

## **REPORT OF MISSION TO SADC**

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**Objective:** To Participate in the meetings of SADC Policy Organs

**Venue:** Windhoek, Namibia

**Dates:** 01-07 August 2000

**Program Element:** Technical Cooperation – Support to RECs

Lusaka, 10 August 2000

## 1. Introduction

The meetings of the Policy Organs of the Southern African Development Community (SADC) were held from 1 to 7 August 2000 in Windhoek, Namibia as follows:

- 1-3 August 2000, Standing Committee of Senior Officials;
- 4-5 August 2000, Council of Ministers; and
- 6-7 Summit of Heads of State and Government.

Eleven Heads of State and Government from SADC member States attended the Summit. Ministers represented Congo DR, Mauritius and Seychelles.

The following organizations also participated: Common Market for Eastern and Southern Africa (COMESA), the African Development Bank (ADB) and the Organization of African Unity (OAU).

The Economic Commission for Africa (ECA) was represented in the various meetings as follows:

- (a) Mr. Robert M. Okello represented the Executive Secretary of ECA at both the Council of Ministers Meeting (4 and 5 August) and the Summit Meeting of Heads of State and Government (6-7 August).
- (b) Mr. G. Mangué participated in the Standing Committee of Senior Officials Meetings (1-3 August), Council of Ministers (4-5) and Summit (6-7).

The participation of SRDC-SA was part of technical support to SADC Secretariat. In its letter Ref.: SADC 4.7 dated 10<sup>th</sup> March 2000, the Secretariat had requested the SRDC-SA for support in carrying out some vital activities for which the Secretariat does not have sufficient capacity. Specifically, SADC Secretariat requested SRDC-SA support, *inter alia*, in the preparation of the 2000 Annual Report.

The Director of SRDC-SA, together with the ECA Regional Advisor in Economic Policy Analysis, undertook an assessment mission to SADC Secretariat from 19 to 20 April 2000. During the discussions it was agreed that the 2000 SADC Annual Report would be a joint SRDC-SA/SADC report (see Report of Mission doc. ECA/SRDC/SA/MR/2000/10). Mr. G. Mangué, Associate Economic Affairs Officer (Policy Analysis), coordinated the process in SRDC-SA.

Mr. G. Mangué undertook a mission to Gaborone (2-15 July 2000) to draft the Report and was subsequently joined by Messrs. Robert M. Okello, Director SRDC-SA and Geoffrey N. Mwau, ECA Regional Advisor (10-15 July 2000) to finalize the draft report. In discussing the modalities for further collaboration on the report, it was agreed that relevant staff from SRDC-

SA would participate at the meetings of SADC Policy Organs (01-07 August 2000) to follow presentation, discussions and decisions with regard to the Report.

The ECA delegation also took the opportunity of the SADC meetings to consult member States on some of the on-going activities of the SRDC-SA. These concerned the study on national mechanisms for regional cooperation and integration, as well as the workshop on the impact of crime in Southern Africa. The Director of SRDC-SA also paid a courtesy call on the UNDP Resident Representative and UN Resident Coordinator in Windhoek.

## 2. Outcome of SADC Meetings

The major outcome of the meetings is summarized in the 2000 SADC Summit Final Communiqué (attached). However, some issues considered, which are of relevance to the work of ECA, are highlighted below.

- **Restructuring SADC** – Having considered the Report of the Committee on the Review of the Operations of SADC Institutions, Council recommended that further consultations were necessary before a decision could be made on the new institutional structure of SADC. The Summit granted an extension of three months for Council to complete the restructuring exercise and make the necessary recommendations for approval by the Summit.
- **Appointment of the Executive Secretary of SADC** – It was decided that the appointment of the Executive Secretary should await the approval of the new institutional structure of SADC.
- **SADC Protocol on Trade** - Implementation will be launched on September 1, 2000. The tariff reduction schedules are divided into three categories:
  - Category A Products: Zero rating on 1<sup>st</sup>. September 2000;
  - Category B Products: Gradual liberalisation so that by 2008, up to 85% of all SADC trade would be zero rated;
  - Category C Products: Sensitive products will be zero rated by 2012, bringing zero rating within SADC to 100%.
- **Currency Convertibility** – Council debated, albeit indirectly, the issue of currency convertibility in the region. It was noted that member States often encounter delays in remitting their contribution to SADC, primarily because these payments have to be cleared in banks outside the SADC region. Some delegates contended that the region has well developed financial systems to cater for funds transfer from member States to the Organization. The Secretariat was, therefore, directed to investigate the issue further.

