

SADC Heads of State and Government

ACTION on INFRASTRUCTURE

Strategic Intervention on
Accelerating Provision of Priority Regional Infrastructure



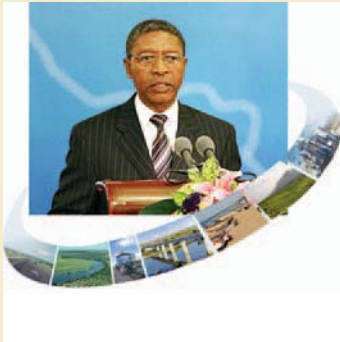
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FOREWORD FROM THE SADC CHAIRPERSON

My Esteemed Colleagues,

The past year, in which the Kingdom of Lesotho has officiated as Chair of SADC, has been filled with many wonderful experiences and challenges. It was a year during which Summit actively engaged on issues that determine the destiny of our regional integration agenda programme and sent a message to the world, that we are taking the developments of our region more seriously than ever before.

Critical issues that came under the spotlight included peace and security in some of our Member States, discourse and key decisions relating to the African Union Government, the challenges of overlapping memberships in our region and more importantly, the Scaling Up of the Regional Economic Integration Agenda that was crafted through the brainstorming session amongst yourselves, Your Excellencies, and the milestone decisions of the Extra-Ordinary Summit of October last year.

Our ministers, officials and the Secretariat under the good leadership of the Executive Secretary clearly made an impression.

An analysis of the trends relating to globalisation, whose impact cannot escape us, and global competitiveness has clearly demonstrated that the best springboard for development is integration at the sub-regional level, clearly illustrating the benefits of collective effort as opposed to individualism.

The Kingdom of Lesotho is proud of not only having been part of this process, but having led it with the support of Your Excellencies. The year 2006 will go down in history as a year in which the SADC programme was effectively recalibrated.

We are excited by the prospect of the Free Trade Area in 2008, a Customs Union in 2010 and a Common Market in 2015, which clearly demonstrates that our market integration is about to be realised.

However, the operationalisation of these trade regimes cannot be realised without the provision of efficient, cost effective and reliable infrastructure.

I cherish your wisdom, Your Excellencies, as you resolved to revisit and refocus the roadmap for the implementation of our transboundary infrastructure, under the theme, "Scaling Up of the Implementation of Regional Infrastructure Development in SADC" during this Summit.

Africa has risen to the stark reality that unless and until the challenge of lack of infrastructure is meaningfully addressed, there can be no effective trade and development in our region. Provision of sound infrastructure is the surest way that our region can unlock opportunities for trade, development and enhanced global competitiveness.

The plight of our Member States who have worked tirelessly to restore peace in their countries should be recognised, and it is in this spirit that the region has to come up with a radical post-conflict infrastructure reconstruction programme for Angola, DRC and to some extent, Mozambique. I have no doubt, that through such an initiative, the minimum connectivity of our States in the form of transport, communications, energy, transboundary water and tourism infrastructure can be achieved and propel our region to unprecedented heights.

I have no doubt that the spirit of consensus, that has been the hallmark of our regional covenants, shall prevail during our deliberations and ultimate implementation of transboundary infrastructure projects. Our discussions shall serve to profile the challenge of infrastructure connectivity at the highest political level, and will inspire all our stakeholders into action on infrastructure.

Welcome to Lusaka, Your Excellencies, and enjoy the deliberations as you deliver the future framework for the implementation of regional infrastructure development.

Right Hon. Pakalitha Mosisili
Prime Minister, Kingdom of LESOTHO

MESSAGE FROM THE SADC DEPUTY CHAIRPERSON

All roads lead to Lusaka for the 2007 SADC Summit as Zambia plays host to this milestone annual event. As we celebrate 27 years of SADC's existence, it is imperative that when our people ask us to account for the years that our organisation has been in existence, we have concrete progress to show for it.

In implementing the Regional Indicative Strategic Development Plan (RISDP), our regional strategy to reduce poverty, we are fulfilling the vision and legacy of our founding fathers who put our regional structures into place. At this Summit, Zambia has the honour to take the baton and provide strategic guidance and leadership to the region at a very crucial stage as we deepen our regional integration agenda.

We have committed ourselves to a Free Trade Area by 2008, a Customs Union by 2010 and a Common Market by 2015. In order to achieve these targets, there are key challenges that we must address as Member States, including the need to embark on legislative processes as an integral part of the foundation of our future relations.

Zambia recognises the magnificent role played by previous chairs of SADC, most recently Botswana and Lesotho. We take over in our humble way the Chair of SADC as the region seeks to intensify the deepening of our regional integration. Zambia recognises that multilateral trade, as a vehicle to development, is where the future of our region lies.

We shall embrace the current programmes on regional integration, giving priority to the issue of infrastructure development, consistent with the outcomes of the "Scaling Up of the Implementation of Regional Infrastructure Development in SADC".

Zambia not only lies at the crossroads of our regional infrastructure networks, but is also the gateway to the COMESA and East African Community for SADC and recognises the need to work with these other sub-regions, as we march towards the total integration of Africa.

It is important that all our Member States are effectively interconnected in terms of infrastructure. This implies that those of our states that have emerged from civil strife and were characterised by deferred maintenance and investment in infrastructure are accorded a new lease of life.

This initiative provides an opportunity to appraise the regional leadership of progress made with the implementation of transboundary infrastructure development; and further seeks to endorse the regional strategies and financial capacity to accelerate development of regional infrastructure.

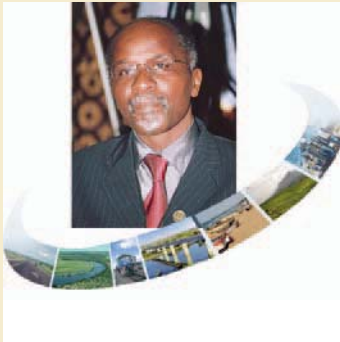
There is no doubt that a collective approach to implementation of regional infrastructure projects is the surest way of accelerating regional integration. We need to redouble our efforts and recommit ourselves to working more closely together to deliver infrastructure consistent with our roadmap for the regional economic integration agenda.

Zambia shall do all in its capability to steer the SADC ship to guide, among others, the implementation of infrastructure programmes towards a common vision and a common future.

WELCOME TO ZAMBIA! BEM-VINDO A ZÂMBIA! BIENVENUE EN ZAMBIE!

HE Levy Mwanawasa
President, Republic of ZAMBIA





FROM THE EXECUTIVE SECRETARY'S DESK

The SADC Heads of State and Government in their wisdom are taking time to brainstorm on “Scaling Up of the Implementation of Regional Infrastructure Development in SADC” at the 27th Ordinary Summit in Lusaka, Zambia.

This development comes at an opportune moment, and is significant for a number of reasons.

First, as SADC becomes a Free Trade Area in 2008, thereafter a Customs Union in 2010 with plans for a Common Market in 2015, infrastructure development is central to promoting open trade and strengthening our capacity for productivity in this region. It is critical that the process is accelerated with specific timelines for the implementation of key priority projects.

Second, there are some essential ingredients for this process to stimulate growth in our region, including communications, least cost energy supply, and cost-efficient water supply and sanitation.

Our Heads of State and Government took the opportunity at the 2006 Maseru Summit to brainstorm on “Scaling Up of the Regional Economic Integration Agenda”. The outcome of that session was the emphasis on accelerating the provision of priority infrastructure to facilitate regional integration, and re-affirmation of the need to implement milestones set out in the RISDP, our regional blueprint for development.

There can be no doubt therefore that our priorities are **Regional Economic Integration** and **Infrastructure Support for Regional Integration**. We have taken the liberty of sharing these priorities with our development partners within the context of the Windhoek Declaration of April 2006.

The implementation of two key protocols is central to the SADC Programme of Action. These are the Protocol on Trade and the Protocol on Facilitation of Free Movement of Persons. Free movement of persons constitutes the key pillar of trade, and the availability of transport infrastructure is pivotal to its realisation.

Access to raw materials and access to markets for completed products at cheap and affordable cost is all that business needs to be competitive if the region is to eradicate poverty on the basis of export-led growth.

It is also important that infrastructure development embraces global conventions on sustainable environment and development so that our future generations will not judge us harshly.

The development of infrastructure in SADC should assist in addressing our supply side constraints and maximisation of our productive competitiveness.

Infrastructure development that strengthens regional integration will also enable the strong role to be played by the SADC region as a building block for the African Union and African Economic Community.

It is against this background that the brainstorming session on infrastructure by the SADC Heads of State and Government is indeed timely and most relevant to our developmental vision.

I wish to take the liberty to congratulate our leaders on this exciting engagement and I look forward to the positive socio-political outcomes of this process.

Tomaz Augusto Salomão
Executive Secretary, SADC



INTRODUCTION

The recognition by our Heads of State and Government of the importance of infrastructure to support regional integration, and their direct engagement on accelerating the implementation of regional infrastructure development, is a watershed for the region.

The keen interest and involvement of our leaders in accelerating the regional infrastructure agenda has brought excitement, hope and inspiration to the Secretariat, stakeholders in Member States, private sector and financing agencies.

This initiative will strengthen the ownership and involvement of Member States for cross-border infrastructure development and implementation.

This will also strengthen access to infrastructure by disadvantaged rural communities, thereby creating realistic opportunities for SADC to attain the agreed targets for the Millennium Development Goals (MDGs) within the timeframes set by the United Nations.

Infrastructure development, as a catalyst for human development, has assumed greater and greater prominence in our region. One of your Member States, The United Republic of Tanzania, has embraced the vision of infrastructure development to the extent that they have established a Ministry of Infrastructure.

The interventions by Heads of State and Government at the Lusaka Summit will underscore the critical importance of infrastructure in deepening regional integration as a vehicle to community building, enhanced trade and poverty reduction.

The review will also consider the impact of the civil strife that has ended in recent years in the region and the infrastructure investment and maintenance backlog in the affected countries.

An "Emergency Customised Action Plan" needs to be drawn up as a matter of urgency, to address the infrastructure gaps in Angola, DRC and to some extent, in Mozambique.

An "Infrastructure Needs Assessment Study" is needed for the newest Member State, Madagascar, and should be undertaken as a priority activity.

In support of this initiative by Summit to accelerate the provision of priority regional infrastructure, the key functions of the Infrastructure and Services Directorate and its affiliated bodies are:

- Providing infrastructure support for regional integration, within the context of the regional economic integration agenda;
- Infrastructure provision for poverty reduction, through enhanced universal access to water supply and sanitation, transport, secure energy sources, communications and ICT, in order to maximise economic development and attain MDGs targets, as the region seeks to address its overarching objective of reducing poverty;
- Creation of an enabling environment to facilitate investment in infrastructure, through harmonised institutional, legislative and regulatory policy development.

The Heads of State and Government session and outcomes signify a paradigm shift in the manner the SADC region undertakes its business. It brings in a new and unequalled dimension in the fast tracking of regional integration. To the key players on the ground at the Secretariat and in Member States, it ushers in a renewed spirit, direction and course of regional development.

This special brochure on infrastructure development has been produced to contribute to the discussions by SADC Heads of State and Government, through an update on progress to date, covering various aspects of regional infrastructure development, including achievements, challenges and opportunities, with a portfolio of priority regional projects for engagement by the leadership.

After the Lusaka Summit has come and gone, there will be only one option to accelerate regional development and integration, and that will be for all stakeholders, including your Secretariat, to accelerate the implementation of physical projects with the Member States within agreed timelines. To our leaders, we can only say, thank you for identifying yourself with the cause and challenges of regional infrastructure development.



The Directorate of Infrastructure and Services wishes to recognise and appreciate all sectors, institutions and individuals involved in this initiative, and especially our leadership, the Heads of State and Government of the 14 SADC Member States who provide the vision and inspiration for our work to advance regional and continental integration, development and economic growth.

As a directorate, we can assure you that we share your dedication and commitment to accelerating the provision of priority regional infrastructure.

Remigious Makumbe
Director, Infrastructure & Services
SADC Secretariat

Section A

KEY PERSPECTIVES

On Infrastructure and Regional Integration

Infrastructure development has been identified as the driver of regional development and integration in the Southern African Development Community (SADC), and is prioritized in the Regional Indicative Strategic Development Plan (RISDP) as the facilitator of intra-regional trade and economic growth leading to poverty eradication.

The development of infrastructure and services is critical for promoting and sustaining regional economic development, trade and investment. The potential for deepening integration through sharing of the production, management and operations of infrastructure facilities, hubs or development corridors is considerable.

SADC therefore seeks to improve the quality of infrastructure in the region, through rehabilitation and modernization, with the view to improving access by all to basic infrastructure facilities, thereby reducing poverty, maximizing the attainment of the Millennium Development Goals (MDGs), improving trade on a cost-effective platform and strengthening regional competitiveness.

The four thematic infrastructure intervention areas for the region, as highlighted in the RISDP, are:

- ensuring the availability of reliable and cost-effective Energy supplies;
- provision of efficient, cost-effective and safe Transport, Communications and Meteorology systems;
- improving access to water and sanitation; and
- using Tourism to achieve sustainable socio-economic development, and as an incentive for conservation of the region's natural resources.

The pivotal role of infrastructure in the overall regional development agenda has been acknowledged, as it unlocks opportunities such as trade facilitation, provision of agricultural infrastructure, and access to infrastructural facilities by both business and rural communities at affordable cost.

In order to enable the region to meet the challenges of infrastructure development, SADC has put in place legal and policy frameworks through the formulation and adoption of appropriate instruments such as protocols and policy and strategy guidelines.





Accelerating the Pace of Regional Integration

As southern Africa moves towards a Free Trade Area in 2008, a Customs Union in 2010 and Common Market in 2015, it is essential that the region recommits to the ideal of community building by accelerating the pace at which infrastructure projects are implemented.

The goal of deeper regional economic integration will remain just an ideal as long as the region does not build a strong infrastructural base.

In this regard, infrastructure support intervention should be placed at the core of the region's community-building agenda and concerted efforts must be made to ensure the availability of an integrated, efficient and cost-effective system to sustain regional economic development and trade.

Significant achievements have been made to improve the level and quality of infrastructure in the region in order to attract investment, increase competitiveness and promote trade.

The region sees a greater role for an accelerated infrastructure support intervention programme that addresses "hard" infrastructure issues supported by the "soft" side of infrastructure (that is, dialogue, policies, regulations, procedures, technical standards, environmental and safety requirements) as a basis for informing the establishment of the hard infrastructure.

Infrastructure has a critical role to play in deepening regional integration, as a vehicle for community building, enhanced trade and poverty reduction.

A strong infrastructural base is essential to maximising the attainment of regional, continental and global development goals as well as strengthening regional competitiveness in international trade.

Infrastructure development that strengthens regional integration will enable the strong role to be played by the SADC region as a building block for the African Union and African Economic Community.

Cross-border infrastructure also has a significant role to play in fast-tracking development at national level, including addressing poverty and attainment of the MDGs targets.

While progress has been made in developing "hard" and "soft" infrastructure, including regulatory frameworks, the region has to overcome the challenge of putting some of its commitments into action.

The first hurdle is to recommit to joint infrastructure development where Member States should view joint projects from the perspective of shared benefits that are achieved through individual projects and through regional integration. The challenge is for Member States to think *Regionally* while acting *Nationally*.

Priority should be accorded to the Member States that have recently come out of protracted civil strife, and these include Angola, the DRC and, to some extent, Mozambique.

The SADC Secretariat is finalising a consolidated SADC Regional Infrastructure Development Master Plan, based on regional consensus, to become the basis for implementation of regional infrastructure. The Master Plan will present the minimum infrastructure requirements needed to operationalise the plans for a SADC Customs Union and Common Market.

The process of infrastructure development is informed by a number of other initiatives, such as the NEPAD framework; the AU Extra-Ordinary Summit and SADC Summit on Agriculture and Water, as well as the SADC Extra-Ordinary Summit on Agriculture and Food Security; the SADC Declaration on ICTs; and the various SADC Investment Conferences; as well as the need to address the Post Conflict Reconstruction Initiatives for Angola and DRC; and the proposed SADC Regional Infrastructure Development Master Plan.

Energy Generation

The Energy Sector contributes to inter-regional competitiveness through the availability and security of energy, pricing thresholds and the cost of doing business in general. Power pooling is at the core of regional initiatives. The plan is to achieve 100 percent connectivity to the regional power grid for all Member States by 2012 at least 70 percent of all rural households with access to electricity by 2018.

Current efforts are directed at boosting southern Africa's electricity generation capacity, with almost 50 short and long term projects underway or planned for future development. This is intended to double the region's generation capacity over the next 20 years.

The ultimate goal is to transform the Southern African Power Pool (SAPP) from a cooperative to a competitive pool and to create a regional electricity market.

The region is facilitating the development of other energy resources such as biomass energy and bio-fuels, to augment the power sector capacity.

There is also potential for the region to strengthen self-sufficiency in petroleum and gas resources by undertaking joint regional exploration and development.

Cooperation in this area should include harmonisation of policies, regulations and legislation to facilitate cross-border trade, improve capacity utilisation and liaison in joint procurement of petroleum products in the world market.

The Energy sector is tasked with deepening the integration process through

- implementing the Energy Protocol and the Activity Plan;
- providing guidance on implementation of the RISDP, the Activity Plan and the SAPP Pool Plan; and
- marketing SADC in international forums dealing with energy issues, such as the African Energy Commission, the World Energy Council, the Africa Energy Information Forum, NEPAD and the World Petroleum Congress.

Priorities in the Energy sector include:

- Addressing the diminishing generation capacity and anticipated energy shortfall by 2007;
- Facilitating the SAPP inter-connector projects, which include Westcor, Malawi-Mozambique Inter-connector, Zambia-DRC Inter-connector, and Namibia-Zambia Inter-connector;
- Formulating and implementing projects on New and Renewable Sources of Energy (solar, wind, biomass, and mini / micro hydro technologies);
- Facilitating access to electricity for the majority of SADC citizens at affordable prices, especially those living in rural areas;
- Strengthening initiatives for cooperation in the regional energy market, power sector reforms, and the harmonisation of policies, regulations and standards, including strengthening of national and regional regulatory institutions; and
- Attracting investment to infrastructure development in the Energy Sector through participation in resource mobilization efforts with potential cooperating partners and private sector investors.





Transport systems

The region's transport systems, particularly the railways, were initially constructed to radiate from the coastal ports to provide former colonial powers with access to and control over the inland areas. As urban and industrial centres began to develop, the focus switched to inland transport. However, from a regional perspective, port-based routes or corridors continue to be important for the landlocked countries, particularly in international trade.

The regional transport system offers most of the landlocked countries a choice of routes to the sea via road, rail and port systems of adequate capacity. There is need to accelerate ongoing investments to increase the range of choice.

There has been considerable interest in transport corridors, which link ports and their connecting road and rail systems to investment in industry, mining, agriculture and tourism. The concept is being rolled out all over the region and some of the successful development corridors have contributed significantly to growth of the region. The Maputo Corridor is an example of a flagship project in this sector.

The objectives of the Transport sector include:

- Integration of regional transport networks through compatible policies, legislation, rules, standards and procedures;
 - Elimination or reduction of impediments to the movement of persons, goods, and services;
 - Broad-based investment to develop, preserve, and improve viable strategic transport infrastructure within an investor-friendly environment generating adequate returns;
 - Optimal utilisation of public and private financial, human and other resources and the effective allocation of existing scarce resources;
- Improved diversity of services and provision of services on a competitive bid basis through the promotion of fair and healthy competition between service providers in terms of transparent, flexible, predictable and streamlined regulatory frameworks;
 - Focussed investment in joint human resource development programmes, research and development projects and technology transfer initiatives;
 - Effective environmental management with due consideration of relevant international and regional conventions.

The transport sector's contribution towards sustainable development and poverty reduction is obvious, as is its contribution to the high cost of doing business in the SADC region, which ranges from 15 - 55 percent.

Key challenges revolve around the need to reduce this cost and to facilitate regional infrastructure development, especially for Angola, DRC and some areas in Mozambique. Initiatives to develop missing but strategic parts of the regional road and railway networks are particularly important, especially those designed to improve north-south connectivity.

Where infrastructure development has taken root, institutional development and ultimately cross-border trade facilitation constitute the key tenets of regional initiatives for efficient cross-border transport operations.

Communications, ICTs and Meteorology

The provision of an adequate, cost-effective and efficient communications and ICT system, based on the principles of universal access, has now become necessary within the context of the global information highway. SADC cannot afford to take for granted this development imperative if the region's competitive edge is to be lifted to global standards.

Thus the objective for the Communications, ICTs and Meteorology sector includes the establishment of communications and meteorological systems that are fully integrated, efficient and cost effective to meet the requirements of users.

Following the Summit Declaration on Information Communication Technologies (ICTs) in 2002, this area has been accorded high priority and the aim is to turn SADC into an information-based economy. Priorities include:

- Developing a SADC ICT Strategy, consistent with the e-Africa Commission and AU/UNECA ICT framework;
- Reducing the digital divide within and among SADC countries as well as with the rest of the world; and
- Implementing the SADC Regional Information Infrastructure (SRII), which is a backbone for ICT-related services in the region. The SRII programme is primarily implemented by SADC telecommunications administrators and seeks to bridge the communication transmission gaps in the region.



Water infrastructure

The availability of water is essential to all life and is the single most important physical element in human evolution and social and economic development. The world's usable freshwater resources are under ever-increasing pressure from a burgeoning human population and consequent unsustainable exploitation and indiscriminate degradation, while a large portion of that population does not have reasonable access to a safe water supply.

These resources must therefore be managed and utilised in an ever more careful and holistic manner if human development is to continue and resource conflicts are to be avoided.

The water resources of the SADC region are no exception since they are known to be limited, unevenly distributed geographically and over time, and are often shared between several countries in transboundary hydrological basins.

The main Water programme objectives defined in response to the goals of the RISDP are to provide:

- Accessible, cost-effective and reliable water infrastructure;
- A sustained enabling environment for water resources management and development; and
- Leadership and coordination in water resources strategic planning, use, and infrastructure development through application of Integrated Water Resources Management (IWRM) at both national and regional levels.

There has been considerable focus on facilitating the development of water infrastructure,





particularly comprehensive, integrated basin-wide plans, and improvement of the legal and regulatory framework at national and regional levels to ensure harmonised policies and legislation.

The SADC Protocol on Shared Watercourses, which took effect in September 2003 after ratification by two-thirds of SADC Member States, has been instrumental in strengthening cooperation in joint management of the region's 15 shared river basins and avoiding conflict over water resources.

A strategic Water Infrastructure Development Programme is being developed, aimed at addressing the three pillars of: water for food security, water supply and sanitation, and water for hydropower generation.

It is recognised that water is an essential tool for the achievement of MDGs, and SADC water programmes have embraced this requirement.



Tourism infrastructure

The tourism industry in the region is poised to grow and attain 3 percent of the global market share of tourist arrivals by 2015. This target when realized could account for some 4 million jobs in SADC thereby advancing the goal of addressing poverty and assisting achievement of the MDGs, especially for women, youth and the disadvantaged communities.

By that time, this sector is expected to contribute 3.5 percent to the region's Gross Domestic Product (GDP).

Robust tourism infrastructure and joint regional marketing are key to deepening integration and development through this sector.

The SADC Protocol on the Development of Tourism provides for the region to be aggressively promoted as a "single but multifaceted tourism destination capitalizing on common strengths and highlighting individual Member State's unique tourism attractions", and to facilitate intra-regional travel through the "easing or removal of

travel and Visa restrictions and harmonization of immigration procedures."

Among the targets for SADC Member States is the introduction of a universal visa by 2009. The SADC Univisa system will facilitate intra-regional travel through the removal of visa restrictions and harmonisation of immigration procedures, as well as easing the cross-border movement of international tourists.

SADC Member States have demonstrated a prominent political will for establishing Trans Frontier Conservation Areas (TFCAs) and a regional approach to biodiversity conservation and tourism development by entering into the bilateral and multilateral TFCA agreements, as well as by signing the Protocol on Wildlife Conservation and Law Enforcement.

This Protocol is the basic platform for regional cooperation and integration in wildlife conservation and management, and commits SADC Member States to "promote the conservation of the shared wildlife resources through the establishment of trans frontier conservation areas."

A TFCA is defined in the Protocol as "the area or component of a large ecological region that straddles the boundaries of two or more countries encompassing one or more protected areas as well as multiple resources use areas."

The tourism sector aims to ensure the involvement of small and micro-enterprises, local tourism communities, women and youth in the development of tourism in the region, and especially the promotion of Community Based Tourism which offers important opportunities for local communities.



Financing Options for Regional Infrastructure Development

Southern Africa's comparatively well-developed infrastructure and diverse natural resource base have the potential to play a leading role in driving Africa towards a more prosperous 21st century. Awareness of past mistakes, together with new opportunities, demands that a fresh look be taken at the roles that governments or public sector agencies and the private sector should play in providing more efficient and more responsive infrastructure for Africa's development.

The challenge is to determine those areas in which competitive market conditions can work and those that require public intervention.

Public Financing

Public financing of infrastructure has been the norm, especially where infrastructure has been regarded as a public good, displaying characteristics of low returns, poor cost recovery, massive expenditure and high gestation periods. Under this mechanism, Member States have received grants and soft loans from financing partners to facilitate this financing framework.

However, owing to the growing and competing needs within the public sector financing framework, in particular the socio-economic areas of health, education and other utility deliveries, the public sector has in recent years reduced its role in infrastructure financing, save for situations where international financing partners are meeting almost all of the costs of the project. The state has tended to finance high risk areas which the private sector does not deem viable.

Private Sector Financing

There has been phenomenal growth in private sector financing in recent years, with the communications and ICT sectors taking a lead in attracting private sector investment, given demonstrable adequacy of cash flow and acceptable rate of return. In all such cases, the element of risk has been perceived to be very low.

The structure of private sector financing has been the constitution of consortiums with a defined equity structure in the investment (such as the Maputo Development Corridor and the New Limpopo Bridge) based on a Build-Own-Operate framework (BOO).

This option avoids crowding out of the private sector by government and facilitates confidence building between the public and private sectors. Ultimately, it sends positive signals within the international setting and relieves the state of infrastructure financing and maintenance, thereby availing capacity for mandatory social welfare spending.

The option reduces frontiers of state in infrastructure financing, thereby creating more space for private sector and entrepreneurial culture in infrastructure provision and management.

Public Private Partnerships (PPPs)

In a number of cases where government has identified infrastructure as strategic, it has bought equity directly or indirectly within the project and provided guarantees in order to reduce risk by teaming up with the private sector within the Build-Operate and Transfer (BOT) framework. After many years (mostly 30 years), the private sector wholly transfers the assets and management to the state, assuming that all costs and reasonable returns have been recouped.

There are also cases of the Build-Own-Operate-Transfer (BOOT), the Lease-Rehabilitate-Operate-Transfer (LROT), the Build-Transfer-Lease (BTL), and Joint Ventures (JVs). The Bulawayo-Beitbridge Railway (Zimbabwe), Gautrain (South Africa), Sena Rail Line (Mozambique), and Kazungula Bridge (Botswana, Zambia and Zimbabwe), are typical examples.



Conditions necessary for attracting investment in infrastructure

There are a number of conditions that need to be met in order to attract investment in infrastructure, and these include:

- A conducive enabling environment for business to operate on a sustainable basis (legal and institutional frame work);
- Fair competition as espoused by the requisite Competition Law and regulatory framework;
- An acceptable rate of return, strengthened by a business-like cost recovery regime;
- Availability of a huge and accessible regional or continental market (the proposed SADC Common Market is a clear basis for investment attraction);
- Appropriate sustainable economic policies that promote investment in infrastructure;
- Effective Public/Private Sector Dialogue for attainment of a common vision;
- Well-established and vibrant financial institutions, capital markets and stock exchange; and
- Facilitatory regional agreements on joint implementation of projects (through bilateral or multilateral MOUs).

Development Banks support the SADC Infrastructure Development Programme

1 The Development Bank of Southern Africa in partnership with NEPAD

The Development Bank of Southern Africa (DBSA), through partnership and mobilization of its resources, contributes to this leadership opportunity through the funding of necessary supporting economic infrastructure.

Through this growth-driven strategy the DBSA intends to act as catalyst for the common vision of an empowered and integrated region. The effective and integrated delivery of financial and non-financial products and services is at the heart of the DBSA.

