SADC Barometer

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FROM POTHOLES TO PROSPERITY

Eleven interstate super-highways slice across the dozen mainland countries of Southern Africa, serving 15 ports situated on two oceans. Gone are the days when the best way to move the region's riches was by river. Well, maybe. Despite all its container hoists and ribbons of tarmac, Southern Africa loses billions of dollars every year to poor management of its infrastructure. The average freight rail speed from Congo to SA is 10 kilometres per hour. Road transport is hardly faster. Dock workers too often take days to unload vessels when they should take hours. 'In all SADC ports, turnaround time for container ships, once berthed, is far higher than in efficient ports in other parts of the world', the World Bank notes.

Inefficient border posts, excessive levies, and weight rules that are inconsistent from one country to another chew up valuable time and inflate transportation costs needlessly. Net transport and insurance payments to foreign suppliers absorb more than 25% of the value of exports in most sub-Saharan African countries.

This is unsustainable – and should be unacceptable. Following the collapse of global trade talks in Cancun, Mexico, last month, developing countries must work even harder to make themselves economically competitive. Poor – and poorly run – infrastructure makes that objective impossible. But despite churning out finely polished policy documents, Southern Africa's leaders continuously fail to provide the financial commitment needed to build a region humming with enterprise. 'There is a need for a regional strategic vision to ensure effective and efficient corridors', says Michel Audigé, a transportation expert at the World Bank.

This issue of the *SADC Barometer* examines the obstacles preventing the region from utilising effectively the infrastructure it has and building what it needs. The main article in this issue warns that SADC lacks a comprehensive plan for filling the potholes and putting the trains back on track. The article elaborates on the salient issues affecting the region's transport infrastructure, pointing out deficiencies and opportunities, and suggesting practical ways in which SADC can move forward. It suggests that SADC will have to overcome the internal organisational and political problems that are hampering its ability to translate good intentions into practical plans. It also urges SADC to identify opportunities such as those offered by the New Partnership for Africa's Development and the expansion of South African business into the region.

Other articles consider the importance of discussing trade facilitation within the WTO; the lessons that other SADC member states can learn from Zambia's rail privatisation experience; the advantages and limitations associated with the privatisation of ports in SADC; the importance of information and communication technology to regional development; and water as a strategic resource. While the focus is on transport infrastructure, two articles in this edition acknowledges the importance of financial and social infrastructure to development. We also report on the SADC summit in Dar es Salaam in August 2003, and assesses Tanzania's ability to lead SADC from the front.

Thanks to generous funding from USAID's regional office in Gaborone, Botswana, the *SADC Barometer* will henceforth be translated into French and Portuguese. Copies of all three versions of the *SADC Barometer* will be available at *www.wits.ac.za/saiia*. Subscriptions, comments & suggestions should be directed to *SADCBarometer@saiia.wits.ac.za.*

INSIDE

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SADC no Vehicle for Infrastructure Development

Not that long ago, if a lorry took six days to heave its load across the desert from the capital of Botswana to the port of Walvis Bay on Namibia's Atlantic coast, it was making good time. Now drivers can cross the 1,400 kilometre stretch in less than two.

Five years after its formal opening, the Trans-Kalahari Corridor has become an example of the economic benefits to be gained by improving the way the roads and rails of Southern Africa are managed. Border posts along the route have replaced their differing national customs and road rules with common regional regulations. Services like cell-phone reception and overnight facilities have been improved, enabling truckers to cross national borders faster and communicate more easily.

But in a region criss-crossed by eleven major ribbons of rail and tarmac, the Trans-Kalahari Corridor is the exception. Unless similar improvements are made to the other important commercial routes, Southern Africa will never become a fully integrated and truly competitive economic entity.

Holes in the highways are not the critical problem. The real potholes are poor management and political apathy. Despite their aspirations to achieve a cohesive and dynamic economic community, regional leaders have repeatedly failed to back up their grand intentions with financial commitment. And that failure is proving costly, particularly at a time when international trade talks have stalled and the ability of nations or regions to attract outside investment will depend increasingly on the health of their economies. The combination of badly maintained roads, cumbersome border procedures and other inefficiencies translates into transportation costs amounting to as much as 20–30% of the total price of goods. Compare that with, say, Brazil, where moving commodities accounts for only 12% of their total cost. Southern Africa loses billions of dollars a year while lorries languish at crowded or closed border posts, and ships wait for days at the docks to be unloaded.