- **Study on Self-financing Mechanism** - The meeting noted with satisfaction that ECA has completed a study on the establishment of a self-financing mechanism for SADC. The Secretariat will analyze the document and submit appropriate recommendations to Council through the Finance Committee in January 2001.
- **Business Forum** – The Heads of State and Government held a brief discussion session with leaders of industry in the region. Though rather brief, the meeting marked the formal establishment of a SADC Business Forum and sets in motion increased participation by the private sector in SADC policy meetings.
- **Annual Report** - The member States will review the draft report and submit their comments/amendments for finalisation by the Secretariat.
- **China-Africa Forum** - The China-Africa Ministerial Conference will take place in Beijing from 10-12 October 2000. In this regard, it was noted that China had prepared two draft documents, namely, the Beijing Declaration/Communiqué and the Programme for China-Africa Co-operation. It was decided thus:
  - The SADC Secretariat should consult with the Secretariat of OAU and advise member States on the context within which the Region can formulate its common position;
  - The Secretariat should make available copies of the above-mentioned conference draft documents to member States to facilitate preparation for African participation;
  - A Task Force, composed of the SADC Troika, as well as Mauritius and Zimbabwe, and in close collaboration with the SADC Ambassadors in Beijing, should convene a meeting in the first week of September 2000 to develop a position paper, which would be discussed by Senior Officials and Ministers prior to the Conference.
- **Other Major Issues** – Other issues discussed during the meeting included HIV/AIDS, Information Technology, Debt and Poverty.

### 3. Consultation with Member States.

The ECA delegation carried out informal consultations with experts from several SADC countries on national mechanisms for regional co-operation and integration. Specifically, discussions were held with delegates from the following countries: Botswana, Malawi, Mauritius, Mozambique, Namibia and Swaziland. These consultations provided a good basis for designing questionnaires to be sent to all the SADC member States.

#### 4. Conclusions and Recommendations

The Summit of Heads of State and Government was mostly occupied with the Congo DR issue, which is likely to continue dominating development in Southern Africa until it is resolved. An Extra-Ordinary Summit was convened in Lusaka on 14 August 2000 to continue the search for peace in the region.

The effort to restructure SADC institutions has been going on for quite some time now. A report on restructuring was previously presented at the SADC meetings in Mauritius in 1998. Several revisions have since been made. The current report contains some far-reaching recommendations for institutional restructuring. The experience of ECA in this regard could be useful to SADC.

The implementation of the SADC Free Trade Area (FTA) will be launched on 1<sup>st</sup> September 2000, two months before the end of the process in COMESA. Thus, effectively, the whole of Southern Africa would achieve "zero tariff rating" on at least 65% of all products traded within the region. It would be of interest to monitor the harmonization of trade between the two organizations, which share a common membership of nine out of the 14 SADC States (exceptions: Botswana, Lesotho, Mozambique, South Africa, and soon Tanzania).

SADC Secretariat is reviewing the study, which was carried out by ECA on the establishment of a self-financing mechanism for SADC. Recommendations from that review might necessitate further assistance from ECA to SADC Secretariat, particularly with respect to modalities of implementation.

The proposal to study the possibility of using regional banks for SADC transactions may be a prelude to the issue of a single currency in SADC. It is conceivable that ECA might, at some point, be called upon to conduct the study.