The Bank's ability to combine financial support and development knowledge is what sets the DBSA apart from commercial funding institutions. Through its unique product and service offering, the DBSA is able to address the needs of clients and potential clients in a comprehensive and sustainable manner.

In this context, the DBSA plays a triple role of Financier, Advisor and Partner to mobilize finance and expertise for infrastructure and development projects.

To deliver on its mandate to promote economic development in southern and South Africa, the DBSA focuses on those economic sectors that provide an enabling environment for development and private sector involvement, and that contribute most to regional integration. In this regard, the Bank has been focusing primarily on power, telecommunications, transport, tourism, mining, agri-industrial, commercial and financial services.

The DBSA has financed over 60 percent of the public power utilities operating in the region and the commitment beyond financing is illustrated by the longstanding relationship with Zambia Electricity Supply Corporation (ZESCO). Since 1998, the Bank has assisted ZESCO over-



come many challenges, through investment and extensive technical assistance, with the result that today ZESCO is a commercialised utility looking to tap commercial markets.

The DBSA's cumulative commitments in SADC exceed US\$ 1.2 billion, and comprise of medium and long-term finance in a range of currencies for both public and private institutions and projects.

The distinct ability to invest in both public and private sector projects means that the DBSA can offer comprehensive solutions to the region's development needs.

As a partner, the Bank leverages private, public and community players in the development process. By combining forces and sharing resources we are able to enhance the commercial viability of our projects whilst at the same time deepening the project's development impact.

The Bank's involvement in the Maputo Port Rehabilitation Project, as the first Port Public-Private Partnership on a Build Operate Transfer (BOT) basis in southern Africa, provided significant comfort to private and institutional lenders. DBSA's role, in addition to partly funding the project, included facilitating participation of other lenders and contributing to structuring of the deal to ensure its bankability.

The Bank's insistence on inclusive, transparent, participatory planning processes often contributes significantly to the success of the projects it supports, and has enabled the DBSA to build a cohesive network of key players in the region.

The DBSA's participation in large, complex projects such as the Mozal Smelter, the N4 Toll Road between Witbank and Maputo, the Marromeu Sugar project and the Lesotho Highlands Water project has resulted in the strengthening of relationships with commercial and development finance institutions.

Where commercial banks' participation is limited because of the tenor of the loan or the perceived riskiness of the project, the DBSA will partner with its sister Development Finance Institutions (DFIs), donor agencies and the Multi-lateral Lending Agencies (MLA).

In addition to providing limited recourse funding with long maturities, the DBSA is able to credit enhance projects by underwriting some of the financing (thus providing comfort to the market) or by providing a partial risk guarantee on a bond issue where there may be a lack of investor appetite or the pricing does not adequately reflect the risk.

The objective is the development of local capital markets, seen as a prerequisite to unlock local capital necessary to achieve sustainable economic growth. This will also reduce the enterprise's exposure to foreign exchange risk, a key barrier to doing business in the region.

The DBSA attempts to play a major role in removing this constraint to enterprise development in SADC by providing long-term credit lines to strong financial intermediaries with the capacity and specific mandate to support this sector of the economy. These activities are complemented by skills transfer and capacity-building of partners.

DBSA has extended several credit lines to intermediaries in Angola, Mauritius, the United Republic of Tanzania, and Zambia.

Through its African Partnership Unit, the Bank is able to provide an early review of NEPAD projects and advise on the road map and criteria necessary for the projects to achieve bankability. If necessary, the DBSA is able to grant technical and project preparation assistance through the joint Project Preparation Facility with the Agence Française de Développement (AFD).

Regional projects that have received support through this initiative include the East Africa Submarine Cable Project, the Zambia-Tanzania-Kenya Inter-connector and the Walvis Bay port development study.

Having the NEPAD Secretariat housed in the DBSA further ensures that the Bank remains well informed and very close to NEPAD.

An excellent network and relationships with key players in the region, combined with vast experience and in-depth knowledge of the challenges in financing infrastructure development, ensures DBSA a central role in realizing the common vision of a region free of poverty, inequity and dependency.

2 African Development Bank lives up to its promise

The African Development Bank has had a long association with infrastructure development in Africa and in SADC in particular.

A number of infrastructure programmes and projects have been financed through various windows within the Bank funding portfolio. Over the years, pressures have been increasing for the Bank to focus primarily on projects that effectively and sustainably contribute to African development.

The newly elected President of the AfDB, Dr Donald Kaberuka, addressed the SADC Summit in August 2006, and made a number of commitments to the SADC region in terms of the Bank leveraging support in several sectors, including infrastructure.

Since then, SADC has signed a number of protocols to facilitate individual projects. In the area of infrastructure, the Bank has hitherto supported projects for the development of river basin institutions, irrigation projects, and corridor infrastructure development, as well as corridor transport and trade facilitation.

As the financing agent for NEPAD projects, AfDB has also supported or co-financed a number of projects through the NEPAD Infrastructure Project Preparation Fund (IPPF).

Projects that have enjoyed support include the Feasibility Study and Design of the Kazungula Bridge, the Feasibility Study for the NEPAD Broadband East African Sub-marine Cable (EASSY) – now known as the NEPAD Infrastructure Broadband Network (NIBN) – and its connectivity to the SADC Regional Information Infrastructure (SRII) Project.

AfDB through NEPAD has also supported the development of the Zambia-Tanzania Inter-connector.

The AfDB and the SADC Secretariat consult on a regular basis. Recent consultations have focused on various project identification processes that could lead to the Bank leveraging funding for various cross-border infrastructure projects, mainly road networks and inter-connectors for power utilities, through the Africa Development Fund (ADF) multinational windows as well as direct AfDB funding.

SADC is packaging some projects with its Member States to be considered for this option.

Projects to be considered in the first phase of this initiative include the construction of the Kazungula Bridge, the Maun-Kasane Road, the Nacala-Chipata-Lusaka route, the Mtwara Corridor, the Lobito Corridor, the Trans-Kunene Corridor, Trans-Kunene/Trans-Capriivi Bypass, and the Trans-Capriivi.

The development of roads as part of the SADC Regional Trunk Route Network is an initiative aimed at operationalising the SADC market integration agenda. Intra-SADC trade is expected to increase from the current 25 percent to more than 75 percent by the time the SADC Customs Union is formed in 2010.

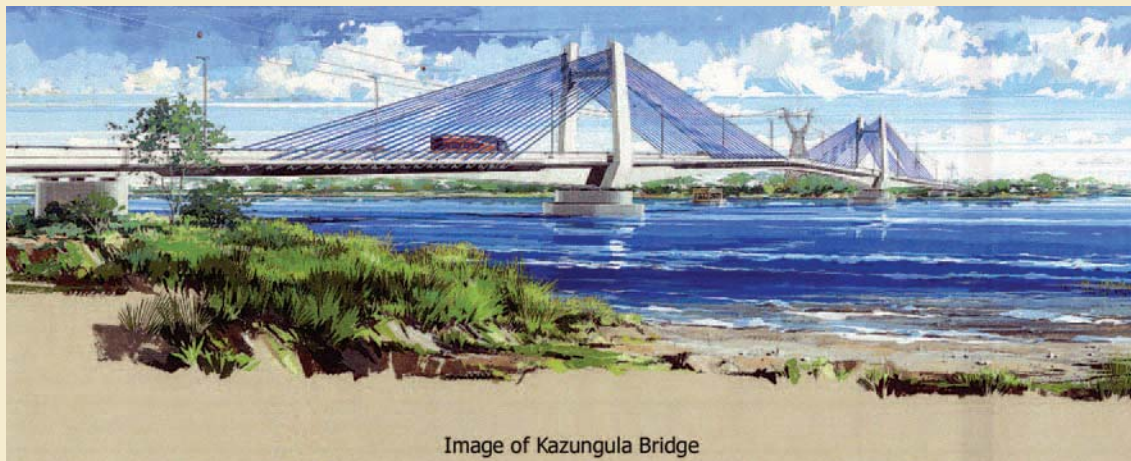


Image of Kazungula Bridge

Section B

SECTORAL PERSPECTIVES

On Regional Infrastructure Development

Minimum Regional Infrastructure Requirements for the SADC Region

In order to determine the regional infrastructure investment gap, the minimum regional infrastructure network requirements for all infrastructure sectors has been documented. However, the minimum networks continue to be updated as circumstances change with time. This section gives a sector by sector breakdown of minimum infrastructure requirements for the region.

1 Energy Sector

The main challenge for this sector is to clear the current energy shortfall and generate sufficient surplus capacity to guarantee smooth supply across the SADC region.

The Southern African Power Pool (SAPP) undertakes the day-to-day responsibility for planning, execution and monitoring of power projects to achieve adequate regional energy security.

SAPP has developed a roadmap which seeks to address current challenges including the shortfall which is expected to be overcome by 2010, while by 2013 the region is expected to enjoy adequate energy resources, including the desired 10 percent reserve margin. This is based on the projected commissioning of a number of planned generation and transmission projects.

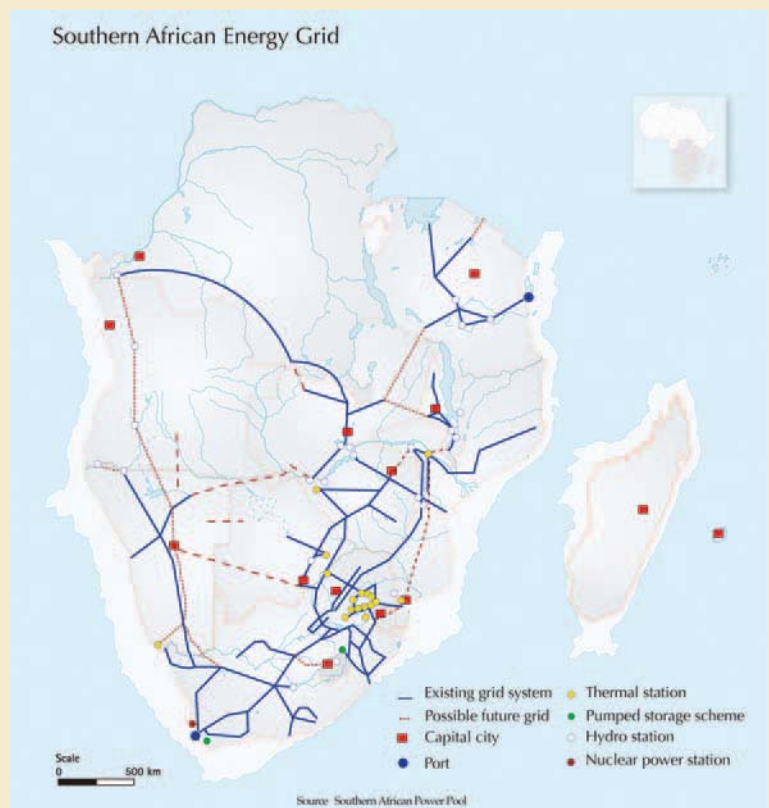
The new projects will increase SADC's total electricity generation capacity by more than 42,000 megawatts between 2007 and 2027.

Present combined capacity is only 52,743 MW, of which 41,000 is secured capacity against demand of 42,000 MW.

The SAPP Plan comprises the existing and proposed power-generating plants and transmission inter-connectors that facilitate power pooling and trading in the region, based on agreed regional criteria.

The major proposed power plants include the Inga III in DRC with a capacity of 3,600 MW, the Kudu Gas Plant in Namibia with a capacity of 800 MW and the Kafue Lower with a capacity of 600 MW.

Notable inter-connectors include the Westcor inter-connector extending from the Inga III in the DRC to Angola, Namibia, Botswana and onward to South Africa. Other initiatives are the Zambia-Tanzania Inter-connector, the Malawi-Mozambique Inter-connector, the Mozambique-Tanzania Inter-connector and strengthening of the DRC-Zambia Inter-connector.

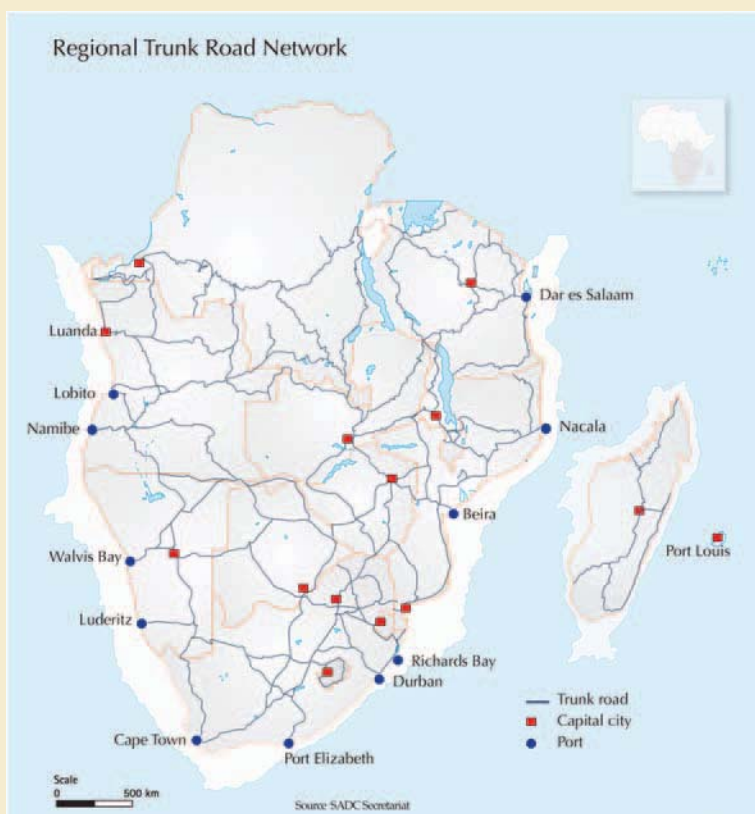


2 Transport Sector

A critical challenge is the lack of availability and access to sound, cost-effective and efficient air and surface transport networks necessary to strengthen intra-SADC trade.

The region has embarked on a number of initiatives aimed at addressing these challenges in the transport sector. The planned activities include, among others:

- Infrastructure development along major SADC corridors;
- Ports rehabilitation and expansion;
- Air transport services expansion;
- Policy development for “open skies”;
- Transport safety improvement;
- Harmonisation of road user charges;
- Development of multilateral road transport agreements, third-party insurance, one-stop border posts, vehicle dimensions and specifications;
- Development of a single regional satellite base air traffic control system; and
- implementation of customised programmes to facilitate the connectivity of Angola and DRC to the rest of the SADC Member States.



The Regional Trunk Road Network

The SADC Regional Trunk Road Network (RTRN) depicts the minimum road network developments required to facilitate effective operationalisation of the SADC corridors as well as to provide adequate overland transport linkages among SADC Member States. There is also the national component documented for each Member State.

The proposed road network, once completed, ensures the operationalisation of the SADC market integration agenda. To this end, SADC Member States are collaborating with the view to developing transboundary road linkages which span the region on a north-south basis as well as on a coast-to-coast basis, in order to ensure wider choice of ports by landlocked countries along both the eastern and western coastlines.

The Inter Regional Railway Network

The SADC Inter Regional Railway Network (IRRN) is the most integrated railway network in Africa and has been the driving force for the movement of goods in the

region. The network has been beset with challenges of deferred maintenance, inefficient service provision and consequently poor viability that has seen traffic shifting from rail to road in the last 15 years.

Several Member States have realized that the railways are the best arteries for the movement of bulk goods, as conveyance by road has resulted in damage to road pavement. There are plans



to extend a number of railways, especially in Namibia, Angola and Zambia. Those railways that have suffered deferred maintenance have developed plans for rehabilitation and modernization, and some of these projects have been included in the NEPAD Short-Term Action Plan (STAP).

As the economic and investment patterns change in future, the regional rail extensions and inter-connections may need to be revised accordingly.

Ports and Inland Waterways

SADC ports are linked to the interior by the Regional Trunk Road Network and the Inter Regional Railway Network and should have the capacity, adequacy and efficiency levels that ensure cost-effective trans-shipment of goods onto ships for exports and onto road and rail for imports.

In order to ensure that SADC ports meet the capacity requirements of exports and imports, a regional programme on port rehabilitation, expansion and modernization has been developed.

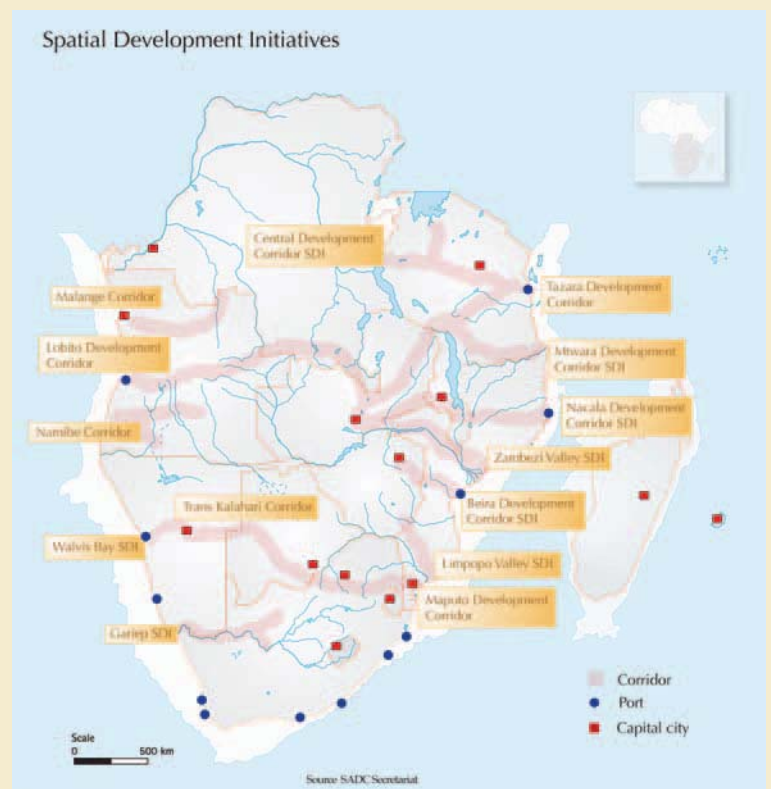
A number of countries, among them South Africa and Mozambique, are considering the development of new ports to relieve congestion on existing ports, as well as the concessioning of ports to private sector operators. For example, Maputo Port has been concessioned over a 15-year period.


After the capacity challenge has been addressed, the issue of efficiency will be primary and after this has been achieved to prescribed standards, the improved performance of ports in total freight logistics should strengthen the region's competitiveness in global trade.

Spatial Development Initiatives

Regional corridor networks are the basis upon which requisite infrastructure is being developed to improve the quality of regional transport links based on the Spatial Development Initiatives (SDI).

Initiatives on corridors also include a programme on Corridor Transport and Trade Facilitation, which is aimed at minimising transit delays as well as delays at





border posts along the corridors. This should increase the usage of existing transport infrastructure and reduce the cost of doing business, thus strengthening SADC's competitiveness in trade and productivity.

Priority corridor infrastructure development projects have already been identified and inserted in the NEPAD Short Term Action Plan. These include the Lobito, Trans Cunene, Trans Caprivi, Shire Zambezi Waterway, Mtwara and Nacala corridors.

Air Transport Liberalisation

The history of Africa in the air transport market is well documented and is characterised by major challenges.

Africa has for a long time comprised pockets of states that, in terms of trade and cooperation, are aligned to former colonial powers. This is most significant in the air transport sector where, to travel within Africa, passengers often had to fly to Europe to reach west or north Africa. This has hampered trade and movement of people due to the cost and inconvenience.

In order to eliminate this frustration, the African Ministers responsible for Air Transport met in 1988 and crafted the Yamoussoukro Declaration, which sought to liberalise the African Skies. However, ten years later, in 1998, no significant progress had been made with implementation.

The Ministers responsible for Air Transport met again in 1999 to review their strategy, and issued the Yamoussoukro Decision which sought to liberalise the Africa Skies by December 2002. The industry was directed to formulate Competition Regulations to facilitate a competitive open skies regime.

East and Southern Africa recognised the state of integration of their sub-regions and resolved to jointly develop Competition Regulations applicable to the two regions under the auspices of the COMESA, East African Community (EAC) and SADC and, in a milestone development, this was approved by the Summits and Authorities of the three bodies by December 2004.

Subsequent to this achievement, the region developed Implementing Guidelines and Provisions for Implementation of Competition Regulations in the COMESA, EAC and SADC Regions, and these are set to be approved by the Supreme Organs of the three sub-regions by the end of August 2007.

The collaboration of COMESA, EAC and SADC is a first in Africa. The three sub-regions are proud to have initiated at least a start to the implementation of the Abuja Treaty and the Lagos Plan of Action, as a first step towards the integration of the African Union.

Following this success, the three RECs have since taken the decision to harmonise and jointly implement programmes in transport, communications and ICT, and energy.

The spirit of the Yamoussoukro Decision has been widely recognised on the continent as more and more countries in Africa are opening up their skies to each other, albeit on the basis of Bilateral Air Service Agreements (BASAs).

In addition, most African States have accepted to break the monopoly of national airlines, through granting of licenses to other carriers to fly the same routes as national airlines. This has been facilitated through the process of multi-designation of national carriers and is considered a sound platform to launch the Africa Open Skies Policy.

3 Communications, ICTs and Meteorology

SADC adopted its ICT Declaration in 2002, signifying the importance the region attaches to communications and ICT.

To this end, the region developed the SADC Regional Information Infrastructure (SRII) project, comprising the minimum, mainly fibre optic, intra-regional network to provide ICT and voice connectivity among SADC Member States.

The SRII project is being implemented by the Southern African Telecommunications Association (SATA), a SADC subsidiary organisation hosted by Mozambique. The implementation of this initiative, to be addressed in three phases, is about 70 percent complete, and is moving within the planned schedule.

The network is implemented by individual Member States based on bilateral financing arrangements. Member States have recognized the importance of implementing these projects on a coordinated basis and within the same time-frames.

The SRII network will be linked to the COMESA Comtel Network, the East African Submarine Cable (EASSY) connecting SADC to East and North Africa as well as to other undersea cables for West Africa, Asia, Europe and the Americas.

It must be noted here that communications and ICT attract more private sector investment than any other area of infrastructure development.

Meteorology

The African Monitoring of the Environment for Sustainable Development (AMESD) is a follow on from another project which ran from 2001 up until 2005. The initial project was Preparation of Utilization of Meteosat Second Generation in Africa (PUMA).

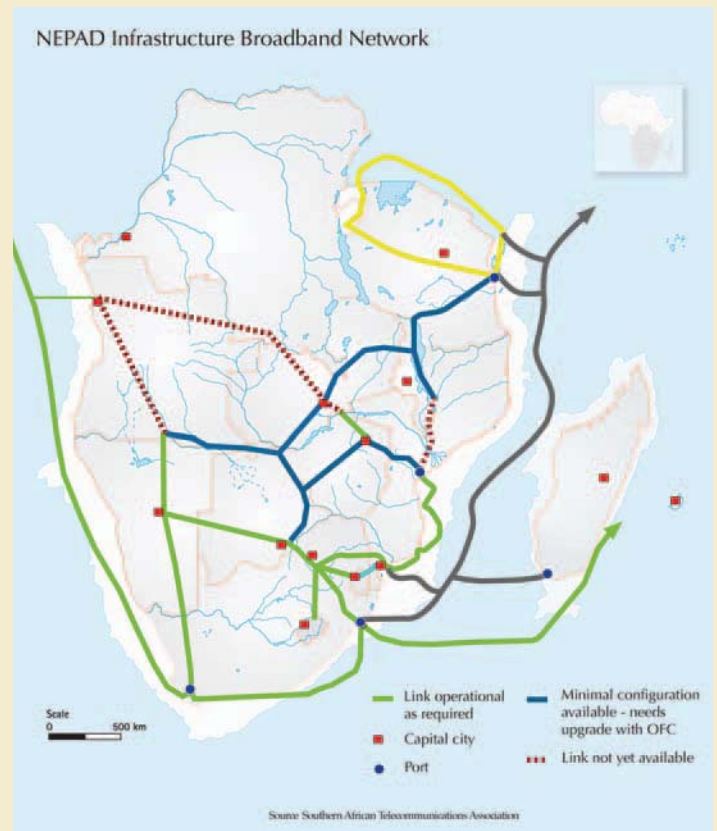
The purpose of PUMA was to mobilise funds so that all National Meteorological Services (NMS) in Africa would have access to environmental data provided mainly by the European Meteosat Second Generation (MSG) satellite.

PUMA is credited with creating a successful pan-African network with operational access to state-of-the-art satellite technologies, through providing each country with the means to develop their own applications and equipping them with effective tools to monitor extreme events and improve disaster management strategies, thus saving lives and property.

In anticipation of the end of PUMA activities, the five Regional Economic Communities (RECs) under the African Union signed the Dakar Declaration in September 2002, requesting the European Commission (EC) to launch the new initiative.

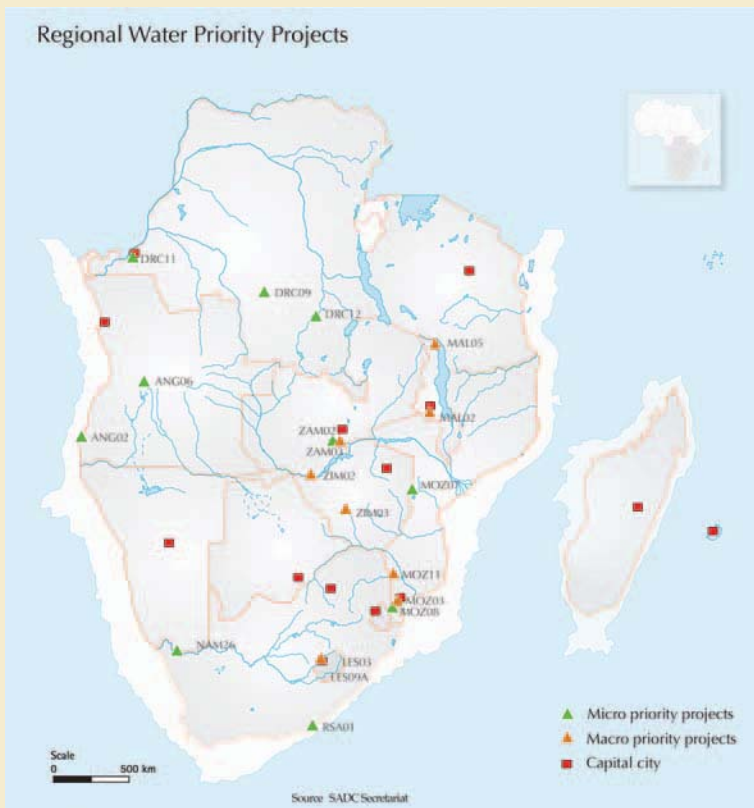
At regional level, the RECs have a Regional Implementation Centre (RIC), which acts as a centre of excellence in a selected thematic area for development of applications. The SADC region selected as its thematic area "Crop and Rangeland Management".

While PUMA laid the basic infrastructure (satellite receiving stations) to enable African countries to access, process, disseminate and utilize data from the Meteosat Second Generation satellites, AMESD will focus on environmental monitoring in the sustainable development context.





Regional Water Priority Projects



4 Strategic Water Infrastructure Development

Given the uneven spatial distribution and crucial strategic role of the region's water resources, it is clear that in order to utilise these resources it is imperative to develop and maintain minimum water infrastructure.

The broad framework for programme implementation in the water sector is the Regional Strategic Action Plan, revised as RSAP 2 in June 2005, based on the recommendations of the Mid-Term Review of the first RSAP (1999-2004).

The review identified specific achievements in the first five years of the RSAP and some challenges that still needed to be overcome.

RSAP 2 has therefore been refocused into four major focal areas:

- Infrastructure Development Support;
- Regional Water Resources Development Planning;
- Water Governance; and
- Capacity Building.

Several projects or programmes have been prioritised under each cluster to meet the specific strategic objectives on which the RSAP is now based.

In response to the above imperatives, the region has developed a Regional Strategic Water Infrastructure Development Programme (RSWIDP). The Phase 1 RSWIDP is envisaged as a dynamic and evolving programme established on the framework and dataset currently assembled but regularly updated during its lifespan.

The content of the current programme comprises:

- A ranked selection of 10 potential Phase 1 RSWIDP priority projects (less than US\$10 million implementation cost and less than 3 years duration) by application of specific criteria;
- Compilation of a list of 10 Macro Strategic Water Infrastructure projects (more than US\$10 million implementation cost with a long time frame); and
- Compilation of a list of smaller Water Infrastructure/IWRM projects (less than US\$ 2.5 million implementation cost and less than 3 years duration).

