MEMORANDUM

To: H.E. Simba Makoni/Att: E. M. Maphanyane
cc: Tim Sheehy

From: RHG

SADCC 1979-1999

1. I have two requests, one from Gaborone and one from Oxford. They overlap and the Oxford one is intermediated Gaborone one.

2. Therefore I am answering both together. For manageability I have written 5 separate memos which appear as Annexes.

   A. Lusaka Declaration, Procedural Memorandum, Treaty

      An historical sketch, analysis of problems and suggestions on how we might move ahead.

   B. Regional Economic Prospects, The Emergence of Namibia, The Demise of Forward Strategy

      A vision of new potentials, a warning on dangers and suggestions on how to relate programme (and Lusaka presentation) to reducing dangers and setting goals. (Includes some comments on macro.)

   C. SADCC and South Africa: Apartheid and Dependence

      A consideration of twin problems vis a vis RSA - exploitative dependence/dominance and apartheid. Warning end of second makes possible ending of first but does not by itself guarantee or cause it. Review of problematics of SADCC-SA after apartheid and how these might be tackled.

   D. Production, Business, Coordinating Units and Secretariat: Some Thoughts on Practicable Progress

      A review of issues signposted in title with some historic background leading to both agenda and operations suggestions for filling gaps, broadening progress.

   E. Notes on Programme History

      Self-explanatory title! Selective.

3. Except for E these are 1990 Conference theme and 1990-1999 Programme oriented albeit they do contain historical background. I have not tried to draft Lusaka 1990 Overview paras because I have no idea where you are after 10-X-89 nor which of my proposals you'll find useable. But wording is such as to allow fairly easy selection and rephrasing.

4. I hope these are useful enough to make it worth SADCC's while to defray DHL fees. IDS won't pay so if not I'll have to do so personally. (At least it isn't an airplane ticket!)

a luta continua

Reginald Herbold Green
Sometime Liaison Committee
October 1989, Falmer

Annex A

Lusaka Declaration, Procedural Memorandum, Treaty

1. The Lusaka Declaration is an operational document considered binding by and the ongoing framework for action by the Member States. It was ratified/adopted by at least 7 and in one case ratified as a Treaty and lodged with the UN as such. De facto it is a Treaty albeit whether it formally is so at international law is not clear.

2. The Lusaka Declaration does not include an adequate institutional and procedural section for smooth institutional functioning. This stems from the fact that it was written as a mobilising, founding propectus and statement of principle - a Declaration of Independence rather than a Constitution. The Lesotho Memorandum adopted by Heads of State and/or Government and ratified/adopted by some governments - does contain these sections in a workable form (whether still - or then - optimal is less clear). But it does not address the legal persona of SADCC, its constituent units or - perhaps most vague - the delegated coordinating units. (SATCC's are defined in its separate Treaty. The Secretariat's are, in one sense, specified in its 'base' agreement with Botswana if - as I assume - this was approved by Heads of State and/or Government.) Nor is the Memorandum an adequate free-standing document (much less Treaty) as it is, and sets out to be, purely procedural and thus does not include goals and strategic approaches, much less sectors.

3. This position - pragmatic and operational as it may be - creates certain problems especially as to external image and relations with external organisations. These have rarely been serious. They were tedious in SADCC-Nordic and SADCC-EEC negotiations but no more and have been symbols or surface points in embrangled relations with ECA and PTA whose view of SADCC as an "interloper" who "trespassed" on "their turf" wouldn't have been altered in the past by the existence of a clearcut Treaty - perhaps au contraire.

4. But the case of SATCC shows that a Treaty structure is neither unattainable nor problem creating. SATCC's success has little to do with

having a clear Treaty and legal persona but those factors probably have been marginally useful and have not created any known problems. In theory they could have led to conflicts in respect to Standing Committee of Officials review and annotation of SATCC reports to Council of Ministers and perhaps in respect to Council of Ministers and Summit authority. The latter two issues have never arisen and are not likely to and the potential problems vis a vis Standing Committee were readily resolved by agreement. Standing Committee (as advisers to Council of Ministers) had the right to see, discuss, submit annotations to Council of Ministers, but formally SATCC submitted from its Council of Ministers to SADCC Council and Standing Committee of Officials could not reject, amend, block nor delay their going to Council. As Standing Committee would - in practice - be on very dicey ground in blocking or rejecting any submission that came from any Ministerial Committee or Subcommittee (as opposed to making annotations recommending to amend, reject, refer back or delay), this is a "pragmatic" solution agreeable to all.

5. This review suggests:

a. scrapping the Lusaka Declaration would be a bad idea;

b. revising it to include legal status and institutional elements, while possible, would pose practical stylistic problems;

c. revising the Memorandum would - if revision was within present parameters - not deal either with legal persona nor goals, programme definition, programme area substance;

d. a new document (overtaking the Memorandum but leaving the Lusaka Declaration valid - e.g. as the USA Declaration of Independence is in relation to USA Constitution) would be useful if several Member States and external cooperating partners want it and no Member State is strongly opposed.

6. Assuming "d" is to be a Treaty it needs:

a. Reviewed and revised Memorandum on institutions and procedures.

b. Clear definition of legal persona of SADCC and of subsidiary institutions. This poses problems in respect to Coordinating Units (other than SATCC) and joint projects/institutions (e.g. hydrocarbons training, certain food security projects). SATCC and SACAR should be studied for precedents and general formulations.

c. Preamble, statement of goals - from Lusaka Declaration and probably still styled in declamatory and principle language for lay readership and mobilisation rather than legal terminology as these sections are in fact not justiciable (here or in any other Treaty) in practice. This could include a statement of historical backdrop and the need for state action to undo consequences of past state action, e.g. re transport, of the same type as now appears in Lusaka Declaration.

d. Definition of present membership and perhaps of eligibility to become a member. "Any contiguous state sharing the goals and committed to broad programmatic approach of SADCC which is acceptable to all present Member States" might be adequate formulation which avoided problems of over-specificity. Or the Summit's "Criteria" for new members could be reviewed in present context (they were written to exclude Zaire not to include Namibia or open a way for immediate or gradual accession by post-apartheid RSA). I do not advise anything specifying how or when or by what steps the "new SA" could join SADCC as there are real practical problems and - at that level - no reasoned, firm agreement within or among Member States. (See Annex C.)

e. Section on relations with outside bodies:

i. external governments, agencies, companies, ngo's - broad writeup of present practice;

ii. regional bodies which are of Southern Africa but not institutionally part of SADCC - a nettle not grasped to date but which needs resolution sooner or later. Sooner perhaps given Chamber of Commerce/Business Council/Beira Corridor Group relationships.

f. Either in "e" or "b" (or both) specifying powers of SADCC institutions and officials (evidently varying between - e.g. - Summit and secretary or contact person of a delegated Coordinating Unit!) to enter into what types of relationship.

g. Possibly "b" should include guidelines as to staffing/appointments procedure (allowing each unit to detail their own, within the guidelines, as Secretariat and - I believe - SATCC do and Food Security cluster is moving toward). Guidelines, not regulations and structures, as Coordinating Units and projects need some room for manoeuvre but concepts of all governments via appropriate committees being concerned/involved and of regional citizenisation (as in SATCC and to a degree Food Security cluster) could well be set down. I don't advise stating salary/benefit 'principles' - infinite debate would lead to either something so vague as to mean nothing or so specific as to prove impracticable.

h. Broad presentation of principles for adopting a programme area. This should go a bit beyond the four goals but not be so detailed as to be a straight-jacket. (For instance, it is not inconceivable that the regional cooperation goals would at some date make medical research/transborder disease control/training/experience exchange a priority new programme area analogous to SACAR or livestock/animal disease control. This is not a view inconsistent with feeling that when proposed it was premature and also would have overloaded SADCC allocable personnel of proposing state.) Probably the common concerns, commonly perceived, better pursued on coordinated basis than singly principles which have been a red thread from 1979 on should be specified at a little more length than in the Lusaka Declaration.

i. perhaps a stronger statement on buildup of overall policy and activity coordination through strengthening and inter-relating of sectors. (If all existing sectors were as far advanced as SATCC and in the same general directions there would already be very broad swathes of sectoral coordinated regional planning.) But also something on macro policy or planning coordination beginning with coordinated data base, analysis, research buildup (what the Regional

Economic Survey process is about) and going on to broader consultations/coordination. (I doubt we can try to specify how, nor that Ministers of Finance and Central Bank Governors would thank us for trying or, more important, move faster to more in-depth coordination because we tried!)

j. A statement of principles/guidelines on which policies, programmes, projects could - would - should be selected within programme areas. There are a good many internal texts based on reviews plus statement glosses on them in existence. The problems are:

   i. less than total consistency of statements;
   ii. real problems in definition for some sectors (e.g. food security in which production projects - except transborder areas - may legitimately be seen as relevant to regional goals but are undoubtedly in one state. So I might add are airports);
   iii. the reality that in several sectors to get any projects on the ground payoff for certain states ("especially, but not only" Lesotho) a certain flexibility is needed among Member States;
   iv. the validity (if seriously proposed) of Coordinating Unit technical support to national institutional/project development. It is no accident that the SADCC sub-sectors of Zambian and Tanzanian transport out-perform the others. The weaknesses of the national (non-SATCC) railways in each case undermine SADCC/SATCC. When SATCC addresses post offices and meteorology it doesn't limit itself to international post or regional early warning system plus interstate flight meteorology. Nor does it - nor could it - divide SADCC port projects to exclude domestic or non-SADCC interstate cargo. Thus, if anything, SATCC should reassess non-relationship to "national" railways at least at project advice and easing project negotiation stages even if - e.g - Mwanza-Dar rail link is not (and probably should not become) a SADCC Regional project as such;
   v. the regularly expressed donor concern at times looks naive and at times perhaps self-serving (to justify non-interest in a group of projects).

