits for countries in ways that they could not achieve on their own in addressing issues of national interest. In this sense, regional approaches are about creating shared regional benefits or 'regional public goods'.
- 4.8 To work, regional approaches must be seen to benefit all countries. If they do not they will be challenged and countries may refuse to participate. Countries also need the capacity to engage in negotiations and to protect their interests. If these elements are in place, then regional approaches may lead to the efficient and effective creation of regional public goods. If not, diplomatic gridlock is the likely outcome.
- 4.9 The way in which countries come together to work regionally is an outcome of history, of geography, of how threats and opportunities are seen in a changing world, and of the political process through which 'national interest' is defined at any given time.

## Four: Regional approaches – a critical analysis

4.10 National interests often differ for countries within a region, setting the stage for the trade-offs and politics that play out as a necessary part of getting anything done at regional level. Governments assess the benefits of engaging in regional programmes by what they will deliver to their citizens. Yet regional approaches are often slow, with benefits in the medium to long term, making it that much harder to mobilise the necessary political commitment.

4.11 Regional approaches are not an easy solution to delivering the MDGs. In many cases it will be quicker and more efficient to use country-based approaches. However where regional approaches are key to delivery there is no real alternative but to tackle the complexities of making them work.

Figure 1



## Five: The international community's response

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- 5.1 Regional approaches and the creation of regional public goods have been 'underfunded' by the international development community, receiving only 2-3.5% of total ODA.<sup>5</sup> Yet the rate of return to regional investments is likely to be high, especially in Africa where investments in regional infrastructure and institutional integration would reduce the high costs imposed by the region's many small economies and many borders.<sup>5</sup>
- 5.2 Some of the factors that have limited donor investment in regional programmes include: the difficulty of working with multiple partners in different countries; the complexity of coordination across many countries; and the generally longer-term timeframe for achieving impacts. With loan funding a further limitation is the difficulty of allocating the share of benefits between countries, in order to allocate the share of debt. This also creates a disincentive for participating countries.
- 5.3 Despite these challenges a number of donors are engaging with regional programmes, recognising that they can add value to delivery of the MDGs. Within Southern Africa many are basing their regional offices in South Africa.

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<sup>5</sup> [Birdsall, 2004: 1]

## Six: What makes Southern Africa distinct as a region?

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- 6.1 Regional approaches must be context specific. This section therefore briefly examines the unique characteristics of the Southern African region that should inform the design of regional approaches.

### History and politics

- 6.2 Southern Africa had six colonisers within the region: Dutch, British, Belgian, French, Portuguese and German, with Britain the dominant presence over time. This has left many legacies, including the language divisions that affect regional processes. In particular the mechanisms through which different colonial powers controlled land, labour and resources are the basis for today's patterns of access to land, the workings of labour markets, and the commodity dependence of the regional economy. Southern Africa's high levels of intra-regional migration are rooted in this history.
- 6.3 The decolonisation of Southern Africa is rooted in the liberation struggle. This created a set of alliances between countries that live on in the politics of the region today. The Southern African Development Community's (SADC's) origins lie in the Southern African Development Cooperation Conference (SADCC), which was set up by 'frontline states' as a defensive alliance against apartheid.
- 6.4 Political democracy and governance are highly uneven in Southern Africa. While the region has a growing number of stable constitutional democracies, it also includes the challenge of post-conflict reconstruction in Angola, and a fragile peace process in the DRC.
- 6.5 The crisis in Zimbabwe impacts negatively on the region as a whole, which continues to lack a concerted SADC approach to dealing with the issue.
- 6.6 SADC is the recognised REC for Southern Africa in the AU. It has aligned its policies and programmes closely with those of the AU-Nepad, as reflected in its Regional Indicative Strategic Development Plan (RISDP); its role in conflict prevention through the Strategic Indicative Plan for the SADC organ (SIPO); its attempts to initiate a regional assembly, and its work on trade integration. However, SADC faces serious capacity constraints and at times a lack of political will from member states to push integration. These factors limit its ability to drive regional processes.