The first stage in implementation of the RSWIDP will have emphasis on the provision of assistance to Member States in project preparation and packaging, so that projects included in the RSWIDP are fully "bankable" and attractive for financing and resource allocation.



5 Tourism Sector

The two main tenets of the Univisa and Visa Exemption System are that, first, SADC countries should exempt visa requirements for citizens of countries identified as key tourism source markets and the citizens of SADC countries. Second, to citizens of all other countries which are not tourism source countries or SADC countries, to cover visits that may not necessarily be tourism related, such as business.

The new system is expected to be in place by 2009, therefore the harmonisation of tourism and immigration policies, legislation and standards must be completed by 2009.

Trans Frontier Conservation Areas (TFCAs) are being developed as one of the anchor processes for regional economic integration, socio-economic development and poverty reduction through multi-destination, cross-border tourism.

Wildlife resources are a major component of the natural resources estate of the SADC region and have an important role in the livelihoods of rural communities and the enhancement of cultural values, peace and stability, as well as economic development of the region as a whole.

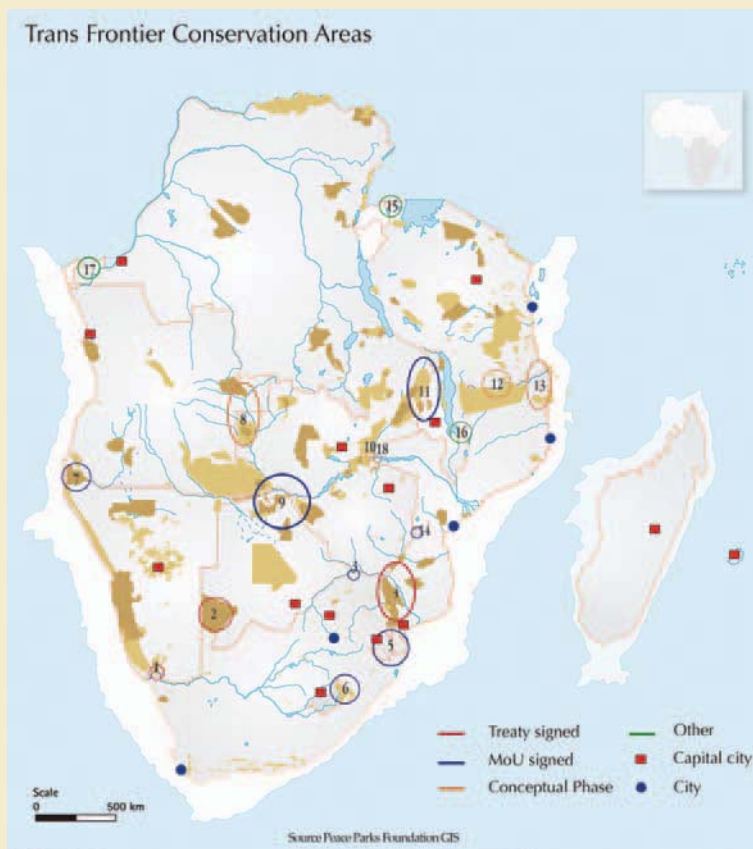
The principle of collective ownership of resources that straddle international boundaries is enshrined in the various international instruments to which the SADC Member States are parties, as well as the relevant SADC Protocols.

Eighteen existing and potential TFCAs have been identified to date, with development at different stages. Some have been established with Treaties, and a few with Memoranda of Understanding, Agreements or Protocols to facilitate the negotiations for establishment. Others are still at conceptual level with the consultations to establish them yet to be initiated.

The continued increase in the number of TFCAs being established is a clear indication of the interest, buy-in and social acceptance of TFCAs as nodes for rural development. Thus the TFCA principle has been adopted by the region as an outreach programme to involve the rural areas in deeper regional integration as well as pursuant to the Millennium Development Goals.

In preparation for the 2010 Soccer World Cup, SADC Member States have developed a strategy for positioning transfrontier parks and TFCAs as a premiere international tourist destination.

While the establishment and development of TFCAs is the responsibility of individual countries, the Regional Tourism Organisation of Southern Africa (RETOSA) is well placed to market and promote them.



- | | |
|--|--|
| Treaty signed | Conceptual Phase |
| 1 Ai-Ais/ Richtersveld TP
(Namibia/South Africa) | 8 Liuwa Plain – Kameia TFCA
(Angola/Zambia) |
| 2 Kgalagadi TP
(Botswana/South Africa) | 10 Lower Zambezi- Mana Pools TFCA
(Zambia/Zimbabwe) |
| 4 Great Limpopo TP
(Mozambique/South Africa/Zimbabwe) | 12 Niassa – Selous TFCA
(Mozambique/Tanzania) |
| MoU Signed | 13 Mnazi Bay – Quirimbas TFCMA
(Mozambique/ Tanzania) |
| 3 Limpopo-Shashe TFCA
(Botswana/South Africa/Zimbabwe) | 18 ZIMOZA TFCA
(Mozambique/ Zambia/ Zimbabwe) |
| 5 Lubombo TFCA
(Mozambique/South Africa/Swaziland) | Other |
| 6 Maloti - Drakensberg TFCA
(Lesotho/ South Africa) | 15 Kagera TFCA
(Rwanda/ Tanzania/ Uganda) |
| 7 Iona- Skeleton Coast TFCA
(Angola/Namibia) | 16 Liwonde – Lichinga TFCA
(Malawi/Mozambique) |
| 9 Kavango- Zambezi TFCA
(Angola/Botswana/Namibia/Zambia/Zimbabwe) | 17 Maiombe Forest TFCA
(Angola/ Congo/ DRC) |
| 11 Malawi- Zambia TFCA
(Malawi/Zambia) | |
| 14 Chimanimani TFCA
(Mozambique/ Zimbabwe) | |
- TP- Transfrontier Park
TFCA- Trans Frontier Conservation Area
TFCMA- Trans Frontier Conservation Marine Area



Cross Cutting Issues

Private sector involvement

The SADC region has recognised the importance of the private sector in providing regional infrastructure as well as to operate infrastructure within the context of Public Private Partnerships (PPPs) among others, or with the private sector going it alone. The RISDP provides for strong private sector participation as espoused by the requisite protocols.

In order to attract private sector participation in infrastructure, the region has recognised the urgent need to create an appropriate enabling environment to facilitate such partnerships. In this regard, SADC has put into place a programme aimed at addressing the provision of an adequate institutional, regulatory and broad policy framework, at the sectoral, national and regional levels, which serves as a signal to all stakeholders and the private sector, that the region is committed and ready to embrace the private sector in the transboundary infrastructure development domain.

Gender mainstreaming

The SADC Secretariat has taken seriously the regional objective of promoting gender equality in all spheres of life, including the provision of infrastructure. Notable progress has been made with respect to gender mainstreaming in infrastructure programmes and projects as they relate to, among others, the following:

- Ensuring that infrastructure provision addresses the needs of women, who share the bulk of the burden due to infrastructure deficiencies, especially in the rural areas;
- Training women in careers involving infrastructure to enable women to attain decision-making positions in the sector which has been a preserve of men, and where successes have been achieved in aviation and communications; and
- Promote economic empowerment of women and communities through promotion of community-based and women-based projects in the area of tourism, communications and transport. The communication and aviation sectors have clearly taken the lead in empowering women to be trained as professionals as these two have dedicated training of women professionals in their sectors, including attachments to overseas-based partners and specialised agencies.

HIV and AIDS mainstreaming

HIV and AIDS has become prevalent in locations of infrastructure development projects as well as the domain of logistics, where mobility has become a major catalyst to the spread of HIV and AIDS.

In this regard, the SADC region has made progress in incorporating and mainstreaming measures to address the HIV and AIDS challenge in the implementation of infrastructure development projects, as follows:

- All corridor transport and trade facilitation projects that are coordinated by SADC, especially the busy boarder posts, have mainstreamed HIV and AIDS programmes including prevention, through dissemination of information to truckers, cross-border traders and border post communities;
- Clinics to treat HIV and AIDS related ailments are situated along pilot corridors;
- Facilities for testing and counselling are provided at key centres where infrastructure development projects are being undertaken and at key community centres along corridors, which include towns and border towns; and
- Materials on HIV and AIDS prevention, counselling and nutrition are translated into local languages to promote awareness on pertinent issues relating to HIV and AIDS.

Key challenges for infrastructure development

The major challenges to infrastructure availability and development in the SADC region can be summarised as follows:

- Lack of bankable projects to be marketed to would-be investors;
- Lack of formally agreed transboundary projects and the requisite bilateral/multilateral agreements for joint implementation as a single project;
- High cost of infrastructure development against a backdrop of poor cost recovery from users and low infrastructure utilisation thresholds;
- Inadequate financial and human resource capacity to undertake project preparation including development, packaging, feasibility studies, environmental impact analysis studies and implementation priority infrastructure projects;
- Lack of properly structured financial instruments/windows and capacity to harness existing financing instruments and resources;
- Member States' priorities affected by competing demands, socio-economic services and imperatives such as health (in particular the challenge of HIV and AIDS) and food security. These competing needs have often relegated infrastructure development further down the priority list;
- The need to create an adequate enabling environment as it relates to institutional, regulatory and legislative policy framework to promote investment;
- Inefficient use of existing infrastructure due to poor logistics and other bottlenecks (e.g. border posts delays);
- Poor condition of infrastructure in most Member States to varying degrees based on variable geometry;
- The legacy of civil strife which destroyed infrastructure in countries such as DRC, Angola and to an extent Mozambique. These Member States now require customised infrastructure rehabilitation and modernisation programmes for them to be fully integrated into the rest of the region; and
- Deferred maintenance of infrastructure obtaining in most Member States, often due to varying resource availability.

These challenges have contributed in varying degrees to the present poor infrastructure in the region, resulting in the following adverse effects:

- High cost of doing business resulting in poor trade and investment competitiveness on a global scale;
- Poor access to raw materials and markets, adversely impacting on supply side constraints;
- Negative impact on implementation of the Trade Protocol and the Protocol on Facilitation of Free Movement of Persons;
- Poor competitiveness of SADC products on international markets and high costs of landing products from international markets adversely impacting on welfare of SADC nationals;
- Ineffective implementation of the SADC economic integration process (namely the Free Trade Area, Customs Union and Common Market);
- Suppression of tourist arrivals from source markets and resultant low receipts from tourism; and
- Relatively low investor confidence and increased trade diversion from the region.



PERSPECTIVAS CHAVE

Sobre Infraestrutura e Integração Regional

Acelerar o Passo de Integração Regional

À medida que a África Austral marcha rumo à Zona de Comércio Livre, em 2010, e ao Mercado Comum, em 2015, é essencial que a região faça um novo compromisso ao ideal de edificação comunitária, acelerando o passo à medida que os projectos de infraestruturas são implementados, e colocando a intervenção de infraestrutura de apoio no centro da agenda regional de edificação comunitária.

A primeira barreira a transpôr é a conclusão de um novo compromisso para o desenvolvimento de infraestruturas conjuntas onde os Estados membro deviam olhar para projectos conjuntos de uma perspectiva de partilha de benefícios que são obtidos através de projectos individuais e integração regional. O desafio para os Estados membros é de pensar na *Região* enquanto agem no *Nacional*.

A prioridade deve ser dada aos Estados membros que saíram recentemente de longas guerras civis, e estes incluem a Angola, a RDC e, de uma certa forma, Moçambique.

O Secretariado da SADC está a finalizar um consolidado Plano Mestre de Desenvolvimento de Infraestrutura Regional da SADC, baseado num consenso regional, para ser a base da implementação de infraestrutura regional e apresentar os requisitos mínimos de infraestruturas necessárias para operacionalizar os planos para uma União Aduaneira e Mercado Comum da SADC.

Opções de Financiamento para o Desenvolvimento de Infraestrutura Regional

A relativamente bem desenvolvida infraestrutura da África Austral e diversa base de recursos naturais têm um potencial de desempenhar um papel-chave na condução de África rumo a um próspero Século XXI.

A consciência dos erros do passado, juntamente com novas oportunidades, exige que se lance um olhar fresco sobre os papéis que os governos ou agências do sector público e o sector privado deviam desempenhar em prover infraestrutura mais eficiente e mais responsiva para o desenvolvimento de África. O desafio é determinar aquelas áreas em que as condições de mercado competitivo podem funcionar e requerem intervenção pública.

As opções incluem o Financiamento do Sector Público, Financiamento do Sector Privado e Parcerias Público-Privado. O Banco de Desenvolvimento da África Austral e o Banco de Desenvolvimento Africano estão prontos para apoiar a região no financiamento do desenvolvimento de infraestruturas para se realizar a visão comum de uma região livre da pobreza, inequidade e dependência.

PERSPECTIVES CLÉES

Sur l'Infrastructure et l'Intégration Régionale

Accélérer le Rythme de l'Intégration Régionale

Alors que l'Afrique Australe progresse vers une Zone de Libre Échange en 2008, un Syndicat des Douanes en 2010 et un Marché Commun en 2015, il est essentiel que la région adhère à nouveau aux idéaux du renforcement communautaire en accélérant le rythme auquel les projets d'infrastructure sont mis en oeuvre, et de placer des interventions d'infrastructure de soutien au coeur du programme de renforcement de capacité-communautaire.

La première difficulté est de se réengager au développement commun d'infrastructure où les États Membres devraient considérer des projets communs d'une perspective de bénéfices partagés accomplis au moyens de projets individuels et de l'intégration régionale. La difficulté est pour les États Membres de réfléchir *Régionalement* tout en agissant *Nationalement*.

Priorité devrait être accordée aux États Membres qui ont récemment émergé de conflit civil prolongé, notamment l'Angola, la RDC et dans une certaine mesure le Mozambique.

Le Secrétariat de la SADC en est court de finaliser un Plan Directeur SADC élargi pour le Développement de l'Infrastructure Régionale, basé sur un consensus régional, afin de devenir la base pour la mise en oeuvre d'une infrastructure régionale et présenter le minimum de conditions préalables aux infrastructures nécessaires pour opérationnaliser les plans pour le Syndicat des Douanes et le Marché Commun de la SADC.

Options de Financement pour le Développement d'Infrastructure Régionale

L'infrastructure comparativement bien développée de l'Afrique du Sud et les diverses ressources naturelles ont le potentiel de jouer un rôle directeur dans la poursuite de l'Afrique vers un 21^{ème} siècle plus prospère.

Une sensibilisation sur les erreurs passées, accompagnée d'opportunités nouvelles exige qu'un regard neuf soit porté sur les rôles que les gouvernements ou les agences du secteur publique et le secteur privé devraient jouer pour fournir une infrastructure plus efficace et plus favorable au développement de l'Afrique. La difficulté est de déterminer ces zones dans lesquelles les conditions compétitives de marché peuvent être appliqués et celles qui exigent une intervention publique.

Les options comprennent le Financement Public, le Financement du Secteur Privé et les Partenariats Publics-Privés. La Banque de Développement de l'Afrique du Sud et la Banque de Développement Africaine sont prêtes à soutenir la région dans le financement de développement d'infrastructure afin de réaliser la vision commune d'une région libérée de la pauvreté, l'inéquité et la dépendance.



Section C

MODEL IMPLEMENTATION MECHANISM

Comprehensive Framework for Cross Border Infrastructure Projects

The need to reduce transport and logistics costs, deepening economic integration by connecting production clusters and markets, has become a key driver of demand for cross-border infrastructure in southern Africa, as it has been the world over. Thus as the process of integration deepens in southern Africa, more cross-border infrastructure will be needed to facilitate the region's logistical challenges.

Experiences in many parts of the region, and in other parts of the world, have shown that cross-border infrastructure projects and programmes are very complex, and require a comprehensive, integrated framework to deal with inherent challenges facing such initiatives.

Approaches differ from project to project and sector to sector, but a model framework set out in this section is intended to guide implementation by providing an effective tool for planning and design that covers the key dimensions of political, economic and financial, as well as institutional factors that need to be addressed to ensure successful results within an appropriate timeframe.

This is based on the experiences of a number of projects in Member States as well as that of the Development Bank of Southern Africa, which is a primary funding agent of infrastructure initiatives in the SADC region.

Examples will be drawn from selected successful regional infrastructure projects including the Maputo Development Corridor, MOTRACO, NEPAD Infrastructure Broadband Network, and Lesotho Highlands Water Project.

The proposed model framework draws on these case studies and lessons learned, and seeks to address key challenges that are often encountered in the implementation of regional infrastructure projects and programmes.

This section will illustrate the need for the presentation of a model methodology for implementation that integrates the political factors and interventions that are necessary at this level, with the technical and financial aspects of implementation planning, that is, the "soft" support for the "hard" aspects of infrastructure development.

Political

Infrastructure is very political and cross-border infrastructure even more so because it invariably raises geopolitical issues.¹ A political decision by the leadership of the countries involved is necessary to open the way for any regional infrastructure project.


However, sustained political intervention at an appropriate level is even more critical if such a project is to be implemented efficiently and cost effectively within agreed timeframes.

SADC Member States have already achieved an important milestone with the leadership identifying the centrality of infrastructure in regional development and integration. A further step has been the identification of projects in the key sectors of energy, transport, telecommunications and ICTs, water and tourism.

Given the limitation of resources and other factors, a political decision is required to prioritise what should be the minimum infrastructure network in SADC. This is critical for clearing the current implementation backlog and unlocking the bottlenecks as well as attracting the necessary funding.

Due to the cross-border nature of these projects, two or more countries are involved and as such, a political decision is needed on who will act as the project sponsor in the interim phase.

¹ Haruhiko Kuroda (President of Asian Development Bank), *Infrastructure and Regional Cooperation*, paper presented at the Annual Bank Conference on Development Economics, Tokyo, Japan, 2006.



An official sponsor (which would ordinarily be a Cooperating Partner) will be established during the later stages when a joint legal entity or structure (commonly known as a Special Purpose Vehicle) has been jointly created by the countries involved.

The Special Purpose Vehicle can then transact on behalf of the participating countries, sourcing resources to fund each stage in the project preparation process.

Recognising this ideal, different legal systems can prevent the establishment of a single company across borders. This can be overcome by establishing separate companies in each sovereign territory answering to a holding company registered in the country that receives the greatest benefit from the project.

To create an enabling environment for the successful implementation of a project, the following outputs need to be achieved:

- Treaties or Memoranda of Understanding (MOUs) on the project concept and agreement to jointly develop the project;
- Approvals, permits and directives for the allocation of resources to the project; and
- Establishment of a Special Purpose Vehicle.

Lessons of experience show that the mere listing of a project as a NEPAD Short Term Action Plan (STAP) or SADC priority project does not ensure universal acceptance and equal priority between participating countries. Rather this refers to, first, the political level and, second, the technocratic level. To obtain this, joint committees/commissions and task teams should be established through which the political commitment will be pursued in each country.

Specific, documented, announcements or declarations must be made by participating Governments on the decision to proceed with the project. This is done through the signing of Treaties and Memoranda of Understanding. The necessary approvals, permits and consents need to be given by the respective Governments to their executive institutions, and a mechanism put in place for tracking progress and results.

Economic and Financial

For any regional infrastructure project, the economic and financial factors need to be carefully analysed through pre-feasibility and feasibility studies. Pursuant to regional integration, the viability of a project needs to be established through the following criteria commonly used by Governments and Cooperating Partners:

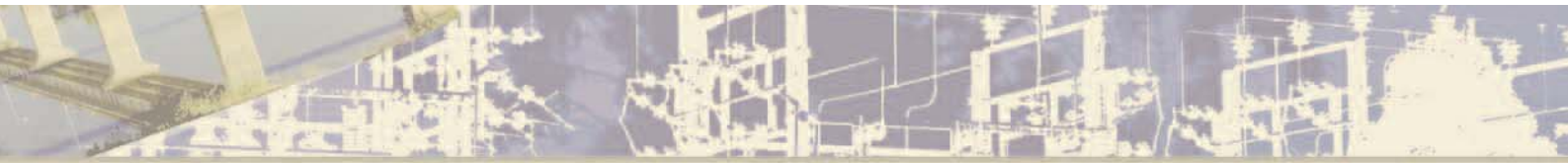
- Contribution to economic development;
- Commercial and financial requirements;
- Technical design requirements; and
- Impact of the project on the social fabric and the environment within the project's area of influence.

Due to the transboundary nature of most regional projects, there are complexities relating to costs and benefits, long-term and sometimes indirect impacts, public good attributes and capital intensities.

A cross-border infrastructure project can contribute to and form sub-components (such as bridges) of overall regional networks such as roads. It is therefore crucial to isolate, technically, a section of such a network and to translate it into a stand-alone project that contributes to the efficiency and enhancement of the total network.²

Pre-feasibility studies are needed to produce reports that facilitate a decision on whether to proceed with a project or not. This process requires close collaboration between the countries involved and cooperating partners.

² While a project can be of any size it must be recognized that potential international investors are currently looking towards minimum investments in the order of US\$30 million, this being a desired minimum for economies of scale within internal credit committees. For toll roads to be financially self-sustainable in the Southern African case, it requires a project to have an Annual Average Daily Traffic Flow of 4,000 vehicles per day at commencement. It is thus a desired aim to package together sections of road which will cross-subsidize from lengths of higher volume to lengths of lower volume. In the Southern African experience, 500km represents a useful length for a toll road project.



Once a pre-feasibility study produces a positive report, then a proper feasibility study will be done to determine, under different scenarios and approaches, the viability of a proposed venture. The sum total of these processes is a set of economic, financial and commercial, and technical feasibility reports.

If feasibility reports are in the affirmative, the next step is to undertake environmental and social impact assessments.

The economic and financial analyses are also necessary to determine the distribution of costs and benefits among the various stakeholder groups or countries.

Institutional

For the implementation of large projects of a cross-border nature, the “soft” aspects of the infrastructure development are important in supporting the development of the “hard” physical infrastructure. For example, the complex nature of the projects requires proper institutional coordination. This can be achieved through means such as Special Purpose Vehicles set up by the countries involved. Other institutional factors relate to capacity building for Member States, the SADC Secretariat and the implementing agencies.

Institutional coordination is required to address various “soft issues” such as policies, regulations, procedures, technical standards, environmental and safety requirements and debates. Equally important is the use of institutional mechanisms to build consensus among all stakeholders in the countries involved.

The infrastructure thematic groups recommended through the Windhoek Declaration of April 2006, involving SADC and its partners to spearhead and coordinate infrastructure development in particular sectors, is an important institutional arrangement.

Thematic groups in the Water, Transport, and Energy Sectors have since been established and have facilitated pooling of resources from International Cooperating Partners and coordination of infrastructure development.

Overall, an institutional arrangement is needed to coordinate and integrate all the important political, economic and financial dimensions of cross-border infrastructure projects.

Critical Success Factors for Regional Projects

- Political will from participating States;
- Project must be transboundary in nature;
- Need for formal agreement by all participating countries to implement the project. Experience has shown that implementation is most effective when championed by the Head of State or Government;
- Feasibility study meets the requirements of a cost/benefit analysis;
- If private sector funded, the feasibility study needs to meet minimum thresholds of viability;
- Joint financing is preferred, while execution by the same contractor on a transboundary basis is also preferred;
- An enabling, facilitating environment for private sector participation in the project, especially response and facilitation to enquiries and follow up; and
- An appropriate enabling environment with acceptable institutional framework relating to regulatory, legislative and other policy frameworks and relevant enabling instruments.



SADC Guidelines for Preparation of Regional Projects

1. Determination of the Priorities

The inception of regional projects is informed by the minimum network requirements that can effectively support the SADC Customs Union and Common Market, as defined by: the Regional Trunk Road Network (RTRN); the Inter-Regional Railway Network (IRRN); the Southern African Power Pool (SAPP) Plan; the SADC Corridor Development Programme; the SADC Corridors Transport and Trade Facilitation Programme; the SADC Regional Information Infrastructure (SRII); the Regional Strategic Water Infrastructure Development Programme (RSWIDP); and the Trans Frontier Conservation Areas (TFCAs) Development Programme. As these long term plans are unpacked, individual projects within this framework can be identified.

2. Project Development

Once a project is derived from the regional plan, a project brief is prepared by the Secretariat and this contains details relating to name, description, objective, costs, participating countries and status.

3. Member States Commitment on a Transboundary Configuration Basis

Member States negotiate the structure of the projects and the scope of the physical works, under the coordination of the Secretariat. Member States are encouraged to sign a Memorandum of Understanding to jointly execute the project, preferably at the level of the Heads of State (eg the Kazungula Bridge), if speedy implementation is desirable.

4. Project Preparatory and Feasibility Stage

The Secretariat solicits for funding of the project to cover upstream and downstream project preparation, packaging and undertaking of feasibility studies, as well as the Environmental Impact Assessment Study. In the case of power projects, a Power Purchase Agreement (PPA) may be required as an integral part of the feasibility study. At this stage, project definition is undertaken comprising comprehensive project description, technical details, market and service related issues, stakeholder involvement and anticipated investment values and proposed preliminary implementation milestones.

5. Regional Approval of the Transboundary Project

A project has to be approved by Council of Ministers as a priority regional project. Such a project will then be submitted to NEPAD for inclusion in the NEPAD Short Term Action Plan (STAP), the most significant basis on which a regional project can be funded by partners.

A Feasibility Study at this stage would seek to confirm the contribution to economic development, commercial and financial requirements, design requirements and overall socio-economic impact of the project.

Consideration by, among others, the NEPAD Infrastructure Project Preparation Fund (IPPF) Oversight Committee and the DBSA/AFD Project Preparation and Feasibility Study (PPFS) Steering Committee then takes place, for allocation of funding for the Feasibility Study as well as the Environmental Impact Assessment Study.

Feasibility studies may be combined with a design component for the infrastructure to be used for invitations for the Expression of Interest for financing and construction of the infrastructure.

The Memorandum of Understanding (or equivalent) facilitates the creation of a legal entity, commonly referred to as a Special Purpose Vehicle (SPV), comprising the participating Member States and the Secretariat, to oversee and manage the project on behalf of the participating countries.

6. Transaction Advisory Service

A Transaction Adviser is selected to put together the funding structure and a Project Developer or Implementer is appointed. A preferred Bidder is procured, followed by negotiations leading to an agreement to participate in the project.

7. Project Construction

The preferred Bidder implements the project construction, regular project review is undertaken, and monitoring reports provided. At this stage, normal project management prevails, funded by the services contract.

Case Studies

Energy

WESTCOR

The Western Power Corridor (Westcor) Project is a joint venture to link the power systems of Angola, Botswana, DRC, Namibia and South Africa.

Westcor was approved by the SADC Council of Ministers in October 2002, followed by an Intergovernmental Memorandum of Understanding and an Inter-utility Memorandum of Understanding, signed in October 2004. These agreements provided for the formation and registration of a company to be responsible for the development, management, maintenance, operation and promotion of the project.

Council has since directed that participation in the Westcor Project be broadened to include all SADC Member States.

In September 2005, a shareholders agreement was signed by the power utilities of the five SADC Member States directly involved.

The aim of Westcor is to harness the extensive water resources of the Congo River at Inga in DRC, to produce and supply electricity, initially for the five countries involved, but ultimately to the entire SADC region.

The project will comprise the construction of a 3,500MW hydroelectric dam, a power transmission line and a telecommunications line at an estimated cost of US\$7 billion.

Funding for the project is to be sourced from DBSA, AfDB and other international cooperating partners.

A project office has been established in Gaborone, Botswana, operating under a not-for-profit company registered in that country. Planned activities include pre-feasibility and feasibility studies as well as solicitation for financial resources.

There is urgency to fast track the studies and prepare the project for financial closure. A key proposal for discussion and approval is to call for expressions of interest and for proposals from professional advisors, consultants and contractors.

The plan is to bring in financial, economic, legal and risk advisors, engineering and environmental impact assessment consultants.