However, we should "have a go" at guidelines. Regional or multi state concern; importance (absolutely and relative to most concerned state or pair of states); clear evidence project can be done, conceptualised, designed, financed, built and/or operated better on joint or coordinated basis or with regional inputs (e.g. "iv" above) comprise building blocks for a set of guidelines. They may help tidy up lists and keep them tidy and having them in an "authoritative" document may help quiet donors.

k. A list - with a paragraph on main objectives and operational thrusts - of existing sectors with coordinating Member States. (From Lusaka Declaration and Lusaka Programme of Action 'supplement'). This set of articles should be amendable by the Summit acting on advice of Council of Ministers even if other Articles require a more complex (e.g. national parliamentary) amendment procedure! There will be need to add (e.g. recently Tourism) to the list and perhaps to delete plus probably to alter the main objectives/operational thrusts (e.g. Animal Disease to Livestock).

l. How one handles projects/institutions (e.g. Early Warning System, Millet and Sorghum, SACAR) and 'associates' (e.g. Southern African Economist) needs consideration. I would not wish to clutter up Treaty with them. In that case an Article authorising creation, defining structures and relations to SADCC, etc. in general terms would be needed but any list could be an Annex amendable by Summit on advice of Council.

m. Continuity provision specifically putting 'Treaty' in line of progress of Lusaka Declaration and Memorandum and affirming continuing validity under Treaty of actions already taken, agreements already entered into.

n. Provisions for entry into force, amendment, state leaving or entering SADCC, dissolution (if you want - it looks macabre and won't influence what happens if there is a breakup but lawyers think it is desirable for 'wholeness' and 'due decorum').

7. Probably I've forgotten some (especially some formal and procedural) matters but a lawyer can quickly add them. My view is that a short, readable treaty is what would serve best, i.e. 20-25 pages not 200-250!

8. To get such a document I'd suggest the following Treaty drafting - dialogue decision process:

   a. Secretariat take soundings on whether to proceed;

   b. if yes, prepare an official annotated working outline (like Para 6 but on basis of all inputs Secretariat finds valid, not least its own!);

   c. get either Standing Committee or Specialist Committee to approve (after amending, adding, etc.) "b" as a working document from which Secretariat is to get draft;

   d. hiring 2 to 4 people (one or more knowing SADCC substance and one lawyer with relevant background) to produce a first draft text. In principle Secretariat could do this, in practice it has neither the time nor legal expertise;

   e. Secretariat review/amend draft and put into following process:

      i. national review;
      ii. Specialist Committee (2 per Member State, 1 senior official with SADCC experience, 1 senior legal officer;
      iii. Standing Committee of Officials;
      iv. Council of Ministers;
      v. Summit;
      vi. National Ratification.

   Yes, this suggests you'll have a Treaty in 1992 but I see no great urgency - those who want one probably will be satisfied process is in hand as none has suggested absence is presently "life threatening"!

9. For your drafters I'd suggest citizens of Member States substantially involved in SADCC but now at a certain remove (e.g. Lebang Mpotokwane,

Janet Rae Mondlane, Amon Nsekela, Rui Balthasar, Tim Zwane). If you have to go to non-citizens, then Tim Sheehy (especially on administrative institutional) and I (especially on strategy-policy-programme substance) are possibles (perhaps only possibles now David Anderson has died). On lawyers there is a problem as SADCC has never integrally involved any. Two possibles, if available, are former AG's of Tanzania (Mark Bomani now of UNIN, Roland Brown now of UNCTC) who have experience with East African Community drafting and some knowledge of SADCC. A third is retired Chief Parliamentary Draftsman of Tanzania (Bashir Rahim) who has EAC plus EEC/ACP experience and is available. The Lesotho lawyers who drafted the Memorandum unfortunately have no real SADCC experience and never had to grapple with substance and real progress process as opposed to formalising an achieved framwork.

10. Except for having lawyers in, the process proposed is rather like Lusaka Declaration genesis:

a. soundings led to March 1979 FLS Foreign Ministers' calling;

b. specialist officials meeting in Gaborone May 1979 which instructed (with dominant instructions from Lebang and Megid Osman);

c. Janet Rae Mondlane and Reginald Herbold Green to do first draft which

d. officials reviewed, amended, sent to

e. de facto Arusha (July 1979) Council of Ministers inaugural session plus following proto Annual Conference from which it went;

f. to FLS Summit and thence (following dialogue with the 3 extra - FLS states) to Lusaka Summit in March 1980 for adoption April 1 and subsequent national ratification.

At the end of "c-d", 90% of final Lusaka Declaration was there. Preamble was added at Arusha and external cooperating partner proposal to add food security was taken on board there. Whether 6 or 9 SADCC Member States was left to FLS Heads of State but the advice from officials and ministers was that on economic regionalism logic and on transport focus 9

was preferable to 6 unless there were insuperable political problems. (What that meant in practice was that Mozambique had to decide on Swaziland and Mozambique, Tanzania and - to a degree - Zambia on Malawi. There was no serious objection to Lesotho's being a Member albeit it was recognised that concrete involvement to complement psychological and morale bolstering would be hard to build up given its location and economic structure. As Mozambique strongly wanted both in, that decided the issue especially as Mwalimu saw SADCC - correctly - as a way to building practicable working relations with Malawi to broaden contacts and undercut the lake boundary rhetorical impasse.)

11. My guess is that if Para 8 "a-b-c" go smoothly and terms of reference are distributed, your consultants could work separately at home for <u>two to four weeks</u> and together at Gaborone for <u>one week</u> followed by <u>three days</u> reporting to you. (An initial 3 day meeting to explain directions, parcel out work before the 2 weeks at home is perhaps desirable but optional.)

- Reginald Herbold Green
Falmer
October 1989

Annex B

Regional Economic Prospects: The Emergence of Namibia, The Demise of the "Forward" Stategy

1. The SADCC Region's economic prospects as it enters SADCC's second decade are brighter than at any time since its 1980 Maputo Annual Conference. Regional gross domestic product growth was 4.5% in 1988 and probably about the same in 1989. The war cost burden (as set out in 1989 UNICEF, UNECA, SARDC studies) in both human and economic terms has been reduced sharply by reduction of South African support for proxies and near halting of cross border "forward" or "strike commando" operations. External cooperation both in security emergency support and rehabilitation funding and also in national and regional project and import capacity funding has increased in quantity and - on the whole - quality and appropriateness to nationally and regionally defined needs. Namibia - SADCC's logical tenth member - is to become independent in 1990.

2. On that basis it would be relatively easy to project:

   a. smooth achievement of transport rehabilitation achieving substantial cost savings to users, revenue gains to transit states and reduction of the transport vice South Africa has used to bully its neighbours and especially to hold in place its large high cost export markets in the landlocked states;

   b. substantial expansion of intra SADCC trade because some informational and financial infrastructure is or is about to be in place; transport rehabilitation will facilitate the physical and documentation coordination the paper side of moving goods; reduced fiscal and forex constraint will allow more non-aid imports, not least from neighbours;

   c. the ending of RSA direct military aggression and sharp reduction of proxy support will allow redeploying of budgetary funds, free foreign

exchange, skilled personnel and decision-taking priority to rehabilitation and development;

d. external economic support bases and means of consultation now exist regionally and for most countries and should allow using opportunities for rehabilitation, trade expansion and overall economic development especially as peace and growth would make the region and most of its economies more attractive to investors and export credit guarantors (who are averse to blown up or idled capacity);

e. Namibia's economy is basically strong and can reduce dependence on RSA more easily and at lower cost than most present SADCC Member State economies. Its transition to new economic policies and approaches on independence is likely to be in a context rather more like that of Zimbabwe than Angola or Mozambique who did not regain 5% annual growth until 1979. Further, its seacoast and export underpinned import capacity as well as its hydro potential broaden regional options;

f. the 4.5% base growth rate should therefore move to a 6% trend for non-drought years.

3. The foregoing scenario is not vapid optimism. It is one SADCC should seek to help come to reality by using it as a basic direction and target pattern for articulating action. But the sequel to 1979-80 expectations warns against too unqualified a belief that scenario will take place unmodified. From 1981 through 1985 the Member State economies performed very badly and SADCC's key transport sector (at least as it related to corridors to ports) was at best able to keep in the same place by improving some lines and repairing others more or less as rapidly as RSA's proxy forces sabotaged them. At the low point in 1986 only Tazara was operating moderately normally. Beira was recovering but still at very low levels and Nacala, Limpopo and Lobito were blocked and partly wrecked (as was the Beira-Malawi alternative to Nacala). True, without SADCC (and the FLS) Beira and quite possibly Tazara would have been closed too. SADCC did avert that catastrophe which would have seen South Africa's total onslaught on economic and political regionalism triumphant

at least for a time. But averting total disaster was a good deal less than the Lusaka Declaration, SATCC Treaty and Maputo Communique set out as transport sector goals. Why? And what lessons for the 1990s does that experience of falsified expectations yield?

4. SADCC's founders made two basic projections over 1978-80 which subsequent events falsified:

   a. the world economic environment in the 1980s would resemble that of the mid- and late 1970s, i.e. that 1979-80 shocks would be followed by a rapid, sustained recovery in the North with positive spread effects to the South and that both adjustment and development finance would be fairly readily available at low real interest rates;

   b. South Africa would seek to maintain its economic hegemony and bolster its 'security' by the use of economic measures (trade and migrant restrictions, SACUA manipulations, railway policy, etc.) and minor border raids but not by full scale military sabotage and terrorism directly or by proxy.

5. In the event both projections proved so wrong it is necessary to restate how things appeared in 1978-80.

   a. the 1980s like 1970s scenario was held by the Fund, the Bank, OECD and most other forecasters through 1981; the South debt crisis did not detonate until 1982 nor were its Sub-Saharan African ramifications fully perceived in the North until after 1985; commodity price projections from the North have been wrong on the side of optimism more or less throughout the decade; all of these events flow in large measure from Northern government and financial institutions (including commercial banks as well as Treasuries, the Fund and the Bank) decisions and actions over 1980-82. SADCC's founders would have required futurist omniscience to have predicted the real course of events;

   b. after 1975 South Africa had been running down its direct and also its proxy military interventions and in particular had not strengthened the bandidos armados who call themselves Renamo nor used them

extensively after inheriting them from Rhodesia. Even in Angola the RSA forces were largely withdrawn over 1971-80 and, despite continued border raids and use of the rebellos armados who call themselves UNITA, there was a military lull mistaken for a permanent rundown of armed conflict. Over 1979-81 both the Mozambican and Angolan economies were recovering rapidly from their 1973-77 pre- and post-independence transitional declines. The 1979-80 South African regional strategy initiatives (the "constellation" cluster) turned primarily on economic sticks and carrots even though they had military and political as well as economic aims. Only in 1981 did the regional "total onslaught" strategy take shape on the ground (as evidenced by the anti-aggression sections of the Blantyre SADCC Communique which had not appeared, because not necessary, at Maputo). Again SADCC's founders would have required futuristic omniscience to have predicted the shift to and persistence in a military onslaught strategy (up to the Zambesia Valley victories in Mozambique and the Cuito Canavale triumph in Angola over 1977-78).