Recognising the need for co-operation to address weaknesses in the transportation infrastructure, regional leaders have promulgated grand visions and have established a plethora of overlapping institutions and mechanisms. But slow progress in infrastructure development and other areas of co-operation reflects the inability of Southern African leaders to turn SADC into a robust vehicle for regional development.

Despite their aspirations to establish a cohesive and dynamic economic community, regional leaders have repeatedly failed to back up their grand intentions with financial commitment.

An increasingly competitive global market place

'The establishment of an efficient service over the Benguela Corridor would have significant benefits... Zambia's access to Lobito Port would enhance her competitiveness in world export markets', President Levy Mwanawasa of Zambia observed recently.

SADC countries realise that they cannot compete globally as individual players. That is partly why they created the Southern African Development Co-ordination Conference in 1980 and later transformed it into SADC in 1992. But across Southern Africa, inadequate and poorly maintained physical infrastructure continues to restrict the free flow of commerce, capital and labour, affecting both intraregional and external trade and competitiveness.

As it currently stands, the region's transportation infrastructure (roads, railways and ports) does not have the capacity to handle a greater volume of freight. The implementation of the SADC Free Trade Protocol, however, is expected to result in an increase in intraregional trade from the current level of about 20% currently to 35% by 2008.

Already South African ports are unable to handle the escalation in freight transported from the region (in particular Zimbabwe, Zambia, Mozambique, Angola and Malawi), which grew by 40% on average per month from 2001 to 2002. In the first half of 2003 South African ports – notably Durban, which handles the bulk of regional traffic – were so congested that ships waited up to 10 days to be loaded or off-loaded.

Attracting investment to infrastructure

To improve regional connectivity and stimulate production and development, SADC has identified a number of development corridors. These corridors aim to create integrated systems of production, transport and development along pre-existing but often dilapidated railways and roads.

The corridors have been functioning at various levels. On the Nacala Corridor, there is still a stretch between the Malawi–Mozambique border at Entre