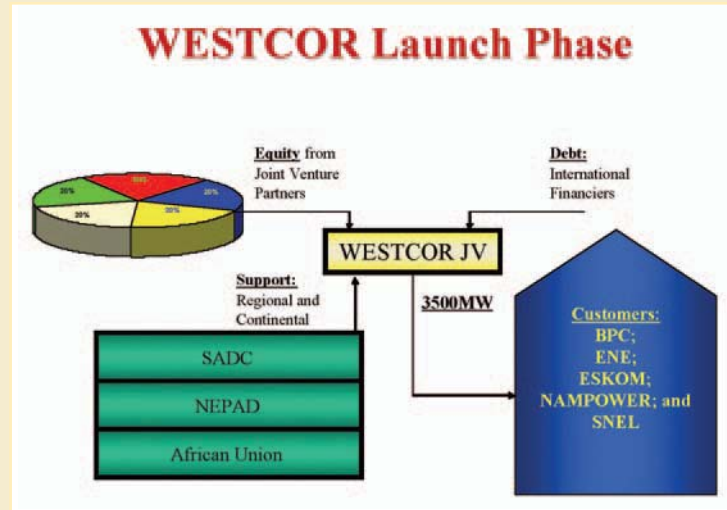
The emerging operational constraint is the delay in sourcing grant funding from the development banks.

MOTRACO

The Mozambique Transmission Company (MOTRACO) is a joint venture involving the utility companies of Mozambique, South Africa and Swaziland.

The company was registered in Mozambique in 1998 as a Special Purpose Vehicle for Electricidade de Moçambique (EDM), South Africa's Eskom and the Swaziland Electricity Board (SEB).

Having established that it had abundant aluminium resources that could be tapped for the economic benefit of its citizens, the government of Mozambique signed an agreement with Alusaf for the establishment of an aluminium smelter (Mozal) in the country in March 1998. Such smelters, by their nature are electricity intensive and Mozal was projected to initially require 900MW.





However, EDM did not have the capacity to supply the required power and sought to import from Eskom. Given the involvement of Eskom, and the fact that the powerlines had to pass through Swaziland, a special dispensation was required, hence the creation of MOTRACO.

Prior to the establishment of the company, the governments of Mozambique and South Africa had signed an Inter Governmental Memorandum of Understanding in January 1997 for, amongst other issues, the development of high voltage transmission lines in Mozambique.

To facilitate the implementation of the project, concession contracts were entered into between MOTRACO and the three governments for:

- Design, financing, construction and ownership of transmission lines;
- Importation of energy for direct sale to Mozal;
- Transportation of energy on behalf of EDM, SEB and ESKOM; and
- Establishment of a fiber optic cable network to ensure the reliability of electrical supplies to the aluminium smelter.

Through the Special Purpose Vehicle, a workable institutional arrangement was established between the public and private sector for the development of the required regional infrastructure necessary to create employment and enhance industrialization and mining.

There is also linkage to the Hillside Aluminium smelter at Richards Bay in South Africa. This ensures a regional synergy in aluminium production and export from two different countries.

The active involvement of the governments and their respective utilities has been crucial in ensuring that the project fulfils its objective.

Transport

Maputo Development Corridor

The Maputo Development Corridor was the first of the Spatial Development initiatives (SDIs) to be implemented, beginning in 1995. This links Gauteng province of South Africa to the port of Maputo in Mozambique.

Developments along the corridor have focussed on rehabilitation and upgrading of the traditional trade and transport links as a basis for broad economic development. The road, railway and port infrastructure and operations have been concessioned in Mozambique.

Private sector participation plays an important role in the corridor, particularly investment in the construction of a toll road linking Gauteng Province in South Africa to Maputo (the N4 toll road), and the improvement of rail and port operations in Mozambique.

The infrastructure rehabilitation of the Maputo Development Corridor in a Public Private Sector Partnership across two neighbouring countries is a typical example of the impact of intra-region-



al trade that has made a huge difference to the lives of many people in the SADC region. The corridor has also opened up a transit route for the landlocked South African regions of Gauteng, Mpumalanga and Limpopo as well as Swaziland and Zimbabwe, offering access to international markets while at the same time reducing the cost of doing business.

Other major private sector investments include the Mozambique Aluminium Smelter (MOZAL), the Maputo Iron and Steel Plant, Beluluane Industrial Park and various natural gas industry projects. It is estimated that the corridor developments have generated more than 15,000 jobs.

The Maputo Corridor Logistics Initiative (MCLI) was launched in 2004 as a Public Private Sector Partnership to create greater awareness and utilisation of the corridor. Its members are freight logistics stakeholders from Mozambique, South Africa and Swaziland.

The MCLI promotes greater utilisation of the Corridor by current and future investors and other users, and ensures that the remaining constraints are addressed.

The MCLI has emerged as one of the most vibrant and inclusive private-sector-driven corridor institutions in southern Africa.

Despite an estimated US\$3 billion investment in infrastructure rehabilitation and anchor projects during the early phases of the Corridor development, effective utilisation of the cross-border facilities has been hampered by the absence of a 24-hour, one-stop border post.

This situation has been exacerbated by lack of engagement between investors, users, service providers and the public sector. Constraints at the border post have tended to retain existing traffic by further ports such as Durban.

The extensive private sector investment in the road, port and terminals needs to be matched with investment at the border post to address infrastructure, process, systems and human capacity constraints in order to make the corridor more cost-effective. Thought might also be given to operating rail routes in this scenario on a regional basis.

There was and continues to be a measure of cross financing between Mozambique and South Africa. This is a win-win situation for the countries involved and, even if the two portions of the toll road are operated by two different companies responding to different legal frameworks, smooth coordination is guaranteed from the holding company, in this case registered in South Africa.

The MCLI provides a formalised institutional framework through which the private and public sectors can constructively engage to ensure the remaining constraints are addressed.

Trans Kalahari Corridor

The Trans Kalahari Corridor (TKC) was born out of a political and economic vision of pursuing deeper regional integration within the framework of SADC, SACU and indeed NEPAD.

The flagship of the corridor is the Trans Kalahari Highway commencing at Namibia's Port of Walvis Bay through Botswana to the South African industrial hub of Gauteng. The TKC links up with the Maputo Corridor to reach the Port of Maputo in Mozambique, making it a Coast-to-Coast Corridor.

The corridor provides a shorter transport link across the entire breadth of the southern African sub-continent, presenting opportunities to increase trade volumes between Southern Africa and the rest of the world.

Pursuant to the SADC Transport Protocol, the Governments of Botswana, Namibia and South Africa established a Trans Kalahari Corridor Planning/Management Committee in 1999.

On 3 November 2003, Ministers responsible for Transport from the three Member States signed a Memorandum of Understanding (MOU) on the Development and Management of the Trans Kalahari Corridor.





The MOU provides for the TKC Management Committee (TKCMC) which coordinates regulatory requirements and plays an oversight role on the conduct of business in the corridor. The TKCMC also acts as the regional corridor facilitation committee, as provided for in the SADC Protocol on Transport and Meteorology.

The TKCMC is a PPP institutional arrangement comprising stakeholders from all the three countries, drawn mainly from departments of transport, customs and immigration, road carriers, port authorities and freight forwarders.

The TKCMC is supported by a Permanent Secretariat established on 1 March 2007 to oversee the day-to-day administration and operations of the corridor. The Permanent Secretariat is hosted by the Walvis Bay Corridor Group in Windhoek, Namibia.

Integrated transport and business development mechanisms have been agreed upon to harmonise axle load limits, standardise weighbridge equipment, establish freight villages and one-stop border facilities, and adopt a regional bond guarantee scheme, among other plans.

HIV and AIDS wellness centres are planned at locations to be identified along the corridor.

At its meeting in June 2007 in Gaborone, Botswana, the TKCMC agreed to have a feasibility study for the planned Trans Kalahari Rail Line (TKRL) with support expected from International Cooperating Partners.

Once implemented, the TKRL is expected to complete the rail link between Botswana, Namibia and South Africa to compliment the existing road network along the corridor.

Since its establishment in 2003, the TKC has streamlined legislation and harmonised customs procedures to facilitate the smooth flow of transit traffic along the route. These processes have seen the implementation of a Single Administrative Document (SAD 500) with supporting uniform procedures applied along the corridor.

Operating hours have been extended from 2200hrs to midnight at the Mamuno (Botswana) and Trans Kalahari (Namibia) border posts. The same set of operating hours is now being discussed for extension at Pioneer Gate (Botswana) and Skilpadshek (South Africa).

A single bond has been agreed and implemented to cover the movement of goods along the entire corridor, replacing the cumbersome multiple bond system that existed previously.

The political commitment and joint efforts of the countries involved have strengthened the TKC from a seriously underutilized infrastructure as of 1999 to a vibrant trade route today. The TKC utilisation by commercial traffic has trebled since 2000.

TKC's success can be attributed to the inherent political will by the three Governments, as well as the involvement of the private sector in a Public-Private Sector Partnership arrangement comprising stakeholders from all the three countries, drawn from transport, customs and immigration, road carriers, port authorities and freight forwarders.

The TKCMC is supported by a Permanent Secretariat, and integrated transport and business development mechanisms have been agreed upon. Flexibility has been shown by the parties regarding the operating hours of the border posts.

The innovation of planned HIV and AIDS wellness centres along the corridor is an initiative to be monitored and evaluated.

Kazungula Bridge

This is a SADC high-priority, NEPAD flagship project to construct a bridge at the common border between Botswana, Zambia and Zimbabwe. The project was conceived pursuant to the regional goal of providing adequate, integrated and efficient transport infrastructure and services.



In 2006, the Presidents of the three Member States signed a Memorandum of Understanding (MOU) signifying their commitment to greater intra-regional trade and the cross-border movement of persons. A Technical Steering Committee has been established to oversee the project.

To be built at an expected cost of US\$70 million, the bridge will complete a missing link in the Regional Trunk Road Network. A one-stop border control facility will be put in place at the bridge once the construction and administrative work is complete.

Project feasibility was done in 2001 with support from Japan. The project will be financed on a Built-Operate-and-Transfer (BOT) basis, with funding expected from the African Development Bank and other partners. The MOU provides for equal contributions toward the “costs of the design and construction of the bridge and the border control facilities” by the three countries.

Commitment at the highest level by the countries involved has provided tremendous impetus to the implementation of the project. Without this political intervention, the project could have taken much longer.

Parallels can be made with other cross-border bridges such as the Katima Mulilo Bridge between Namibia and Zambia, or the Chirundu Bridge between Zimbabwe and Zambia, as both facilities are moving towards becoming one-stop border facilities.



Communication, ICT and Meteorology

SADC Region Information Infrastructure (SRII) Project

The main objective of the project is to provide the necessary telecommunications infrastructure connectivity within the region as well as to bridge the digital gap between the developed world and developing countries.

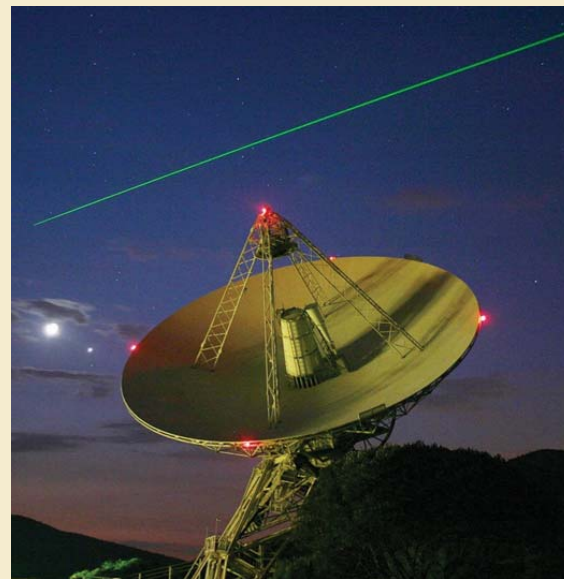
The project is being implemented by the Southern African Telecommunications Association (SATA). The SRII is a two-phased project comprising of:

- transmission links to interconnect the SADC Member States with state-of-the art, fibre optic transmission back-bone systems; and
- the Intelligent Nodes (IP switches, Internet and IP networks), including Next Generation Networks (NGN) to switch, monitor, route and direct traffic within and outside the region.

The first part, which involved replacement of analogue transmissions with digital transmission systems and upgrading of the same, has been completed.

The project to put fibre optic technology on all regional transmission highways is at an advanced stage, with about 75 percent of the links completed. The design work for the second part of the project, *ie* Intelligent Nodes supported and financed by the International Telecommunications Union, has been completed and resource mobilisation to undertake the project is underway.

The Eastern Africa Submarine Cable System (EASSy) Backhaul transmission links is a sub-project of the SRII Project that was not covered during the SRII project feasibility study. However, with the knowledge of the upcoming EASSy Cable, SATA established a working group on this issue and a minimum network was identified that, if implemented, will connect all SADC land-locked countries to the submarine cable(s).





The working group, with assistance from the SATA Secretariat, negotiated with the African Development Bank for financial support to update the feasibility study of the minimum network. The bank has approved funds for the study. All SATA Backhaul links to the EASSy are expected to be operational by the end of 2008.

SATA has so far developed three telecommunications training institutes in the region. These are Botswana Telecommunications Academy, TelOne Centre for Learning in Zimbabwe, and Telecom Training Institute of Mozambique.



Water

Lesotho Highlands Water Project

The Lesotho Highlands Water Project (LHWP) is a development initiative between Lesotho and South Africa. The project was envisaged as early as the 1950s but only became a reality in October 1986 with the signing of the LHWP Treaty.

The project is on the Senqu-Orange River in Lesotho and diverts the river flow to South Africa's industrial capital, Johannesburg. The Project was designed in four phases. Phase 1 is now complete and the feasibility study for the second phase is underway.

Although the project predates the SADC Shared Watercourses Protocol and the Regional Strategic Action Plan (RSAP), it demonstrates how the ideals expressed in these documents can be achieved, particularly in terms of effective contribution to regional integration and cooperation.

The project management structure is spearheaded by a Joint Permanent Technical Commission which was created by the two governments and is now known as the Lesotho Highlands Water Commission. The Commission oversees the implementation and operation of the project in Lesotho and South Africa.

Two implementing agencies were also established, namely the Lesotho Highlands Development Authority (LHDA) and the Trans-Caledon Tunnel Authority (TCTA).

The TCTA, which started with very limited financial powers to provide the cross-border delivery tunnel, has grown from the base to become the borrowing/lending arm of South Africa's Department of Water Affairs and Forestry. In this role it has successfully raised R6 billion to support water project and programme development in other areas of South Africa.

Under the LHWP Treaty obligations, South Africa pays for all capital cost related to the water transfer. This includes costs incurred in Lesotho which are funded by loans raised by LHDA. Approximately US\$2 billion in capital cost was solicited from several sources to support the implementation of the first phase of the project. The sources included short and long term private capital and development funds from DBSA, World Bank and CMA as well as resources from the two governments.

Crucial to the success of raising the necessary finance was the establishment of an effective and independent LHDA treasury which is based in Maseru.

Phase 1 of the project which has now been implemented comprises construction of two dams (Katse and Mohale), roads infrastructure linking and opening up the highlands of Lesotho to the lowlands and surrounding regions of South Africa, for transportation of people and materials needed in the construction of various infrastructure. Other infrastructure include the 190m high intake tower, hydropower plant, power lines and telecommunications networks, access bridges, Matsoku Weir and several connecting tunnels that convey water to the areas of need in South Africa.



Social services such as construction of schools, clinics, protection of heritage sites were also provided.

The entire Phase 1 implementation was carried out within the framework of strict environmental impact assessment and mitigation measures. A comprehensive compensation programme was put in place for affected communities, including cash payments as well as new houses and sanitation facilities.

The Lesotho Highlands Water Project is a pioneer large-scale transboundary infrastructure project from which important lessons, some of which were learnt the hard way, can be drawn for future water projects in the region.

The project demonstrates how the ideals of the planning frameworks can be achieved and contribute to regional integration and cooperation.

With hindsight this project could well have been a very effective PPP.

Kunene Transboundary Water Project

The project is a joint initiative of Angola and Namibia with financial support of the German Government through KfW.

The project involves the upgrading of water pumps at a huge reservoir under the Cuvelai Water Scheme at Oshakati that provides water to north-central Namibia and to parts of southern Angola.

The scheme will serve a target population of 111,000 in the border villages and towns in the two countries. Bulk water will be collected from Calueque Dam on the Cunene River in Angola for treatment at central locations in both countries, before it is distributed to the surrounding villages and towns.

The successful implementation of this relatively small pilot project will help to intensify combined efforts for solving the more complex water resources problems in the region through the Cuvelai Basin Commission.

Opportunities provided by this project include:

- The required bulk supply of potable water for this project would be readily available at the border in Oshikango/Santa Clara;
- NamWater's experience as a water operator will benefit counterparts in Angola during preparation of the project, construction and operation of the system;
- The transmission main from Oshikango to Ondjiva would be an initial but integral part of a future bigger Calueque-Oshakati-Ondjiva-Xangongo integrated ring main supply network.

Although the physical execution of the infrastructure project will be undertaken mainly in Angola, there is a cost-sharing arrangement that has been agreed on by all parties concerned.

The German Government will contribute the bulk of the required resources up to 12 million euros, while internal resources from Angola and Namibia will account for contributions of 4.8 million euros and 1.1 million euros respectively.

Other contributions in kind will be in the form of land to be acquired for the project.

NamWater will assist with the establishment of a water utility company on the Angolan side to manage the operations and maintenance of the systems once developed.

A tripartite agreement involving the two ministries responsible for water in the two countries and the SADC Secretariat will be concluded to provide the legal and institutional framework for implementation of the project. The Permanent Joint Technical Committee will be the implementing agency on behalf of the two countries.

Lessons to be learned from the implementation of this unique project will be very useful for planned projects in other parts of the SADC region.

Constraints range from an absence of centralised water supply systems, lack of capacity on the Angolan side, to the multiplicity of stakeholders including a number of Angolan and Namibian ministries, the provincial and local administrations, NamWater, SADC and KfW. The co-operation among the parties involved needs to be strengthened.



Tourism

Promotion of Transfrontier Conservation Areas

SADC Member States have demonstrated unequivocal political will towards biodiversity conservation and tourism development by entering into various agreements establishing Transfrontier Conservation Areas (TFCAs).

The Protocol on Wildlife Conservation and Law Enforcement adopted in 1998 and the 1999 Protocol on Development of Tourism provide the legal and policy framework necessary for this regional approach to development.

SADC has also accepted the TFCA principle as an outreach programme that includes rural areas and communities in the deeper regional integration agenda in its drive to meet the Millennium Development Goals (MDGs). Joint management of natural resources and joint tourism development through TFCAs offers opportunities for local communities.


While the establishment and development of TFCAs is the responsibility of the individual Member States, the Regional Tourism Organisation of Southern Africa (RETOSA) offers coordination and facilitation for integrated marketing of TFCAs as unique tourism destinations.

TFCAs are spearheaded by the private sector, and to a lesser extent by international NGOs, with the public sector providing the enabling environment.

The Kgalagadi Transfrontier Park (KTP) was the first formal transboundary protected area in Africa, which was established through an agreement signed in April 1999 between the Governments of South Africa and Botswana, and officially opened in May 2000. As many as 20 existing and potential TFCAs have been identified in the region and are at various stages of development or conceptualisation.

Challenges include disparities in financial and human resource capacities that often hamper joint management efforts. The free movement of animals and persons as promoted by TFCAs presents security and health challenges.

The successful operation of TFCAs requires permanent, dedicated local, national and regional institutional structures and arrangements and these have not always been available.



General Conclusions on Lessons Learned

Based on the above case studies and experiences elsewhere, some general conclusions can be drawn with respect to lessons learned:

- Fundamental to success of cross-border projects is the sustained political intervention, often at the highest level – even in cases where the private sector plays a leading role. This is necessary for creating an enabling environment and credible policy framework, risk sharing as well as direct or indirect financial support.
- Need for formal agreement between the countries involved either through an MOU, or better still a Treaty, which provides focus and continued terms of reference for ongoing development and harmonisation over long time horizons.
- Need for a formalised institutional arrangement such as Special Purpose Vehicles that can transact on behalf of the Member States and through which the private and public sectors as well as other stakeholders can constructively engage in the project.
- Public Private Sector Partnerships that have been most successful in SADC and other parts of Africa have been characterised by thorough planning, good communication, strong commitment from parties involved and effective monitoring, regulation and enforcement by government.
- Due to the magnitude and complex nature of the projects, there are often human and financial resource capacity constraints which need to be identified and appropriate steps taken to source the resources regionally or from outside. This extends particularly to having competent, effective and impartial transaction advisors.
- Tight monitoring mechanisms need to be put in place to avoid corrupt practices by all parties involved.
- There is need for an external audit body to undertake routine audits during implementation, and upon completion.
- Leaders would need to talk openly with their citizens about their inability to continue to offer free, undervalued or heavily subsidised services, and their plans for holding the private sector accountable for providing these services. In this regard, continuous transparency is crucial.
- Constructive dialogue and consensus building among the parties involved are crucial processes, particularly with the affected communities. This includes multi-stakeholder participation from the early project planning through to implementation stages. Media is a key partner in this regard for awareness raising and community building.
- Fundamental to the success of most cross-border projects is the need for governments to undertake thorough feasibility studies that address the issues of affordability, value for money and risk transfer.
- Environmental sustainability is essential and there is need for effective compensation programmes that do not create a dependency syndrome among affected communities.
- Cross-border infrastructure projects are often complex and costly but if efficiently and effectively implemented and managed, they can offer long term benefits to the public and private sectors as well as to consumers.
- The greatest success has been in areas such as communications, ports, transport and tourism, with limited success in power and water.
- However, with the correct regulatory framework and strong political commitment, trans-boundary projects offer significant benefits to government and good opportunities for investors and the people.



MECANISMO MODELO DE IMPLEMENTAÇÃO

Quadro Compreensivo para Projectos de Infraestruturas Transfronteiriças

Um quadro modelo estabelecido nesta secção pretende guiar a implementação, providenciando uma ferramenta efectiva para o planeamento e concepção que cobre as dimensões política, económica e financeiras chave, bem como factores institucionais que precisam de ser abordados para assegurar resultados bem sucedidos dentro dum prazo apropriado.

As infraestruturas são muito políticas e a infraestrutura transfronteiriça ainda mais porque invariavelmente levantam questões geográficas. Uma decisão política pela liderança dos países envolvidos é necessária para abrir o caminho para qualquer projecto de infraestruturas regionais. *Todavia, uma intervenção política sustentada ao nível apropriado é ainda mais crítica se tal projecto for implementado de forma eficiente e de custo efectivo dentro dos prazos acordados.*

Dada a limitação de recursos e outros factores, requer-se uma decisão política para priorizar o que deve ser uma rede mínima de infraestruturas na SADC. Isso é crítico para evitar a actual lista de atrasos de implementação e eliminar os constrangimentos, bem como atraír os financiamento necessário.

A inceptão de projectos regionais é enformada por requisitos de redes mínimas que podem efectivamente apoiar a União Aduaneira e o Mercado Comum da SADC como definido pela Rede Dorsal de Estradas Regionais (RTRN); a Rede de Caminhos de Ferro Inter-Regional (IRRN); o Plano do Grupo de Energia da África Austral (SAPP), o Programa de Corredores de Desenvolvimento da SADC; o Programa de Corredores de Transporte e Facilitação do Comércio da SADC; a Infraestrutura de Informação Regional da SADC (SRII); Programa de Desenvolvimento Estratégico de Infraestrutura de Águas Regional (RSWIDP), e o Programa de Desenvolvimento de Áreas de Conservação Transfronteiriça (TFCAs). À medida em que estes planos a longo prazo são explicados, os projectos individuais dentro deste quadro podem ser identificados.

MODÈLE DE MÉCANISME DE MISE EN OEUVRE

Structure Compréhensive pour les Projets d'Infrastructure Transfrontière

Une structure modèle présentée dans cette section a pour but de guider l'exercice de mise en oeuvre en fournissant un instrument efficace pour la planification et la conception qui englobe les dimensions principales politiques, économiques et financières, ainsi que les facteurs institutionnels qu'il est nécessaire d'aborder afin de garantir des résultats probants dans un délai approprié.

L'Infrastructure est une notion très politique et plus encore en ce qui concerne l'infrastructure transfrontière parce qu'elle soulève invariablement des questions géopolitiques. Une décision politique par les dirigeants des pays impliqués est nécessaire pour ouvrir la voie pour tout projet d'infrastructure régionale. *Cependant, une intervention politique soutenue à un niveau approprié est encore plus critique si un tel projet doit être mis en oeuvre de manière efficace et rentable dans des délais convenus.*

Étant donné la limitation des ressources et autres facteurs, une décision politique est obligatoire pour donner priorité à ce qui devrait être le réseau d'infrastructure minimum dans la SADC. Ceci est critique pour diminuer les retards actuels d'exécution, débloquent les goulets d'étranglement et attirer les fonds nécessaires.

L'inception de projets régionaux est informée par les conditions préalables minimum du réseau qui peuvent effectivement soutenir le Syndicat de Douanes et le Marché Commun de la SADC, tels que définis par le réseau de routes inter-régionales (RTRN); le Réseau Ferroviaire Inter-Régional (IRRN); le Pool d'Énergie pour l'Afrique Australe (SAPP); le Programme SADC de Développement de Corridor; le Programme SADC de Facilitation des Corridors de Transport et Commerce; l'Infrastructure d'Information Régionale de la SADC (SRII); le Programme Régional de Développement d'Infrastructure Stratégique Hydraulique (RSWIDP) et le Programme de Développement des Zones TransFrontières de Préservation (TFCAs). Alors que ces plans à long terme sont dévoilés, des projets individuels sont identifiés au sein de cette structure.



Section D

IMPLEMENTATION ACTION PLAN FOR INFRASTRUCTURE DEVELOPMENT

In order to accelerate the implementation of transboundary infrastructure and ensure adequate connectivity of all Member States to enable the effective operationalisation of the Customs Union in 2010 and Common Market in 2015, the Heads of State shall consider an Action Plan which entails the following:


REGIONAL PROJECTS DEVELOPMENT

Prioritisation of transboundary projects into short, medium and long term, on which Member States shall enter into agreement for joint implementation and financing.

- Customized regional infrastructure development programme for Angola and DRC, and to a certain extent Mozambique, to be informed by an Infrastructure Needs Analysis Study for the affected countries, within the post-conflict reconstruction framework.
- Infrastructure Needs Analysis Study for Madagascar which should confirm its infrastructure development requirements as a new member of SADC, to be followed by the implementation of an infrastructure development programme, in particular routes to the ports, through which Madagascar is linked to other SADC States and the rest of the world.
- Development, packaging and feasibility studies of urgent priority regional infrastructure projects in all key infrastructure areas for presentation to NEPAD and Cooperating Partners including DBSA, ADB and World Bank as well as Development Finance Institutions in the Member States.
- Adoption of, among others, the Spatial Development Initiative (SDI) approach to cross border infrastructure development;
- Implementation of Corridor Transport and Trade Facilitation measures, focusing on minimising delays at border posts, harmonisation of customs documentation and procedures, and creation of one-stop border posts, in order to eliminate transport bottlenecks to and from the sea for the land-locked SADC Member States.
- Consolidation of existing sectoral infrastructure plans into the SADC Regional Infrastructure Development Master Plan.

FINANCING MECHANISMS

- Establishing partnerships with private sector in the context of Public Private Sector Partnerships (PPPs) to spread the burden of infrastructure financing, operations and management.
- Facilitation of the establishment of regional infrastructure Development Financing Institutions (DFIs) and mechanisms.
- Urgent finalisation of the SADC Project Preparation Development Fund to facilitate packaging of transboundary projects, Feasibility Studies and Environmental Impact Assessments, and subsequently market such projects to investment partners and consortiums.

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- According urgent priority to the development of appropriate institutions and bodies dedicated to regional funding for regional infrastructure.

POLITICAL INTERVENTIONS

- **Creation of an enabling environment** pertaining to an institutional framework, regulatory frame-work and other policy related imperatives, to enhance and enable private sector participation in regional infrastructure development.
- Development and signing of accords by participating Member States (preferably at the level of Heads of States) committing themselves to **jointly source financing and implement transboundary infrastructure projects** within agreed timeframes.

INSTITUTIONAL MECHANISM FOR ACCELERATING IMPLEMENTATION

- Strengthening the role of regional associations and bodies (e.g. SAPP, SATA, ASANRA, SARA and PMESA) in the implementation of regional infrastructure projects.
- Joint implementation of regional infrastructure projects among neighbouring regional economic communities (RECs).
- Creation of a well-capacitated Project Implementation Unit (PIU) within the Secretariat to assist Member States with the coordination of development, packaging, prioritisation and joint implementation of regional infrastructure projects, in conjunction with development partners and Member States.
- Facilitation of capacity building for effective implementation of infrastructure projects at the level Member States, Secretariat, regional bodies and other implementing agencies.
- Establishment of a Ministerial Task Force to oversee the development of a roadmap for the implementation of transboundary infrastructure projects, reporting directly to Council and Summit on an annual or *ad hoc* basis as necessary.