6. This history does not imply that 'SADCC was wrong from the start' - after all it got a number of things 'right from the start'! Rather it suggests:

a. even the most informed possible judgements about the future and best practicable projections can be falsified by events which are either unprojectable or depend on exogenous decisions taken <u>after</u> the judgements were made. (South Africa's reversion to armed violence as a strategic core in 1981 was a decision taken because the FLS and SADCC were progressing. It was probably taken in late 1980 and put into full operation a year later even if it had its advocates and had been studied as an option substantially earlier.) Never to have misjudged or misprojected in practice is proof of avoiding serious judgements and projections not of always getting them correct!

b. what really matters is speed and adequacy of response. Here SADCC comes off rather well on speed of perception and redesign and very well on succeeding in transforming procedures and projects (as well as external mobilisation) to face the changed context.

7. To elaborate "7-b":

i. SADCC recognised that a worsening economic and aggression external context plus rising externally driven violence in Member States needed to have its reality, its economic cost and its relevance to external cooperating partners in development made clear and their help (in changing the context and/or putting up more resources) canvassed. From Blantyre (1981) this has been done, albeit separating the regional/international/external factor review from the Annual Conference Overview from 1987 on may have reduced the clarity and impact of this thrust marginally. (It does exist now, in the separate Annual Progress Report.)

ii. SADCC led the way (in 1985) in estimating overall economic cost to SADCC economies of RSA's total regional strategy of onslaught. This work has been taken up by UNICEF (1987), ECA (1989), SARDC (1989) and, fragmentarily, by Member States but SADCC's OAU submission paved the way. It clearly inspired the UNICEF action which in turn led to the UNECA work. It is ironic that SADCC's regional economic surveys have failed to address war bills and costs and their economic ramifications analytically and seriously. Letting UNICEF (whose ability to link the GNP cost to the infant and young child death toll and to formal plus informal global information network links - 125,000 odd Children On The Front Line over 3 editions in 3 languages - make it a very effective spokesperson) carry out the main broad front international publicity battle was probably wise, but the economic sectoral and policy analysis is not their role and Southern Africa is SADCC's region not UNICEF House's. (The lack of actual problems may be an accident of personnel - a former SADCC part-time secretariat adviser and consultant has to date been the main data collector/analyst on this topic for UNICEF-UNECA-SARDC and has sought to be sensitive to SADCC needs and to liaise with SADCC.)

iii. SADCC realised that if it was to meet its own test of getting concrete projects on the ground and concrete gains perceived fast by key decision-takers and influencers in its Member States to sustain initial enthusiasm it needed to have additional (or

nationally unhandleable) regional priority projects and funds to move on them. When national resources contracted it perceived that substantial reallocation out of shrinking national availabilities to 'new' regional projects would not yield enough resources to produce visible progress fast enough and would line up national opponents of SADCC not on opposition in principle but on fears of project loss. So it pushed up its external fund mobilisation while taking care that spending did build up and produced tangible results (as perceived by Member States and by external partners).

iv. SADCC - with a lag - has realised that "ii-iii" have raised the external financial dependence level of the regional programme of action to alarming (and unanticipated) levels. It began to map out (and in personnel to implement) reducing it. Because SADCC had - by stubborn polite deadballing all challenges - held fast to its (unique) recipient control of the Conference and of the Programme of Action content (and to a surprisingly high extent of funded content) the dependence in thinking and acting was very low compared to the 85% financial dependence. (The project data understate local resource inputs, especially complementary ones, presumably because the numbers concentrate on fund raising. Practically this has done little harm but it does understate Member State resource allocation and, therefore, commitment and opens the door wider than is necessary to "dependency on donors" critics.)

v. The next implicit step in the adjustment of strategic response to changing external contexts is to articulate the needs of transition to peace:

   a. rehabilitation of livelihood programmes to follow refugee survival relief (not as SADCC projects but as a SADCC concern voiced by the region in solidarity - and self-interest - with Mozambique, Malawi, Angola);

   b. rehabilitation/speeding of Regional Priority projects ("especially, but not only" certain of the "corridors");

c. financing for new, mutually beneficial links among the SADCC 9 and Namibia economies from 1990 and the SADCC 10 and Post Apartheid South African economies as soon as PASA exists;

d. financing projects which will increase SADCC exports ("especially, but not only" to each other) to help us "pay our own way" in the foreseeable future;

e. recognising that SADCC economies are hard hit by debt service burden, terms of trade and market access limitation shocks and can reasonably expect industrial economies (Northeast as well as Northwest) to cooperate in reducing debt service burdens, reopening markets and either managing commodity markets or providing transitional funding to ease the burden to SADCC's members of commodity price falls.

These themes need to be raised in 1990 in Lusaka (in Overview and Chairman's Speech) but articulation and review should include:

a. inputs by each sectoral unit;

b. a macroeconomic piece involving experts from core Member State economic ministries, other citizen experts, perhaps 1 or 2 experienced (in Southern Africa, in regionalism, in economics of war) non-SADCC citizen economists. Say a full length study in 1990 keyed to 1991 Annual Conference or 1991 Summit;

c. regular updating as part of Regional Economic Survey and Sectoral Programme review processes.

8. Thus what SADCC needs to do now is not to turn away from the scenario at Para 2 as a daydream but to present it at Lusaka 1990 with clear statements as to conditions for success:

2a - Transport rehabilitation requires funds, diplomatic/other pressure on RSA not to reverse its reduction of aid to bandidos (MNR) and rebellos (UNITA) and to cut it off and disband support structure and

on USA to realise $50m arms a year to UNITA prevents regional initiative on reconciliation moving ahead;

2b - Trade Buildup requires RSA leave transport alone and our pre-export, revolving and related facilities are funded (and we push ahead on building up enterprise to enterprise trade links and getting a functioning Trade Sub-Sector going at Industry and Trade!);

2c - Price of Peace to Proceeds of Peace. See 2a. But emphasise how important this can be, i.e. 4.5% regional growth to 6% or above.

2d - Economic Cooperation. Past as prologue. We have done the hardest, we have held out in teeth of gale, we have laid foundations. Now as storm abates let us press on with the walls.

2e - Namibia. If clear government elect in November and they have time, have a December or early January 10 day workshop to put some overall paragraphs and a prospectus paper and try for an April "Mobilising/Pledging" do as on "corridors". I believe SWAPO would buy this timetable and indicate some experts (own and present/past consultants) it would wish to nominate or ask SADCC to bring in on technical assistance.

2f - Growth to 6%. Stress the real chance. We have clawed back from under 2% to 3% to over 4%. That is best regional record in SSA. We are on our way - help us build up momentum. In particular realise that dead debt burdens us and by blocking our growth constrains expansion of purchases from cooperating partner economies as do industrial economy market access barriers and the collapse of prices for many traditional export commodities. It is in the interest of SADCC and its partners to identify ways to reduce debt service burdens, expand SADCC exports' market access and either manage commodity markets or assist SADCC economies in structurally adjusting to processed forms of old exports and to totally new ones.

9. On new theme we might wish to put in, in more detail, is Debt and Finance. Angola, Mozambique, Zambia, Tanzania and Malawi are debt distressed or devastated. Zimbabwe needs new soft or semi-soft flows.

All nine would wish equity investment (often for reasons beyond the foreign exchange itself). I doubt SADCC can get joint negotiations, though a dialogue/guideline expert seminar (creditors - capital sources and SADCC Member State citizen experts may be attainable. SADCC might devise a coordinating role among national debt burden reduction/acceptable term resource inflow expansion efforts. The key people are Ministers Chidzero, Megid Osman and Msuya - any concepts, ideas should be put to them and Secretariat try to meet with them before end of year to get at least a "concept" to put forward at Annual Conference and elaborate later (partly depending on external cooperating partner response).

- Reginald Herbold Green
Falmer
October 1989

Annex C

SADCC and South Africa: Apartheid and Dependence

1. The relationships between SADCC (among SADCC's Member States' economies) and a post-apartheid South Africa are problematic. To date this has not been an issue requiring serious analysis, articulation of options or strategic planning because post-apartheid RSA looked to be very far away. ⇐ There is still no reason to suppose post-apartheid South Africa's emergence is just around the corner - the whole of 1960-89 history should counsel against such facile optimism because of its cyclical nature - but it is realistic to believe it is now fairly certain and fairly certain to take place by a process other than a final military solution amidst devastation - the 1960-89 cycles are around a trend of rising African and declining Afrikaner power and self-confidence. Therefore, SADCC now should consider post-apartheid relations with South Africa in more depth and detail.

2. The underlying SADCC position has always been moderately clear and clearly put:

   a. structures of unilateral dependence on South Africa have been created which limit the economic options and prejudice the economic welfare of SADCC's Member States. These are facts which cannot be wished away and can only be transformed by purposive state action;

   b. economic cooperation with South Africa cannot be normal or friendly so long as apartheid (in this context meaning minority rule) continues and even relationships which might otherwise be seen as mutually beneficial are sources of risk because apartheid South Africa can (does when it chooses) use them to destabilise the region.

   Both themes appear from the Lusaka Declaration (where "a" dominates) through recent speeches of the Chairman of the Council of Ministers and the Executive Secretary (in which "b" has been up-front but "a" usually mentioned).

