

INSIGHT

ECA - SA

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The Economic Commission for Africa, Southern Africa Office (ECA-SA) is one of the five ECA subregional offices (SROs) serving as vital links between policy-oriented analytical work generated at headquarters and policy making at the subregional level.

The office monitors the evolution of regional integration in support of the African Union Commission's regional integration agenda with a special focus on activities vital to the regional integration process. It seeks to strengthen capacity and provide technical assistance to institutions driving the regional integration agenda most importantly SADC and COMESA. The Office undertakes subregional preparation on programmes addressing Africa's special needs and emerging global challenges such as the MDGs, and spearheads subregional follow-up of global conferences. The Office also serves as a sub regional hub for the dissemination of ECA's policy analytical work-employing extensive public information and outreach activities including workshops, training and publication of the quarterly newsletter.

About the ECA-SA Office

"To Leverage on our multidisciplinary analytical skills, convening power and consensus building strength to facilitate the harmonisation of policies and strategies for harnessing regional resources to meet the development priorities of the Southern Africa Subregion"

The e-SADC initiative launched

The Southern African Community (SADC), Open Society Initiative for Southern Africa (OSISA), Science & Technology Division of the United Nations Economic Commission for Africa (UNECA) in collaboration with ECA-SA, jointly organized a meeting to launch the E-SADC Initiative from 5 – 6 October 2009 in Gaborone, Botswana. The launch was attended by National Focal Points for National Information Communication Infrastructure (NICI) in the SADC countries, experts from ICT institutions including SADC institutions, Communications Regulators Association of Southern Africa (CRASA), Southern Africa Telecommunications Association (SATA) and Southern Africa Postal Operators Association (SAPOA).

The meeting was a follow up to the April 2008 technical meeting that drew up the Terms of Reference for the E-SADC Initiative after which a consultant was engaged to undertake the study. Thus, the meeting was convened to review a report of the 1st Phase of activities of the E-SADC Initiative. The 1st Phase entailed the preparation of the Inception and Progress of the Initiative.

Several presentations were also made which included; a) the e-SADC Initiative and its framework for the implementation of the Information Society in the sub-region; b) ICT challenges that are intrinsic to socio-economic development and social integration within the SADC region; c) the ICT Status and challenges of measuring the impact of ICT usage in Botswana d) the NEPAD ICT Broadband Infrastructure and Southern Africa Telecommunication Programmes.

The meeting noted the ICT challenges and constraints to socio-economic development and regional integration within SADC as lack of adequate and reliable basic infrastructure such as computers, power supply, telecommunications and postal services, etc; lack of resources, both human and financial; poor institutional frameworks; low accessibility and lack of awareness of ICTs as well as lack of task teams established to champion ICTs.

The meeting also identified ICT opportunities that would accrue in the economy through e-development and to the market place through transactional costs. The ICT opportunities in e-development would offer efficient tools at lower costs for exchange of information and labour prospects while transactional costs would enable sectors to provide increased availability of goods and services. In considering the challenges and opportunities identified, the

meeting recommended the following be addressed:

- Building of sound institutional frameworks as vital for implementation of the Initiative;
- Development of awareness programmes of potentials of ICTs to support Millennium Development Goals (MDGs) and Poverty Reduction Strategies in order to boost the desire to use ICT through mobilization of communities and small business people to use ICTs as well as encouraging governments to take lead in the process of ICT4D;
- Monitoring and evaluation of ICT policies including common frameworks, development and maintenance of databases with local content as important for promotion of national content and markets;
- Building legal frameworks through laws and underwriting different legislatives as well as seeking support and political will of top leadership as vital to the development of the ICT strategy. Ensuring an enabling regulatory and policy environment required for ICT sector, including coherent national plans, integration of ICT based development as well as encouragement of an all inclusive approach in policy making etc;
- Encouragement of an all inclusive approach through stakeholder partnerships for cost sharing purposes utilizing governments, NGOs, private sector and donor communities, etc.;
- Encouragement of innovation measures in the usage of ICTs and their applications to stimulate job creation;
- Encouragement and establishment of ICT institutions for training and ensuring that training needs are met and ICT employment opportunities are fulfilled; and
- Improvement of data collection and development of databases was identified as essential to building information on the SADC region, etc.