### The role of South Africa

- 6.7 Southern Africa is highly unequal. South Africa is better resourced compared to its neighbours and plays a critical role in Southern Africa's development. The role of South Africa is therefore a key defining feature of the region.
- 6.8 South Africa makes up 50% of sub-Saharan Africa's GDP. South Africa is also the strongest economy on the continent. While the African Union has 52 member states, South Africa's GDP represents 19% of the GDP of the continent as a whole.
- 6.9 South Africa's President Mbeki has been an important driver of the Pan African Agenda; and South Africa is central to developments not only in Southern Africa, but also more widely on the continent. The political history in Southern Africa has influenced President Mbeki's approach to building a consensus amongst his neighbours for progressive action to influence the direction of the region.
- 6.10 Whilst South Africa is a relative newcomer to global affairs it carries weight in the international arena. It is influential in World Trade Organisation negotiations as part of the India, Brazil, South Africa group and the G20.
- 6.11 South Africa's business community has moved rapidly to take up opportunities in the region as they arise. Whilst this has stimulated growth across the region there is a need for more evidence of the impact of South African business on the regional economy.
- 6.12 South Africa's economic strength in the continent means it has become the base for an increasing number of multi-national companies engaged in Africa as a whole. Eight global trade unions have recently opened offices in South Africa. The opportunities and relative openness of South African society are a magnet for intellectuals from across Africa and the rest of the world. This gives South Africa a greater depth of intellectual capacity than many of its neighbours.
- 6.13 Despite its 'late entry' into continental politics since 1994 South Africa has rapidly gained respect and influence for its lead in many areas: its rights-based constitution; its continued economic strength; and its diplomacy in key conflict situations, such as Burundi, DRC and Ivory Coast.

## Six: What makes Southern Africa distinct as a region?

- 6.14 The recognition of South Africa's strengths co-exists with a concern that it might benefit disproportionately from regional integration and pan-African development. This can create a degree of ambivalence at times in the rest of Africa's relationship with South Africa. Yet such ambivalence reflects the reality that South Africa's role needs to be studied. There are a wide range of parallel, complementary and sometimes conflicting roles being played, as well as a diverse range of South African interests engaged in the regionalisation process. What is not in doubt, though, is the level of strategic significance South Africa's role has both for Southern Africa and for the continent more widely.
- 6.17 The many borders within the region, the lack of harmonised regulatory systems, lack of land tenure and property rights and the poor regional infrastructure inhibit growth of the regional economy. Landlocked countries such as Malawi and Zambia face particular difficulties as they depend on access to their neighbours' ports for exporting.
- 6.18 In addition, the trade arena in Southern Africa is characterised by a 'spaghetti bowl' of regional groupings with overlapping memberships. Many of the member states of SADC are also members of SACU (Southern African Customs Union), COMESA and the East African Community (EAC); and negotiations with the EU over EPAs (Economic Partnership Agreements) are aligned to none of the existing trading blocs.<sup>6</sup> This is costly in terms of time, human capacity and the duplication of rules and procedures, and it constrains the development of a coherent regional trade strategy. (See Figure 2). As noted in section four, achieving rationalisation is a major challenge for African leadership.