3. These are not contradictory positions. In the first place the relationships between/among economic unequals are always uneasy and potentially conflictual even if there are no major cultural, geo-political or ideological gaps, e.g. USA/Canada. In the second the RSA-Regional links were created to exploit in the normal as well as the technical sense of the word and to dominate a Southern African periphery from a P-W-V Triangle centre. That is a recipe for continuing conflict, even after apartheid, until new ingredients can be built up. In the third place present South African goods and transport exports to SADCC Member States are largely overpriced (against industrial economy/NIC goods and restored regional transport services) which means that ultimately they are held in place either by the threat or the actual use of force. Transforming that pattern to a mutually beneficial one will be far from easy, speedy or costless. Fourth, even within the Mass Democratic Movement and its intellectual allies there is a view of Southern Africa as the outlands of a South African core combined with an assumption present economic links provide a mutually beneficial base from which to build. A "Constellation" purged of apartheid but not of unilateral domination nor unequal exchange seems to be their preferred scenario. One must doubt that SADCC shares that vision. Fifth, SADCC's hard-won victory in having its region perceived internationally as a region in its own right and a partner in global development cooperation could be jeopardised if, post-apartheid, external cooperator partners returned to their South Africa focussed and South Africa intermediated view of the two regions and argued that the PWV growth pole should be the engine of SSA progress from the Congo and the Great Lakes to the Cape and South African prosperity the source of "trickle North" gains to its neighbours. The happy quip of a Northwestern diplomat "When apartheid ends those nine, minor, mis-managed, self-important states will return to the decent obscurity they deserve - thank God!" is a SADCC nightmare (and one invoking the wrong deity).

4. The statements that post-apartheid South Africa will be welcome as the 11th Member State of SADCC are tactically valuable and do not necessarily contradict the points of Para 3. When? How? After what processes? - are subsidiary questions which have acceptable answers - after and only after apartheid is ended. But the statement (attributed to Mwalimu Nyerere) that South Africa would be welcome to be a full SADCC Member

State like any other as soon as apartheid was ended is a different matter. To act on it is to ignore all the problems set out above and to make it now encourages others (within and without SADCC) to overlook them and to act as if they did not exist.

5. What are the possible main elements in creating "genuine regionalism" overarching South Africa and the 10 SADCC Member States?

   a. independence of Namibia;

   b. end to apartheid in RSA;

   c. restoration of pre-1965 transport network and of economically determined flow patterns over it (including South African use of SADCC ports - especially Maputo);

   d. South African selling of goods to SADCC Member States either at world prices (not well above) and/or with related gains (SADCC export access, joint ventures in production, etc.) to the SADCC trade partners;

   e. equitable solution of water use issues among South Africa and Lesotho, Namibia, Botswana, Zimbabwe, Swaziland and Mozambique together with a regional hydro power development and interstate contractual sale strategy;

   f. agreed phasing down of the long distance migrant labour system (excluding Lesotho) while protecting the welfare of present workers and of the regions dependent on their remittances;

   g. agreed arrangements (logically economic union - including free worker movement plus depressed region assistance) between Lesotho (which neither has nor can have a national economy distinct from that of the P-W-V and Bloemfontein axes) and post-apartheid South Africa;

   h. conceptualisation of sets of enterprise transborder relations (and means to facilitate achieving them) that would create more

inter-dependency and multi-directional gains and less RSA enterprise dominance and one-way extraction of forex and surpluses.

8. Para 7 is not an impossible agenda but nor is it an easy one. To progress on it beyond "b" requires both recognising its existence and articulating what "c" through "h" might look in practice. "c" is the easiest as post-apartheid South Africa won't wreck SADCC routes and its enterprises will, presumably, not be deterred from using Maputo. "e" is perceived (in part - the legitimate Namibia claim on Orange River Waters is not widely visible) and mutually beneficial solutions can be negotiated (ESCOM evidently wants them on power.) But the bargaining will be hard - the region is water constrained, ESCOM's cheap power and Angola-Mozambique-Namibia maximum export earnings goals are conflictual as to prices paid. In the case of "f" the concept is probably recognised but potential post-apartheid South African leaders have never had the need to address the phasing and compensation issues. "d" and "h" and "g" are not even well perceived as issues "especially, but not only" on the South African side. There even MDM supporters feel RSA sells its exports purely on free market price and quality terms and that post-apartheid South African enterprises should be sources of profit and policy leverage in "their" region. Lesotho's history from King Moshoeshoe I through III has precluded serious attention to the economic side of 'If South Africa becomes a majority rule state, what then?' (An economic union leading to a Benelux style economic confederation and - after a period of knowing and trusting - reconsideration of political relations would appear to be the best practicably attainable solution. Instant accession as a "fifth province" is probably optimal in principle but presumably not acceptable - for multiple reasons - on either side of the present border.)

9. There is no realistic possibility this agenda could be addressed by post-apartheid South Africa becoming a normal 11th Member State of SADCC like the other 10 within months of apartheid's end. Either the South Africans would in effect do a reverse takeover or the entire time of SADCC would be taken up with ill-coordinated debates and tinkering on the Para 7 agenda. Neither would suit SADCC's - nor ultimately post-apartheid South Africa's - interests.

10. What is a potentially more fruitful process:

a. SADCC (or SADCC inspired) thinking and articulating Para 7 "c" through "h".

b. SADCC encouraged (perhaps co-sponsored) dialogue, thinking on the same issues with persons associated with MDM/ANC (or less committed, like-minded experts acceptable to them).

c. A SADCC-MDM/ANC working party to build from "a" and "b" and - hopefully - to reach a "Heads of Agreement - Points to Pursue" agreement of whatever level of formality then seems appropriate.

(This is while the process toward post-apartheid South Africa is going on but before there is a new government. The following points come after that government exists.)

d. A formal SADCC-South Africa treaty or declaration based on "c".

e. Initial consultative and operational institutions:

i. official, Ministerial, Summit SADCC-South Africa working parties and committees;

ii. South African 'semi-observer' (right to speak and to propose projects or policy coordination but not full membership participation on sectoral official and ministerial committees;

iii. probably, accession to SATCC (which has a separate Treaty which could be amended to allow South Africa to be a SATCC Member State before being a full SADCC Member);

iv. making the Development Bank of Southern Africa a joint SADCC-South Africa institution.

f. Via "e" evolving interim arrangements (e.g. re the future of tariff preferences, exchange control, currency use, protection of SADCC industries from South African and vice versa) on key issues with a

view to creating conditions for SADCC accession by South Africa and probably including phased institutional changes (e.g. sectoral unit membership plus Council and Summit 'semi-observer' participation).

g. Accession of the 11th Member State.

11. The above process is unlikely to take less than 5 years from the assumption of office by the post-apartheid government and "safeguard" clauses built in at "f" would need to last at least a decade after that. SADCC's own history argues that what is needed is a clear sketch map of directions; a detailed map of first steps; a speedy beginning of action to realise concrete initial gains within a broader/longer perspective; continued dialogue on and development of medium term strategy across a growing range of sectors.

12. "10a" probably could best begin with a working conference sponsored by SADCC jointly with - say - the Dag Hammarskjold Foundation to bring up to 25 people and 15 papers together and to launch further papers and working groups. At this stage brain storming parallel to, and feeding into, the formal SADCC process may be more useful than a more formally structured working group named by SADCC.

13. "10b" while slightly more formal is a sibling of "10a" and perhaps could be a joint project. Assuming MDM/ANC are interested Nordic finance is pretty clearly available and - e.g. - SIAS could be a co-organiser (or nominal sole organiser with a SADCC-MDM/ANC programme committee). Like "10a", "10b" should begin in 1990.

14. "10c" and "10d" are fairly straightforward. How the South African side is to be structured depends on South African preferences and the actual patterns taken within the process of change.

15. Most of "10c" is self-explanatory. The Southern African Development Bank proposal is not. SADB is a "Constellation" relic which operates in bantustans, townships and several SADCC states. It has a multinational structure which has given it freedom to manoeuvre. Under Dr. Simon Brand it has evolved far from its origins and has viewpoints compatible with SADCC's and some strands of MDM thinking. Dr. Brand and his senior staff

while formally "establishment" in fact have views which are centre-left MDM (e.g. cancel SOWETO back rents, unite SOWETO and Jo'burg, increase both infrastructure and employment opportunities in SOWETO) so are likely to remain at SADB after apartheid. Thus SADB is an experienced development finance body with a multinational structure and some SADCC state experience. If bantustans were stripped out, SADCC Member States (or SADCC for them) joined, SADCC nationals were added to present staff, it could be a useful initial operational SADCC-SA institution.

16. If the above is a starting point then a page or so summarising, highlighting accepted parts and need to begin process now could go into SADCC Lusaka. It would be politic to let MDM/ANC see it in advance and to have ANC speak for Liberation Movements with request it include something on its views on SADCC-SA after apartheid in its speech. (This assumes Namibia independence achieved or on course. If not it may be SADCC will wish Cde. Nujoma to speak again.)

- Reginald Herbold Green
Falmer
October 1989

P.S. In the case of Namibia no special arrangements seem to be needed for accession. Namibia is of a comparable size and structure to the 9. Like each it has special concerns and priorities but these fit into the existing patterns and do not require institutional re-alignment or special interim and safeguard provisions.

Annex D

Production, Business, Coordinating Units and Secretariat: Some Thoughts on Practicable Progress

Production - A Problem of Definition

1. There seems to be some confusion between directly productive sectors and production projects as well as a certain ambiguity in defining the latter. Similarly the presentation of trade-production and trade - industry issues is somewhat anomalous or unclear. Verbal confusion may not matter but it can lead to programme ambiguity or error so some reflection is deserved.