IMPLEMENTAÇÃO DO PLANO DE ACÇÃO PARA O DESENVOLVIMENTO DE INFRASTRUTURAS


Para acelerar a implementação de infraestrutura transfronteiriça e assegurar uma conectividade adequada de todos os Estados Membros para permitir uma operacionalização efectiva da União Aduaneira, em 2010, e o Mercado Comum, em 2015, os Chefes de Estado considerarão um Plano de Acção que implica o seguinte:

DESENVOLVIMENTO DE PROJECTOS REGIONAIS

- Priorização de projectos transfronteiriços a curto, médio e longo prazos sobre os quais os Estados Membros entrarão em acordo para implementação e financiamento.
- Programas de desenvolvimento de infraestrutura regional desenhado para Angola e RDC, e de alguma forma para Moçambique, a serem enformados por um **Estudo de Análise de Necessidade de Infraestruturas** para os países afectados dentro do quadro de reconstrução pós-conflito.
- **Estudo de Análise de Necessidade de Infraestruturas para Madagascar** que confirmaria os seus requisitos de desenvolvimento de infraestruturas como um novo membro da SADC, a ser seguido pela implementação de um programa de desenvolvimento de infraestruturas, em rotas particulares aos portos através dos quais Madagascar é ligado aos Estados da SADC e ao resto do mundo.
- **Desenvolvimento, empacotamento e estudos de viabilidade de projectos de infraestruturas regionais de urgente prioridade** em todas as áreas chave de infraestruturas para apresentação ao NEPAD e Parceiros de Desenvolvimento, incluindo o DBSA, ADB e o Banco Mundial, bem como as Instituições Financeiras de Desenvolvimento nos Estados Membros.
- Adopção, entre outros, da abordagem de Iniciativas de Desenvolvimento Espacial (IDE) para o desenvolvimento de infraestruturas transfronteiriças;
- **Implementação de corredores de transporte e medidas de facilitação do comércio**, focalizando em atrasos mínimos nas fronteiras, harmonização de documentos e procedimentos aduaneiros, e criação de postos fronteiriços de balcão único para se eliminar congestionamentos de transporte do e para o mar para os Estados membro da SADC no *hinterland*.
- Consolidação dos existentes planos sectoriais de infraestrutura no Plano Mestre de Desenvolvimento de Infraestruturas Regionais da SADC.

MECANISMOS DE FINANCIAMENTO

- Estabelecimento de parcerias com o sector privado no contexto de Parcerias Público Privado (PPPs) para alargar o peso de financiamento, operação e gestão de infraestruturas.
- Facilitação do estabelecimento de Instituições de Financiamento de Desenvolvimento de infraestruturas regionais e mecanismos.
- Finalização urgente do Fundo de Desenvolvimento de Preparação de Projectos da SADC para facilitar o empacotamento de projectos transfronteiriços, Estudos de Viabilidade e Estudos de Avaliação Ambiental, e subsequentemente fazer o marketing de tais projectos junto de parceiros de investimento e consórcios.

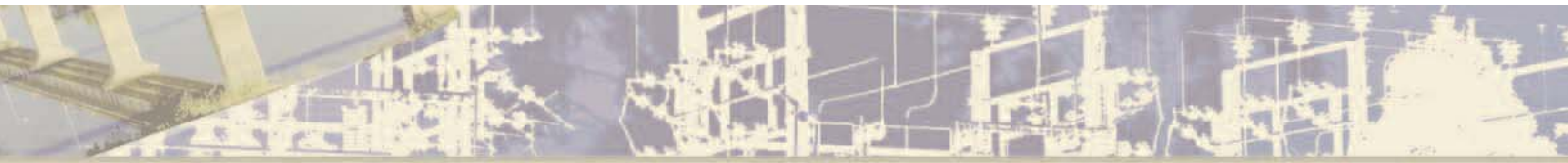
- 
- **Conceder prioridade urgente ao desenvolvimento de instituições e organismos apropriados** dedicados ao financiamento regional para infraestruturas regionais.

INTERVENÇÕES POLÍTICAS

- **Criação dum ambiente favorável** ligado a um quadro institucional, quadro de regulamentação e outros imperativos de políticas relacionadas para melhorar e favorecer a participação do sector privado no desenvolvimento de infraestruturas regionais.
- Desenvolvimento e assinatura de acordos pelos Estados membros participantes (de preferência ao nível dos Chefes de Estado) comprometendo-se a **conjuntamente procurar o financiamento e implementação de projectos de infraestruturas transfronteiriços** dentro dos prazos acordados

MECANISMOS INSTITUCIONAIS PARA ACELERAR A IMPLEMENTAÇÃO

- **Fortalecimento do papel de associações e órgãos regionais (por exemplo, SAPP, SATA, ASANRA, SARA e PMESA)** na implementação de projectos de infraestruturas regionais.
- Implementação conjunta de projectos de infraestruturas regionais entre as comunidades económicas regionais (CERs) vizinhas.
- Criação de uma Unidade de Implementação de Projectos (UIP) bem capacitada dentro do Secretariado para assistir os Estados membros com a coordenação de desenvolvimento, empacotamento, priorização e implementação conjunta de projectos de infraestruturas regionais, conjuntamente com os parceiros de desenvolvimento e Estados membros.
- Facilitação da capacitação para uma implementação efectiva de projectos de infraestruturas ao nível de Estados membro, Secretariado, órgãos regionais e outras agências implementadoras.
- Estabelecimento duma Força Ministerial de Acção para monitoria do desenvolvimento dum roteiro para a implementação de projectos de infraestruturas transfronteiriças, reportando directamente ao Conselho e Cimeira numa base anual ou *ad hoc* sempre que necessário.



PLAN D'ACTION DE MISE EN OEUVRE POUR LE DEVELOPPEMENT D'INFRASTRUCTURE


Afin d'accélérer la mise en place d'infrastructure transfrontalière et d'assurer une connectivité adéquate de tous les Etats Membres pour permettre l'opérationnalisation du Syndicat des Douanes en 2010 et du Marché Commun en 2015, les Chefs d'État devront examiner un Plan d'Action qui comporte ce qui suit:

DÉVELOPPEMENT DE PROJETS RÉGIONAUX

- Donner la priorité aux projets transfrontaliers à court, moyen et long terme, sur lesquels les États Membres doivent convenir d'une exécution et financement joints.
- Personnaliser le programme régional de développement d'infrastructure pour l'Angola et la RDC, et dans une certaine mesure le Mozambique, être informé au moyen d'une **Étude Analytique des Besoins d'Infrastructure** pour les pays affectés, au sein de la structure de reconstruction post-conflit.
- **Étude Analytique des Besoins d'Infrastructure pour Madagascar** qui devrait confirmer ses conditions préalables de développement d'infrastructure en tant que nouveau membre de la SADC, suivi de la mise en oeuvre d'un programme de développement d'infrastructure, en particulier les artères routières desservant les ports, par lesquelles Madagascar est lié aux autres États de la SADC et au reste du monde.
- **Études de développement, présentation et faisabilité de projets d'infrastructure régionaux prioritaires** dans tous les domaines d'infrastructures clés pour présentation au NEPAD et aux partenaires coopérants y compris la DBSA, la BAD et la Banque Mondiale ainsi que les Institutions Financières de Développement dans les États Membres.
- Adoption, entre autres, de l'approche de l'Initiative de Développement Spatial (IDS) au développement d'infrastructure commune;
- Mise en vigueur de corridor de Transport et de mesures facilitant le commerce, visant à la réduction des retards aux postes frontières, l'harmonisation des documentations et procédures douanières, et la création de postes frontières, dans le but d'éliminer les embouteillages vers et en provenance du littoral pour les pays enclavés membres de la SADC.
- Consolidation des plans sectoriels d'infrastructure existants dans le Plan Directeur Régional de la SADC pour le Développement d'Infrastructure.

MÉCANISMES DE FINANCEMENT

- Établir des partenariats avec le secteur privé dans le contexte de Partenariats Publics Privés (PPPs) afin de distribuer le fardeau du financement, opérations et gestion d'infrastructure.
- Facilitation de l'établissement d'Institutions de Financement de Développement d'Infrastructure régionale (IFD) et mécanismes.

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- Finalisation urgente du Fond SADC de Développement pour la Préparation de Projet afin de faciliter la présentation des projets transfrontaliers, les Études de Faisabilité et les Évaluations de l'Impact Environnemental, et par conséquent de proposer de tels projets aux partenaires d'investissements et aux consortiums.
 - Accorder une urgente priorité au développement d'institutions et organismes appropriés dévoués au financement régional pour une infrastructure régionale.

INTERVENTIONS POLITIQUES

- **Création d'un environnement habilitant** ayant rapport à une structure institutionnelle, une structure réglementaire et autres impératifs à teneur politique, afin de renforcer et permettre la participation du secteur privé dans le développement d'infrastructure régionale.
- Développement et signature des accords par les États Membres participants (de préférence au niveau des Chefs d'États) s'engageant à **rechercher ensembles des financement et à mettre en oeuvre les projets transfrontaliers** dans des délais convenus.

MÉCANISME INSTITUTIONNEL VISANT À ACCÉLÉRER L'EXÉCUTION

- **Renforcer le rôle des associations et organismes régionaux (ex: SAPP, SATA, ASANRA, SARA et PMESA)** dans la mise en place de projets d'infrastructure régionale.
- Mise en oeuvre commune jointe de projets d'infrastructure régionale parmi les communautés économiques régionales voisines (RECs).
- Création d'une Unité d'Exécution de Projet (UEP) bien dotée, au sein du Secrétariat dont le rôle est d'assister les États Membres dans la coordination du développement, la présentation, la mise en priorité et l'exécution jointe de projets d'infrastructure régionale, en conjonction avec les partenaires de développement et les États Membres.
- Facilitation du renforcement de capacité pour une mise en oeuvre efficace des projets d'infrastructure au niveau des États Membres, du Secrétariat, des organismes régionaux et autres agences d'exécution.
- Établissement d'un Groupe de Travail Ministériel afin de superviser le développement d'un plan directeur pour la mise en oeuvre des projets d'infrastructure transfrontalière, directement sous l'autorité du Conseil et du Sommet sur un base annuelle ou ad hoc lorsque nécessaire.

Annex 1

SADC PRIORITY INFRASTRUCTURE PROJECTS

1. Energy Sector

Project title:	DRC-Zambia Inter-connector
Project description:	The project aims to increase the transmission capacity of the existing AC inter-connector linking the power system networks of SNEL in DRC and ZESCO in Zambia through a phased development approach. First phase will allow 500MW to be traded between the two countries. The increased inter-connector capacity will enable surplus generating capacity at Inga to be exported to Zambia and the rest of Southern Africa.
Beneficiary countries:	DRC, Zambia, with overall benefits to the rest of Southern Africa
Budget and duration:	US\$21.7m over 3 years
Project title:	Kafue Generation Hydro Power Plant Project
Project description:	This will involve the construction of a 600 MW hydropower plant. The plant is planned to supply 750 MW during peak time.
Beneficiary countries:	Zambia with overall benefits for the Southern African power network
Budget and duration:	US\$600m over 4 years
Project title:	Kariba North Bank Generation Expansion Project
Project description:	Expansion of the existing hydropower plant by two units of 180 MW each on the north bank to give a total output of 360 MW.
Beneficiary countries:	Zambia with overall benefits for the Southern African power network
Budget and duration:	US\$192m over 4 years
Project title:	Kariba South Bank Generation Expansion Project
Project description:	Expansion of the existing hydropower plant by two units of 150 MW each on the south bank to give a total output of 300 MW. The additional units are expected to give an average annual energy output of 1183GWh.
Beneficiary countries:	Zimbabwe with overall benefits for the Southern African power network
Budget and duration:	US\$200m over 4 years
Project title:	Kudu Gas Project
Project description:	The project involves the upstream development of gas and piping of the gas to Kudu Power Station and Cape Town; construction of 750 MW CCGT at Kudu (Namibia); and construction of 1500 MW CCGT and distribute gas to commercial and industrial consumers in Cape Town.
Beneficiary countries:	Namibia, South Africa with overall benefits for the Southern African power network
Budget and duration:	US\$800m over 5 years
Project title:	Mozambique-Malawi 220kV Inter-connector
Project description:	The project will involve an update of previous feasibility studies by ESCOM and EDM as well as the resolving of power purchase agreements with all contracting parties. There will also be an environmental impact assessment and the design, manufacture, and construction of a 220 kV transmission line and substations.
Beneficiary countries:	Malawi and Mozambique with overall benefits for the Southern African power network
Budget and duration:	US\$90m over 4 years
Project title:	Western Corridor Power Inter-Connector Project (WESTCOR)
Project description:	To link the power systems of Angola, Botswana, DRC, Namibia and South Africa. Project aims to transfer 3,500 MW from Inga 3 to the South.
Beneficiary countries:	Angola, Botswana, DRC, Namibia and South Africa with overall benefits for the Southern African power network
Budget and duration:	US\$3.5bn over 5 years
Project title:	Zambia-Malawi Inter-connector Project
Project description:	Design, construction and commissioning of an inter-connector transmission line from Pensulo in Zambia to Lilongwe B in Malawi.
Beneficiary countries:	Malawi and Zambia with overall benefits for the Southern African power network
Budget and duration:	US\$58.5m (220 kV) to US\$100m (330 kV)

Project title:	Zambia-Tanzania Inter-connector Project
Project description:	To construct a 330kV transmission inter-connector between Zambia and Tanzania to export between 100 and 200 MW from ZESCO to TANESCO and also to strengthen the ZESCO 66kV networks. Legal, financial and technical advisors have been appointed.
Beneficiary countries:	Tanzania and Zambia with overall benefits for the Southern African power network
Budget and duration:	US\$160.8m over 3-4 years
Project title:	Mphanda Nkuwa Hydropower Project
Project description:	Development of a gravity dam, power station (2400MW) and transmission lines. Plant to operate at 95 percent availability to target a regional market.
Beneficiary countries:	Mozambique with overall benefits for the Southern African power network
Budget and duration:	US\$2bn over 6 ? years
Project title:	Mozambique-Tanzania Inter-connector Project
Project description:	Project to enable power exchange between Mozambique and Tanzania and also would increase stability and reliability of supply in Northern Mozambique. Feasibility study needed. Initial internal studies were done by EDM. Detailed feasibility studies are needed.
Beneficiary countries:	Mozambique and Tanzania with overall benefits for the Southern African power network
Budget and duration:	—

2. Transport Sector

Project title:	Construction of Kazungula Bridge
Project description:	The project involves the construction of a road and rail bridge crossing to facilitate the smooth flow of traffic across the Zambezi River between Zambia and Botswana. An amount of UA 0.35 (approx. US\$525,000) has been extended to the SADC Secretariat for coordinating the project and strengthening of the Secretariat institutional capacity. A Joint Steering Committee is in the process of procuring consultants to undertake these services. The detailed design is expected to commence in Sept 2007 for 1 year while construction work is expected to take 3 years.
Beneficiary countries:	Botswana, Zambia and Zimbabwe with overall benefits for the Southern African road network
Budget and duration:	US\$70m over 3 years
Project title:	Lobito Corridor
Project description:	The Corridor (also known as the Benguela Corridor) is one of the most strategic corridors in the regional transport system as it provides an outlet to the sea for much of DRC and Zambia. The main transport infrastructure within the corridor is the port, the Benguela railway line and the road running through Kuito and Luena. The road has two branches, one running parallel to the railway line to DRC and the other running south-east to the border with Zambia at Caripande.
Beneficiary countries:	Angola, DRC, Zambia with overall benefits for the Southern African transport network
Budget and duration:	US\$343m for railway line and US\$82.5m for port over 4 years. Figures need updating
Project title:	Mtwara Development Corridor
Project description:	The Mtwara Development Corridor is a Spatial Development Initiative falling within the territories of Malawi, Mozambique, Tanzania and Zambia. Major projects along the corridor include roads, airport and inland waterways. Roads involved are: Nkhata Bay-Mzuzu-Mzimba-Mqocha-Lundazi; Rumphi-Nyika-Chitipa; Karonga-Chitipa; and the Nkhata Bay-Khotakota Road Bridges. A new Airport is planned at Mzuzu. Inland Waterways projects are: Heavy Capacity Ferry from Nkhata Bay, Mbamba Bay (Tanzania)/Metangula (Mozambique); Upgrading of Nkhata Bay Port; Chipoka, Chilumba and other Ports; and Upgrade of Chipoka Port and Entre Lagos and Chipoka Sena Railway Lines.
Beneficiary countries:	Malawi, Mozambique, Tanzania and Zambia
Budget and duration:	—

Project title: **Nacala Development Corridor**
Project description: The primary aim of the transport programme is to develop an economic corridor linking landlocked Malawi to its nearest port of Nacala in Mozambique.
Beneficiary countries: Malawi, Mozambique and Zambia
Budget and duration: US\$26.5m for Cuamba-Entre Lagos. US\$33.83m for Port of Nacala. US\$ 14.5m for Cuamba-Lichinga railway (short term). US\$92m for Cuamba-Lichinga railway (long term)

Project title: **Shire-Zambezi Waterway Development Project**
Project description: The project aims to reopen the Shire-Zambezi Waterway from the inland port of Nsanje in southern Malawi to the Indian Ocean port of Chinde in Mozambique. This will enable barges and medium sea-going vessels to ply between Chinde and Nsanje, thereby providing direct waterway access to the Indian Ocean. It will provide a multi-modal inland transport linkage for Malawi through the rehabilitation of the rail line from Nsanje through Blantyre to Chipata in Zambia; and through Dona Ana to Sena in Mozambique.
Beneficiary countries: Malawi, Mozambique and Zambia with benefits for DRC, Tanzania and Zimbabwe
Budget and duration: US\$6bn over 3 years (Malawi estimate)

Project title: **Lesotho-South Africa Rail Link**
Project description: Construction of a railway link from Maseru to connect with the South African system. Proposed new line will provide alternative transport route for traffic between Bloemfontein and Kimberly, Maseru and the Port of Durban. A pre-feasibility study into the proposed link has already been carried out, showing the project to be potentially viable.
Beneficiary countries: Lesotho and South Africa
Budget and duration: US\$2bn over 2 years

Project title: **Trans-Cunene Corridor: Windhoek-Luanda Corridor Project Formulation**
Project description: The rationale of the project is to facilitate border crossing procedures and improve trade and economic growth in northern Namibia and southern Angola. Some Zambian-Angolan trade traverses northern Namibia while Zambia will also be a beneficiary of facilitation on the Namibian-Angolan border.
Beneficiary countries: Angola, Namibia and Zambia
Budget and duration: US\$989,000 total estimated cost, comprising US\$132,000 for project preparation and tendering; and US\$857,000 for project implementation and management. 1? years

Project title: **Implementation of Trade Facilitation Activities on the Trans Caprivi Corridor**
Project description: Project will facilitate implementation of interventions to improve cross-border facilitation along the Walvis Bay and Trans Caprivi corridors, providing advisory services and technical support to stakeholders. The project also aims to implement one-stop border posts along these two corridors. A feasibility study has been completed and the draft project proposal submitted
Beneficiary countries: Main beneficiaries are Namibia and Zambia but other countries such as Botswana, DRC, Namibia, South Africa and Zimbabwe will also benefit from the project
Budget and duration: US\$10m over 2 years

Project title: **Implementation of Trade Facilitation Activities in the SADC Region**
Project description: The project aims to improve transit facilitation in the SADC region and proposed measures include provision of observatories to monitor traffic movement; corridor institutional development; harmonisation of customs procedures and documentation; provision of adequate infrastructure at the border posts; and one-stop border posts. The appropriate legal framework needs to be provided to ensure that some of the desired interventions can be implemented in all the Member States. Pilot projects have been implemented on the Beira and Trans Kalahari corridors.
Beneficiary countries: Continental SADC Member States
Budget and duration: US\$2.21m over 2 years

3. Communications, ICTs and Meteorology

Project title:	SADC Regional Information Infrastructure (SRII) Project
Project description:	The main objective is to provide the necessary telecommunications infrastructure connectivity within the region as well as to bridge the digital gap between the developed world and developing countries. The project will build transmission links between the SADC Member States, employing an optical fibre cable system as the first priority and then digitalizing the interconnecting microwave links. There is need to complete the missing transmission links among the Member States. The project is being implemented by SATA and SADC telecommunications authorities.
Beneficiary countries:	All SADC Member States
Budget and duration:	US\$71m over 3 years

4. Water Sector

Project title:	Feasibility Study for the Transfer of Water from the Congo Basin to the Water Scarce Countries in the SADC Region
Project description:	The main objective of the project is to determine the feasibility of transferring water from the Congo River or its tributaries, to water deficient SADC countries and make preliminary design of the most optimum option. The project is a follow up to a desk study that was carried out in 2002 and will comprise a further in-depth investigation of the options identified by the study. The feasibility study will also look at the possibility of adopting a phased approach to augmenting the supply of the Okavango River to meet Angola's, Botswana's and/or Namibia's demands.
Beneficiary countries:	Angola, DRC, Namibia, Botswana, Zambia, South Africa, and Zimbabwe
Budget and duration:	US\$2m over 2 years
Project title:	Lesotho Lowlands Water Supply Scheme
Project description:	The main objective of the project is to secure long-term potable (drinking) water supplies for the lowlands of Lesotho and adjacent towns in South Africa to support socio-economic development and to assist in poverty reduction and health improvements. A feasibility study has been completed and construction of Phase I is planned for 2007.
Beneficiary countries:	Lesotho and South Africa
Budget and duration:	US\$3.2 bn over 10 years
Project title:	Songwe Basin Development Project
Project description:	This is a multi-purpose surface water infrastructure development project that targets hydropower, flood mitigation, irrigation, fisheries, river bank protection, fisheries development and tourism as beneficiaries. The project comprises three dams with a total storage capacity of 1,290 million cubic metres; three hydropower stations with capacity of more than 300 MW; the potential to irrigate some 2,200 hectares located in Malawi and Tanzania; and river bank protection works to contain floods and stabilise the course of Songwe River, which forms an ill-defined border between the two countries.
Beneficiary countries:	Malawi and Tanzania
Budget and duration:	US\$10m over 10 years
Project title:	Construction of Moamba Major Dam
Project description:	Project aims to provide a secure municipal supply for Maputo and Matola cities as well as to guarantee water for irrigation and energy production. It will also allow for small and medium flood alleviation and ensure environmental flow release to meet specific downstream ecosystem demands as well as to maintain downstream floodplains and estuarine morphology.
Beneficiary countries:	Mozambique with impact and benefits to South Africa and Swaziland
Budget and duration:	US\$202m over 4 years. No funding has been secured yet although a preferred financial analysis has been done: Loan – 60 percent at 0.75% interest rate; Donors – 25 percent; and Government – 15 percent.

Project title:	Kafue Gorge Dam Lower Project
Project description:	This is a trans-boundary project that will contribute power to SAPP, enhance tourism and assist in the control of floods in the lower Zambezi Basin through strategic operation of the dam. The project will involve construction of a concrete dam and tunnelling to provide for turbine placement and hydraulic head for power generation as a second dam on the Kafue River. No funding has yet been secured.
Beneficiary countries:	Zambia and the rest of the Zambezi Riparian States
Budget and duration:	US\$340m over 8 years
Project title:	Batoka Gorge Hydroelectric Scheme
Project description:	This is a trans-boundary project that will contribute power to the SAPP, enhance regional tourism and assist in the control of floods in the lower Zambezi Basin. The Batoka Gorge Hydroelectric Project is a bi-lateral hydro project to be implemented between Zambia and Zimbabwe about 50 km downstream of Victoria Falls (therefore upstream of Lake Kariba). The project will include a 181 m-high dam on the Zambezi River. Resource Mobilisation ongoing.
Beneficiary countries:	Zimbabwe and the rest of the Zambezi Basin Riparian States and others through SAPP
Budget and duration:	US\$1.5b over 7 years
Project title:	Rehabilitation of the Nordoewer Irrigation Scheme
Project description:	This involves rehabilitation of the existing irrigation scheme on the Orange River between Namibia and South Africa.
Beneficiary countries:	Namibia and South Africa
Budget and duration:	US\$1.5m over 2 years
Project title:	Construction of Movene Dam
Project description:	The project aims to increase water storage capacity in the Umbeluzi River Basin for water supply to Maputo City and for irrigation. It will supplement Maputo City's domestic water supply and improve availability of water for irrigation in the Movene and Lower Umbeluzi area.
Beneficiary countries:	Mozambique and Swaziland
Budget and duration:	US\$10m over 10 years
Project title:	Rehabilitation of Irrigation infrastructure in Kinshasa, Bas-Congo, Katanga and Equator Provinces
Project description:	The project involves the rehabilitation of DRC's agricultural infrastructure to increase the area under production. This will include the renewal or replacement of old equipment as well as improvement of operational capacity for the maintenance and construction of dykes, dams, and irrigation networks in Kinshasa, Bas-Congo, Katanga and Equator provinces. The project would also include technical training and the organisation of producer groups in Kinshasa, Bas-Congo, Katanga and Equator provinces.
Beneficiary country:	DRC
Budget and duration:	US\$1m over 1 year
Project title:	Water Supply and Sanitation Lubango, Huila Province
Project description:	The project will involve a phased development of an integrated water supply and sanitation system for Lubango, the capital city of Huila Province. Resources mobilisation is ongoing.
Beneficiary country:	Angola
Budget and duration:	US\$20m over 2 years

5. Tourism Sector

For priority projects in this sector see Transfrontier Conservation Areas (TFCAs) map in Section B above.



Annex 2

SADC Subsidiary Organisations

1. Energy Sector

Regional Electricity Regulators Association of Southern Africa (RERA)

RERA seeks to facilitate electricity regulatory capacity-building among members at both the national and regional levels. This is done through information-sharing and skills-training, facilitating harmonised energy sector policies, legislation and regulations for cross-border trading.

Other issues of concern include access to transmission capacity and cross-border tariffs as well as deliberating and recommending on issues that affect the economic efficiency of electricity interconnections and electricity trade among members that fall outside national jurisdiction.

RERA was established by SADC as a formal association of electricity regulators in July 2002. The association was created in terms of the SADC Protocol on Energy (1996), the SADC Energy Co-operation Policy and Strategy (1996), the SADC Energy Sector Action Plan (1997), the SADC Energy Activity Plan (2000) and in pursuit of the broader initiative of the New Partnership for Africa's Development and the African Energy Commission.

Membership to RERA is open to the electricity regulatory bodies in each country within the SADC region, and eight countries have established regulatory bodies to date: Angola, Lesotho, Malawi, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

Regional Petroleum and Gas Association (REPGA)

REPGA is still at conceptual phase and its creation was proposed at a meeting of the SADC sub-committee for petroleum, coal and gas held in Gaborone, Botswana in April 2002, to cope with rising fuel prices. SADC countries aim to create a common energy market and coordinate their energy policies in order to counter the rising prices of hydrocarbons and create conditions to accelerate development across the region.

REPGA will promote trade in petroleum products among member countries and coordinate national energy policies in the SADC region. REPGA aims to harmonise standards and regulations in the sector, coordinate activity to identify new hydrocarbon resources in the region and possibly set up an advisory service for the revision of data and information relative to the hydrocarbon sector in the member countries.

The advisory service will assess possible regulations for the region's energy sectors of gas, petroleum as well as electricity.

Southern African Power Pool (SAPP)

The Southern African Power Pool (SAPP) was created in August 1995 through the signing of the Inter-Governmental Memorandum of Understanding (IGMOU) by mainland SADC countries to optimise the use of available energy resources among the Member States and to support one another during emergencies.

SAPP primarily aims to provide reliable and economical electricity supply to the consumers of each of the SAPP members, consistent with the reasonable utilisation of natural resources and the effect on the environment.

Its objectives are to provide a forum for the development of a world class, robust, safe, efficient, reliable and stable interconnected electrical system in the southern African region; co-ordinate and enforce common regional standards of quality of supply, measurement and monitoring of systems performance; facilitate the development of regional expertise through training programmes and research; increase power accessibility in rural communities and implement strategies in support of sustainable development priorities.

SAPP is based in Harare, Zimbabwe.