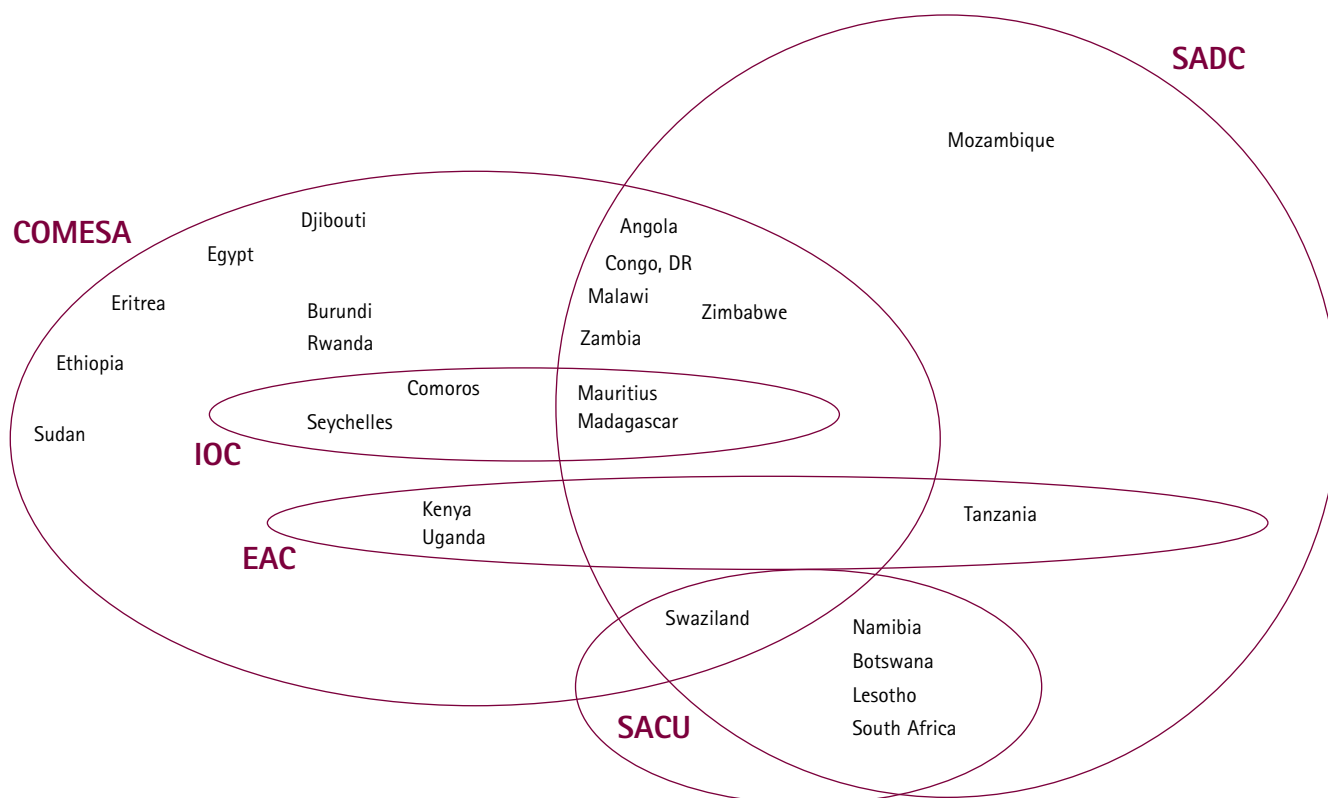
### Economic development

- 6.15 Economic development in the region is highly unequal, with the regional economy dominated by South Africa. The GDP of South Africa is 75% of the overall GDP of SADC. Yet SADC's GDP is only equivalent to that of Norway or Belgium, relatively small economies compared to most in Europe. South African investment in the rest of Southern Africa represents 49% of the region's Foreign Direct Investment (FDI), and 80% of trade in Southern Africa is with South Africa. Most of this consists of exports from South Africa into the rest of the region. This is a small proportion of South Africa's overall trade. The economic dominance of South Africa generates discussion in the region; South Africa is often seen as a predator by the smaller economies who fear South Africa's success will be at their own economic expense. However, despite South Africa's current dominance, Angola and DRC are sleeping giants with huge untapped resources.
- 6.16 Over 50% of the region's exports are in minerals and agriculture. South Africa is the only country in the region to have built any sizeable industrial base, on the back of its minerals industry. Most of the other countries in the region are dependent on exports of primary commodities. For example, 59% of Angola's GDP comes from oil. In Botswana, mining contributes 35% of GDP compared to just 4% for manufacturing.
- 6.19 There is a significant movement of people in the region through migration and trade. The interdependence that countries have on one another is evidenced by the level of small scale cross border trade, estimated at some borders to be as much as 50% of all trade (Peberdy 2002).
- 6.20 Outside of South Africa agriculture is central to growth in much of the region, but unfinished or unsuccessful land reform processes in many countries limit the productive use of land, and its contribution to growth, livelihoods and social protection. Land is subject to a complex mix of jurisdictions, with traditional systems of communal tenure and forms of private ownership co-existing in most countries of the region. It is a key source of political mobilisation and tension.
- 6.21 Future economic growth in the region depends on the development of key infrastructure including Information and Communication Technology, energy, roads, ports and freight capacity. Growth in both agriculture and industry is also highly dependent on water availability. The region is already classified as water scarce and predicted to become water stressed by 2016 (UNECA 2000). Four of the most economically developed countries in the region are dependent on increasingly complex and politically sensitive cross border transfers of water to sustain their economic growth potential.