2. SACAR relates to a directly productive sector but is itself not a production unit. The millet-sorghum project is a production unit but not one producing a marketed product in the normal sense. Mining is a directly productive sector but actual coordinated action certainly is unlikely to focus on joint ventures and may not even centre on production project priority coordination (albeit it might if different stages, e.g. Shashi matte/Eiffel Flats refinery or coordinated export and interstate, intra SADCC marketing and transport , e.g. in coal especially jointly with a post-apartheid South Africa, were involved). In other words:

   a. a sector may be directly productive in the sense that it produces marketed goods. Note that this means transport and communications is very much a directly productive sector as is energy even if both are also infrastructure and do produce 'non-marketed' (e.g. highways, sometimes meteorological data, home-use fuel and building materials) goods and services;

   b. a SADCC operated project may be a production project if like EWS, millet-sorghum, hydrocarbons training it produces outputs which are in some sense intermediate or capital goods (as opposed to collecting and exchanging data - which may be equally valuable but is not production);

c. the same applies to SADCC priority projects which are nationally implemented. Airports are, at best, quasi-directly productive (output sales rarely cover costs so like highways they are collectively paid for) but are production projects. Training projects are production but not directly productive;

d. directly productive sector projects may be joint ventures (no clear present examples in SADCC); coordinated national projects which are part of an interstate whole (e.g. Tazara Corridor project complex); coordinated national projects which are mutually reinforcing (e.g. agricultural research and some animal control not directly involving transborder zone action).

3. Trade validates that part of expanded, coordinated production justified on the basis of external markets. It is crucial in cases of coordinated specialisation. (Note that this is true of transit transport projects or project components and of hydro projects as much as of manufacturing, mining or specialised agriculture.) Reducing barriers to effective market access (more information and enterprise contact, simpler and more uniform documentation, export production credit as much as trade agreement per se) is crucial to making that validation work. This is true whatever the product - thus the case for assured supply on forward grain sale contracts and some contractual purchase levels on rail services and/or power sources.

4. Trade is not limited to manufactures. Agriculture, mining, transport and communications, energy, tourism all contribute to trade. Further industry coordination should comprise more than trade promotion. Rehabilitation, avoiding excess capacity (as was done by setting cement use, capacity, export and new plant plans side by side), research, etc., are not simply aspects of interstate trade. Thus to perceive or programme trade and industry as a single programme or sector is to distort both.

5. Unpackaging leaves several themes - all suitable (indeed key) to 1990s programming. Their programmes relate and overlap but are not identical:

   a. SADCC is about coordinated action (including policies) whose aim is usually the production of knowledge, goods or services;

   b. knowledge production via research and coordination/dissemination of results is an area in which coordinated action is often more effective than separate;

   c. services production includes a range from training through animal disease control to transport and communications. Most t and c services are marketed and in that sense are directly productive;

   d. directly productive sectors - primarily agriculture and livestock, forestry and fisheries, transport and communications, energy, mining, manufacturing and tourism are crucial to meeting basic needs directly and because the surplus from them can pay for other - non-marketed - services and knowledge production;

   e. trade is a way of validating (using) coordinated production (of goods or services) from the directly productive sectors. Coordinated state action to promote it is likely to comprise non-marketed services, directly productive infrastructure (largely in t and c plus energy) and one marketed service - finance (the pre-export and trade credit funds). Trade itself will be largely between/among business enterprises - including banking, insurance and transport enterprises.

Business/Enterprise

6. Directly productive sectors and trade are carried on primarily (indeed almost exclusively) by business enterprises (occasionally disguised as government departments). For this purpose whether they are state, mixed or private in ownership is of secondary concern.

7. It is because they are central to production and trade that SADCC is concerned with coordinated action in respect to enterprises. The

problems in making progress in such action (called for as early as 1980/81 by the industries sector and begun in that sector by 1983/84) is fourfold:

a. a wide range of actions by enterprises are sought requiring an equally wide range of coordinated state actions;

b. the sheer number of enterprises potentially involved requires a substantial involvement of time (and some progress of selection) to go beyond high level, high generality discussion/dialogue sessions (like those before the Annual Conferences);

c. most foreign business are not very interested in committing funds to countries with low growth rates, a variety of risks greater than average (e.g. of being blown up or burned down) and uncertainty in supplies of foreign exchange to import to produce and to pay interest and dividends - a prudent timidity many SADCC based enterprises share;

d. SADCC Member States have had difficulty devising - let alone communicating - policies (including incentives) to cope with "c" so that coordinated action is difficult because there is not all that much to coordinate.

8. That said, several sectors, Trade, Industry, Mining, Energy in which business action is needed for policies to work have not acted very energetically or effectively. Without taking over the sectors (and quadrupling its staff) the Secretariat cannot substitute for weak sectoral level programming in respect of outreach to business enterprises. It can do broad brush, high level contacts and build a climate for response to coordinating unit led sectoral initiatives - and has done that to some effect - but not more.

9. To be effective a business outreach programme needs to have a clear focus of <u>what</u> is wanted and <u>which</u> businesses can provide it. If the answers are of the nature of presentation of business concerns and criticisms then <u>all</u> businesses are relevant albeit not all can be talked with directly. At this level SADCC's approaches:

a. business day before Annual Meeting;

b. contact with national business organisations;

c. creating business councils (I take it mixed government/business enterprise dialogue bodies?);

d. getting contact point addresses for disseminating information to business enterprises

appear sound and need consolidation and buildup more than radical change.

10. If the question is answered with a sectoral slant (e.g. those businesses engaged in intra SADCC and/or international trade) then <u>coordinating units</u> need to replicate the Para 9 structure sectorally:

a. business day before Sectoral Conference (or a sectoral conference with businesses);

b. contact with relevant sector businesses through general (e.g. Chamber of Commerce) or specialised sectoral (e.g. Export/Import or Trade Council) body;

c. link to Business Council (perhaps via a Committee?);

d. specialist contact point or points (e.g. data on bids for aid contracts should probably go to a different contact than data on trade interests);

e. encouraging "b" and "d" to get in direct contact-business with each other so routing information via governments or coordinating units usually wastes time.

By fits and starts Industry has tried this (but see below on fit and start problems of that sector). T and C has done it with - e.g. - railways and airways as has Energy with - e.g. - electricity companies but those are easy cases because there is one relevant enterprise per country which is large, easy to identify and used to contact with

government bodies. Thus no Councils or Chambers of Commerce are needed in making/maintaining contact and dialogue.

11. In addition the sectoral Coordinating Units must convince national governments (the ministries in them relating to that Coordinating Unit) to have similar contacts. No state wants quite the same things from business as any other and in project formulation and policy development specific state level business dialogue is one of the inputs into having something to put forward for SADCC action. When the state cannot locate an appropriate firm (e.g. for a project) it should be able to tell the Coordinating Unit what it wants in some detail so the CU can look for relevant business enterprises in the SADCC states or abroad and put them and the state in contact. Again many states do not do this and CU's to date have not been effective at locating enterprises in response to state requests.

12. Paras 10 and 11 set out an initial agenda and a thrust which can be launched at Lusaka 1990. The priority sectors are probably Trade and Industry. Agriculture rarely requires large business enterprises over most of the production range and in many cases their capabilities are not well matched to needs. Mining does need business enterprise participation but is a very specialised field not merely by sector but also by mineral (e.g. base metals, nickel, uranium oxide, diamonds, coal, petroleum, iron ore, bauxite, salts and similar minerals - albeit some mining companies operate on more than one) and is one in which most national ministries have some expertise. If a specialist conference is wanted the first one should probably be in Europe and the Technical Assistance Group (TAG) of the Commonwealth (not the IDU!) could usefully be asked to help with agendas and potential invitee lists. Tourism is also quite specialised and can probably decide for itself if it is yet at a state in its work to launch an enterprise contact campaign and for what purposes.

13. The other SADCC Member based and foreign business enterprise thrusts are sound but may need further scrutiny of four points:

    a. are interstate (i.e. enterprises from more than one state) joint ventures the likely main road for interstate business relations?

They may be at times, e.g. merchant banks in Botswana and Tanzania which were joint ventures with a Zimbabwe merchant bank would make good sense. But for trade either business travel to potential sources/customers or small offices in other states would usually be a better arrangement. Here - as in some types of manufacturing or transport business links - term contracts may give the same durability and reduction of uncertainty to a relationship as formal joint ventures?

b. is capital the key thing sought from a foreign (intra SADCC or overseas) firm? Or are design, production, technology, personnel, procurement and/or selling knowledge at least as (often more) important? In the latter cases, contractual links (with rewards tied to performance) may be easier to arrange than large direct investments and may be almost as useful for raising external export credit or loan finance. A useful adviser in this field might be the Commonwealth Development Corporation which has experience in at least 7 SADCC Member States and whose Deputy Managing Director for new projects Alistair Boyd is a good friend of Anglophone Southern Africa. (I would advise inviting CDC and specifically Boyd as the appropriate executive to Lusaka 1990.)

c. what can Investment Codes do and not do? They can reassure businesses (God knows why - I certainly don't!). They can lay down basic guidelines so routine points don't need to be negotiated each time. They will not avoid need for negotiations - including with one or more enterprises on our side - with any major investor. Nor will they cause much investment as they cannot address basic profitability, forex and security issues.

d. how can potentially relevant foreign business enterprises for specific cases be identified and initial contact made? (CDC might be able to advise on this? So might the more alert SADCC Member State based commercial and development banks.)

Coordinating Units

14. CU's are a SADCC strength - and weakness. They were intended to make all Member States feel integrally involved - by and large they have served that function. They were intended to avoid over-centralisation and keep most staff and attention focussed on actual policies, projects, programmes - and that too they have done. They were intended to be entrepreneurial in coming up with new ideas - an uneven record - and effective in pushing them into operation if agreed - a very uneven record.

15. Two general problems are citizenisation/regionalisation and finance. The broad ways to hiring SADCC citizen experts (not just host nationals) are agreed with both SATCC and the Food Security group (as well as SACAR) making progress. The next targets are Trade, Industry, Energy, Mining. Finance is agreed in the sense of initial buildup on external support (especially for personnel), core cost cover by host state and - at least by the medium term - cost sharing by all Member States. Only in the case of SATCC does this whole process seem to be working at all smoothly.

16. A potential problem is over-identification with coordinating state. To date this has plagued only the food reserve programme proposals of Food Security. They have been seen as Zimbabwe serving (not necessarily accurately but the perception is real and has limited progress). Regionalisation of personnel plus continuation of Member States' rather exemplary conduct in not using CU's to promote special concerns at the expense of regional are the probable answers. In the specific case, if the Food Reserve idea is to be tackled further, then a non-Zimbabwean professional should be put in charge of it (as Deputy to Zimbabwean head of CU) and make presentations on it. This should help reduce suspicions, especially as the proposals (which may or may not be practicable for other reasons) are really not biased in favour of Zimbabwe (or of the exporting sub-group more generally).