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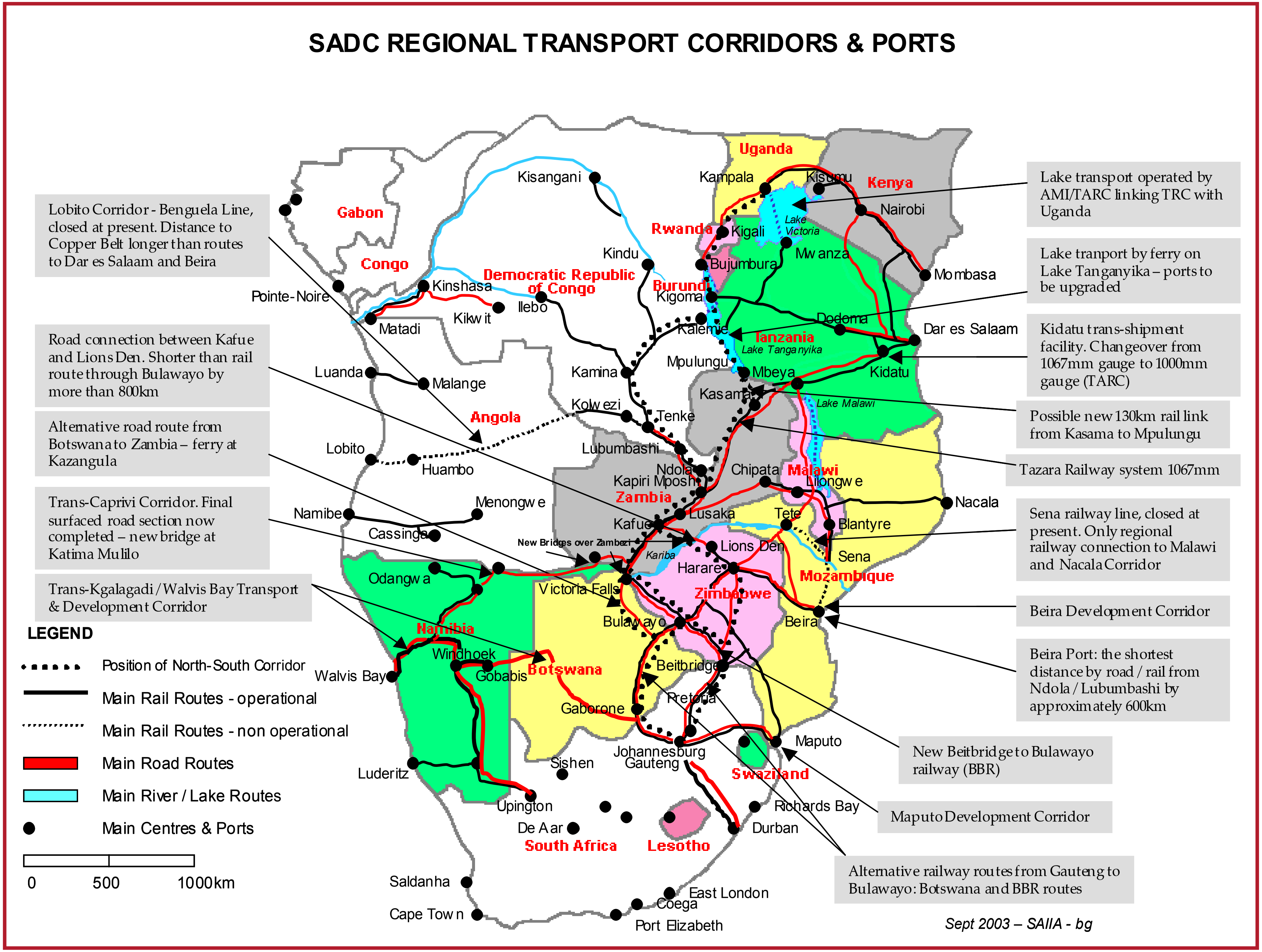
SADC REGIONAL TRANSPORT CORRIDORS & PORTS
Lake transport operated by AMI/TARC linking TRC with Uganda
Lake tranport by ferry on Lake Tanganyika – ports to be upgraded
Kidatu trans-shipment facility. Changeover from 1067mm gauge to 1000mm gauge (TARC)
Possible new 130km rail link from Kasama to Mpulungu
Tazara Railway system 1067mm
Sena railway line, closed at present. Only regional railway connection to Malawi and Nacala Corridor
Beira Development Corridor
Beira Port: the shortest distance by road / rail from Ndola / Lubumbashi by approximately 600km
New Beitbridge to Bulawayo railway (BBR)
Maputo Development Corridor
Alternative railway routes from Gauteng to Bulawayo: Botswana and BBR routes
Lobito Corridor - Benguela Line, closed at present. Distance to Copper Belt longer than routes to Dar es Salaam and Beira
Road connection between Kafue and Lions Den. Shorter than rail route through Bulawayo by more than 800km
Alternative road route from Botswana to Zambia – ferry at Kazangula
Trans-Caprivi Corridor. Final surfaced road section now completed – new bridge at Katima Mulilo
Trans-Kgalagadi / Walvis Bay Transport & Development Corridor
LEGEND
Position of North-South Corridor
Main Rail Routes - operational
Main Rail Routes - non operational
Main Road Routes
Main River / Lake Routes
Main Centres & Ports
0
500
1000km
Uganda
Kenya
Rwanda
Burundi
Tanzania
Democratic Republic of Congo
Gabon
Congo
Angola
Zambia
Malawi
Mozambique
Zimbabwe
Namibia
Botswana
Swaziland
South Africa
Lesotho
Kampala
Kisumu
Nairobi
Mombasa
Lake Victoria
Kigali
Mwanza
Bujumbura
Kigoma
Dodoma
Dar es Salaam
Kidatu
Kisangani
Kindu
Kinshasa
Ilebo
Kikwit
Matadi
Pointe-Noire
Kalemie
Lake Tanganyika
Mpulungu
Mbeya
Kasama
Lake Malawi
Luanda
Malange
Kamina
Kolwezi
Tenke
Lubumbashi
Ndola
Kapiri Mposhi
Chipata
Lilongwe
Nacala
Lobito
Huambo
Menongwe
Namibe
Cassinga
Kafue
Lusaka
Tete
Blantyre
Sena
New Bridges over Zambezi
Kariba
Lions Den
Harare
Odangwa
Victoria Falls
Bulawayo
Beira
Windhoek
Gobabis
Walvis Bay
Beitbridge
Pretoria
Gaborone
Johannesburg
Gauteng
Maputo
Luderitz
Sishen
Upington
De Aar
Richards Bay
Durban
Saldanha
Cape Town
East London
Coega
Port Elizabeth
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Lagos and the Mozambique town of Cuambe, where the track is so bad that trains can travel at only 10–15 km an hour – imposing a tremendous strain on both driver and locomotive. In Angola, where the Lobito/Benguela Corridor is still under construction, aid groups recently called for the emergency repair of transport infrastructure to avert a 'new humanitarian emergency'.