<sup>6</sup> The SADC – minus EPA group excludes SADC members South Africa, Zimbabwe, Mauritius, Malawi and Zambia. The COMESA EPA group includes all COMESA countries except its largest economy, Egypt.

## Six: What makes Southern Africa distinct as a region?

Figure 2



COMESA	Common Market for Eastern and Southern Africa
EAC	Commission for East African Cooperation
IOC	Indian Ocean Commission
SADC	Southern African Development Community
SACU	Southern African Customs Union

### Social and human development

6.22 Southern Africa is highly unequal, which often masks its high levels of poverty. The situation is not improving. A range of factors have combined to create a downward spiral of growing vulnerability, especially for women and children, and a crisis in the ability of both formal and informal systems of social protection to cope. The region faces an escalating humanitarian challenge.

6.23 Southern Africa has the highest HIV and AIDS prevalence rate in the world at 13.7% on average of the adult population across SADC, ranging from 0.1% in Mauritius to 42% in Swaziland (UNAIDS 2004). UNAIDS also estimates (2002) that almost five million AIDS orphans are living in the region. HIV and AIDS impact on the most economically active members of households, with young women six times more likely to be infected than young men. This deepens poverty, decimating skills across all sectors, and impacting on the delivery of services, such as health, education, and agricultural extension.



## Six: What makes Southern Africa distinct as a region?

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- 6.24 Food insecurity is also very high in more than half the states in the region. A sub-region of six countries in SADC has the highest proportion of people experiencing hunger in Africa,<sup>7</sup> and the percentage of people who are undernourished in SADC increased by 12% overall in the period from 1990 to 2000.<sup>8</sup>
- 6.25 The livelihoods of over 70% of people in the region depend on agriculture in some way. These livelihoods are increasingly vulnerable due to the impacts of HIV and AIDS, food prices, terms of agricultural trade, decline in incomes and climate variability. It is widely accepted that the effects of the region's variable climate on livelihoods will become increasingly exacerbated by longer-term climate change. Scenario planning for this region indicates that it will continue to get hotter and drier, with increasingly unpredictable rainfall patterns. This will require significant adaptation in food production options. Climate shifts could also create the conditions for the wider spread of malaria, which is already a major cause of mortality and ill health in the region.

### Conflict

- 6.26 While Mozambique and Angola have been able to stabilize after long periods of conflict, the DRC peace process is fragile. Most analysts recognise that stability across the Great Lakes Region is pivotal to progressive leadership, good governance and sustained development in Africa. A reduction in conflict in this troubled part of the continent would also reduce the numbers of refugees spilling over borders across Southern Africa.
- 6.27 There is, however, a relative degree of stability in Southern Africa for a region that has been wracked by conflict for decades. This has shifted the focus to post-conflict reconstruction, the development of peacekeeping capacity, and conflict resolution mechanisms including early warning systems. But there is the potential for new forms of conflict to arise. In particular, control of resources such as diamonds, oil and timber, unresolved land reform processes, access to scarce resources such as water, and the exclusion of many groups from the benefits of development threaten the current peace.
- 6.28 Zimbabwe remains a concern for Southern Africa. The political and economic crisis has the potential to descend into violent conflict. A political transition to a democratic and accountable government should be of primary importance to SADC. Wider regional approaches to conflict reduction can be undermined by the situation in Zimbabwe.

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<sup>7</sup> The six countries with the highest proportion of under-nourished people in their populations in the region are: DRC, Angola, Mozambique, Zambia, Tanzania and Zimbabwe (Source UNDP HDR 2004).