Issues of harmonization of the regional framework were underpinned under convergence concerns and were highlighted as of major importance. The importance of partnership and involvement of key stakeholders in implementation and monitoring of the e-SADC Initiative was stressed.

SADC member States were encouraged to appreciate that ICTs have potential to vastly improve the region's economies if utilized appropriately and stand to assist

countries in achieving their development objectives including those of MDG's. The meeting further emphasized the need for governments to collaborate with all stakeholders in order to maximize the benefits of ICT programmes.

Recent Events.....

I. Mining Ministers Meet to Advance Agenda for Harmonising Mining Policies in SADC Region

The SADC Mining Ministers held a meeting in Kinshasa, Democratic Republic of Congo from 10-12 November 2009. The meeting was chaired by the Minister of Mines from the Democratic Republic of Congo, Honourable Martin Kabwelulu Labilo, as the DRC is the current SADC chair. The meeting was preceded, as is customary for SADC Ministers meetings, by that of the Committee of Senior Officials. The SRO-SA attended the meeting, which was convened to consider three key reports prepared by it on behalf of the SADC Secretariat. The reports were compiled as part of the multi year programme with the Secretariat on the Harmonisation of Mining Policies in Southern Africa. These were the:

- Implementation Plan for the Harmonisation of Mining Policies, Standards, Legislative and Regulatory Frameworks in Southern Africa;
- Harmonisation of National Mining Policies in the SADC Region; and
- The Impact of the Current Global Financial Crisis and Recession on the SADC Mining Sector.

The Implementation Plan for the Harmonisation of Mining Policies, Standards, Legislative and Regulatory Frameworks in Southern Africa was developed in response to the call by the SADC Mining Ministers, who approved the SADC Mining Policy Harmonisation Framework at their meeting held in Madagascar in March 2006. The Harmonisation Implementation Plan is meant to operationalise the Framework and has eight themes, each with its own action points and includes an Implementation Matrix. The themes are: Policy, Regulations and Administration; Geological and Mining Information Systems; Human Resources and Institutional Capacities; Safety, Health and Environment; Investment promotion; Value Addition,

Innovation and Research and Development; Artisanal and Small-Scale Mining; and Social Issues and Gender.

The Ministers approved the Implementation Plan and:

- Requested the Secretariat to strengthen capacity within the Trade, Industry, Finance and Investment Directorate to enable it to successfully implement the SADC Protocol on Mining taking into account the structure as proposed in the Implementation Plan.
- Directed the Secretariat to put in place a monitoring and reporting mechanism, which includes regular meetings of the Committee of Mining Ministers, to ensure effective implementation of the SADC Mining Programme.

In effect, this means that the SADC multi year Mining Policy Harmonisation programme has now become the single entry point for implementing all SADC collaborative mining activities.

In respect of the Harmonisation of National Mining Policies in the SADC Region, the Ministers noted that the primary objective of the study was to assist Member States in identifying the gaps that exist between the Harmonisation Framework they approved and the individual national mining policies; and subsequently provide support to enable Member States to align their national mineral policies to the regional Framework. The Ministers noted the gaps identified by the report recommended actions to be implemented by Member States to close these. They called for a speedy alignment of National Mining Policies to the SADC Mining Policy Harmonisation Framework.

With regard to the global economic crisis of 2008/2009, the Ministers noted that prices of mineral commodities, as for many other commodities, had plummeted, and this had directly led to a number of challenges for the SADC mining sector. These included a number of mines either closing down or being placed on care and maintenance, a rapid and very steep decrease in tax revenues, rapidly rising unemployment levels, and a swift decline in foreign exchange earning capacities. The Ministers considered a number of options to address the challenges. These included minimising retrenchments; reducing operational costs; a temporary suspension of some mineral taxes to promote company liquidity; increasing the participation of nationals in the industry to enhance the economic retained value of mining; and using the recession as an opportunity to diversify and also invest in additional infrastructure.