17. A second potential problem is inter-CU coordination. The key cases are Industry/Mining, Energy/Forestry (woodfuel) and Manpower/Everybody. (Agriculture/Industry and Trade/Everybody may arise but do not seem to have to date.) The first two seem to have been dealt with

satisfactorily. The third has not, partly because Everybody poses more problems than a specific sector. Possibly all Sectors with training components should route via Manpower for comments/proposals (timing problem as it means Manpower must meet late or early with feedback to other sectors before their annual ministerial level meeting) and components for comment go to it promptly to allow Manpower time to think before commenting. A basic underlying issue (dealt with below) is whether SADCC wants Manpower development coordination in sectors other than those in which there are sectoral programmes as such.

18. Each CU has specific problems. These cannot all be dealt with here. Briefly:

a. SATCC is evolving well, is self-critical, does adapt to overcome problems. It may need to rethink business enterprise (user or supporting service providing) links but Beira Corridor Authority/Group may be a useable model and it is involved with this;

b. Energy is proceeding well especially on electricity, training, information exchange in specialised areas. It is weaker in hydrocarbons because it is not plain what is to be done. (Angolan crude is not optimal for most regional refineries and Angola cannot afford soft credit payment.) Perhaps limiting that branch to training, studies on uses of natural gas (and coordination to avoid Angola-Mozambique-Tanzania duplicating each others products? Question mark because if ammonia/urea 80% to 90% would be extra-regional exports if viable, full scale plants) and of refinery by-products (e.g. very heavy residuals/bitumen, flue gas) and data on petroleum uses - price - etc., would be optimal until clearer ideas on what more is to be done emerge?

c. Food security is uneven. It suffers from a certain scatter of projects (very hastily revised from an unuseable initial formulation hours before Maputo Annual Conference) and weak administration plus lack of 2-3 overall experts (say agro-economics and agro-technology plus agro-transport/marketing or agro-industry) to pull it together and relate to broader agricultural sector. Basically sound but a little better administration and analysis could lead to large gains.

d. Agricultural Research is doing well - SACAR, millet and sorghum, grain legumes. Consolidating and broadening seem in order.

e. Livestock has done relatively well on disease control (transborder and more generally) but to date has not gotten a broader programme much beyond conceptualisation. (The Zimbabwe/Botswana business arrangement on marketing was certainly helped by SADCC context existing but not by SADCC institutions as such.) One problem is staff. Two or three full time professionals (selected to fit immediate programme priorities) and an administrator/follow up person are needed.

f. The rest of the (smaller) Agriculture-Forestry-Fisheries units are progressing albeit none has a full scale operational, policy coordination or business outreach programme. In each case a stronger full time unit head (citizen) and in some cases additional professionals are needed. Forestry-Fisheries is probably the priority for getting this in place if main forest products and ocean fishing states are interested.

g. Tourism is evolving. To date it is articulating concept but given its recent founding this is not cause for alarm and positing staff needed is not possible until Member States have a firmer view on regional programme parameters.

h. Southern African Economist is appearing, is readable, is of some quality, is visibly not a PR or house organ. That it has an editorial line to the right (neo-liberal right) of any SADCC Member State may not be optimal but the cure lies in persons associated with SADCC (words chosen with care) seeing more good pieces from other viewpoints (nearer to SADCC and Member State positions and also radical critics) get submitted to restore balance. Editor Mulaisho will run competent pieces even if they are of other viewpoints than his and has some commitment to balance.

19. Manpower is a shambles:

a. there is no agreement on what regional programme should exist beyond training in sectors which have overall programmes; and

b. such training is (and may well be better) designed by the concerned sectors;

c. the Manpower Ministers do not appear to interact with their Council of Ministers colleagues on "a" nor have they been consistent over time in what they proposed within the sector; while

d. Swaziland has never been able to provide a strong enough CU staff to act on project promotion or on getting projects out and used (e.g. the Specialised Training Institution Directory now being revised) while interest remained high.

20. What to do requires:

a. answering whether coordination in training may be useful beyond other programme sectors training components - e.g. in other specialised areas (Water? Human Health?); in building up general student 'exchange' (e.g. building from Directory); in selected management aspects (e.g. strengthening ESAMI and the ag.mgt. institute in Swaziland and adding one or more new or regionalised national units, e.g. Institute of Finance Management in Dar?);

b. coordinating with other sectors' training components if Manpower has special expertise to offer (does it?);

c. in the context of "a" having national official and ministerial dialogue so Member States have clear views on what is to be done;

d. building up unit (including a couple of non-Swati SADCC citizen experts) so "a" can be articulated and followed through.

In practice the sector cannot be wound up - Swaziland wants it and there is no other sector free for Swaziland coordination to replace it. Thus it is desirable some positive answer be found to "a" and made operational via "c" and "d".

21. Mining. On paper this sector makes progress. But it is zigzag, e.g. coordination of mining education development made sense (at least 4 states had institutions to build up to serve the 9), was proposed, when referred back (for reasons unrelated to content) was dropped. The present programme list looks plausible albeit it has no real business outreach even though for mining sector input (e.g. explosives, chemicals, tools, spares, machinery) and for processing it is clear that business enterprises are needed to help design and to operate projects and in some foreign business enterprise partners will be needed. But there seems to be little progress and communications between CU and 8 of Member States and among the 9 seem to be very weak (a problem from the start as while Zambia has been diligent in bringing in advice and ideas of a number of Zambian institutions it has not done equally well at canvassing and getting feedback from other 8 states). The CU's staff appears to be too small to follow up and to have too small a budget to travel twice a year to each of 8 to keep face to face data/idea flow going.

22. The problems suggest the possible solutions: better communication including biannual visits from CU to each state, specifying what business inputs are needed and setting out to get them (see proposal under Business/Enterprise), getting CU staff and budget beefed up.

23. Trade in fact has no CU. The Secretariat has continued to act as interim CU because there was no viable Tanzanian CU in being. (There is a danger of circularity as the Secretariat's acting reduces pressure on Tanzania to get useable CU up and running.) As a result the programmes moving toward functionality are Export Credit - Revolving Fund - NORSAD cluster fo which negotiation with donors and reports to Council of Ministers with feedback from them are core of work needed and are areas in which Secretariat has experience and capacity. The rest of the agenda:

a. effective buildup of inter state enterprise direct contact and information exchange;

b. state support for "a", e.g. trade fairs, selected information provision via contact points;

c. national and regional importer-exporter-banker-state body workshops to articulate business needs and how they could be met;

d. evolution of enterprise contract and frame trade agreement models and test cases of using them to facilitate trade;

e. evaluation and strengthening of national commercial and merchant bank trade finance on a coordinated basis (links to "d")

is not progressing beyond general level talks because it requires national action within a CU suggested, followed up regional frame. The Secretariat has not the staff, the time nor the specialised experience (and for that matter not the mandate) to undertake this work.

24. Tanzania needs to be convinced:

a. to create a Trade CU (separate from Industry one);

b. to appoint a competent senior Tanzanian with trade sector experience (government and/or enterprise) to head it;

c. to recruit 2 to 4 professionals (say 1 to 2 from other SADCC Member States plus 1 to 2 expatriates) relevant to working on agenda at "23" (including work Secretariat is now doing);

d. to have a budget allowing travel to each Member State 2 times a year, hiring some short term specialist consultancies, paying for data/statistics.

In practice this means getting a 3 year technical assistance grant. If Tanzania gets committed to "a-d", Secretariat should help draft budget and ta submission and find the ta finance.

25. Industry is another disaster area. After a good start in 1980/81 it has never functioned well and each fresh start has resembled a bucket of water poured onto the Kalahari. Why?

a. Tanzania has been unable to afford adequate own experts (absolute shortage); to use locally based industrial consultancy units (funds); to continue regular CU travel to Member States (funds and forex); to follow up on agreed strategies or projects (personnel and funds). A somewhat premature desire to regionalise/citizenise (same thing as at Tanzanian salary scales no other SADCC nationals will apply) and to be largely self-reliant (Tanzania covering basic budget except for one - rather inappropriate specialty - technical assistance expert plus limited consultancies) has hampered breaking these bottlenecks;

b. a baffling succession of strategies have been put up, altered, dropped in such quick succession as to prevent follow through on any:

i. identification of products with regional trade potential linked to putting enterprises in contact - surplus capacity use and forex saving (1980/81);

ii. smallscale basic needs industry programme (1981/82);

iii. sector by sector coordinated industrial planning using national project proposals and CU commissioned studies as building blocks (1982/86);

iv. business involvement in acting on "iii" (1983/84, 1986/87);

v. rehabilitation of industries and trade (1986/88);

vi. large scale multi national market regional industries (1988/89). A related industrial services programme to support these units.

In practice "i/v" are the same and can be a starting point. "iii" makes good sense especially if SADCC wants to build up coordinated regional planning sector by sector. At one point this approach had momentum and at least averted duplicative overcapacity creation

(notably in cement). "vi" is logically a component of "iii" and "iv", a means (and not one adequately pursued by two one off regional sectoral conferences bringing states and business enterprises together but not followed up). "ii" is a nonsense as a regional priority.

c. the unlucky choice of the Commonwealth IDU as main consultants and foolish habit of persisting with them despite their refusal to follow terms of reference, uneven work quality and the baleful role of Dr. Kuto has been a major factor in "b". Strategic vision vanished, programme control evaporated, neither IDU nor CU was in a position to follow through.

26. Where do we go from here? Convince Tanzania to:

a. fire IDU (may already have done so - Tanzania agrees with Para 25-c!);

b. get 3 year technical assistance funding;

c. expand specialist professional staff by (to really - Nd. Palangayo is a competent administrator but not a specialist on regional industrialisation or involving business) to deal with:

i. rehabilitation/capacity untilisation/trade;

ii. sub-sector by sub-sector buildup of regional industrial sector coordination;

iii. large multi state market industry core within "ii";

iv. outreach to business and involving them in "i-iii".

d. Hire contract studies (if and when possible from SADCC based units such as TISCO) especially on "iii-iv".

e. Follow up with Member States including by travel and promoting national workshops on "i-iv".