The SADC Business Forum provides a possibility for partnership for SRDC-SA in organizing the Round Table on Public Sector – Private Sector Partnership. In this regard, the Director of SRDC-SA discussed with the leader of the SADC business group the possibility of collaboration. The Round Table would provide a forum for articulating issues on regional integration in SADC region.

HIV/AIDS issue is increasingly becoming top priority in the sub-region. For instance, the Summit welcomed Dr. Kenneth Kaunda, former President of Zambia, for launching the Kenneth Kaunda Children of Africa Foundation for HIV/AIDS. Furthermore, SADC has developed a Multi-Sectoral SADC HIV/AIDS Strategic Framework and Programme of Action: 2000-2004. The Secretariat of ADF'2000 on HIV/AIDS should consider the possibility of inviting Dr. Kaunda to be the Patron of ADF'2000.

Modalities for co-operation and collaboration between ECA and SADC need to be discussed further and formalised (preparation and signing of a memorandum of understanding). This would enable ECA to be considered as an effective partner to SADC and not just as an advisor.

The informal consultations with countries on the national mechanism for regional cooperation and integration confirmed the hypothesis of the SRDC-SA that progress in regional integration is, to some extent, hampered by lack of coordination at the national level. This is subject to more in-depth study and analysis.

## 5. Documents

The following documents from the meetings are available for consultation at SRDC-SA:

1. 2000 SADC Summit Final Communiqué;
2. Summit Annotated Agenda 2000;
3. Decisions of the Council of Ministers Meeting;
4. Regional Economic Review: Southern Africa Economic Summit 2000;
5. Draft Annual Report, 2000;
6. Council of ministers: Annotated Agenda;
7. Report of the Chairperson of the SADC Council of Ministers August 1999 to August 2000;
8. Report of the Secretariat;
9. Report of the Committee on the Review of the Operations of the SADC Institutions.
10. Progress Report on Community Building;
11. Draft Financing Proposal;
12. A Guide to Gender Sensitivity Language;
13. Gender Policy for Employment and Labour;
14. Program of Action and budget for the Environment Protocol Development;
15. Plan of Action to Formulate a Strategy for the Development Indicators for the State of the Environment in Southern Africa;
16. Phase II Proposal for the Regional Environmental Education Program;
17. Strategy for Agricultural Research and Training;
18. Vision for the Inland Fisheries Sector;
19. Recommendation of Facilitating Trade in Livestock Products;
20. SADC Strategic Framework and program of Action 2000 and the Terms of Reference for the SADC Expanded HIV/AIDS Task Force.

## Annex I

### 2000 SADC SUMMIT FINAL COMMUNIQUÉ

The Summit of Heads of State or Government of the Southern African Development Community (SADC), met at Windhoek, Namibia, on 6th - 7th August 2000, and was chaired by His Excellency, Mr. Joaquim Chissano, President of the Republic of Mozambique.

1. The Heads of State and Government of SADC present at the Summit were:

Angola	H.E. President Jose Eduardo dos Santos
Botswana	H.E. President Festus Mogae
Malawi	H.E. President Bakili Muluzi
Mozambique	H.E. President Joaquim Chissano
Namibia	H.E. President Sam Nujoma
South Africa	H.E. President Thabo Mbeki
Swaziland	His Majesty King Mswati III
Tanzania	H.E. President Benjamin W. Mkapa
Zambia	H.E. President Frederick J.T. Chiluba
Zimbabwe	H.E. President Robert G. Mugabe
Lesotho	Rt. Hon. Prime Minister Pakalitha Mosisili

The Heads of State and Government of the following countries were represented by Ministers:

Democratic Republic of Congo	Honourable Abdulai Yerodia, Minister of Foreign Affairs
Mauritius	Honourable Rundheersing Bheenick, Minister of Productivity, Economic Development and Regional Development
Seychelles	Honourable Jeremie Bonnelame, Minister of Foreign Affairs