<sup>8</sup> [Roberts, 9; the figure excludes RSA]

## Seven: What does this mean for UK support to regional approaches in Southern Africa?

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7.1 The country-based approach takes primacy in delivering the MDGs. Regional and continental initiatives should only be undertaken where they can add value to the country-based approach, creating a significant improvement in delivery. In determining areas for UK regional engagement in Southern Africa the following factors have been considered:

- how they can gear up progress to delivery of the MDGs in country;
- how they relate to the G8 priorities for supporting delivery of the AU-Nepad's Pan-African Agenda;
- how they relate to national government's priorities for regional development;
- how they can build upon UK experience of regional approaches in Africa;
- how they address the specifics of the Southern Africa region, in particular the interests of all Southern African states; and
- the availability of effective delivery mechanisms.

7.2 These factors inform both the modalities for regional approaches and the areas for intervention.

## Eight: Modalities for regional approaches

- 8.1 There are three factors that should inform the UK's approach to the identification, design and implementation of regional programmes in Southern Africa. These are the role of South Africa, the role of regional institutions and promoting aid effectiveness.

### Engaging with South Africa

- 8.2 In Southern Africa a major question about regional integration is how can South Africa's economic dominance assist in a manner that brings benefits to all countries?
- 8.3 While concerns about South Africa's dominance create disincentives for regional integration, South Africa's strengths are the key to rapid development in the region. South Africa has the political will to drive this process, and it has the financial and institutional capacity that the rest of the region lacks. Its private sector and parastatals have the capacity and desire to be partners in the process, both out of a sense of solidarity and concern to lift Africa out of poverty, and because they see business opportunities from the process that foreign capital does not.
- 8.4 In addition, South Africa is an "internal resource" for the region. This sets Southern Africa apart from other regions in Africa, which will rely heavily on external resources for their transformation.
- 8.5 There is a risk that South Africa becomes the winner that takes all. However the current South Africa leadership has a strong commitment to the wider development of the region, and demonstrates political sophistication and sensitivity in managing its own dominance.

### Recommendation:

*UK engagement in regional approaches must be developed in strong partnership with South Africa. The approach must take account of South Africa's own ambitions for promoting responsible leadership, good governance, peace and security, regional integration and growth and human development. This will include:*

- *engaging with the Government of South Africa on its development agenda for the region, working closely with Finance, Foreign Affairs and leading line ministries (where they contribute to the AU-Nepad agenda); and*
- *working with South Africa to strengthen the capacity of regional institutions to manage regional integration.*

### Supporting regional institutions

- 8.6 Regional institutions play a role in ensuring that regional approaches work. The CFA report acknowledges the role that the AU has given to regional institutions to deliver the Pan-African agenda. Regional institutions can promote networking and lesson learning across the region, provide a challenge function to country-based initiatives, deliver economies of scale through regional programmes and act as an intermediary between country focussed institutions and Pan-African and global processes and policies.
- 8.7 The earlier analysis of regional approaches highlighted that their success depends on how well they relate to national agendas; and on the extent to which all participating states can see demonstrable benefits, with no one party seen to benefit disproportionately. The uneven levels of political democracy and good governance in the region require mechanisms to hold governments to account. Elites in power can narrowly define national interests that then inform regional debates and policies. This has consequences for the extent to which regional approaches are effective in reducing poverty and delivering the MDGs. Regional institutions provide a forum for citizens to hold national governments to account and ensure that regional policies are rooted in the realities of citizens' lives.
- 8.8 There are a large number of regional institutions in Southern Africa including the RECs, (SADC, COMESA, SACU), but also regional civil society organisations such as The Southern Africa Human Rights Trust (SAHRT), the Southern Africa Confederation of Agriculture Unions (SACAU), the Development Bank of Southern Africa, the SADC Bankers Association and the Industrial Development Corporation. The performance of regional institutions in Southern Africa is varied, many lack capacity, some are donor dependent and a number are South Africa dominated.