27. If that is done a synthesis directions statement can be ready for 1990 and an early Sectoral Meeting (Officials, then Ministers) make a new start. That applies to trade except that there I think agenda (as summarised above) is more or less agreed.

28. The two key sectors for CU/Programme strengthening are Trade, Industries. (Trade and Industry is a mistake because Trade includes extra SADCC export development and Industries includes more than intra SADCC trade. Further, not all intra SADCC Trade is, nor should be, in manufactures.) Both are crucial to Regional dynamic of 1990s and in neither is there a functioning programme nor (except for Secretariat's work on trade finance) any credible progress toward one.

Secretariat

29. The initial concept of a small specialist central Secretariat to perform representational and cross-sectoral (Committee, Council, Summit, Annual Conference) meeting servicing has proven valid. The less explicit concept (but also present from 1979) that as work built up in these areas and/or new needed functions for central Secretariat were identified by Member States, the Secretariat would be expanded has also proved valid. Conducting evaluations (of SADCC and of external cooperating partner performance); building up regional analysis base (especially 'Annual' Regional Economic Survey); being a source of articulated proposals for new programme areas; carrying out selected programme operations (e.g. Nordic and EEC negotiations) and initial work in new sectors (e.g. Trade Funding) have been added. And staffing has grown to accommodate these roles and more publicity-outreach work.

30. The main problems today are:

    a. a tendency to wander into running sectors (or propping them up) openendedly, e.g. Trade, Industry;

    b. without either specific time and function definition nor specialist staff; plus

c. a lack of precision on where the analysis base work is to lead in macro or aggregated sectoral Coordination;

d. as well as continuing snags in relations with PTA and ECA (a statement of fact not one of blaming the Secretariat).

31. Proposals in respect to "a" are made above. But, if there are not trade/trade finance and business liaison 'specialists' (persons with directly relevant skills and experience) on staff now, they should be next priorities for vacant or new posts. The broader a/b problem may need re-establishment of the initial practice of a secretariat person attending major sectoral meetings. This could be useful as rapid information collection, liaison and "early warning". The economists are the evident persons to send. When "early warning" arrives, Secretariat should work out appropriate action including, if needed and acceptable to CU, a 'visit' by a Secretariat member as 1 to 3 month consultant/adviser. On new or weak units it would probably work better in medium run if Secretariat helped CU/State to acquire technical assistance funds and personnel (or at worst hired a ta person and seconded him) rather than trying to do the sectoral work itself.

32. Some proposals on macro appear in Annexes B and A. The present cadre of economists headed by Emang should be able to cope albeit an indicative planning oriented addition might be useful. The first need is to help Sectors do more comprehensive indicative plans/projections beyond actual Regional Projects. These would add up to a broad range of coordination by aggregation. Together with Regional Economic Survey (new one is much better than first and suggests a stronger Secretariat guidance and revision role), these sectoral building blocks would allow a Workshop of Senior Macro Economic Officials. It could decide/advise Ministers on what came from documentation and what future official and ministerial meetings might usefully do. (If there is to be a macro sector with Official and Ministerial Committees it needs to be based in a state which either could use Secretariat as skeletal CU or staff its own and which

has both coherent national macroeconomic coordination and a Minister of Finance and Planning who is SADCC oriented. In practice that means Botswana or Zimbabwe, preferably Botswana as the Secretariat has a key role in Regional Economic Survey, data base, underlying Sectoral Projections-Indicative Plans.)

- Reginald Herbold Green
Falmer
October 1989

ANNEX E

Notes on Programme History

1. These notes are semi-chronological. General factors, atmospheres are treated by period as are main events. But when a sector is introduced its evolution is sketched there to limit need for reading back and forth.

2. They should be read with Annex A on institutions/constitutions; Annex B on failure of Peace and Prosperity projections of 1978-80 and SADCC response; Annex C on relationship with RSA after apartheid conceptualisation; Annex D on sectoral history re Industry and Manpower. Dates in this memo need to be checked - in haste I write from memory.

Pre Arusha

3. The Working Papers for Nsekela volume cover almost all of the sectors. Tourism is covered only en passant and the food security aspects of the agriculture clusters receive lower attention than after Arusha. Finance is prominent, albeit as much on merchant bank catalytic/analytic/technical assistance role of development bank as on bulk finance per se. Export finance is mentioned. The production validated by trade (and therefore state coordinated indicative planning implemented by enterprises and states) - as opposed to export trade led, free market structured common market approach does appear if not quite as explicitly as later. So does the common interest mutually perceived as better pursued on a coordinated basis for regional cooperation theme (as opposed to imported common market or neo-functional models). The stress on programme areas and on the need for hands on Member State involvement in decision taking implies the allocated Coordinating Unit/small Central Secretariat approach. These papers also established the tradition of copious, analytical documentation of good quality (albeit then as later uneven quality) for SADCC meetings, "especially, but not only" Annual Conferences. It is not argued that the papers en bloc were digested by many decision takers. But officials and secretariat/Liaison Committee members did read them and their dialogue and advice was informed by them. At least some external cooperating partners to be also read them and found them novel and well argued.

4. The decision by the FLS Foreign Ministers to go to Arusha via Gaborone de facto gave qualified endorsement to the approaches noted as the Conference/Organisation had been put up on that basis. (That decision was spearheaded by Botswana backed by Tanzania and Mozambique. Tanzania was probably the first committed state because of its twin vocations for South-South cooperation beginning sub-regionally and for liberation of Southern/South Africa but perceived itself as too far North to be valid leader. ZANA-PF (Zimbabwe to be) was an offstage (or in the wings) backer. Zambia was a slightly later adherent. Angola - geographically cut off from rest of region and with few historic functional links apart from, already severed, Lobito Bay corridor - was last to agree and did so as much out of solidarity with Mozambique as from a firm belief SADCC would be worthwhile.)

5. The key inputs at Gaborone (May 1979) beyond the papers came from. Botswana senior officials as mediators and orchestrators and two clusters of Mozambicans. These were macro-economic (Janet Rae Mondlane and Abdul Megid Osman acting for Rui Balthasar) and transport (Figueredo, Bhatt et.al. acting for Luis Maria Alcantara Santos). They firmed up the regional dependence (and liberation) and keystone role of transport therein and the recipient led coordinated external cooperation ("especially, but not only" fundraising) themes. Because historically transport services were Mozambique's largest export and because its non-ACP, non-Bank/Fund status (then and for several more years) required it to locate an alternative channel/forum to non-CMEA 'donors', Mozambique had more compelling interests in articulation of these themes than any other FLS member.

6. The Gaborone draft of Arusha statement leading to Lusaka Declaration turned on Para 4/5 inputs. Non-FLS state or organisation influences were effectively nil. The one area of real controversy was finance sector. This was originally a Simba (development bank as fund collecting and allocating channel) plus Green (catalytic-analytic-technical assistance merchant banking)articulated concept. (Zambia had only local diplomatic mission representatives at Gaborone.) The compromise to set up when appropriate time to set up was reached because 1 state (Mozambique) saw it as inappropriate; 1 (Tanzania) as perhaps useful and 2 (Botswana and Zambia) as perhaps useful later. (Angola was not present).

Arusha

7. Arusha brought in one major change. Food security (ill defined) was then a fad as well as a serious concept. The invited guests all stressed it and did not feel research on semi-arid agriculture oriented to small peasant producers was adequate. SADCC to be responded by including, albeit it had some doubts as to how it could be programmed as SADCC never sought to be a food aid distributor or even to coordinate outside food aid for the region. (The 1984 drought papers were not a real exception. Agriculture perceived a common problem and the Annual Conference as a good forum for putting it to the world. It did not see SADCC as deeply involved in follow up. That, not incidentally, was genesis of regionally related national projects in food security which remained largely unfunded but also a factor in 1984-86 rise in general and 1986-89 rise in Mozambican food aid even if food aid itself was bilateral except for triangular purchases from Zimbabwe and Malawi.)

8. The Preamble (but not the four main goals) also dates from Arusha but is not directly a development vis a vis programme. The financial institution clause was formally not changed but potential external cooperating partner non-enthusiasm confirmed all of SADCC side (except Simba and - now - Zambia) that the time was not ripe.

9. By Arusha Angola had became enthusiastic albeit it has always viewed SADCC as a special sector/limited range of common concerns body. In that it is quite unlike Mozambique, Botswana, Zimbabwe and - in principle at least - Tanzania which see it as central as do some technocratic and/or long sighted Malawi decision takers and officials. Lesotho's views are influenced by its location but also by overriding need to be seen to be linked to other independent states and to have that umbrella for 'protection' from RSA and for international credibility. Swaziland has a mixed position between Angola and Lesotho as to aims, but also a discontinuous one because of Mfansabili era lurch toward RSA. Zambia's underlying view in principle is that SADCC is central but - even more than Tanzania - this is not fully or at all times acted upon re programme or main concept development participation.

From Arusha Through Maputo

10. The Lusaka Summit formally founded SADCC. (As a 9 country body it was clearly formally wholly separate from the FLS. In practice it can be seen as the applied and political economic parallel to the FLS and to be informed by decisions of FLS Heads of State who are dominant in members, economic strength and clearly defined positions at SADCC Summit - and via their Ministers - Council.) It also adopted the "Lusaka Programme of Action" which allocated sectors (from the Declaration) by coordinating state. (Trade was left out as no programme had been agreed. Finance went to Zambia but petered out by 1984 as study after study failed to convince 8 SADCC Member States either that a Southern African Development Bank could be staffed and controlled by the 9 or that, if it were, it could attract substantial additional funds. The coordinated finance breakthrough came after 1986 and on export finance via trade concerns not out of old pre-sectoral approach.)

