

# Aid Delivery and resource Mobilization in SADC

- Windhoek Declaration on a new SADC- ICP Partnership adopted in 2006.
- Provides a framework for enhanced external support to SADC and regional cooperation and integration in Southern Africa.
- Modelled on the 5 key principles of the Paris Declaration on Aid Effectiveness.

# Principles

- **Ownership**: SADC to exercise effective leadership in coordinating and implementing its programme of action.
- **Alignment** : to ensure donor agencies base their overall support on SADC strategies and policies as expressed through the SIPO and RISDP.
- **Harmonization** : donors to be more harmonized, collectively effective and have common arrangements for planning, funding and implementing development programmes.

# Principles(ctd)

- **MfR** : joint improvement in decision making for improving results. Includes commitments to link regional and national development strategies and for donor agencies to link regional programming to bilateral country programming.
- **Mutual accountability** : SADC and donors to jointly assess their efforts to improve aid effectiveness and to be mutually accountable for development results based on the above principles.

# The Action Plan

- SADC and the ICPs developed an Action Plan for the implementation of the WD.
- An implementation matrix operationalizing the WD : sets out objectives, outcomes and activities with time frames and indicators.
- A general observation is that the Action Plan is strong on listing outcomes but weak in identifying activities for achieving those outcomes.
- Thematic groups have been established and are an important arena for SADC's interaction with foreign donor agencies.

# The Thematic Groups

- Established in SADC's core intervention areas as they emerge from the RISDP and SIPO as well as the priorities and work plans of the Secretariat's directorates.
- These cover : Trade, Industry, Finance and Investment, Water, Transport, Energy, Agriculture and Food Security, Natural Resources and Environment, HIV/AIDS.....
- Their purpose is to facilitate coordination of donors involved or interested in a thematic area and to advise SADC on comparative advantages and individual donors' priorities of support.
- Also facilitate the identification and mobilization of financial support for priority programmes, projects and optimal implementation mechanisms.

# The SADC Development Fund

- Both SADC and some donors have expressed support for a regional development fund to provide a means for financing specific regional integration priorities.
- The 2001 SADC Treaty Amendment specifies the establishment of a Regional Development Fund (RDF) to be used for furthering the development of the region.
- A feasibility study to determine the desirability and feasibility of establishing the fund was conducted in 2003 and the main recommendation was that priority should be given to the establishment of a financing mechanism to support the preparation and promotion of proposals for priority investments particularly in regional economic infrastructure before institutionalizing the RDF.

# The SADC Development Fund

- This was based on the prevailing view amongst donors and private sector investors that the main constraint was not availability of resources but rather a lack of well prepared, viable investment proposals for presentation to potential funders.
- In August 2006 SADC Heads of State adopted and signed the Protocol on Investment and Finance under which it was agreed to establish a Project Preparation and Development Fund (PPDF).
- The PPDF would finance the preparation and development of projects by way of providing technical assistance towards project identification, project selection and feasibility studies and for possible participation in the financing of selected projects.

# The SADC Development Fund

- To operationalize the fund an MOU for the creation of a PPDF was concluded between the SADC Secretariat and the DBSA for the management and provision of corporate services for the implementation of the Fund.
- A Deed of Trust has been developed and the Trust established to give effect to the hosting of the PPDF by DBSA. Operational Guidelines for the effective implementation are being finalized as are arrangements for securing resources to kick start the facility.
- However, there is renewed interest in SADC for the RDF as a means of addressing some of the region's requirements in social and economic infrastructure, in the possible adjustment measures for the less developed and less competitive Members and to support the SADC integration process in general.

# The SADC Development Fund

- The possibility of EDF support for a regional funding mechanism mentioned in the 10th EDF EU-SADC Regional Support Strategy/ Regional Indicative Programme (RSP/ RIP) particularly in the context of the development aspects of EPAs.
- The EU and other donors(AfDB) have expressed an interest in using regionally owned development funds as a means for directing AfT resources to trade and development measures both at national and regional levels.
- In this context SADC is reviewing the rationale for establishing a RDF, the options for the Fund in terms of thematic and geographic coverage and the financial and institutional arrangements necessary for its successful implementation.

# WAY FORWARD

- SADC working with ECA through ATPC to develop a clear roadmap for the region to optimize the benefits from the AfT initiative through among other things developing a specific response to the AfT agenda and boosting capacity to develop bankable aid for trade projects and programmes.

THANK YOU.