## Eight: Modalities for regional approaches

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### Recommendation

*In delivering regional programmes the UK will develop the capacity of key regional institutions to deliver the AU-Nepad agenda including:*

- *strengthening the capacity of civil society to engage in regional policy processes and make them responsive to the needs of the poor; and*
- *strengthening regional institutions' capacity to deliver AU-Nepad objectives, particularly in the areas of peace and security, trade and investment, food security and governance.*

### Promoting aid effectiveness

8.9 An increasing number of donors are developing and implementing regional programmes. In line with the commitments of the Paris Declaration on Aid Effectiveness 2005 DFID will use its regional programme to promote aid effectiveness and harmonisation of regional programmes in Southern Africa. This will include ensuring they are aligned with the priorities identified by the AU-Nepad. Partnerships already under development include working with:

- the World Bank and the wider infrastructure consortium on transport links;
- the SADC HIV and AIDS donor group (the group recently signed a joint finance and technical cooperation agreement);
- the South Africa Revenue Service and USAID on trade supply issues, in particular one-stop border posts;
- regional UN bodies on responses to infectious diseases;
- USAID, AUSAID, and EU on regional hunger and food security, and
- USAID and UN on climate change.

## Nine: Areas for engagement

9.1 It is proposed that the UK should focus on a limited number of initiatives in three key focal areas directly supporting the priorities agreed at Gleneagles. The areas selected have been identified through wide consultation with the UK Government (Foreign and Commonwealth Office, Ministry of Defence and UK Trade & Investment); DFID country offices in the SADC region; DFID's Africa Policy Department; Policy Division; the Chief Advisers; Nepad; SADC; other donors and leading Southern African regional commentators and institutions. The areas selected are those which can add value to country led approaches, where the UK has relevant experience and expertise to offer and where there are institutions to work with on delivery.

### Growth, jobs and equity

9.2 The AU-Nepad places economic growth in which poor people can participate at the centre of achieving poverty reduction in Africa. This includes supporting regional economic integration, addressing demand and supply side trade issues, improving infrastructure and strengthening the investment climate for business. In line with the G8 priorities we propose two areas of engagement: supporting supply side trade and developing regional transport infrastructure.

#### *Supply side trade:*

#### **G8 Communiqué**

"We will:

- continue to support African strategies to improve food security in Africa;
- on water, work to implement the G8 water action plan agreed at Evian through increasing aid to this sector; maintaining political momentum and commitment on the water issue; and reinforcing co-ordination and monitoring mechanisms;
- on climate change, work with developing countries on building capacity to help them improve their resilience and integrate adaptation goals into sustainable development strategies; and strengthen existing climate institutions with a view to developing fully operational climate centres in Africa;
- boost investment in health and education and take action to combat HIV and AIDS, TB and other killer diseases..... With the aim of an AIDS-free generation in Africa, significantly reducing HIV infections and working with WHO, UNAIDS and other international bodies..."

9.3 The goal of the UK Government interventions will be sustainable job creation and increased incomes for the poor within the SADC region. The purpose is to enable increased trade in Southern Africa for the benefit of the poor. DFID is already supporting a regional trade facilitation programme in Southern Africa that focuses on improving the trade policy environment and opening up access. The new interventions will focus on how to help countries reap the benefits of improvements in the trade context by supporting supply side interventions.

Areas of intervention:

- collaborate with UK and South African based supermarket chains to help regional suppliers meet their standards.<sup>9</sup> Output: a 30% increase in local sourcing by South African supermarkets by 2010 (UK supermarket target to be developed);
- run a standards pilot in a low-income country to improve the country's ability to meet international and regional standards in order to increase exports. Output: target country meets regional and European SPS standards and increases horticultural exports by 5% by 2010;
- supporting increased representation by the region on international standards setting bodies. Output: regional governments' concerns reflected in approach to standards setting by international bodies.
- implement at least three one-stop border posts in the region in collaboration with SADC, COMESA and the South African Revenue Service. Output: reduce waiting times at crossing by at least 30% by 2010.

<sup>9</sup> Whilst standards are set by Governments and International Standards Setting Bodies some supermarkets often set their own private standards which can be as high or higher than publicly set standards. DFID's work with supermarkets will focus on these private standards.