The privatisation of transport systems can cure many of the ills of bad management and poor maintenance. But in many SADC countries privatisation processes can take between 10–15 years to finalise. Often they are held up by domestic political considerations. The privatisation of the Tanzanian Railway Corporation, for example, will probably be delayed until after the 2005 because the large-scale lay-offs could reflect badly on the government in the run-up to elections expected that year. In SA the influence of the labour movement on national politics has meant that the privatisation of ports and port services has stalled.

The executive director of the Malawi Privatisation Commission, Maziko Sauti-Phiri, estimates that delays in the privatisation process could cause a company to lose up to 6% of its net value with each passing year. This results in a decline in income, which deters potential investors.

Investors want immediate returns, but more importantly, they require comprehensive market information and a secure environment to invest in. SADC could provide a hub for adequate regional information systems if member states supplied it with up-to-date and accurate statistical information. Similarly, member states could encourage investor confidence through transparent and accountable political and economic governance at the national and regional levels.

The reasons for SADC's weakness are manifold. Domestic democracies are weak and neither national populations nor peer states hold leaders accountable for their commitments to SADC. Some member states rely disproportionately on SA to play a leading role in the region and therefore fail to draw up their own regional development plans. A few leaders still hold sovereignty as sacrosanct and are more interested in prolonging their own hold on power than they are in national development.

With a plan….

Regionally, good governance requires the formulation of a clear and comprehensive plan that sets attainable targets and contains measurable performance indicators. Such a strategic plan should, furthermore, acknowledge the linkages between different directorates and sectors at the SADC level.

The Regional Indicative Strategic Development Plan – a 10-year programme to guide SADC's initiatives that was adopted by the Heads of State at their annual summit in Dar es Salaam, Tanzania, in August – does not meet these requirements. Instead, the plan, which took twice as long as anticipated to produce, reflects the limitations imposed on the SADC Secretariat by the lack of financial and political commitment of member states. Peppered with impressive but noncommittal jargon, it calls for, among other things, '100% connectivity to the regional power grid for all Member States by 2012'; 'liberalise[d] regional transport markets by 2008'; and harmonised 'water sector policies and legislation by 2006'. But it lacks time-bound and attainable targets, estimates of cost, implementation measures and clear priorities. It does not assign responsibilities to specific actors, but referrs only vaguely to 'member states', 'SADC', 'private sector' and 'road transport industry'.

… or without one

The Maputo Development Corridor is a joint project between SA and Mozambique. In October the transport ministers of SA, Namibia and Botswana will sign a memorandum of understanding on the development and management of the Trans-Kalahari Corridor. Spoornet carries more than 90% of regional freight and operates railway lines between Johannesburg and Maseru, Lusaka and Victoria Falls, and elsewhere. SA businesses are also involved in the DRC, Mozambique, Tanzania and Botswana where they provide logistics solutions, participate in consortiums and build transhipment facilities. South African Airways has become a strategic partner to the Zambian and Tanzanian national carriers, leading to a significant increase in the frequency of flights between Johannesburg and these countries.