The Ministers urged Member States to continue providing data to the Secretariat in order to closely monitor developments related to the impact of the global recession on the SADC mining sector. They also urged member States to institute long term measures to increase local content and develop

infrastructure to support the mining industry. The Ministers directed the Secretariat to examine the possibility and modalities for establishing a SADC Stabilization Fund for the mining industry to cushion negative impacts during financial and economic crises.

2. ECA-SA, SADC CCBG urge Member States to Devise a Framework for RFI

The ECA-SA and the SADC Secretariat of Committee of Central Bank Governors (CCBG) jointly facilitated an ad hoc expert group meeting in Johannesburg, South Africa from 19-20 November 2009 to review a draft study report on the Governance of Financial Institutions in Southern Africa: Issues for an Institutional Convergence Framework for Regional Financial Integration in SADC. The study was part of activities contained in the ECA-SA and SADC Multi-Year Programme of collaboration, sought to contribute to the SADC goal of regional financial integration (RFI) by proposing that SADC should develop a Framework for RFI to guide the path towards the creation of a monetary union and common currency for the community.

The study gives an overview of the ongoing RFI process within SADC and the challenges for creating a unified regional financial market and a common monetary union. It covers some pertinent issues, including the integration of banking and capital markets, the harmonisation of national payment systems, regulatory questions, as well as institutional aspects of central bank independence, corporate governance, capacity building and inter-central bank communication. A systematic analysis of these issues, and highlighting areas where progress has been lacking or slow is an important contribution to identifying and operationalising the steps that will be required, if the community's highly ambitious goals are to be achieved.

In welcoming the study the Workshop participants further gave a number of recommendations under three thematic areas, namely, policy and institutional issues; capacity building and resource mobilization; and participation issues. Under the first thematic area, participants recommended, inter alia, that a focused cost/benefit study should be undertaken to inform the process of establishing a SADC monetary union, including the extent of asymmetric shocks across countries, and the possibility of adopting a gradualist approach towards such a union; that the fear of losing monetary policy control at the national

level should be addressed through a transparent and participatory approach involving all national monetary authorities; and compensatory facility should be considered for poorer member States to better integrate.

On capacity building and resource mobilization, participants recommended, inter alia, that member States should urgently address capacity at different levels: human, financial, institutional and technical; and that in the spirit of the Paris Declaration on Aid Effectiveness of 2005, SADC should systematically harmonise and coordinate the donor support to the monetary union process.

Finally on participatory approach to the financial integration process, and the entire SADC integration agenda, participants recommended, inter alia, that the SADC Secretariat should devise a strategy to domesticate the regional integration process to involve the public; and that the SADC Secretariat should sufficiently sensitise the wider public about the objectives, costs and benefits of a monetary union and regional integration agenda.

As a follow-up, the Workshop suggested that the ECA and the CCBG Secretariat should facilitate the discussion of these recommendations in the relevant subcommittees of the CCBG and also work to get the final document tabled at the next CCBG meeting in early 2010 for further discussion and action.

3. Progress on Development of ICT Master Plans in National Parliaments

The development of ICT Master Plans in national Parliaments is one of initiatives that have been undertaken by Economic Commission for Africa, Southern Africa Office (UNECA-SA) in line with its mandate to strengthen the capacity of member States to formulate and implement harmonized policies and programmes in support of integration efforts at sub regional and regional levels. In this context, UNECA-SA has undertaken to assist SADC member States to develop national ICT policies, strategies and action plans for their national parliaments in accordance with the development of SADC PF and SADC ICT Strategy.

The support provided has been inclusive by nature and is designed to provide ownership and built capacity of SADC member States Parliaments who individually approach the UNECA-SA for support in developing their ICT Master Plans. This support is also intended to strengthen capacity of Parliamentarians and staff of Parliament to implement ICT plans.