# Nine: Areas for engagement

## Regional transport infrastructure

### G8 Communiqué

"We agree to:

- continue our work to build an international infrastructure consortium... to facilitate infrastructure investment, including cross-border infrastructure in Africa. This should achieve more effective and larger-scale infrastructure activity to back Africa's priorities, and to identify and overcome project development financing, and business environment constraints, recognising the comparative advantages of different donors and the private sector."

9.4 The goal of the UK Government interventions will be to promote economic growth through improved transport linkages. The purpose will be to enable regional partners in Southern Africa to build sustainable transport infrastructure on a larger scale.<sup>10</sup>

Areas of intervention:

- supporting project preparation by initiating diagnostic and scoping studies to engage investors, in particular public/private partnerships;
- harmonising donor support to project preparation and financing;
- building capacity in regional institutions to prepare, implement and monitor regional transport investments.

Output of activities: 25% reduction in transport costs for landlocked countries by 2010.

## Resilient livelihoods

9.5 Southern Africa faces a humanitarian challenge. Too many people are hungry, too many are ill or dying, too many women and children do not benefit from development, and the ability to achieve the MDGs seems to be slipping further from the region's grasp.

9.6 Some of the key issues affecting peoples' livelihoods include climate variation that is impacting on health, food security, agriculture and water; the highest HIV and AIDS rates in the world; high rates of communicable diseases causing death and poverty; and the massive human resource constraint exacerbated by high rates of population mobility both within the region and to the West. Monitoring, analysing and managing these issues across the region demands regional economies of scale and regional interventions to support country approaches. Action in this area will support G8 priorities on climate change; infectious diseases; food security; water; and HIV and AIDS.

## Food security

9.7 In August 2005 DFID launched a Regional Hunger and Vulnerability Programme. The goal of this programme is reduced hunger and vulnerability in Southern Africa; the purpose is improved national and regional policy and systems for addressing hunger in the SADC region. The programme aims to strengthen technical capacity, improve our understanding of hunger and how to respond and work with key stakeholders to bring changes to food security policies.

Areas of intervention:

- support to vulnerability assessment and analysis;
- developing an evidence base for alternative interventions to address hunger, including cost benefit analysis;
- support to Governments in establishing and expanding safety net programmes to more effectively meet the needs of predictably hungry people.

Output of activities: by 2010 predictable hunger needs of the most vulnerable 10% of the population being met in at least three countries.

<sup>10</sup> This is in line with the infrastructure consortium's purpose.

## Nine: Areas for engagement

### Water

9.8 Many major water sources in Southern Africa are trans-boundary by nature. Countries will not be able to secure national needs without reliable access to these trans-boundary water resources. Being shared resources their sustainable use requires regional or multi-country agreements and management plans. This is reflected in SADC's regional Water Protocol. However gaps remain in the management of river basins and in implementing existing trans-boundary agreements. The goal of this programme is sustainable water access and utilisation in the SADC region. The purpose is to improve the management and implementation of trans-boundary water and river basin management agreements.

Areas of intervention:

- support institutional development and management of trans-boundary river basin authorities;
- enhance public participation in regional water policy processes;
- improve regional water policy and legislation;
- strengthen application of regional water policy guidelines;
- conflict management;
- support cross regional learning on management and conservation of trans-boundary water resources.

Output: by 2010 strengthened river basin authorities managing regional water resources more effectively and sustainably and more responsive to the demands of poor people.

### Climate change

9.9 Climate change will impact every country in Southern Africa. Although the direct effects will vary across countries erratic climate will impact on the types of crops produced, agricultural practices, water resources management policies and transport and infrastructure policies to deal with a shifting food supply and demand picture. There are also strong links between changing climate and disease control. It will have a major impact on all major MDG targets at country level.

Areas of intervention:

9.10 This is a new area for UK intervention at a regional level. It will build on Gleneagles commitments to strengthen existing climate institutions with a view to developing fully operational regional climate centres. Working with the Chief Scientific Adviser, the Policy Division team developing the risk reduction policy for Africa, DEFRA and the FCO, DFID will undertake a mapping exercise of existing interventions and identify entry points for UK programmes. This is likely to include working with regional centres of excellence and multilateral partners on developing policy and strategies for managing climate variation. Incorporating climate change data into food security and water policies is a key objective.