2. Also in attendance were the Assistant Secretary General of the Organisation of African Unity, Ambassador Lawrence Agubuzu; the Secretary General of the Common Market of Eastern and Southern Africa, Mr Erastus O. Mwencha; Representatives of the African Development Bank and the UN Economic Commission for Africa.
3. In his address to the opening session of the Summit, the outgoing SADC Chairperson, HE Joaquim Chissano, President of the Republic of Mozambique, said that the Summit was aimed at charting the future for SADC, which is now in its 20th year of existence. He noted that SADC has made remarkable progress in the areas of infrastructural development, agriculture and energy and has maintained positive growth rates during 1999, albeit at a reduced rate compared to previous years. He observed that if the SADC region is to make a dent on the widespread poverty and create gainful employment in Member States, the growth rate for the region has to be more than 6 per cent.
4. President Chissano also acknowledged a number of challenges, which confront the SADC region, such as poverty, the debilitating debt burden, HIV/AIDS and globalisation. He reiterated his belief that as an economic grouping SADC is better poised to tackle the negative effects of globalisation, while reaping the advantages of its positive aspects.
5. The incoming Chairperson of SADC, H.E. Dr. Sam Nujoma, President of the Republic of Namibia, and host of the 2000 Summit, extended a warm welcome to SADC Heads of State and Government, former Presidents and other delegates to Namibia. He noted that the eventual aim of SADC is to put into place a strong regional economic structure that would facilitate the total elimination of tariff barriers and promote free movement of goods and services within the region. He expressed his confidence that with increased intra-regional trade, SADC would achieve rapid economic growth and sustained development.

6. In a speech read on his behalf by Assistant Secretary General Ambassador Lawrence Agubuzu, the Secretary General of the Organisation of African Unity acknowledged that the record of OAU's cooperation with SADC has been exemplary. He observed that the annual Summit provides an invaluable opportunity for reviewing developments from a regional perspective, in recognition of the need for accelerating the process of continental integration.
7. In his remarks, the Acting Executive Secretary of SADC, Dr Prega Ramsamy expressed his conviction that SADC's vision of creating a single political economic space, built on democratic principles, equitable and sustainable development, improved living standards of the SADC citizens, free movement of factors of production and of goods and services, can be achieved. He stated that the launching of the SADC Trade Protocol on 1st September, a milestone in the development of SADC, would increase intra-regional trade through the removal of tariff and non-tariff barriers and other restrictions that block entry or increase the cost of doing business in the region. He also stressed the importance of information technology as an essential tool for economic development.
8. One of the highlights of the official opening session of the Summit was the presentation of the Sir Serest Khama SADC Medal to the former President of South Africa, Mr. Nelson Mandela. In his response, Mr. Mandela said he accepted the medal with humility, knowing that this gesture is made on behalf of the people of the region. He paid tribute to Sir Seretse Khama, who is renowned for the manner in which he put the dignity and well being of his people above all considerations. He thanked SADC Heads of State for having afforded him the rare opportunity to lead the organisation, and expressed his satisfaction at the progress being made in the further integration of the region.
9. The official opening of the Summit also witnessed the announcement of the winners of the 2000 Regional Secondary Schools Essay Competition, whose theme was HIV/AIDS. The first prize was awarded to Sibanesizwe Malunga of Zimbabwe; the second prize to Yohane Kadalanga of Malawi, and the third to Ashveen Kutowaroo of Mauritius.
10. On the political situation, the Summit expressed satisfaction that the SADC region generally continues to enjoy political stability and to deepen the culture of democracy, good governance and respect for human rights. This is reflected, among others, in the holding of general elections in Botswana, Mozambique, Namibia, and Zimbabwe since the 1999 Summit. The Summit congratulated Presidents Festus Mogae, Joachim Chissano, Sam Nujoma and Robert Mugabe for their victory at the polls. The Summit looked forward to the successful holding of general elections in Tanzania later this year, and in Lesotho, Mauritius and Zambia during 2001.
11. The Summit issued a statement on the Zimbabwe Democracy Act 2000 urging the United States Congress to reconsider its policy towards Zimbabwe, and withdraw the Act before it passes into law.
12. In spite of these positive developments, the Summit expressed its concern at the armed conflicts, which continue to be experienced in some SADC member states, notably Angola

and the DRC. In these countries, many people have been displaced as a result of war, and have become refugees both in their own countries and in neighbouring states.