Infrastructural developments, such as the successful Maputo and Trans-Kalahari Corridors, and improvements of the region's airports and roads, are progressing despite, rather than because of, SADC. This is the result of two emerging trends.

Agreements to develop cross-border transport and development corridors are signed between the leaders of the particular two or three states involved. Although they are very similar to SADC agreements, they have a better chance of being implemented as they take greater cognisance of national priorities and constraints. Also, fewer parties are involved. From the examples cited above, it would also appear that they have a better chance of success if SA is a signatory.

South Africa still dominates

When the Frontline States united in 1980 in an attempt to reduce their dependence upon apartheid SA, the basis of their co-operation was infrastructure. Twenty-three years later, SADC states are still reliant upon the South African economy for investment in the region and to maintain or revive their failing transport infrastructure.

SA's political and economic role in the region is a controversial and sensitive issue for other SADC countries. South African businesses are often accused of displacing local businesses that cannot compete against their superior size. Politically, SA is frequently described as a regional bully, or as 'an elephant in a glass house'.

South African policymakers explicitly accept that SA cannot be an island of prosperity in a sea of poverty. Therefore, SA is actively encouraging the involvement of South African business in the region. If investments in oil are taken out of the equation, SA emerged as the 10th largest investor into SADC in 2002. Although SA is represented in all sectors, its presence is particularly evident in infrastructure and services.

South African construction companies like Grinaker and Murray and Roberts are putting up office blocks and shopping centres from Luanda to Lilongwe. The South African power utility, Eskom, is the sole supplier of power to the Mozal Aluminium smelter near Maputo in Mozambique.

The state-owned South African railway operator Spoornet is a major partner in many of the consortiums that have taken over privatised regional railways. It currently operates the line between Beitbridge and Bulawayo in Zimbabwe. It is a dominant party in the group that won the bid for the privatisation of the Zambian National Railway and a preferred bidder in the privatisation of Tanzanian Railways. But, as Bo Giersing points out in this issue, Spoornet is a subsidiary of Transnet – a cash-strapped, inefficient and badly managed public enterprise that could export its uncompetitive and monopolistic practices into the region. SA's political role in Southern Africa is even more ambiguous. SA is expected by some to play a leading role, but most SADC countries are hesitant to accept SA leadership.

The other SADC states should embrace SADC and Nepad for what they can offer in terms of bolstering investor confidence and raising the international profile of the region

Notwithstanding SA's overtures of assisting the region, it will ultimately look after its own interests. But the development and improvement of the region, both economically and politically, *is* in its interest. So is the strengthening of SADC. SA relies on SADC to legitimise its role in the region. Similarly it needs Nepad, the African Union, the Non-Aligned Movement, and the Group of 20+ to give it a voice in the international arena. This need grows as the miracle of the country's transition to a multiparty democracy fades into memory.

The other SADC states should embrace SADC and Nepad for what they can offer in terms of bolsetring investor confidence and raising the international profile of the region.

Because it represents the combination of scarce human and financial resources, a strong SADC Secretariat can play an important role in developing policies that will help countries in the region to engage with SA, Nepad and the rest of the world. SADC states can then claim to have collective control of regional planning and development into their own hands and out of the direct control of SA.

What needs to be done?

SA's neighbours need to develop a regional vision to counter the dominance of SA that will enable them to engage constructively with the country's expansion into the region. SADC can provide a forum in which the smaller SADC states can discuss their fears with SA, and develop regional development plans that are consistent with their own national objectives. At present they do not have the capacity to do so, and consequently rely on SA to shape a regional plan.

But the strengthening of SADC to enable it to assume a significant role in regional development would mean that member states would have to concede some sovereignty. Southern African leaders also need to give the SADC Secretariat a clear and independent mandate and sufficient financial and human resources to develop and implement policy. Again, leaders should engage different stakeholders – such as the business community and NGOs – in arriving at a development agenda.