11. Initial reports from several sectors went to Salisbury (as it then was) Council of Ministers in September 1980. It was clear only Transport and Communications would have full sectoral strategy plus projects. (It did not then have policy and enterprise coordination thrusts which built up over 1982/84 and Posts-1983/4 addition - and Meteorology-1985/6 addition, but did have corridor and independent airport and telecommunications networks themes and strategies which have served SADCC well for a decade and still retain their basic validity for the 1990's). It was hoped Food Security could also have a strategy and at least some projects. For other sectors only theme papers and perhaps one or two initial projects were expected.

12. In the event Food Security had a rather vague overview plus its basic project list (somewhat vaguely linked to the vague overview so that the sector had content but not clarity). But this was a last day revision of an unusable initial paper because at that stage Zimbabwe did not have its present African family farmer focussed policy and (understandably) knew little of agriculture in the other 8.

13. Energy had a broad perspectives paper which at the time looked disappointing. In fact it led to the countries, selective, step by step buildup which has made energy a successful sector. The hydrocarbons training unit may seem an odd first choice project but it was ready,

useful, wanted by several states, fundable and evidence practical gains would come. Manpower and Industry (albeit this was not evident at the time) began their perambulations of adopting new strategies and partial articulations so frequently as to ensure none ever came to fruition. Industry looked promising with trade from existing units, raising capacity utilisation, saving forex regionally, improving commercial information flow, encouraging direct contacts among enterprises themes, but still had no serious secretariat to implement and after Maputo hired IDU as consultants who promptly jurked the programme and substituted their own.

14. Animal Disease Control had initial cross-border projects which were financed then or later. These led to its broader animal diseases of regional significance control focus (e.g. including rinderpest in Tanzania which was a regional threat and so seen by Botswana and Zimbabwe. Agricultural Research had the millet-sorghum project (ICRISAT link up) but it was to take 2 years of work (and lining up ICRISAT's backers to press it to respond constructively) to achieve that first break through on crop research. Once that happened the programme was to evolve rapidly (if not placidly - see subsequent note on Lusaka Annual Conference) and successfully.

The Blantyre Near Debacle

15. At Blantyre T and C showed progress on articulating and implementing its agenda as did Food Security and Animal Disease Control. Elsewhere there was little visible progress and indeed little even to discuss. Industry was a disaster with an IDU small scale, basic industries theme utterly outside SADCC's terms of reference or those given to IDU. This was, mispresented as subsector by subsector industrial coordinated planning (a sub-theme in IDU) to avoid a SADCC/Partner revolt, a choice which did influence work on those lines over 1981/1987.

16. The question of outside direction arose. The USA put a hard line neo-liberal position as if it were a prescription SADCC must as a good patient accept and several outside partners wanted to 'help' write the

Communique. The response then has remained SADCC's position whenever these issues re-emerged (as they have from time to time albeit not every year and perhaps not since 1986):

a. SADCC welcomes advice, criticism, suggestions;

b. it will take them seriously and may well adopt even major ones (e.g. Food Security);

c. but it is an independent organisation whose decisions must and will be taken by its Member States, not a primary school class to be lectured and tested;

d. the Chairman is responsible to and for the Conference. With his staff he determines his sense of the meeting and drafts a Conference Communique on that basis. In that process he is and must be autonomous of both Member States and External Cooperating Partners albeit he may seek advice from anyone;

e. The draft Communique is the Conference's and may be amended if that is the sense of the Conference.

17. The Destabilisation/Aggression theme also arose for the first time (see Annex A). Its inclusion was backed by all SADCC delegations (including Malawi) and most "invited guests". The USA - backed by the UK, World Bank and (perhaps) Federal Germany - wanted it out as "political". SADCC took position:

a. all factors gravely affecting Lusaka Declaration goals and programme are relevant to SADCC's practical economic themes and work;

b. that includes economic destabilisation and armed aggression by/from RSA;

c. factually the vast majority of Conference concur so this is sense of conference and stays in;

d. but, OK, minor cosmetic wording changes are possible.

This area of contention - and this response - were to arise again in several years through 1986. SADCC's response was the same as was the outcome. (In 1984 the objections were from some "like minded" cooperating partners who felt the hopeful references to Nkomati and less forceful condemnation of RSA were at least premature. They, however, did not push the point very hard.)

Maseru - Musaka - Mbabane - Harare

18. Blantyre was the low point in respect to programme. Thereafter, while some sectors lagged, every Annual Conference saw progress in enough sectors on programme design, articulation, funding and implementation to keep up an overall impression and reality of a multi front forward dynamic.

19. By Maseru first efforts toward articulating a trade sector had been made. These responded to calls from Industry and to the Lusaka Declaration section. The 1982 (check date) Arusha Ministers (Trade and Finance) Meeting in fact agreed a programme (based on a Secretariat Paper) which was and is adequate (though it underplayed trade finance), but deferred action, because of supposed PTA overlap. (As neither tariff reductions nor a clearing house were proposed this was not literally true, albeit the animosity of the PTA and ECA to SADCC was real and was the barrier.) Repeated technical/ministerial exercises made little progress until 1985 (or was it 86?), when the Member States had reached a consensus at political level to follow a two track SADCC and PTA approach in trade. (Zimbabwe shift was key and led to Zambian acquiescence. Previously Zambia had been negative and Zimbabwe unable to reach a firm position so seeking deferral. Tanzania - Mozambique - Botswana were core proponents backed by Angola. The three non-FLS Member States had no strong views albeit Malawi clearly looked for a Zimbabwe lead.) While it would be unwise to say so loudly, this related as much to fact PTA was not delivering the goods as to acceptance that a division of labour (broad tariff preferences and hard currency clearing on the one hand, closer coordination and finance raising on the other) was desirable for its own sake (as it very probably is).

20. Over 1983/89 the Mining Sector was launched, promoted by Zimbabwe but assigned to Zambia (in part to replace its moribund Finance 'sector'). Subsequent delays in gaining focus and momentum are noted in Annex D.

21. At Lusaka in 1984 the pre-conference theme day began - with Nordics and leading to Nordic Initiative. In 1985 at Mbabane it was, I think, on Agriculture which over 1984-85, emerged as an umbrella 'sector' to group the sub-sectors and develop strategic themes, affecting all or several of them. Both the pre-conference theme day (with business enterprises in 1987-89) and the Agricultural 'Sector' have proven to be useful initiatives.

22. The other Lusaka programmatic 'high' point was the "tied aid" (really, politically negatively conditioned aid) crisis with USAID over its negative pledge clause grant for funding regional and 6 country work on millet - sorghum while specifically excluding three countries from any benefit (including access to other Member State or regional data resulting from project). This was probably a cock up not a conspiracy, but looked like the latter. (USAID in the person of Roy Stacey had hoped to fund all 9. After Lusaka, USAID revised contract to say what it would, not what it wouldn't, support and agreed all results were freely transferable to all 9 states. Before and after Lusaka, USAID helped canvass other donors for the Tanzania, Mozambique, Angola country components.) SADCC responded to what appeared to be an attempt to create splits by affirming:

a. it wanted the project;

b. it would accept partial support (by function or by country) expressed in positive (will support) terms; but

c. would reject "negative pledge clause" offers and especially barriers to SADCC project data being freely available to all Member States.

In the event the USAID offer was recast consistent with these conditions and other finance found to complement it. The actual content of the project was never at issue. The 1985 Summit adopted (and issued?) a statement on "tied aid" rejecting political conditions and attempts to set Member States against each other but accepting funders might reasonably wish to support particular parts (topical or geographical) of projects which posed no problems so long as it did not interfere with project goals, nor with intra-SADCC cooperation. An interesting general point is that the USA not SADCC blinked. That also happened on South

Africa condemnation at Blantyre in 1981 and over Chairman's denunciation of Savimbi/Reagan tête-à-tête made at Harare, in 1986. SADCC in each case remained polite but firm on principle. Nominally each solution was a compromise, but SADCC, at most, offered cosmetic wording changes and the USA backed off from threats to break relations implicit at Blantyre and Lusaka and overt at Harare.

23. Mbabane was not marked by major programme developments. Progress, yes, but accumulative and consolidative not structural changes nor breakthroughs.

24. Harare again had no breathtaking sectoral programme developments albeit with the second successive Vice Presidential (Jaycox) appearance it did mark World Bank's full "seal of approval", which has its uses in fund raising. (The USA-UNITA controversy has been noted above.) A new (albeit provided for from Arusha/Maputo on at least in principle) departure was having a Liberation Movement speaker at (first main) Plenary. This does underline SADCC's commitment to liberation, to speedy accession of Namibia and to building new/transformed economic links with post apartheid South Africa.

25. The main new programmatic thrust at Harare was the initial macro initiative. Its first half - the initial Regional Economic Survey (nominally annual but second came out for 1990 Lusaka Annual Conference) came off well. Its second half - a set of sectoral indicative plans adding up to a broad macro thrust did not. Some submissions (notably T and C and to a degree Energy and Agriculture) were good first tries. The rest were scrappy or (Industry, Manpower) vacuous. (The texts used at Harare somewhat conceal this as they were edited to create a greater degree of forward strategic perspective than the CV's and sectoral committees actually had.)

From Harare to Lusaka

26. Since Harare four themes have emerged:

a. increased emphasis on directly productive sectors; with a related

b. emphasis on closer dialogue plus cooperation with business enterprise;

c. attempts to build up the trade (including trade aspects of Food Security) area as a contribution to "a"; and

d. work toward fleshing out the macro role.

27. Problems in respect to a-b-c-d are noted in Annex D with suggestions as to possible ways toward breakthroughs. On balance "a" has been achieved verbally (despite a very weak 1987 Overview Paper) and in stronger Annual Reports and second Regional Economic Survey. Whether actual strengthening of the relevant sectoral programmes has been achieved is another matter. Mining and Industry remain very weak and Trade is still run ad interim by the Secretariat because no viable Coordinating Unit has been created to date. By the same token progress on "d" has been real but limited and on "c" confined to export funding negotiations (the trade aspect of food security once again bogged down over issues of practicability and - atypically for SADCC - division of gains). On b" the image and cross sectoral high level dialogue sub-goals were achieved but - with limited exceptions - not Sectoral nor National follow up and broadening/focussing.

Reginald Herbold Green
October 1989
Falmer