13. On Angola, the Summit noted the positive steps being taken by the government to stabilise the situation in the country, and that the absence of peace in Angola is a result of the non fulfillment of the Lusaka Protocol by Jonas Savimbi and UNITA. The Summit expressed concern at Savimbi's armed and criminal actions against the civilian population and the destruction of social and economic infrastructure.
14. The Summit expressed its support and solidarity with the government of Angola in its efforts to establish lasting peace in the light of the Lusaka Protocol. It emphasised the need for the strict observance of the sanctions imposed on UNITA by various UN Security Council Resolutions 864/93; 1127/97; 1173/98 and 1295/2000, as well as the OAU and SADC resolutions on Angola. The Summit appealed to the international community to continue providing humanitarian assistance to the displaced people of Angola.
15. The Summit observed that the DRC peace process is still on track despite a number of setbacks. The Political Committee for the Implementation of the Cease-fire in the DRC, which was set up as part of the Lusaka Agreement, has been meeting regularly to evaluate progress. The Summit expressed concern that resource constraints continue to pose a serious impediment to the speedy discharge of the responsibilities of the Joint Military Commission.
16. The Summit appealed to the international community to step up its support to the Joint Military Commission in order for the latter to undertake its work effectively. The Summit further called on all the Congolese to honour their obligations under the Lusaka Agreement, by giving full support to the process of internal dialogue under the facilitation of Sir Ketumile Masire. The need for the speedy deployment of UN Peace Keepers was emphasised.
17. The Summit also suggested that President Chiluba should convene a meeting of all the signatories to the Lusaka Agreement on 14 August 2000 in Lusaka, Zambia.
18. With regard to the economic situation, the Summit expressed satisfaction at the far reaching economic reforms being implemented by SADC Member States, in pursuance of their shared vision of creating a single economic space through deeper economic integration. Through the implementation of appropriate macro-economic policies, a number of SADC countries have managed to put themselves on a sustainable economic growth path.
19. Summit noted that on average, the region achieved positive GDP growth rates since 1995. A growth rate of 3.5% is projected in year 2000, which is still not adequate to tackle poverty reduction. The Summit observed the remarkable liberalization of exchange controls in the region, as the economies adopted market oriented exchange rate regimes. The Summit expressed satisfaction that the investment climate in much of SADC has improved in the 1990's, as governments, were active in trying to create a more attractive policy environment.

However the Summit noted with concern that the flow of investment into the region has not matched expectations.

20. The Summit expressed its concern that external debt remains a major problem for SADC countries. While the Summit appreciated the cancellation of the bilateral debt by some developed economies, it noted that an examination of the debt profile of the countries shows that much of their debt is due to multi-lateral institutions, and accordingly the cancellation of bilateral debt has not been very effective in reducing the burden.
21. The Summit recalled that the region experienced heavy rains in January/February 2000 causing severe flooding in Southern Mozambique, Swaziland, northern and eastern South Africa as well as eastern and southern Botswana and Zimbabwe. In these countries, infrastructure was destroyed, and scores of people lost their lives, homes, crops as well as livestock. The Summit expressed its appreciation to SADC Member States and the international community for their assistance to the affected countries.
22. On food security, the Summit noted that while the overall situation is satisfactory, the latest assessment suggests that regional cereal availability for 2000/2001 marketing year, is insufficient to cover consumption and strategic grain reserve requirements. The overall cereal deficit is estimated, at 679,000 tonnes.
23. With respect to HIV/AIDS, the Summit expressed its concern that the HIV/AIDS epidemic in the Southern African region continues to be a major developmental and security issue, with more than 10 percent of the adult population infected in some countries. The Summit noted the establishment of a Multi-Sectoral SADC HIV/AIDS Technical Subcommittee, and the development of a SADC HIV/AIDS Strategic Framework and Programme of Action: 2000 - 2004.
24. The Summit noted that at its meeting held in Windhoek, Namibia, on 4-5 August 2000 Council approved Principles to Guide Negotiations with the Pharmaceutical companies on Provision of Drugs for the Treatment of HIV/AIDS related conditions. The principles include, inter alia, recognition of the critical role that poverty and malnutrition play in the epidemic provision of equipment, maintaining the continuum of care, and supplies of appropriate drugs to ensure sustainability, equitability, affordability and accessibility.
25. The Summit also received a report from Dr Kenneth Kaunda, former President of Zambia, on the devastating effects of HIV/AIDS, particularly on young families, who leave orphans to be cared for by relatives. He informed the Summit of the establishment of the Kenneth Kaunda Children of Africa Foundation for HIV/AIDS. The Summit lauded Dr Kaunda for his efforts.
26. On the issue of gender equality, the Summit received a report on the progress made by SADC Member States towards reaching the target of 30% of women in politics and decision-making structures by the year 2005, which was set in the 1997 SADC Declaration on Gender and Development. It noted that following the elections that were held in Botswana, Malawi, Mozambique, Namibia and South Africa during 1999, the average percentage of women in SADC parliaments went up from 15% to 17.9%. Only one Member State maintained the