2. Transport Sector

Association of Southern African National Road Agencies (ASANRA)

The Association of Southern African National Roads Agencies (ASANRA) is an umbrella body of national roads agencies in the SADC region established in March 2001 in line with the SADC Protocol on Transport, Communications and Meteorology.

ASANRA was established with the essential purpose of enhancing regional policy coordination and road transport systems integration in order to improve intra-regional road transport efficiency and lower transport costs. Malawi was selected to host the permanent secretariat of the association. The secretariat office is temporarily located in the Malawi National Roads Authority offices in Lilongwe.

ASANRA full members are the National Road Agencies in the SADC region and associate members include educational institutions, private sector and other interested parties.

Federation of East and Southern African Road Transport Associations (FESARTA)

FESARTA is a truckers' representative body in the East and Southern African region, and was founded in 1993 by member associations of Malawi, South Africa, Zambia and Zimbabwe. It is registered in South Africa and Zimbabwe as a Section 21 company.

FESARTA aims to actively support the members' national road transport associations, to strengthen the less-developed associations and to encourage the formation of associations in countries where none exist. The ultimate goal of FESARTA is to actively propose, promote, support or oppose, as may be deemed expedient, legislative or other measures to improve the efficiency of regional road transport services, through national governments, COMESA and SADC.

FESARTA members include the National Road Transport Associations (NRTAs) in the member states of the SADC and COMESA region.

Port Management Association of Eastern and Southern Africa (PMAESA)

PMAESA was established in July 1973 under the auspices of the United Nations Economic Commission for Africa (ECA).

The main objectives are to improve, co-ordinate and standardise African port operations, equipment and services with a view to increasing their efficiency in relation to ships and other forms of transport in Africa; to improve relations with other transport organisations, sub-regionally or world-wide; and to provide a forum for members to share experiences and to exchange views on common problems and how best to tackle them.

PMAESA is based in Mombassa, Kenya and its members are: Burundi, Eritrea, Ethiopia, Kenya, Madagascar, Seychelles, Mauritius, Malawi, Mozambique, Namibia, Zimbabwe, Zambia, Rwanda, Tanzania, South Africa, Sudan, Reunion Island, Comoros and Djibouti.

Southern African Railways Association (SARA)

The Southern African Railways Association (SARA) is a non-profit organisation formed in April 1996 following recognition by SADC railways of the need to establish a strong lobby group to pursue fair surface transport competition.

Its main objective is to promote the railway industry in the SADC region by putting in place strategies for the improvement of the viability of the railway transport business through the provision of a safe, integrated, cost effective and predictable one-stop, seamless service to all international customers.

SARA also aims to promote regional and continental rail network connectivity; promote alliances for the exchange of technical information, strategies, skills development and training and to promote alliances with other modes of transport where the opportunities exist in order to achieve synergy and provide holistic logistical solutions.

SARA is based in Harare, Zimbabwe, and its railway network spans 11 countries: Angola, Botswana, DRC, Malawi, Mozambique, Namibia, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

3. Communications and Meteorology Sector

Communications Regulators' Association of Southern Africa (CRASA)

CRASA is a forum of communications regulators and other information and communication services stakeholders.

Formerly known as the Telecommunications Regulators' Association of Southern Africa (TRASA), CRASA has been in existence since September 1997. It was established within the framework of the SADC Protocol on Transport, Communications and Meteorology.

Its principal activity is to provide a platform for regulators to exchange ideas, views and experiences in all aspects of regulation of the information and communications sector. It also facilitates harmonisation of the regulatory environment for information and communications industry in the SADC region.

CRASA is based in Gaborone, Botswana, and has 13 members: Angola, Botswana, DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

Meteorological Association of Southern Africa (MASA)

The formation of the Meteorological Association of Southern Africa (MASA) was recommended in 2004 and is still at inception phase. The objectives of MASA include promoting technological and scientific cooperation among Member States, coordinating the sharing of ideas, views and experiences between members on all aspects of the development of meteorological services for regional, national, public and commercial purposes.

Southern African Postal Operators Association (SAPOA)

The Southern African Postal Operators Association (SAPOA) was formed in May 2001 in line with the SADC Protocol on Transport, Communications and Meteorology.

Its objectives are to develop and promote the reform and restructuring of the postal sector to meet customer needs and ensure efficiency, affordability and accessibility of the postal sector in the SADC region; to encourage investment, technological cooperation and cooperation in the field of training and human resources development among SADC Member States.

SAPOA also aims to coordinate and encourage exchange and sharing of ideas, views and experiences between Member States in all issues pertaining to postal development and facilitate rational utilisation of scarce resources in specialist areas associated with the postal sector.

SAPOA is based in Pretoria, South Africa and its membership is drawn from all SADC countries.



Southern Africa Postal Regulators Association (SAPRA)

SAPRA is a sub-regional postal regulatory body established under Article 13.13 of the SADC Protocol on Transport and Communications and Meteorology. It was inaugurated in May 2004.

The objective of SAPRA is to create an enabling environment to allow the postal industry to contribute to the economic and social development of the SADC region. SAPRA plans to work within the SADC framework to ensure maximum participation by Member States on various fronts such as logistics, commercial, cultural, tourism and general communication.

SAPRA has an important task of advancing the regional postal agenda and coordinating the SADC positions on the various technical postal issues. The contentious areas include, among others, extra-territorial offices of exchange, terminal dues, World Trade Organisation (WTO) issues and mail security issues.

SAPRA is based in Pretoria, South Africa, and its members are from SADC countries.

Southern African Telecommunications Association (SATA)

SATA is an association of telecom operators and ICT players in the SADC region. It was established in 1980 pursuant to the SADC Treaty and, subsequently, provisions of the SADC Protocol on Transport, Communications and Meteorology to coordinate the development of various regional Telecommunications and Information and Communication Technologies (ICT) infrastructure projects.

It coordinates regional activities on capacity-building, telecommunications services, telecommunications and ICT standards, telecommunications fraud management, traffic issues, and all other regional integration activities on telecommunications and information and communication technologies. SATA is based in Maputo, Mozambique, and its members are: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

4. Water Sector

International River Basin Organisations

Southern Africa has 15 transboundary river basins, among them such major river systems as the Congo, Zambezi, Limpopo and Orange. The management of such shared river basins requires coordination and cooperation between and among the several institutions and stakeholders.

The general framework for the management of shared river basins is provided by Article 5 of the Revised SADC Protocol on Shared Watercourses and is implemented through the SADC Water Division in the Infrastructure and Services Directorate. Article 5 of the protocol provides for the establishment of shared watercourse institutions such as river basin commissions, water authorities or boards to provide on a regular basis or as required by the Water Division, all information necessary to assess progress in the implementation of the provisions of the Protocol, which came into force in 2003.

Several bilateral and multilateral watercourse commissions, specialised river commissions, technical committees and development authorities responsible for the integrated management of transboundary watercourses have been set up by governments in the region to oversee the coordinated and sustainable use of international shared waters. These bi- and multi-lateral initiatives include, among others, the Zambezi Watercourse Commission (ZAMCOM), the Okavango Commission (OKACOM), Orange-Senqu Commission (ORASECOM) and the Limpopo River Commission (LIMCOM).

5. Tourism Sector

Regional Tourism Organisation of Southern Africa (RETOSA)

RETOSA was born out of a concept of regional tourism cooperation intended to develop the combined tourism interests of the 14 SADC Member States.

Key objectives include the need to increase the volume of business to the region; motivate broader intra-regional product programming in the target markets; increase the awareness of the travel trade in source markets of the region's multifaceted products; increase consumer awareness and motivation in southern Africa of the benefits of leisure travel in the region; develop and sustain a mutually beneficial relationship with suppliers in the region's markets; identify and develop market niches for the region and to identify additional funding sources for the organisation's marketing and promotional programmes.

RETOSA was formed in 1997 and is based in Johannesburg, South Africa. Members are: Angola, Botswana, DRC, Lesotho, Malawi, Mozambique, Mauritius, Namibia, South Africa, Swaziland, Tanzania, Zambia, Seychelles and Zimbabwe.

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Section C

MODEL IMPLEMENTATION MECHANISM

Comprehensive Framework for Cross Border Infrastructure Projects

The need to reduce transport and logistics costs, deepening economic integration by connecting production clusters and markets, has become a key driver of demand for cross-border infrastructure in southern Africa, as it has been the world over. Thus as the process of integration deepens in southern Africa, more cross-border infrastructure will be needed to facilitate the region's logistical challenges.

Experiences in many parts of the region, and in other parts of the world, have shown that cross-border infrastructure projects and programmes are very complex, and require a comprehensive, integrated framework to deal with inherent challenges facing such initiatives.

Approaches differ from project to project and sector to sector, but a model framework set out in this section is intended to guide implementation by providing an effective tool for planning and design that covers the key dimensions of political, economic and financial, as well as institutional factors that need to be addressed to ensure successful results within an appropriate timeframe.

This is based on the experiences of a number of projects in Member States as well as that of the Development Bank of Southern Africa, which is a primary funding agent of infrastructure initiatives in the SADC region.

Examples will be drawn from selected successful regional infrastructure projects including the Maputo Development Corridor, MOTRACO, NEPAD Infrastructure Broadband Network, and Lesotho Highlands Water Project.

The proposed model framework draws on these case studies and lessons learned, and seeks to address key challenges that are often encountered in the implementation of regional infrastructure projects and programmes.

This section will illustrate the need for the presentation of a model methodology for implementation that integrates the political factors and interventions that are necessary at this level, with the technical and financial aspects of implementation planning, that is, the "soft" support for the "hard" aspects of infrastructure development.

Political

Infrastructure is very political and cross-border infrastructure even more so because it invariably raises geopolitical issues.¹ A political decision by the leadership of the countries involved is necessary to open the way for any regional infrastructure project.


However, sustained political intervention at an appropriate level is even more critical if such a project is to be implemented efficiently and cost effectively within agreed timeframes.

SADC Member States have already achieved an important milestone with the leadership identifying the centrality of infrastructure in regional development and integration. A further step has been the identification of projects in the key sectors of energy, transport, telecommunications and ICTs, water and tourism.

Given the limitation of resources and other factors, a political decision is required to prioritise what should be the minimum infrastructure network in SADC. This is critical for clearing the current implementation backlog and unlocking the bottlenecks as well as attracting the necessary funding.

Due to the cross-border nature of these projects, two or more countries are involved and as such, a political decision is needed on who will act as the project sponsor in the interim phase.

¹ Haruhiko Kuroda (President of Asian Development Bank), *Infrastructure and Regional Cooperation*, paper presented at the Annual Bank Conference on Development Economics, Tokyo, Japan, 2006.



An official sponsor (which would ordinarily be a Cooperating Partner) will be established during the later stages when a joint legal entity or structure (commonly known as a Special Purpose Vehicle) has been jointly created by the countries involved.

The Special Purpose Vehicle can then transact on behalf of the participating countries, sourcing resources to fund each stage in the project preparation process.

Recognising this ideal, different legal systems can prevent the establishment of a single company across borders. This can be overcome by establishing separate companies in each sovereign territory answering to a holding company registered in the country that receives the greatest benefit from the project.

To create an enabling environment for the successful implementation of a project, the following outputs need to be achieved:

- Treaties or Memoranda of Understanding (MOUs) on the project concept and agreement to jointly develop the project;
- Approvals, permits and directives for the allocation of resources to the project; and
- Establishment of a Special Purpose Vehicle.

Lessons of experience show that the mere listing of a project as a NEPAD Short Term Action Plan (STAP) or SADC priority project does not ensure universal acceptance and equal priority between participating countries. Rather this refers to, first, the political level and, second, the technocratic level. To obtain this, joint committees/commissions and task teams should be established through which the political commitment will be pursued in each country.

Specific, documented, announcements or declarations must be made by participating Governments on the decision to proceed with the project. This is done through the signing of Treaties and Memoranda of Understanding. The necessary approvals, permits and consents need to be given by the respective Governments to their executive institutions, and a mechanism put in place for tracking progress and results.

Economic and Financial

For any regional infrastructure project, the economic and financial factors need to be carefully analysed through pre-feasibility and feasibility studies. Pursuant to regional integration, the viability of a project needs to be established through the following criteria commonly used by Governments and Cooperating Partners:


- Contribution to economic development;
- Commercial and financial requirements;
- Technical design requirements; and
- Impact of the project on the social fabric and the environment within the project's area of influence.

Due to the transboundary nature of most regional projects, there are complexities relating to costs and benefits, long-term and sometimes indirect impacts, public good attributes and capital intensities.

A cross-border infrastructure project can contribute to and form sub-components (such as bridges) of overall regional networks such as roads. It is therefore crucial to isolate, technically, a section of such a network and to translate it into a stand-alone project that contributes to the efficiency and enhancement of the total network.²

Pre-feasibility studies are needed to produce reports that facilitate a decision on whether to proceed with a project or not. This process requires close collaboration between the countries involved and cooperating partners.

2 While a project can be of any size it must be recognized that potential international investors are currently looking towards minimum investments in the order of US\$30 million, this being a desired minimum for economies of scale within internal credit committees. For toll roads to be financially self-sustainable in the Southern African case, it requires a project to have an Annual Average Daily Traffic Flow of 4,000 vehicles per day at commencement. It is thus a desired aim to package together sections of road which will cross-subsidize from lengths of higher volume to lengths of lower volume. In the Southern African experience, 500km represents a useful length for a toll road project.



Once a pre-feasibility study produces a positive report, then a proper feasibility study will be done to determine, under different scenarios and approaches, the viability of a proposed venture. The sum total of these processes is a set of economic, financial and commercial, and technical feasibility reports.

If feasibility reports are in the affirmative, the next step is to undertake environmental and social impact assessments.

The economic and financial analyses are also necessary to determine the distribution of costs and benefits among the various stakeholder groups or countries.

Institutional

For the implementation of large projects of a cross-border nature, the “soft” aspects of the infrastructure development are important in supporting the development of the “hard” physical infrastructure. For example, the complex nature of the projects requires proper institutional coordination. This can be achieved through means such as Special Purpose Vehicles set up by the countries involved. Other institutional factors relate to capacity building for Member States, the SADC Secretariat and the implementing agencies.

Institutional coordination is required to address various “soft issues” such as policies, regulations, procedures, technical standards, environmental and safety requirements and debates. Equally important is the use of institutional mechanisms to build consensus among all stakeholders in the countries involved.

The infrastructure thematic groups recommended through the Windhoek Declaration of April 2006, involving SADC and its partners to spearhead and coordinate infrastructure development in particular sectors, is an important institutional arrangement.

Thematic groups in the Water, Transport, and Energy Sectors have since been established and have facilitated pooling of resources from International Cooperating Partners and coordination of infrastructure development.

Overall, an institutional arrangement is needed to coordinate and integrate all the important political, economic and financial dimensions of cross-border infrastructure projects.

Critical Success Factors for Regional Projects

- Political will from participating States;
- Project must be transboundary in nature;
- Need for formal agreement by all participating countries to implement the project. Experience has shown that implementation is most effective when championed by the Head of State or Government;
- Feasibility study meets the requirements of a cost/benefit analysis;
- If private sector funded, the feasibility study needs to meet minimum thresholds of viability;
- Joint financing is preferred, while execution by the same contractor on a transboundary basis is also preferred;
- An enabling, facilitating environment for private sector participation in the project, especially response and facilitation to enquiries and follow up; and
- An appropriate enabling environment with acceptable institutional framework relating to regulatory, legislative and other policy frameworks and relevant enabling instruments.



SADC Guidelines for Preparation of Regional Projects

1. Determination of the Priorities

The inception of regional projects is informed by the minimum network requirements that can effectively support the SADC Customs Union and Common Market, as defined by: the Regional Trunk Road Network (RTRN); the Inter-Regional Railway Network (IRRN); the Southern African Power Pool (SAPP) Plan; the SADC Corridor Development Programme; the SADC Corridors Transport and Trade Facilitation Programme; the SADC Regional Information Infrastructure (SRII); the Regional Strategic Water Infrastructure Development Programme (RSWIDP); and the Trans Frontier Conservation Areas (TFCAs) Development Programme. As these long term plans are unpacked, individual projects within this framework can be identified.

2. Project Development

Once a project is derived from the regional plan, a project brief is prepared by the Secretariat and this contains details relating to name, description, objective, costs, participating countries and status.

3. Member States Commitment on a Transboundary Configuration Basis

Member States negotiate the structure of the projects and the scope of the physical works, under the coordination of the Secretariat. Member States are encouraged to sign a Memorandum of Understanding to jointly execute the project, preferably at the level of the Heads of State (eg the Kazungula Bridge), if speedy implementation is desirable.

4. Project Preparatory and Feasibility Stage

The Secretariat solicits for funding of the project to cover upstream and downstream project preparation, packaging and undertaking of feasibility studies, as well as the Environmental Impact Assessment Study. In the case of power projects, a Power Purchase Agreement (PPA) may be required as an integral part of the feasibility study. At this stage, project definition is undertaken comprising comprehensive project description, technical details, market and service related issues, stakeholder involvement and anticipated investment values and proposed preliminary implementation milestones.

5. Regional Approval of the Transboundary Project

A project has to be approved by Council of Ministers as a priority regional project. Such a project will then be submitted to NEPAD for inclusion in the NEPAD Short Term Action Plan (STAP), the most significant basis on which a regional project can be funded by partners.

A Feasibility Study at this stage would seek to confirm the contribution to economic development, commercial and financial requirements, design requirements and overall socio-economic impact of the project.

Consideration by, among others, the NEPAD Infrastructure Project Preparation Fund (IPPF) Oversight Committee and the DBSA/AFD Project Preparation and Feasibility Study (PPFS) Steering Committee then takes place, for allocation of funding for the Feasibility Study as well as the Environmental Impact Assessment Study.

Feasibility studies may be combined with a design component for the infrastructure to be used for invitations for the Expression of Interest for financing and construction of the infrastructure.

The Memorandum of Understanding (or equivalent) facilitates the creation of a legal entity, commonly referred to as a Special Purpose Vehicle (SPV), comprising the participating Member States and the Secretariat, to oversee and manage the project on behalf of the participating countries.

6. Transaction Advisory Service

A Transaction Adviser is selected to put together the funding structure and a Project Developer or Implementer is appointed. A preferred Bidder is procured, followed by negotiations leading to an agreement to participate in the project.

7. Project Construction

The preferred Bidder implements the project construction, regular project review is undertaken, and monitoring reports provided. At this stage, normal project management prevails, funded by the services contract.

Case Studies

Energy

WESTCOR

The Western Power Corridor (Westcor) Project is a joint venture to link the power systems of Angola, Botswana, DRC, Namibia and South Africa.

Westcor was approved by the SADC Council of Ministers in October 2002, followed by an Intergovernmental Memorandum of Understanding and an Inter-utility Memorandum of Understanding, signed in October 2004. These agreements provided for the formation and registration of a company to be responsible for the development, management, maintenance, operation and promotion of the project.

Council has since directed that participation in the Westcor Project be broadened to include all SADC Member States.

In September 2005, a shareholders agreement was signed by the power utilities of the five SADC Member States directly involved.

The aim of Westcor is to harness the extensive water resources of the Congo River at Inga in DRC, to produce and supply electricity, initially for the five countries involved, but ultimately to the entire SADC region.

The project will comprise the construction of a 3,500MW hydroelectric dam, a power transmission line and a telecommunications line at an estimated cost of US\$7 billion.

Funding for the project is to be sourced from DBSA, AfDB and other international cooperating partners.

A project office has been established in Gaborone, Botswana, operating under a not-for-profit company registered in that country. Planned activities include pre-feasibility and feasibility studies as well as solicitation for financial resources.

There is urgency to fast track the studies and prepare the project for financial closure. A key proposal for discussion and approval is to call for expressions of interest and for proposals from professional advisors, consultants and contractors.

The plan is to bring in financial, economic, legal and risk advisors, engineering and environmental impact assessment consultants.

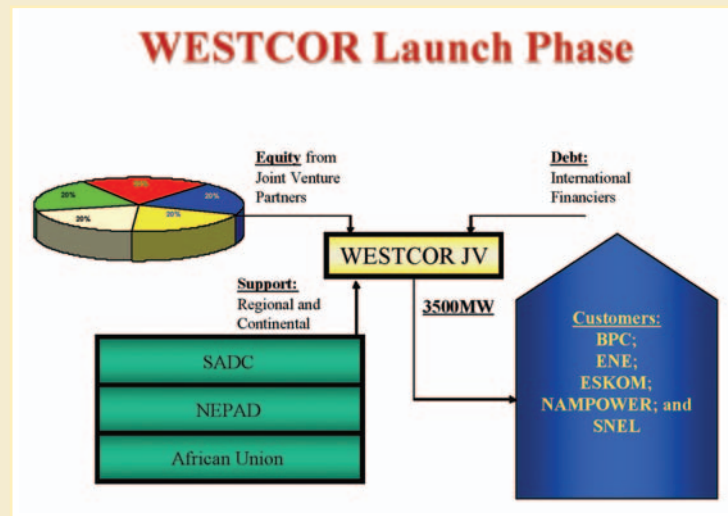
The emerging operational constraint is the delay in sourcing grant funding from the development banks.

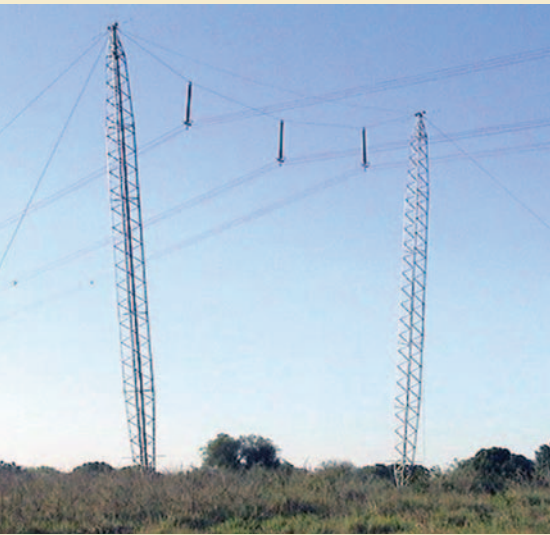
MOTRACO

The Mozambique Transmission Company (MOTRACO) is a joint venture involving the utility companies of Mozambique, South Africa and Swaziland.

The company was registered in Mozambique in 1998 as a Special Purpose Vehicle for Electricidade de Moçambique (EDM), South Africa's Eskom and the Swaziland Electricity Board (SEB).

Having established that it had abundant aluminium resources that could be tapped for the economic benefit of its citizens, the government of Mozambique signed an agreement with Alusaf for the establishment of an aluminium smelter (Mozal) in the country in March 1998. Such smelters, by their nature are electricity intensive and Mozal was projected to initially require 900MW.





However, EDM did not have the capacity to supply the required power and sought to import from Eskom. Given the involvement of Eskom, and the fact that the powerlines had to pass through Swaziland, a special dispensation was required, hence the creation of MOTRACO.

Prior to the establishment of the company, the governments of Mozambique and South Africa had signed an Inter Governmental Memorandum of Understanding in January 1997 for, amongst other issues, the development of high voltage transmission lines in Mozambique.

To facilitate the implementation of the project, concession contracts were entered into between MOTRACO and the three governments for:

- Design, financing, construction and ownership of transmission lines;
- Importation of energy for direct sale to Mozal;
- Transportation of energy on behalf of EDM, SEB and ESKOM; and
- Establishment of a fiber optic cable network to ensure the reliability of electrical supplies to the aluminium smelter.

Through the Special Purpose Vehicle, a workable institutional arrangement was established between the public and private sector for the development of the required regional infrastructure necessary to create employment and enhance industrialization and mining.

There is also linkage to the Hillside Aluminium smelter at Richards Bay in South Africa. This ensures a regional synergy in aluminium production and export from two different countries.

The active involvement of the governments and their respective utilities has been crucial in ensuring that the project fulfils its objective.

Transport

Maputo Development Corridor

The Maputo Development Corridor was the first of the Spatial Development initiatives (SDIs) to be implemented, beginning in 1995. This links Gauteng province of South Africa to the port of Maputo in Mozambique.

Developments along the corridor have focussed on rehabilitation and upgrading of the traditional trade and transport links as a basis for broad economic development. The road, railway and port infrastructure and operations have been concessioned in Mozambique.

Private sector participation plays an important role in the corridor, particularly investment in the construction of a toll road linking Gauteng Province in South Africa to Maputo (the N4 toll road), and the improvement of rail and port operations in Mozambique.

The infrastructure rehabilitation of the Maputo Development Corridor in a Public Private Sector Partnership across two neighbouring countries is a typical example of the impact of intra-region-

al trade that has made a huge difference to the lives of many people in the SADC region. The corridor has also opened up a transit route for the landlocked South African regions of Gauteng, Mpumalanga and Limpopo as well as Swaziland and Zimbabwe, offering access to international markets while at the same time reducing the cost of doing business.

Other major private sector investments include the Mozambique Aluminium Smelter (MOZAL), the Maputo Iron and Steel Plant, Beluluane Industrial Park and various natural gas industry projects. It is estimated that the corridor developments have generated more than 15,000 jobs.

The Maputo Corridor Logistics Initiative (MCLI) was launched in 2004 as a Public Private Sector Partnership to create greater awareness and utilisation of the corridor. Its members are freight logistics stakeholders from Mozambique, South Africa and Swaziland.

The MCLI promotes greater utilisation of the Corridor by current and future investors and other users, and ensures that the remaining constraints are addressed.

The MCLI has emerged as one of the most vibrant and inclusive private-sector-driven corridor institutions in southern Africa.

Despite an estimated US\$3 billion investment in infrastructure rehabilitation and anchor projects during the early phases of the Corridor development, effective utilisation of the cross-border facilities has been hampered by the absence of a 24-hour, one-stop border post.

This situation has been exacerbated by lack of engagement between investors, users, service providers and the public sector. Constraints at the border post have tended to retain existing traffic by further ports such as Durban.

The extensive private sector investment in the road, port and terminals needs to be matched with investment at the border post to address infrastructure, process, systems and human capacity constraints in order to make the corridor more cost-effective. Thought might also be given to operating rail routes in this scenario on a regional basis.

There was and continues to be a measure of cross financing between Mozambique and South Africa. This is a win-win situation for the countries involved and, even if the two portions of the toll road are operated by two different companies responding to different legal frameworks, smooth coordination is guaranteed from the holding company, in this case registered in South Africa.

The MCLI provides a formalised institutional framework through which the private and public sectors can constructively engage to ensure the remaining constraints are addressed.

Trans Kalahari Corridor

The Trans Kalahari Corridor (TKC) was born out of a political and economic vision of pursuing deeper regional integration within the framework of SADC, SACU and indeed NEPAD.

The flagship of the corridor is the Trans Kalahari Highway commencing at Namibia's Port of Walvis Bay through Botswana to the South African industrial hub of Gauteng. The TKC links up with the Maputo Corridor to reach the Port of Maputo in Mozambique, making it a Coast-to-Coast Corridor.

The corridor provides a shorter transport link across the entire breadth of the southern African sub-continent, presenting opportunities to increase trade volumes between Southern Africa and the rest of the world.

Pursuant to the SADC Transport Protocol, the Governments of Botswana, Namibia and South Africa established a Trans Kalahari Corridor Planning/Management Committee in 1999.

On 3 November 2003, Ministers responsible for Transport from the three Member States signed a Memorandum of Understanding (MOU) on the Development and Management of the Trans Kalahari Corridor.





The MOU provides for the TKC Management Committee (TKCMC) which coordinates regulatory requirements and plays an oversight role on the conduct of business in the corridor. The TKCMC also acts as the regional corridor facilitation committee, as provided for in the SADC Protocol on Transport and Meteorology.

The TKCMC is a PPP institutional arrangement comprising stakeholders from all the three countries, drawn mainly from departments of transport, customs and immigration, road carriers, port authorities and freight forwarders.

The TKCMC is supported by a Permanent Secretariat established on 1 March 2007 to oversee the day-to-day administration and operations of the corridor. The Permanent Secretariat is hosted by the Walvis Bay Corridor Group in Windhoek, Namibia.

Integrated transport and business development mechanisms have been agreed upon to harmonise axle load limits, standardise weighbridge equipment, establish freight villages and one-stop border facilities, and adopt a regional bond guarantee scheme, among other plans.

HIV and AIDS wellness centres are planned at locations to be identified along the corridor.