In this regard a number of countries in the SADC region are developing ICT Master Plans for their national Parliaments each at different stages of development as follows:

- a) **Zambian National Assembly (NAZ) ICT Master Plan** has been drafted and is now undergoing finalization;
- b) For **Botswana Parliament**, the following preparatory activities have undertaken in developing ICT Master Plan for Parliament
 - i) Consultative meetings have been held with Botswana Government
 - ii) Terms of Reference (TOR) have been agreed upon;
 - iii) Survey questionnaires have been administered to the ICT department and Members of Parliament; and
 - iv) As a follow up a consultant has been recruited to address the remaining issues of the TOR
- c) **Swaziland Parliament** has initiated the development of its ICT Master Plan with support of the UNECA-SA which has provided financial support for hiring a consultant to assist the Parliament with development of the Master Plan.



Participants to the ICT Capacity Building Workshop Carrying out hands-on training in the Computer Lab

In response to the urgent need expressed by Swaziland Parliament to equip Parliamentarians and staff with required ICT skills needed to advocate for the development and use of ICTs, UNECA ICTs, Science & Technology Division (ISTD) in collaboration with the ECA-SA, organized an ICT capacity building workshop on the 14 to 18 December 2009 in Ezulwini. The training was attended by Parliamentarians and staff of Parliament of Swaziland.

Another activity that is being undertaken is in response to the growing interest in the mobile cellular sector of ICT in Africa. UNECA has engaged a consultant to conduct an assessment on the emergence, status and future perspectives of m-commerce (including m-banking) solutions in Mozambique in preparation for a workshop that is being organized in March 2010.

4. Workshop on Small and Medium-sized Mining enterprises in SADC countries

The Economic Commission for Africa's Office in Southern Africa (ECA-SA) convened a two day ad hoc regional workshop on small and medium-sized mining enterprises and the development of the SADC extractive industry. Hosted by Mintek (South Africa's national mineral research organisation), the workshop took place in Johannesburg on 10 and 11 December 2009. Participants included officials from SADC governments, small and large scale mining business associations, women miners associations, individual mine owners as well as staff members from UNECA-SA and Mintek.

The objective of the workshop was to identify sustainable strategies to vitalise and transform SADC's small and medium scale mining operations into viable enterprises that contribute to the development of extractive industries. In this context, the Workshop identified a number of policy recommendations and action-oriented strategies directed at SADC policy makers, relevant implementing and support agencies, and mine operators. Among the recommendations directed at governments at the national level, is for transformation efforts and policies to focus on identifying and developing local and regional markets with the view to intensify national beneficiation efforts. In this context and given the scarcity of resources to fund transformation and support initiatives, greater returns to effort and investment would be achieved if transformation initiatives target two classes of small scale operators, namely, those that generate employment and those that are organised in associations. At the level of individual miners, small scale miners should be encouraged to explore diversification opportunities as a means of enhancing sustainability and generating working capital, which is a critical element to their survival and expansion.

Participants were of the view that transformation initiatives need to encompass a regional approach aimed at facilitating small miners operating across SADC and avoiding ruinous competition. Such a regional approach could include harmonised empowerment conditions, which target the core business activities of mining entities and encourage the mentoring of small mining start-up companies by larger established mining corporations.

5. Experts discuss Infrastructure Financing, Data Harmonisation

The ECA-SA in collaboration with the Southern African Development Community (SADC) and other partners held a series of regional workshops in Manzini, Swaziland between 3-9 December 2009. The first meeting whose overall objective was to forge a strategic partnership with national statistical offices (NSOs) to address capacity constraints in the generation, analysis and dissemination of statistical data across the sub-region drew participants mainly from national bureaus of statistics. The outcomes of the meeting were (i) a proposed framework for collaboration between ECA-SA and NSOs for the development of statistical information systems at various levels; (ii) a strategy to harmonize the generation, analysis and dissemination of statistics at the sub-regional level; and (iii) a proposed strategy for building of a regional database.