proportion of women parliamentarians while four witnessed an increase in the level of participation by women.

27. However, the Summit expressed its concern that the relatively impressive 1999 SADC average of 17.9% is largely accounted for by three countries, and that half of SADC Member States are still below 15%, which is far from the 30% target to be reached in less than five years. The Summit, therefore urged SADC Member States to consider enacting legislative provisions for mandatory quotas in order to ensure that the targets set in the SADC Declaration on Gender and Development are met.
28. The Summit noted that eight out of eleven SADC Protocols had entered into force, and urged Member States to ratify or accede to all Protocols as speedily as possible. The Summit signed the following four Protocols: SADC Tribunal and the Rules of Procedure thereof; Shared Watercourses (revised version); and Legal Affairs.
29. The Summit received a report on preparations for the implementation of the SADC Trade Protocol, which comes into effect on September 1 2000. It noted the status of negotiations among Member States, which focussed on tariff reduction schedules, rules of origin, harmonisation of customs and trade documentation and dispute settlement mechanisms. The Summit adopted an Amendment Protocol on Trade which takes into account new annexes, amendments to Annex I of the Protocol on Trade, on rules of origin and a provision giving Ministers of Trade authority to amend Annexes as necessary.
30. An interactive session between Heads of State and SADC Business leaders also took place during the Summit, reflecting the important role played by the private sector in regional integration. A Memorandum of Understanding was signed between SADC and the Association of SADC Chambers of Commerce and Industry.
31. The Summit received a report from the Council of Ministers on the Review of the Operations of SADC institutions, which it had commissioned at its 1999 meeting. In view of the need for member States to undertake further consultations, the Summit gave the Council of Ministers a three month extension to complete the exercise.
32. The Summit unanimously elected His Excellency, President Sam Nujoma of the Republic of Namibia, as the next SADC Chairperson for a term of one year. In his acceptance statement, he outlined his vision for a SADC region in which development takes the centre stage.
33. His Excellency, President Bakili Muluzi, of the Republic of Malawi, was elected as the Vice-Chairperson for one year.
34. The Summit accepted the offer of the Government of the Republic of Malawi to host the next Summit of SADC Heads of State or Government in 2001.
35. The Summit expressed its support for the process of negotiations for peace in Palestine and the Middle East.

36. The Summit thanked representatives of other regional and international organisations for attending the 2000 Summit. The Summit also thanked International Co-operating Partners for their continued support to SADC.

37. The Summit expressed its appreciation to the Government and people of Namibia for hosting the Summit and for the warm hospitality extended to all the distinguished delegates. The Summit also thanked all SADC institutions that contributed to the successful organisation of the Summit.

**Windhoek, Namibia**

**7 August 2000**