At its meeting in June 2007 in Gaborone, Botswana, the TKCMC agreed to have a feasibility study for the planned Trans Kalahari Rail Line (TKRL) with support expected from International Cooperating Partners.

Once implemented, the TKRL is expected to complete the rail link between Botswana, Namibia and South Africa to compliment the existing road network along the corridor.

Since its establishment in 2003, the TKC has streamlined legislation and harmonised customs procedures to facilitate the smooth flow of transit traffic along the route. These processes have seen the implementation of a Single Administrative Document (SAD 500) with supporting uniform procedures applied along the corridor.

Operating hours have been extended from 2200hrs to midnight at the Mamuno (Botswana) and Trans Kalahari (Namibia) border posts. The same set of operating hours is now being discussed for extension at Pioneer Gate (Botswana) and Skilpadshek (South Africa).

A single bond has been agreed and implemented to cover the movement of goods along the entire corridor, replacing the cumbersome multiple bond system that existed previously.

The political commitment and joint efforts of the countries involved have strengthened the TKC from a seriously underutilized infrastructure as of 1999 to a vibrant trade route today. The TKC utilisation by commercial traffic has trebled since 2000.

TKC's success can be attributed to the inherent political will by the three Governments, as well as the involvement of the private sector in a Public-Private Sector Partnership arrangement comprising stakeholders from all the three countries, drawn from transport, customs and immigration, road carriers, port authorities and freight forwarders.

The TKCMC is supported by a Permanent Secretariat, and integrated transport and business development mechanisms have been agreed upon. Flexibility has been shown by the parties regarding the operating hours of the border posts.

The innovation of planned HIV and AIDS wellness centres along the corridor is an initiative to be monitored and evaluated.

Kazungula Bridge

This is a SADC high-priority, NEPAD flagship project to construct a bridge at the common border between Botswana, Zambia and Zimbabwe. The project was conceived pursuant to the regional goal of providing adequate, integrated and efficient transport infrastructure and services.

In 2006, the Presidents of the three Member States signed a Memorandum of Understanding (MOU) signifying their commitment to greater intra-regional trade and the cross-border movement of persons. A Technical Steering Committee has been established to oversee the project.

To be built at an expected cost of US\$70 million, the bridge will complete a missing link in the Regional Trunk Road Network. A one-stop border control facility will be put in place at the bridge once the construction and administrative work is complete.

Project feasibility was done in 2001 with support from Japan. The project will be financed on a Built-Operate-and-Transfer (BOT) basis, with funding expected from the African Development Bank and other partners. The MOU provides for equal contributions toward the “costs of the design and construction of the bridge and the border control facilities” by the three countries.

Commitment at the highest level by the countries involved has provided tremendous impetus to the implementation of the project. Without this political intervention, the project could have taken much longer.

Parallels can be made with other cross-border bridges such as the Katima Mulilo Bridge between Namibia and Zambia, or the Chirundu Bridge between Zimbabwe and Zambia, as both facilities are moving towards becoming one-stop border facilities.



Bird's-eye View of Border Control Facilities

Communication, ICT and Meteorology

SADC Region Information Infrastructure (SRII) Project

The main objective of the project is to provide the necessary telecommunications infrastructure connectivity within the region as well as to bridge the digital gap between the developed world and developing countries.

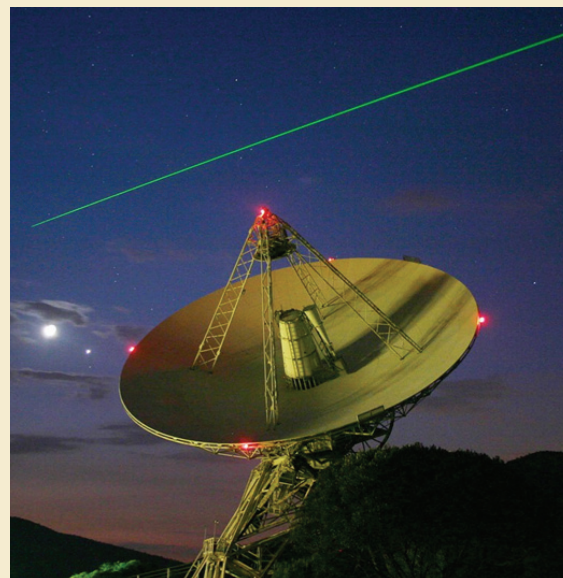
The project is being implemented by the Southern African Telecommunications Association (SATA). The SRII is a two-phased project comprising of:

- transmission links to interconnect the SADC Member States with state-of-the art, fibre optic transmission back-bone systems; and
- the Intelligent Nodes (IP switches, Internet and IP networks), including Next Generation Networks (NGN) to switch, monitor, route and direct traffic within and outside the region.

The first part, which involved replacement of analogue transmissions with digital transmission systems and upgrading of the same, has been completed.

The project to put fibre optic technology on all regional transmission highways is at an advanced stage, with about 75 percent of the links completed. The design work for the second part of the project, *ie* Intelligent Nodes supported and financed by the International Telecommunications Union, has been completed and resource mobilisation to undertake the project is underway.

The Eastern Africa Submarine Cable System (EASSy) Backhaul transmission links is a sub-project of the SRII Project that was not covered during the SRII project feasibility study. However, with the knowledge of the upcoming EASSy Cable, SATA established a working group on this issue and a minimum network was identified that, if implemented, will connect all SADC land-locked countries to the submarine cable(s).



The working group, with assistance from the SATA Secretariat, negotiated with the African Development Bank for financial support to update the feasibility study of the minimum network. The bank has approved funds for the study. All SATA Backhaul links to the EASSy are expected to be operational by the end of 2008.

SATA has so far developed three telecommunications training institutes in the region. These are Botswana Telecommunications Academy, TelOne Centre for Learning in Zimbabwe, and Telecom Training Institute of Mozambique.



Water

Lesotho Highlands Water Project

The Lesotho Highlands Water Project (LHWP) is a development initiative between Lesotho and South Africa. The project was envisaged as early as the 1950s but only became a reality in October 1986 with the signing of the LHWP Treaty.

The project is on the Senqu-Orange River in Lesotho and diverts the river flow to South Africa's industrial capital, Johannesburg. The Project was designed in four phases. Phase 1 is now complete and the feasibility study for the second phase is underway.

Although the project predates the SADC Shared Watercourses Protocol and the Regional Strategic Action Plan (RSAP), it demonstrates how the ideals expressed in these documents can be achieved, particularly in terms of effective contribution to regional integration and cooperation.

The project management structure is spearheaded by a Joint Permanent Technical Commission which was created by the two governments and is now known as the Lesotho Highlands Water Commission. The Commission oversees the implementation and operation of the project in Lesotho and South Africa.


Two implementing agencies were also established, namely the Lesotho Highlands Development Authority (LHDA) and the Trans-Caledon Tunnel Authority (TCTA).

The TCTA, which started with very limited financial powers to provide the cross-border delivery tunnel, has grown from the base to become the borrowing/lending arm of South Africa's Department of Water Affairs and Forestry. In this role it has successfully raised R6 billion to support water project and programme development in other areas of South Africa.

Under the LHWP Treaty obligations, South Africa pays for all capital cost related to the water transfer. This includes costs incurred in Lesotho which are funded by loans raised by LHDA. Approximately US\$2 billion in capital cost was solicited from several sources to support the implementation of the first phase of the project. The sources included short and long term private capital and development funds from DBSA, World Bank and CMA as well as resources from the two governments.

Crucial to the success of raising the necessary finance was the establishment of an effective and independent LHDA treasury which is based in Maseru.

Phase 1 of the project which has now been implemented comprises construction of two dams (Katse and Mohale), roads infrastructure linking and opening up the highlands of Lesotho to the lowlands and surrounding regions of South Africa, for transportation of people and materials needed in the construction of various infrastructure. Other infrastructure include the 190m high intake tower, hydropower plant, power lines and telecommunications networks, access bridges, Matsoku Weir and several connecting tunnels that convey water to the areas of need in South Africa.



Social services such as construction of schools, clinics, protection of heritage sites were also provided.

The entire Phase 1 implementation was carried out within the framework of strict environmental impact assessment and mitigation measures. A comprehensive compensation programme was put in place for affected communities, including cash payments as well as new houses and sanitation facilities.

The Lesotho Highlands Water Project is a pioneer large-scale transboundary infrastructure project from which important lessons, some of which were learnt the hard way, can be drawn for future water projects in the region.

The project demonstrates how the ideals of the planning frameworks can be achieved and contribute to regional integration and cooperation.

With hindsight this project could well have been a very effective PPP.

Kunene Transboundary Water Project

The project is a joint initiative of Angola and Namibia with financial support of the German Government through KfW.

The project involves the upgrading of water pumps at a huge reservoir under the Cuvelai Water Scheme at Oshakati that provides water to north-central Namibia and to parts of southern Angola.

The scheme will serve a target population of 111,000 in the border villages and towns in the two countries. Bulk water will be collected from Calueque Dam on the Cunene River in Angola for treatment at central locations in both countries, before it is distributed to the surrounding villages and towns.

The successful implementation of this relatively small pilot project will help to intensify combined efforts for solving the more complex water resources problems in the region through the Cuvelai Basin Commission.

Opportunities provided by this project include:

- The required bulk supply of potable water for this project would be readily available at the border in Oshikango/Santa Clara;
- NamWater's experience as a water operator will benefit counterparts in Angola during preparation of the project, construction and operation of the system;
- The transmission main from Oshikango to Ondjiva would be an initial but integral part of a future bigger Calueque-Oshakati-Ondjiva-Xangongo integrated ring main supply network.

Although the physical execution of the infrastructure project will be undertaken mainly in Angola, there is a cost-sharing arrangement that has been agreed on by all parties concerned.

The German Government will contribute the bulk of the required resources up to 12 million euros, while internal resources from Angola and Namibia will account for contributions of 4.8 million euros and 1.1 million euros respectively.

Other contributions in kind will be in the form of land to be acquired for the project.

NamWater will assist with the establishment of a water utility company on the Angolan side to manage the operations and maintenance of the systems once developed.

A tripartite agreement involving the two ministries responsible for water in the two countries and the SADC Secretariat will be concluded to provide the legal and institutional framework for implementation of the project. The Permanent Joint Technical Committee will be the implementing agency on behalf of the two countries.

Lessons to be learned from the implementation of this unique project will be very useful for planned projects in other parts of the SADC region.

Constraints range from an absence of centralised water supply systems, lack of capacity on the Angolan side, to the multiplicity of stakeholders including a number of Angolan and Namibian ministries, the provincial and local administrations, NamWater, SADC and KfW. The co-operation among the parties involved needs to be strengthened.



Tourism

Promotion of Transfrontier Conservation Areas

SADC Member States have demonstrated unequivocal political will towards biodiversity conservation and tourism development by entering into various agreements establishing Transfrontier Conservation Areas (TFCAs).

The Protocol on Wildlife Conservation and Law Enforcement adopted in 1998 and the 1999 Protocol on Development of Tourism provide the legal and policy framework necessary for this regional approach to development.

SADC has also accepted the TFCA principle as an outreach programme that includes rural areas and communities in the deeper regional integration agenda in its drive to meet the Millennium Development Goals (MDGs). Joint management of natural resources and joint tourism development through TFCAs offers opportunities for local communities.

While the establishment and development of TFCAs is the responsibility of the individual Member States, the Regional Tourism Organisation of Southern Africa (RETOSA) offers coordination and facilitation for integrated marketing of TFCAs as unique tourism destinations.

TFCAs are spearheaded by the private sector, and to a lesser extent by international NGOs, with the public sector providing the enabling environment.

The Kgalagadi Transfrontier Park (KTP) was the first formal transboundary protected area in Africa, which was established through an agreement signed in April 1999 between the Governments of South Africa and Botswana, and officially opened in May 2000. As many as 20 existing and potential TFCAs have been identified in the region and are at various stages of development or conceptualisation.

Challenges include disparities in financial and human resource capacities that often hamper joint management efforts. The free movement of animals and persons as promoted by TFCAs presents security and health challenges.

The successful operation of TFCAs requires permanent, dedicated local, national and regional institutional structures and arrangements and these have not always been available.



General Conclusions on Lessons Learned

Based on the above case studies and experiences elsewhere, some general conclusions can be drawn with respect to lessons learned:

- Fundamental to success of cross-border projects is the sustained political intervention, often at the highest level – even in cases where the private sector plays a leading role. This is necessary for creating an enabling environment and credible policy framework, risk sharing as well as direct or indirect financial support.
- Need for formal agreement between the countries involved either through an MOU, or better still a Treaty, which provides focus and continued terms of reference for ongoing development and harmonisation over long time horizons.
- Need for a formalised institutional arrangement such as Special Purpose Vehicles that can transact on behalf of the Member States and through which the private and public sectors as well as other stakeholders can constructively engage in the project.
- Public Private Sector Partnerships that have been most successful in SADC and other parts of Africa have been characterised by thorough planning, good communication, strong commitment from parties involved and effective monitoring, regulation and enforcement by government.
- Due to the magnitude and complex nature of the projects, there are often human and financial resource capacity constraints which need to be identified and appropriate steps taken to source the resources regionally or from outside. This extends particularly to having competent, effective and impartial transaction advisors.
- Tight monitoring mechanisms need to be put in place to avoid corrupt practices by all parties involved.
- There is need for an external audit body to undertake routine audits during implementation, and upon completion.
- Leaders would need to talk openly with their citizens about their inability to continue to offer free, undervalued or heavily subsidised services, and their plans for holding the private sector accountable for providing these services. In this regard, continuous transparency is crucial.
- Constructive dialogue and consensus building among the parties involved are crucial processes, particularly with the affected communities. This includes multi-stakeholder participation from the early project planning through to implementation stages. Media is a key partner in this regard for awareness raising and community building.
- Fundamental to the success of most cross-border projects is the need for governments to undertake thorough feasibility studies that address the issues of affordability, value for money and risk transfer.
- Environmental sustainability is essential and there is need for effective compensation programmes that do not create a dependency syndrome among affected communities.
- Cross-border infrastructure projects are often complex and costly but if efficiently and effectively implemented and managed, they can offer long term benefits to the public and private sectors as well as to consumers.
- The greatest success has been in areas such as communications, ports, transport and tourism, with limited success in power and water.
- However, with the correct regulatory framework and strong political commitment, trans-boundary projects offer significant benefits to government and good opportunities for investors and the people.

MECANISMO MODELO DE IMPLEMENTAÇÃO

Quadro Compreensivo para Projectos de Infraestruturas Transfronteiriças

Um quadro modelo estabelecido nesta secção pretende guiar a implementação, providenciando uma ferramenta efectiva para o planeamento e concepção que cobre as dimensões política, económica e financeiras chave, bem como factores institucionais que precisam de ser abordados para assegurar resultados bem sucedidos dentro dum prazo apropriado.

As infraestruturas são muito políticas e a infraestrutura transfronteiriça ainda mais porque invariavelmente levantam questões geográficas. Uma decisão política pela liderança dos países envolvidos é necessária para abrir o caminho para qualquer projecto de infraestruturas regionais. *Todavia, uma intervenção política sustentada ao nível apropriado é ainda mais crítica se tal projecto for implementado de forma eficiente e de custo efectivo dentro dos prazos acordados.*

Dada a limitação de recursos e outros factores, requer-se uma decisão política para priorizar o que deve ser uma rede mínima de infraestruturas na SADC. Isso é crítico para evitar a actual lista de atrasos de implementação e eliminar os constrangimentos, bem como atrair os financiamento necessário.

A inceptão de projectos regionais é enformada por requisitos de redes mínimas que podem efectivamente apoiar a União Aduaneira e o Mercado Comum da SADC como definido pela Rede Dorsal de Estradas Regionais (RTRN); a Rede de Caminhos de Ferro Inter-Regional (IRRN); o Plano do Grupo de Energia da África Austral (SAPP), o Programa de Corredores de Desenvolvimento da SADC; o Programa de Corredores de Transporte e Facilitação do Comércio da SADC; a Infraestrutura de Informação Regional da SADC (SRII); Programa de Desenvolvimento Estratégico de Infraestrutura de Águas Regional (RSWIDP), e o Programa de Desenvolvimento de Áreas de Conservação Transfronteiriça (TFCAs). À medida em que estes planos a longo prazo são explicados, os projectos individuais dentro deste quadro podem ser identificados.

MODÈLE DE MÉCANISME DE MISE EN OEUVRE

Structure Compréhensive pour les Projets d'Infrastructure Transfrontière

Une structure modèle présentée dans cette section a pour but de guider l'exercice de mise en oeuvre en fournissant un instrument efficace pour la planification et la conception qui englobe les dimensions principales politiques, économiques et financières, ainsi que les facteurs institutionnels qu'il est nécessaire d'aborder afin de garantir des résultats probants dans un délai approprié.

L'Infrastructure est une notion très politique et plus encore en ce qui concerne l'infrastructure transfrontière parce qu'elle soulève invariablement des questions géopolitiques. Une décision politique par les dirigeants des pays impliqués est nécessaire pour ouvrir la voie pour tout projet d'infrastructure régionale. *Cependant, une intervention politique soutenue à un niveau approprié est encore plus critique si un tel projet doit être mis en oeuvre de manière efficace et rentable dans des délais convenus.*

Étant donné la limitation des ressources et autres facteurs, une décision politique est obligatoire pour donner priorité à ce qui devrait être le réseau d'infrastructure minimum dans la SADC. Ceci est critique pour diminuer les retards actuels d'exécution, débloquer les goulets d'étranglement et attirer les fonds nécessaires.

L'inception de projets régionaux est informée par les conditions préalables minimum du réseau qui peuvent effectivement soutenir le Syndicat de Douanes et le Marché Commun de la SADC, tels que définis par le réseau de routes inter-régionales (RTRN); le Réseau Ferroviaire Inter-Régional (IRRN); le Pool d'Énergie pour l'Afrique Australe (SAPP); le Programme SADC de Développement de Corridor; le Programme SADC de Facilitation des Corridors de Transport et Commerce; l'Infrastructure d'Information Régionale de la SADC (SRII); le Programme Régional de Développement d'Infrastructure Stratégique Hydraulique (RSWIDP) et le Programme de Développement des Zones TransFrontières de Préservation (TFCAs). Alors que ces plans à long terme sont dévoilés, des projets individuels sont identifiés au sein de cette structure.

Section D

IMPLEMENTATION ACTION PLAN FOR INFRASTRUCTURE DEVELOPMENT

In order to accelerate the implementation of transboundary infrastructure and ensure adequate connectivity of all Member States to enable the effective operationalisation of the Customs Union in 2010 and Common Market in 2015, the Heads of State shall consider an Action Plan which entails the following:


REGIONAL PROJECTS DEVELOPMENT

Prioritisation of transboundary projects into short, medium and long term, on which Member States shall enter into agreement for joint implementation and financing.

- Customized regional infrastructure development programme for Angola and DRC, and to a certain extent Mozambique, to be informed by an Infrastructure Needs Analysis Study for the affected countries, within the post-conflict reconstruction framework.
- Infrastructure Needs Analysis Study for Madagascar which should confirm its infrastructure development requirements as a new member of SADC, to be followed by the implementation of an infrastructure development programme, in particular routes to the ports, through which Madagascar is linked to other SADC States and the rest of the world.
- Development, packaging and feasibility studies of urgent priority regional infrastructure projects in all key infrastructure areas for presentation to NEPAD and Cooperating Partners including DBSA, ADB and World Bank as well as Development Finance Institutions in the Member States.
- Adoption of, among others, the Spatial Development Initiative (SDI) approach to cross border infrastructure development;
- Implementation of Corridor Transport and Trade Facilitation measures, focusing on minimising delays at border posts, harmonisation of customs documentation and procedures, and creation of one-stop border posts, in order to eliminate transport bottlenecks to and from the sea for the land-locked SADC Member States.
- Consolidation of existing sectoral infrastructure plans into the SADC Regional Infrastructure Development Master Plan.

FINANCING MECHANISMS

- Establishing partnerships with private sector in the context of Public Private Sector Partnerships (PPPs) to spread the burden of infrastructure financing, operations and management.
- Facilitation of the establishment of regional infrastructure Development Financing Institutions (DFIs) and mechanisms.
- Urgent finalisation of the SADC Project Preparation Development Fund to facilitate packaging of transboundary projects, Feasibility Studies and Environmental Impact Assessments, and subsequently market such projects to investment partners and consortiums.

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- According urgent priority to the development of appropriate institutions and bodies dedicated to regional funding for regional infrastructure.

POLITICAL INTERVENTIONS

- **Creation of an enabling environment** pertaining to an institutional framework, regulatory frame-work and other policy related imperatives, to enhance and enable private sector participation in regional infrastructure development.
- Development and signing of accords by participating Member States (preferably at the level of Heads of States) committing themselves to **jointly source financing and implement transboundary infrastructure projects** within agreed timeframes.

INSTITUTIONAL MECHANISM FOR ACCELERATING IMPLEMENTATION

- Strengthening the role of regional associations and bodies (e.g. SAPP, SATA, ASANRA, SARA and PMESA) in the implementation of regional infrastructure projects.
- Joint implementation of regional infrastructure projects among neighbouring regional economic communities (RECs).
- Creation of a well-capacitated Project Implementation Unit (PIU) within the Secretariat to assist Member States with the coordination of development, packaging, prioritisation and joint implementation of regional infrastructure projects, in conjunction with development partners and Member States.
- Facilitation of capacity building for effective implementation of infrastructure projects at the level Member States, Secretariat, regional bodies and other implementing agencies.
- Establishment of a Ministerial Task Force to oversee the development of a roadmap for the implementation of transboundary infrastructure projects, reporting directly to Council and Summit on an annual or *ad hoc* basis as necessary.

IMPLEMENTAÇÃO DO PLANO DE ACÇÃO PARA O DESENVOLVIMENTO DE INFRASTRUTURAS


Para acelerar a implementação de infraestrutura transfronteiriça e assegurar uma conectividade adequada de todos os Estados Membros para permitir uma operacionalização efectiva da União Aduaneira, em 2010, e o Mercado Comum, em 2015, os Chefes de Estado considerarão um Plano de Acção que implica o seguinte:

DESENVOLVIMENTO DE PROJECTOS REGIONAIS

- Priorização de projectos transfronteiriços a curto, médio e longo prazos sobre os quais os Estados Membros entrarão em acordo para implementação e financiamento.
- Programas de desenvolvimento de infraestrutura regional desenhado para Angola e RDC, e de alguma forma para Moçambique, a serem enformados por um **Estudo de Análise de Necessidade de Infraestruturas** para os países afectados dentro do quadro de reconstrução pós-conflito.
- **Estudo de Análise de Necessidade de Infraestruturas para Madagascar** que confirmaria os seus requisitos de desenvolvimento de infraestruturas como um novo membro da SADC, a ser seguido pela implementação de um programa de desenvolvimento de infraestruturas, em rotas particulares aos portos através dos quais Madagascar é ligado aos Estados da SADC e ao resto do mundo.
- **Desenvolvimento, empacotamento e estudos de viabilidade de projectos de infraestruturas regionais de urgente prioridade** em todas as áreas chave de infraestruturas para apresentação ao NEPAD e Parceiros de Desenvolvimento, incluindo o DBSA, ADB e o Banco Mundial, bem como as Instituições Financeiras de Desenvolvimento nos Estados Membros.
- Adopção, entre outros, da abordagem de Iniciativas de Desenvolvimento Espacial (IDE) para o desenvolvimento de infraestruturas transfronteiriças;
- **Implementação de corredores de transporte e medidas de facilitação do comércio**, focalizando em atrasos mínimos nas fronteiras, harmonização de documentos e procedimentos aduaneiros, e criação de postos fronteiriços de balcão único para se eliminar congestionamentos de transporte do e para o mar para os Estados membro da SADC no *hinterland*.
- Consolidação dos existentes planos sectoriais de infraestrutura no Plano Mestre de Desenvolvimento de Infraestruturas Regionais da SADC.

MECANISMOS DE FINANCIAMENTO

- Estabelecimento de parcerias com o sector privado no contexto de Parcerias Público Privado (PPPs) para alargar o peso de financiamento, operação e gestão de infraestruturas.
- Facilitação do estabelecimento de Instituições de Financiamento de Desenvolvimento de infraestruturas regionais e mecanismos.
- Finalização urgente do Fundo de Desenvolvimento de Preparação de Projectos da SADC para facilitar o empacotamento de projectos transfronteiriços, Estudos de Viabilidade e Estudos de Avaliação Ambiental, e subsequentemente fazer o marketing de tais projectos junto de parceiros de investimento e consórcios.

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- **Conceder prioridade urgente ao desenvolvimento de instituições e organismos apropriados** dedicados ao financiamento regional para infraestruturas regionais.

INTERVENÇÕES POLÍTICAS

- **Criação dum ambiente favorável** ligado a um quadro institucional, quadro de regulamentação e outros imperativos de políticas relacionadas para melhorar e favorecer a participação do sector privado no desenvolvimento de infraestruturas regionais.
- Desenvolvimento e assinatura de acordos pelos Estados membros participantes (de preferência ao nível dos Chefes de Estado) comprometendo-se a **conjuntamente procurar o financiamento e implementação de projectos de infraestruturas transfronteiriços** dentro dos prazos acordados

MECANISMOS INSTITUCIONAIS PARA ACELERAR A IMPLEMENTAÇÃO

- **Fortalecimento do papel de associações e órgãos regionais (por exemplo, SAPP, SATA, ASANRA, SARA e PMESA)** na implementação de projectos de infraestruturas regionais.
- Implementação conjunta de projectos de infraestruturas regionais entre as comunidades económicas regionais (CERs) vizinhas.
- Criação de uma Unidade de Implementação de Projectos (UIP) bem capacitada dentro do Secretariado para assistir os Estados membros com a coordenação de desenvolvimento, empacotamento, priorização e implementação conjunta de projectos de infraestruturas regionais, conjuntamente com os parceiros de desenvolvimento e Estados membros.
- Facilitação da capacitação para uma implementação efectiva de projectos de infraestruturas ao nível de Estados membro, Secretariado, órgãos regionais e outras agências implementadoras.
- Estabelecimento duma Força Ministerial de Acção para monitoria do desenvolvimento dum roteiro para a implementação de projectos de infraestruturas transfronteiriças, reportando directamente ao Conselho e Cimeira numa base anual ou *ad hoc* sempre que necessário.

PLAN D'ACTION DE MISE EN OEUVRE POUR LE DEVELOPPEMENT D'INFRASTRUCTURE


Afin d'accélérer la mise en place d'infrastructure transfrontalière et d'assurer une connectivité adéquate de tous les Etats Membres pour permettre l'opérationnalisation du Syndicat des Douanes en 2010 et du Marché Commun en 2015, les Chefs d'État devront examiner un Plan d'Action qui comporte ce qui suit:

DÉVELOPPEMENT DE PROJETS RÉGIONAUX

- Donner la priorité aux projets transfrontaliers à court, moyen et long terme, sur lesquels les États Membres doivent convenir d'une exécution et financement joints.
- Personnaliser le programme régional de développement d'infrastructure pour l'Angola et la RDC, et dans une certaine mesure le Mozambique, être informé au moyen d'une **Étude Analytique des Besoins d'Infrastructure** pour les pays affectés, au sein de la structure de reconstruction post-conflit.
- **Étude Analytique des Besoins d'Infrastructure pour Madagascar** qui devrait confirmer ses conditions préalables de développement d'infrastructure en tant que nouveau membre de la SADC, suivi de la mise en oeuvre d'un programme de développement d'infrastructure, en particulier les artères routières desservant les ports, par lesquelles Madagascar est lié aux autres États de la SADC et au reste du monde.
- **Études de développement, présentation et faisabilité de projets d'infrastructure régionaux prioritaires** dans tous les domaines d'infrastructures clés pour présentation au NEPAD et aux partenaires coopérants y compris la DBSA, la BAD et la Banque Mondiale ainsi que les Institutions Financières de Développement dans les États Membres.
- Adoption, entre autres, de l'approche de l'Initiative de Développement Spatial (IDS) au développement d'infrastructure commune;
- Mise en Vigueur de corridor de Transport et de mesures facilitant le commerce, visant à la réduction des retards aux postes frontières, l'harmonisation des documentations et procédures douanières, et la création de postes frontières, dans le but d'éliminer les embouteillages vers et en provenance du littoral pour les pays enclavés membres de la SADC.
- Consolidation des plans sectoriels d'infrastructure existants dans le Plan Directeur Régional de la SADC pour le Développement d'Infrastructure.