Output: by 2010 enhanced regional capacity and strategies in place to manage the impact of climate change on poor people's lives.

### Infectious diseases

9.11 The high burden of diseases in the Southern Africa region has an unparalleled impact requiring a uniquely different response from elsewhere in the world. At the same time the region is also endowed with considerable knowledge and competence to address these epidemics.

9.12 The goal of the UK's intervention is to reduce deaths from malaria, TB and AIDS in the region. The purpose is to strengthen regional responses to disease prevention and control.

Areas of intervention:

- strengthen prevention and control measures of the WHO regional disease control division including epidemic forecasting and disease surveillance. Output: 50% reduction in malaria related mortality from 2000 figures by 2010; 50% increase in TB case detection and successful treatment;
- strengthen UNAIDS Regional Support Team capacity to enable full implementation of the '3 Ones' agenda in the region. Outputs: reduction in HIV infection rates; increased access to treatment, care and support; enhanced protection for children affected by HIV and AIDS;
- support to SADC HIV and AIDS business plan and their pharmaceutical programme. Output: harmonised policies on HIV and health implemented across the SADC region; regional drugs programme improves the quality, safety and affordability of medicines, particularly for priority diseases;

## Nine: Areas for engagement

- support to Southern African centres of excellence on infectious diseases to increase civil society participation in programmes; increase transparency and accountability; develop new responses appropriate to the region. Output: enhanced evidence base on socio-economic impacts of HIV and AIDS to inform policy responses; accessible and reliable systems for monitoring and reporting on implementation of policy responses; increased information and technical support for civil society including community-based organisations, non-governmental organisations, faith groups and the private sector.

### G8 Communiqué

"We will:

- give greater attention and resources to reconstruction and reconciliation in post conflict societies..."

### Peace and security

9.13 Peace and security are central to creating an environment in which the MDGs can be met and investment in conflict prevention is key. The Southern African region has been wracked by conflict for decades. The relative stability that has emerged in the last decade cannot be taken for granted. There are serious challenges in post-conflict reconstruction, in building the capacity for peace-keeping, and in putting conflict resolution mechanisms and early warning systems in place to secure peace for the future. These require regional level approaches.

Areas of intervention:

The UK will build regional capacity to prevent and resolve conflict by:

- Strengthening SADC's core capacity, especially the SADC Organ and the new Department of Politics, Defence and Security.
- Promoting the African Peace and Security Architecture, including implementation of the SADC SIPO and SADC Standby Brigade.
- Continuing to work closely with South Africa (and other SADC member states) in their efforts to resolve conflicts in the Great Lakes region and across the continent.
- Building capacity across the region to reduce the risk of violent conflict.

9.14 This will entail extending the existing Regional Conflict Strategy for Southern Africa to include post-conflict reconstruction. This work will be taken forward under the Africa Conflict Prevention Pool. *Output: significant reduction in risk of peace agreements failing in post conflict countries and new conflicts emerging.*



## Ten: Management arrangements

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- 10.1 Whilst there is no shortage of risks and challenges faced by regional approaches in Southern Africa, the major risk is of missed opportunities to use regional approaches to make a significant difference. Whilst the country approach must retain primacy, achieving a step-change in gearing up delivery of the MDGs will require new approaches, aligned to the Pan-African agenda; regional approaches are part of this.
- 10.2 The programme recommendations set out above would initially entail investment of around £20 million per annum, with potential to increase if general budget support to regional institutions becomes an option. DFID Southern Africa will lead on managing the regional programme reporting to the Deputy Director Southern Africa. In taking forward implementation DFIDSA will work closely with other Whitehall departments (in particular FCO, UKTI, MOD, DEFRA, and DoH), Africa Policy Department, Policy Division and the Chief Advisers. An annual report on progress will be presented to the Director Africa and discussed at the Southern Africa Regional Policy Forum. The report will focus on impact of delivery of regional programmes.
- 10.3 DFIDSA will promote aid effectiveness by ensuring the approach strengthens the multilateral system, in particular supporting UN reform efforts and promoting harmonisation and alignment with other donors' regional programmes.

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