The second meeting was anchored on a study report entitled: Development Finance Institutions' Support to Infrastructure Development in the SADC and COMESA with participants coming from the SADC, PTA Bank and regional financial institutions, DBSA, Government ministries and departments, among others. Its outcome was a proposed programme implementation framework with short, medium and long-term milestones to accelerate sourcing of finance for infrastructure development in SADC and COMESA.

The third and last meeting was on the proposed project of the UNECA Depository Libraries in Southern Africa whose participants came from public and private university libraries in the sub-region as well as staff from the ECA headquarters. The meeting set to achieve a number of outcomes to be realised over time which included establishment of dedicated collection and exhibition points in universities as well as other institutions in Southern Africa.

In all the three meetings, participants appreciated the great work that ECA-SA was doing on various thematic issues as highlighted above. Several key policy recommendations were generated that would be presented to relevant government ministries/institutions and other stakeholders in the SADC and COMESA member States. In addition, detailed workshop reports were prepared for dissemination to all stakeholders in the sub-region.

Upcoming Events

I. ECA-SA to Host 16th Meeting of the Intergovernmental Committee of Experts (ICE)

The UNECA Subregional Office for Southern Africa will organise the 16th Meeting of the Intergovernmental Committee of Experts (ICE) comprising senior experts from the 15 member States in the subregion from 25 – 26 March 2010 in Lilongwe, Malawi.

The meeting will be organised around the theme “Responses to the Impacts of the Global Financial and Economic Crises in Southern Africa”.

The African Ministers responsible for economic and social development and planning established the Intergovernmental Committee of Experts in 1997. The ICE oversees the overall formulation and implementation of the programme of work for the subregional office based in Lusaka.

The 16th meeting will bring together senior experts from government ministries, departments and institutions, the private sector, civil society organizations and development partners who are expected share experiences and make recommendations on policy measures to mitigate the likely adverse impacts of future external shocks on the regional economy. The theme reflects the need for African countries to be resilient in the face of external shocks. In addition to the report of the meeting, a policy brief will be prepared outlining a set of recommendations, which will serve as a guiding tool for action by the stakeholders.

2. Workshop on Agri-input Business Development in Africa

Agriculture remains a key driving force for economic development in Africa. The sector accounts for about 20% of the region’s GDP, 60% of its labor force and 20% of

its total merchandise exports. Agriculture is the main source of income for 90% of the rural population in the region. Africa will need a substantial boost in agricultural productivity to achieve the MDG of tackling poverty and hunger.

Poor access to agricultural inputs is one of the most significant explanations for agriculture’s low performance in the region. This factor has resulted in limited growth in the average yields of key crops and in low labour productivity. African farmers apply only 5-10% of the fertilizer amounts used by their counterparts in other developing regions, such as Asia. Less than 5% of the arable land in Africa is irrigated, compared to more than 40% in Asia. Furthermore, the region commands only 3% of the global seed market.

In support of the Comprehensive Africa Agriculture Development Programme (CAADP) efforts aimed at facing these challenges and as part of the ECA-SA/SADC Multi-Year Programme (MYP) for 2008-09, ECA-SA will organize a workshop on “Agri-input Business Development in Africa”. The workshop, to be hosted in the framework of the Pan-African Agro-summit and Investment Forum on “Agro-industry and agribusiness - linkage with strategic sectors”, is scheduled to take place in March 2010 in Abuja, Nigeria.

The Workshop will bring together actors from the private sector and other stakeholders to discuss business opportunities within the agri-inputs sector, identify and develop successful alliances and partnerships to address the factors that impede agri-inputs use to jump-start Africa’s stagnated agricultural productivity.

ECA-SA will collaborate with UNIDO and other UN agencies, the NEPAD and the SADC Secretariats, and member States and work closely with ECA HQ divisions FSSDD, GPAD, ISTD and EDND to organise the workshop.

The Economic Commission for Africa, Southern Africa Office (ECA-SA) quarterly newsletter to connect ideas and information to its constituencies. We sincerely hope you will find the information useful and enjoyable.

We encourage you to please contact us for any further information regarding ECA-SA.

Sincerely,
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Director, ECA-SA

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