MÉCANISMES DE FINANCEMENT

- Établir des partenariats avec le secteur privé dans le contexte de Partenariats Publics Privés (PPPs) afin de distribuer le fardeau du financement, opérations et gestion d'infrastructure.
- Facilitation de l'établissement d'Institutions de Financement de Développement d'Infrastructure régionale (IFD) et mécanismes.

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- Finalisation urgente du Fond SADC de Développement pour la Préparation de Projet afin de faciliter la présentation des projets transfrontaliers, les Études de Faisabilité et les Évaluations de l'Impact Environnemental, et par conséquent de proposer de tels projets aux partenaires d'investissements et aux consortiums.
 - Accorder une urgente priorité au développement d'institutions et organismes appropriés dévoués au financement régional pour une infrastructure régionale.

INTERVENTIONS POLITIQUES

- **Création d'un environnement habilitant** ayant rapport à une structure institutionnelle, une structure réglementaire et autres impératifs à teneur politique, afin de renforcer et permettre la participation du secteur privé dans le développement d'infrastructure régionale.
- Développement et signature des accords par les États Membres participants (de préférence au niveau des Chefs d'États) s'engageant à **rechercher ensembles des financement et à mettre en oeuvre les projets transfrontaliers** dans des délais convenus.

MÉCANISME INSTITUTIONNEL VISANT À ACCÉLÉRER L'EXÉCUTION

- **Renforcer le rôle des associations et organismes régionaux (ex: SAPP, SATA, ASANRA, SARA et PMESA)** dans la mise en place de projets d'infrastructure régionale.
- Mise en oeuvre commune jointe de projets d'infrastructure régionale parmi les communautés économiques régionales voisines (RECs).
- Création d'une Unité d'Exécution de Projet (UEP) bien dotée, au sein du Secrétariat dont le rôle est d'assister les États Membres dans la coordination du développement, la présentation, la mise en priorité et l'exécution jointe de projets d'infrastructure régionale, en conjonction avec les partenaires de développement et les États Membres.
- Facilitation du renforcement de capacité pour une mise en oeuvre efficace des projets d'infrastructure au niveau des États Membres, du Secrétariat, des organismes régionaux et autres agences d'exécution.
- Établissement d'un Groupe de Travail Ministériel afin de superviser le développement d'un plan directeur pour la mise en oeuvre des projets d'infrastructure transfrontalière, directement sous l'autorité du Conseil et du Sommet sur un base annuelle ou ad hoc lorsque nécessaire.

Annex 1

SADC PRIORITY INFRASTRUCTURE PROJECTS

1. Energy Sector

Project title: **DRC-Zambia Inter-connector**

Project description: The project aims to increase the transmission capacity of the existing AC inter-connector linking the power system networks of SNEL in DRC and ZESCO in Zambia through a phased development approach. First phase will allow 500MW to be traded between the two countries. The increased inter-connector capacity will enable surplus generating capacity at Inga to be exported to Zambia and the rest of Southern Africa.

Beneficiary countries: DRC, Zambia, with overall benefits to the rest of Southern Africa

Budget and duration: US\$21.7m over 3 years

Project title: **Kafue Generation Hydro Power Plant Project**

Project description: This will involve the construction of a 600 MW hydropower plant. The plant is planned to supply 750 MW during peak time.

Beneficiary countries: Zambia with overall benefits for the Southern African power network

Budget and duration: US\$600m over 4 years

Project title: **Kariba North Bank Generation Expansion Project**

Project description: Expansion of the existing hydropower plant by two units of 180 MW each on the north bank to give a total output of 360 MW.

Beneficiary countries: Zambia with overall benefits for the Southern African power network

Budget and duration: US\$192m over 4 years

Project title: **Kariba South Bank Generation Expansion Project**

Project description: Expansion of the existing hydropower plant by two units of 150 MW each on the south bank to give a total output of 300 MW. The additional units are expected to give an average annual energy output of 1183GWh.

Beneficiary countries: Zimbabwe with overall benefits for the Southern African power network

Budget and duration: US\$200m over 4 years

Project title: **Kudu Gas Project**

Project description: The project involves the upstream development of gas and piping of the gas to Kudu Power Station and Cape Town; construction of 750 MW CCGT at Kudu (Namibia); and construction of 1500 MW CCGT and distribute gas to commercial and industrial consumers in Cape Town.

Beneficiary countries: Namibia, South Africa with overall benefits for the Southern African power network

Budget and duration: US\$800m over 5 years

Project title: **Mozambique-Malawi 220kV Inter-connector**

Project description: The project will involve an update of previous feasibility studies by ESCOM and EDM as well as the resolving of power purchase agreements with all contracting parties. There will also be an environmental impact assessment and the design, manufacture, and construction of a 220 kV transmission line and substations.

Beneficiary countries: Malawi and Mozambique with overall benefits for the Southern African power network

Budget and duration: US\$90m over 4 years

Project title: **Western Corridor Power Inter-Connector Project (WESTCOR)**

Project description: To link the power systems of Angola, Botswana, DRC, Namibia and South Africa. Project aims to transfer 3,500 MW from Inga 3 to the South.

Beneficiary countries: Angola, Botswana, DRC, Namibia and South Africa with overall benefits for the Southern African power network

Budget and duration: US\$3.5bn over 5 years

Project title: **Zambia-Malawi Inter-connector Project**

Project description: Design, construction and commissioning of an inter-connector transmission line from Pensulo in Zambia to Lilongwe B in Malawi.

Beneficiary countries: Malawi and Zambia with overall benefits for the Southern African power network

Budget and duration: US\$58.5m (220 kV) to US\$100m (330 kV)

Project title: **Zambia-Tanzania Inter-connector Project**
 Project description: To construct a 330kV transmission inter-connector between Zambia and Tanzania to export between 100 and 200 MW from ZESCO to TANESCO and also to strengthen the ZESCO 66kV networks. Legal, financial and technical advisors have been appointed.
 Beneficiary countries: Tanzania and Zambia with overall benefits for the Southern African power network
 Budget and duration: US\$160.8m over 3-4 years

Project title: **Mphanda Nkuwa Hydropower Project**
 Project description: Development of a gravity dam, power station (2400MW) and transmission lines. Plant to operate at 95 percent availability to target a regional market.
 Beneficiary countries: Mozambique with overall benefits for the Southern African power network
 Budget and duration: US\$2bn over 6 ? years

Project title: **Mozambique-Tanzania Inter-connector Project**
 Project description: Project to enable power exchange between Mozambique and Tanzania and also would increase stability and reliability of supply in Northern Mozambique. Feasibility study needed. Initial internal studies were done by EDM. Detailed feasibility studies are needed.
 Beneficiary countries: Mozambique and Tanzania with overall benefits for the Southern African power network
 Budget and duration: —

2. Transport Sector

Project title: **Construction of Kazungula Bridge**
 Project description: The project involves the construction of a road and rail bridge crossing to facilitate the smooth flow of traffic across the Zambezi River between Zambia and Botswana. An amount of UA 0.35 (approx. US\$525,000) has been extended to the SADC Secretariat for coordinating the project and strengthening of the Secretariat institutional capacity. A Joint Steering Committee is in the process of procuring consultants to undertake these services. The detailed design is expected to commence in Sept 2007 for 1 year while construction work is expected to take 3 years.
 Beneficiary countries: Botswana, Zambia and Zimbabwe with overall benefits for the Southern African road network
 Budget and duration: US\$70m over 3 years

Project title: **Lobito Corridor**
 Project description: The Corridor (also known as the Benguela Corridor) is one of the most strategic corridors in the regional transport system as it provides an outlet to the sea for much of DRC and Zambia. The main transport infrastructure within the corridor is the port, the Benguela railway line and the road running through Kuito and Luena. The road has two branches, one running parallel to the railway line to DRC and the other running south-east to the border with Zambia at Caripande.
 Beneficiary countries: Angola, DRC, Zambia with overall benefits for the Southern African transport network
 Budget and duration: US\$343m for railway line and US\$82.5m for port over 4 years.
 Figures need updating

Project title: **Mtwara Development Corridor**
 Project description: The Mtwara Development Corridor is a Spatial Development Initiative falling within the territories of Malawi, Mozambique, Tanzania and Zambia. Major projects along the corridor include roads, airport and inland waterways. Roads involved are: Nkhata Bay-Mzuzu-Mzimba-Mqocha-Lundazi; Rumph-Nyika-Chitipa; Karonga-Chitipa; and the Nkhata Bay-Khotakota Road Bridges. A new Airport is planned at Mzuzu. Inland Waterways projects are: Heavy Capacity Ferry from Nkhata Bay, Mbamba Bay (Tanzania)/Metangula (Mozambique); Upgrading of Nkhata Bay Port; Chipoka, Chilumba and other Ports; and Upgrade of Chipoka Port and Entre Lagos and Chipoka Sena Railway Lines.
 Beneficiary countries: Malawi, Mozambique, Tanzania and Zambia
 Budget and duration: —

Project title: **Nacala Development Corridor**
Project description: The primary aim of the transport programme is to develop an economic corridor linking landlocked Malawi to its nearest port of Nacala in Mozambique.
Beneficiary countries: Malawi, Mozambique and Zambia
Budget and duration: US\$26.5m for Cuamba-Entre Lagos. US\$33.83m for Port of Nacala. US\$ 14.5m for Cuamba-Lichinga railway (short term). US\$92m for Cuamba-Lichinga railway (long term)

Project title: **Shire-Zambezi Waterway Development Project**
Project description: The project aims to reopen the Shire-Zambezi Waterway from the inland port of Nsanje in southern Malawi to the Indian Ocean port of Chinde in Mozambique. This will enable barges and medium sea-going vessels to ply between Chinde and Nsanje, thereby providing direct waterway access to the Indian Ocean. It will provide a multi-modal inland transport linkage for Malawi through the rehabilitation of the rail line from Nsanje through Blantyre to Chipata in Zambia; and through Dona Ana to Sena in Mozambique.
Beneficiary countries: Malawi, Mozambique and Zambia with benefits for DRC, Tanzania and Zimbabwe
Budget and duration: US\$6bn over 3 years (Malawi estimate)

Project title: **Lesotho-South Africa Rail Link**
Project description: Construction of a railway link from Maseru to connect with the South African system. Proposed new line will provide alternative transport route for traffic between Bloemfontein and Kimberly, Maseru and the Port of Durban. A pre-feasibility study into the proposed link has already been carried out, showing the project to be potentially viable.
Beneficiary countries: Lesotho and South Africa
Budget and duration: US\$2bn over 2 years

Project title: **Trans-Cunene Corridor: Windhoek-Luanda Corridor Project Formulation**
Project description: The rationale of the project is to facilitate border crossing procedures and improve trade and economic growth in northern Namibia and southern Angola. Some Zambian-Angolan trade traverses northern Namibia while Zambia will also be a beneficiary of facilitation on the Namibian-Angolan border.
Beneficiary countries: Angola, Namibia and Zambia
Budget and duration: US\$989,000 total estimated cost, comprising US\$132,000 for project preparation and tendering; and US\$857,000 for project implementation and management. 1? years

Project title: **Implementation of Trade Facilitation Activities on the Trans Caprivi Corridor**
Project description: Project will facilitate implementation of interventions to improve cross-border facilitation along the Walvis Bay and Trans Caprivi corridors, providing advisory services and technical support to stakeholders. The project also aims to implement one-stop border posts along these two corridors. A feasibility study has been completed and the draft project proposal submitted
Beneficiary countries: Main beneficiaries are Namibia and Zambia but other countries such as Botswana, DRC, Namibia, South Africa and Zimbabwe will also benefit from the project
Budget and duration: US\$10m over 2 years

Project title: **Implementation of Trade Facilitation Activities in the SADC Region**
Project description: The project aims to improve transit facilitation in the SADC region and proposed measures include provision of observatories to monitor traffic movement; corridor institutional development; harmonisation of customs procedures and documentation; provision of adequate infrastructure at the border posts; and one-stop border posts. The appropriate legal framework needs to be provided to ensure that some of the desired interventions can be implemented in all the Member States. Pilot projects have been implemented on the Beira and Trans Kalahari corridors.
Beneficiary countries: Continental SADC Member States
Budget and duration: US\$2.21m over 2 years

3. Communications, ICTs and Meteorology

Project title:	SADC Regional Information Infrastructure (SRII) Project
Project description:	The main objective is to provide the necessary telecommunications infrastructure connectivity within the region as well as to bridge the digital gap between the developed world and developing countries. The project will build transmission links between the SADC Member States, employing an optical fibre cable system as the first priority and then digitalizing the interconnecting microwave links. There is need to complete the missing transmission links among the Member States. The project is being implemented by SATA and SADC telecommunications authorities.
Beneficiary countries:	All SADC Member States
Budget and duration:	US\$71m over 3 years

4. Water Sector

Project title:	Feasibility Study for the Transfer of Water from the Congo Basin to the Water Scarce Countries in the SADC Region
Project description:	The main objective of the project is to determine the feasibility of transferring water from the Congo River or its tributaries, to water deficient SADC countries and make preliminary design of the most optimum option. The project is a follow up to a desk study that was carried out in 2002 and will comprise a further in-depth investigation of the options identified by the study. The feasibility study will also look at the possibility of adopting a phased approach to augmenting the supply of the Okavango River to meet Angola's, Botswana's and/or Namibia's demands.
Beneficiary countries:	Angola, DRC, Namibia, Botswana, Zambia, South Africa, and Zimbabwe
Budget and duration:	US\$2m over 2 years

Project title:	Lesotho Lowlands Water Supply Scheme
Project description:	The main objective of the project is to secure long-term potable (drinking) water supplies for the lowlands of Lesotho and adjacent towns in South Africa to support socio-economic development and to assist in poverty reduction and health improvements. A feasibility study has been completed and construction of Phase I is planned for 2007.
Beneficiary countries:	Lesotho and South Africa
Budget and duration:	US\$3.2 bn over 10 years

Project title:	Songwe Basin Development Project
Project description:	This is a multi-purpose surface water infrastructure development project that targets hydropower, flood mitigation, irrigation, fisheries, river bank protection, fisheries development and tourism as beneficiaries. The project comprises three dams with a total storage capacity of 1,290 million cubic metres; three hydropower stations with capacity of more than 300 MW; the potential to irrigate some 2,200 hectares located in Malawi and Tanzania; and river bank protection works to contain floods and stabilise the course of Songwe River, which forms an ill-defined border between the two countries.
Beneficiary countries:	Malawi and Tanzania
Budget and duration:	US\$10m over 10 years

Project title:	Construction of Moamba Major Dam
Project description:	Project aims to provide a secure municipal supply for Maputo and Matola cities as well as to guarantee water for irrigation and energy production. It will also allow for small and medium flood alleviation and ensure environmental flow release to meet specific downstream ecosystem demands as well as to maintain downstream floodplains and estuarine morphology.
Beneficiary countries:	Mozambique with impact and benefits to South Africa and Swaziland
Budget and duration:	US\$202m over 4 years. No funding has been secured yet although a preferred financial analysis has been done: Loan – 60 percent at 0.75% interest rate; Donors – 25 percent; and Government – 15 percent.

Project title:	Kafue Gorge Dam Lower Project
Project description:	This is a trans-boundary project that will contribute power to SAPP, enhance tourism and assist in the control of floods in the lower Zambezi Basin through strategic operation of the dam. The project will involve construction of a concrete dam and tunnelling to provide for turbine placement and hydraulic head for power generation as a second dam on the Kafue River. No funding has yet been secured.
Beneficiary countries:	Zambia and the rest of the Zambezi Riparian States
Budget and duration:	US\$340m over 8 years
Project title:	Batoka Gorge Hydroelectric Scheme
Project description:	This is a trans-boundary project that will contribute power to the SAPP, enhance regional tourism and assist in the control of floods in the lower Zambezi Basin. The Batoka Gorge Hydroelectric Project is a bi-lateral hydro project to be implemented between Zambia and Zimbabwe about 50 km downstream of Victoria Falls (therefore upstream of Lake Kariba). The project will include a 181 m-high dam on the Zambezi River. Resource Mobilisation ongoing.
Beneficiary countries:	Zimbabwe and the rest of the Zambezi Basin Riparian States and others through SAPP
Budget and duration:	US\$1.5b over 7 years
Project title:	Rehabilitation of the Nordoewer Irrigation Scheme
Project description:	This involves rehabilitation of the existing irrigation scheme on the Orange River between Namibia and South Africa.
Beneficiary countries:	Namibia and South Africa
Budget and duration:	US\$1.5m over 2 years
Project title:	Construction of Moveve Dam
Project description:	The project aims to increase water storage capacity in the Umbeluzi River Basin for water supply to Maputo City and for irrigation. It will supplement Maputo City's domestic water supply and improve availability of water for irrigation in the Moveve and Lower Umbeluzi area.
Beneficiary countries:	Mozambique and Swaziland
Budget and duration:	US\$10m over 10 years
Project title:	Rehabilitation of Irrigation infrastructure in Kinshasa, Bas-Congo, Katanga and Equator Provinces
Project description:	The project involves the rehabilitation of DRC's agricultural infrastructure to increase the area under production. This will include the renewal or replacement of old equipment as well as improvement of operational capacity for the maintenance and construction of dykes, dams, and irrigation networks in Kinshasa, Bas-Congo, Katanga and Equator provinces. The project would also include technical training and the organisation of producer groups in Kinshasa, Bas-Congo, Katanga and Equator provinces.
Beneficiary country:	DRC
Budget and duration:	US\$1m over 1 year
Project title:	Water Supply and Sanitation Lubango, Huila Province
Project description:	The project will involve a phased development of an integrated water supply and sanitation system for Lubango, the capital city of Huila Province. Resources mobilisation is ongoing.
Beneficiary country:	Angola
Budget and duration:	US\$20m over 2 years

5. Tourism Sector

For priority projects in this sector see Transfrontier Conservation Areas (TFCAs) map in Section B above.



Annex 2

SADC Subsidiary Organisations

1. Energy Sector

Regional Electricity Regulators Association of Southern Africa (RERA)

RERA seeks to facilitate electricity regulatory capacity-building among members at both the national and regional levels. This is done through information-sharing and skills-training, facilitating harmonised energy sector policies, legislation and regulations for cross-border trading.

Other issues of concern include access to transmission capacity and cross-border tariffs as well as deliberating and recommending on issues that affect the economic efficiency of electricity interconnections and electricity trade among members that fall outside national jurisdiction.

RERA was established by SADC as a formal association of electricity regulators in July 2002. The association was created in terms of the SADC Protocol on Energy (1996), the SADC Energy Co-operation Policy and Strategy (1996), the SADC Energy Sector Action Plan (1997), the SADC Energy Activity Plan (2000) and in pursuit of the broader initiative of the New Partnership for Africa's Development and the African Energy Commission.

Membership to RERA is open to the electricity regulatory bodies in each country within the SADC region, and eight countries have established regulatory bodies to date: Angola, Lesotho, Malawi, Namibia, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

Regional Petroleum and Gas Association (REPGA)

REPGA is still at conceptual phase and its creation was proposed at a meeting of the SADC sub-committee for petroleum, coal and gas held in Gaborone, Botswana in April 2002, to cope with rising fuel prices. SADC countries aim to create a common energy market and coordinate their energy policies in order to counter the rising prices of hydrocarbons and create conditions to accelerate development across the region.

REPGA will promote trade in petroleum products among member countries and coordinate national energy policies in the SADC region. REPGA aims to harmonise standards and regulations in the sector, coordinate activity to identify new hydrocarbon resources in the region and possibly set up an advisory service for the revision of data and information relative to the hydrocarbon sector in the member countries.

The advisory service will assess possible regulations for the region's energy sectors of gas, petroleum as well as electricity.

Southern African Power Pool (SAPP)

The Southern African Power Pool (SAPP) was created in August 1995 through the signing of the Inter-Governmental Memorandum of Understanding (IGMOU) by mainland SADC countries to optimise the use of available energy resources among the Member States and to support one another during emergencies.

SAPP primarily aims to provide reliable and economical electricity supply to the consumers of each of the SAPP members, consistent with the reasonable utilisation of natural resources and the effect on the environment.

Its objectives are to provide a forum for the development of a world class, robust, safe, efficient, reliable and stable interconnected electrical system in the southern African region; co-ordinate and enforce common regional standards of quality of supply, measurement and monitoring of systems performance; facilitate the development of regional expertise through training programmes and research; increase power accessibility in rural communities and implement strategies in support of sustainable development priorities.

SAPP is based in Harare, Zimbabwe.

2. Transport Sector

Association of Southern African National Road Agencies (ASANRA)

The Association of Southern African National Roads Agencies (ASANRA) is an umbrella body of national roads agencies in the SADC region established in March 2001 in line with the SADC Protocol on Transport, Communications and Meteorology.

ASANRA was established with the essential purpose of enhancing regional policy coordination and road transport systems integration in order to improve intra-regional road transport efficiency and lower transport costs. Malawi was selected to host the permanent secretariat of the association. The secretariat office is temporarily located in the Malawi National Roads Authority offices in Lilongwe.

ASANRA full members are the National Road Agencies in the SADC region and associate members include educational institutions, private sector and other interested parties.

Federation of East and Southern African Road Transport Associations (FESARTA)

FESARTA is a truckers' representative body in the East and Southern African region, and was founded in 1993 by member associations of Malawi, South Africa, Zambia and Zimbabwe. It is registered in South Africa and Zimbabwe as a Section 21 company.

FESARTA aims to actively support the members' national road transport associations, to strengthen the less-developed associations and to encourage the formation of associations in countries where none exist. The ultimate goal of FESARTA is to actively propose, promote, support or oppose, as may be deemed expedient, legislative or other measures to improve the efficiency of regional road transport services, through national governments, COMESA and SADC.

FESARTA members include the National Road Transport Associations (NRTAs) in the member states of the SADC and COMESA region.

Port Management Association of Eastern and Southern Africa (PMAESA)

PMAESA was established in July 1973 under the auspices of the United Nations Economic Commission for Africa (ECA).

The main objectives are to improve, co-ordinate and standardise African port operations, equipment and services with a view to increasing their efficiency in relation to ships and other forms of transport in Africa; to improve relations with other transport organisations, sub-regionally or world-wide; and to provide a forum for members to share experiences and to exchange views on common problems and how best to tackle them.

PMAESA is based in Mombassa, Kenya and its members are: Burundi, Eritrea, Ethiopia, Kenya, Madagascar, Seychelles, Mauritius, Malawi, Mozambique, Namibia, Zimbabwe, Zambia, Rwanda, Tanzania, South Africa, Sudan, Reunion Island, Comoros and Djibouti.

Southern African Railways Association (SARA)

The Southern African Railways Association (SARA) is a non-profit organisation formed in April 1996 following recognition by SADC railways of the need to establish a strong lobby group to pursue fair surface transport competition.

Its main objective is to promote the railway industry in the SADC region by putting in place strategies for the improvement of the viability of the railway transport business through the provision of a safe, integrated, cost effective and predictable one-stop, seamless service to all international customers.

SARA also aims to promote regional and continental rail network connectivity; promote alliances for the exchange of technical information, strategies, skills development and training and to promote alliances with other modes of transport where the opportunities exist in order to achieve synergy and provide holistic logistical solutions.

SARA is based in Harare, Zimbabwe, and its railway network spans 11 countries: Angola, Botswana, DRC, Malawi, Mozambique, Namibia, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

3. Communications and Meteorology Sector

Communications Regulators' Association of Southern Africa (CRASA)

CRASA is a forum of communications regulators and other information and communication services stakeholders.

Formerly known as the Telecommunications Regulators' Association of Southern Africa (TRASASA), CRASA has been in existence since September 1997. It was established within the framework of the SADC Protocol on Transport, Communications and Meteorology.

Its principal activity is to provide a platform for regulators to exchange ideas, views and experiences in all aspects of regulation of the information and communications sector. It also facilitates harmonisation of the regulatory environment for information and communications industry in the SADC region.

CRASA is based in Gaborone, Botswana, and has 13 members: Angola, Botswana, DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

Meteorological Association of Southern Africa (MASA)

The formation of the Meteorological Association of Southern Africa (MASA) was recommended in 2004 and is still at inception phase. The objectives of MASA include promoting technological and scientific cooperation among Member States, coordinating the sharing of ideas, views and experiences between members on all aspects of the development of meteorological services for regional, national, public and commercial purposes.

Southern African Postal Operators Association (SAPOA)

The Southern African Postal Operators Association (SAPOA) was formed in May 2001 in line with the SADC Protocol on Transport, Communications and Meteorology.

Its objectives are to develop and promote the reform and restructuring of the postal sector to meet customer needs and ensure efficiency, affordability and accessibility of the postal sector in the SADC region; to encourage investment, technological cooperation and cooperation in the field of training and human resources development among SADC Member States.

SAPOA also aims to coordinate and encourage exchange and sharing of ideas, views and experiences between Member States in all issues pertaining to postal development and facilitate rational utilisation of scarce resources in specialist areas associated with the postal sector.

SAPOA is based in Pretoria, South Africa and its membership is drawn from all SADC countries.



Southern Africa Postal Regulators Association (SAPRA)

SAPRA is a sub-regional postal regulatory body established under Article 13.13 of the SADC Protocol on Transport and Communications and Meteorology. It was inaugurated in May 2004.

The objective of SAPRA is to create an enabling environment to allow the postal industry to contribute to the economic and social development of the SADC region. SAPRA plans to work within the SADC framework to ensure maximum participation by Member States on various fronts such as logistics, commercial, cultural, tourism and general communication.

SAPRA has an important task of advancing the regional postal agenda and coordinating the SADC positions on the various technical postal issues. The contentious areas include, among others, extra-territorial offices of exchange, terminal dues, World Trade Organisation (WTO) issues and mail security issues.

SAPRA is based in Pretoria, South Africa, and its members are from SADC countries.

Southern African Telecommunications Association (SATA)

SATA is an association of telecom operators and ICT players in the SADC region. It was established in 1980 pursuant to the SADC Treaty and, subsequently, provisions of the SADC Protocol on Transport, Communications and Meteorology to coordinate the development of various regional Telecommunications and Information and Communication Technologies (ICT) infrastructure projects.

It coordinates regional activities on capacity-building, telecommunications services, telecommunications and ICT standards, telecommunications fraud management, traffic issues, and all other regional integration activities on telecommunications and information and communication technologies. SATA is based in Maputo, Mozambique, and its members are: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

4. Water Sector

International River Basin Organisations

Southern Africa has 15 transboundary river basins, among them such major river systems as the Congo, Zambezi, Limpopo and Orange. The management of such shared river basins requires coordination and cooperation between and among the several institutions and stakeholders.

The general framework for the management of shared river basins is provided by Article 5 of the Revised SADC Protocol on Shared Watercourses and is implemented through the SADC Water Division in the Infrastructure and Services Directorate. Article 5 of the protocol provides for the establishment of shared watercourse institutions such as river basin commissions, water authorities or boards to provide on a regular basis or as required by the Water Division, all information necessary to assess progress in the implementation of the provisions of the Protocol, which came into force in 2003.

Several bilateral and multilateral watercourse commissions, specialised river commissions, technical committees and development authorities responsible for the integrated management of transboundary watercourses have been set up by governments in the region to oversee the coordinated and sustainable use of international shared waters. These bi- and multi-lateral initiatives include, among others, the Zambezi Watercourse Commission (ZAMCOM), the Okavango Commission (OKACOM), Orange-Senqu Commission (ORASECOM) and the Limpopo River Commission (LIMCOM).

5. Tourism Sector

Regional Tourism Organisation of Southern Africa (RETOSA)

RETOSA was born out of a concept of regional tourism cooperation intended to develop the combined tourism interests of the 14 SADC Member States.

Key objectives include the need to increase the volume of business to the region; motivate broader intra-regional product programming in the target markets; increase the awareness of the travel trade in source markets of the region's multifaceted products; increase consumer awareness and motivation in southern Africa of the benefits of leisure travel in the region; develop and sustain a mutually beneficial relationship with suppliers in the region's markets; identify and develop market niches for the region and to identify additional funding sources for the organisation's marketing and promotional programmes.

RETOSA was formed in 1997 and is based in Johannesburg, South Africa. Members are: Angola, Botswana, DRC, Lesotho, Malawi, Mozambique, Mauritius, Namibia, South Africa, Swaziland, Tanzania, Zambia, Seychelles and Zimbabwe.

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