Gina van Schalkwyk

Opinion

SADC Transport Q & A

As Southern Africa moves further away from its conflict-ridden past and becomes a more cohesive region, the rapid development of efficient transport networks and logistics chains is crucial. Some SADC countries are still grappling to reverse decades of neglect and under-investment in their roads and railways. Others, especially where governments have entered into partnerships with private companies, are reaping the benefits of revitalised roads and rail networks. *Paul Ash* asked regional opinion makers and businessmen to assess the state of SADC's transport infrastructure.

How important is infrastructure to development?

Dr. John Middleton, International Finance Corporation
It is at the core of all development. By IFC estimates, more than 2.3 billion people lack modern energy sources and more than 2 billion people lack access to proper sanitation; 1.2 billion people lack clean water, and another 1 billion lack road access.

Duncan Bonnet, Whitehouse and Associates
Infrastructure development cannot take place in isolation [from] other developments. A railway line without goods to transport is simply a strip of steel.

Bradley Knapp and Henry Posner III, Railroad Development Corporation
When rail falls short of meeting the market's needs, it is a serious drag on the economy. The most obvious example is Zimbabwe, where lack of capacity has meant the actual shutting down of some industries.

How effective is the infrastructure development in SADC right now?

Moeletsi Mbeki, businessman
There is a huge lack of capacity in the state sector in Africa – not enough civil engineers, no quantity surveyors, as well as the general mismanagement of economies.

Duncan Bonnet: There are still severe blockages. The cost of transport is a critical issue in unlocking regional trade. Internal transport costs in SADC are very high, and undercut the competitiveness of the region, both in export and intraregional trade terms.

Dr John Middleton: Infrastructure generally in Africa, from power to telephones to water, is lagging [behind] other areas of the world, but I think most would agree that SADC countries are better off by comparison with African countries further north.

Peter Copley, transport specialist, Development Bank of Southern Africa
Rail and road infrastructure is probably as good as it can be, given the level of institutional and financial support it gets and the imbalance in demand that exists.

Ian Bird, BOSS Logistics
The rail infrastructure is dilapidated and requires significant investment. Repair costs are going to negatively impact on future pricing of services, retarding economic development.

Terry Hutson, transport writer, www.ports.co.za
While South Africa has the best port infrastructure in SADC, local ports are not adequately equipped for the current volume of trade, and congestion is a problem. There are also problems in the logistics chain. Some shippers close at 4.30pm, yet they demand the ports work 24 hours.

What significant achievements or improvements have there been in infrastructure in the past few years?

Piet Gieringer, acting CEO Cross Border Road Transport Agency
There has been a big improvement in our [South Africa's] relationship with other SADC countries. The Beitbridge border post is now open 24 hours. We can also issue a single permit for one truck to travel from South Africa all the way to the DRC.

Duncan Bonnet: The intervention of technology is freeing up bottlenecks in the system. Some of the ports, notably Dar es Salaam and Takoradi in Ghana, have improved turnaround times for vessels markedly through putting new software systems in place.

Bradley Knapp and Henry Posner III: To our knowledge, freight rail infrastructure in the region has seen little improvement recently. The major investment that has taken place appears to have shifted existing traffic rather than generated new traffic. There has been little or no real growth. In fact, decline rather than improvement is evident, such as Spoornet's continued deterioration while concurrently rejecting the most basic of private sector initiatives such as [the] concessioning of light density lines.

Peter Copley: Road conditions have improved as a result of the World Bank's African Road Maintenance Initiative, but also [because], partly as a result of that improvement, practically all growth in freight movement over the last 15 years has gone to road.

Ian Bird: Concessioning is gaining momentum on the back of political support from SADC governments and [their] realisation that their economies cannot support the rejuvenation of the railway systems.

Terry Hutson: Maputo is doing very well now that its operations are in the hands of Mersey Docks. The privatisation of Nacala is also beginning to take effect.

What is the best way to develop infrastructure and services without wasting time and money?

Dr John Middleton: The IFC's view is that it should be market-driven – what is needed most. If inter-country trade is a high priority in two adjoining countries, then that would certainly indicate the need for better links.

Peter Copley: The best knowledge has always come from a balance of local and international knowledge.

Bradley Knapp and Henry Posner III: Focus on the market, and allow the private sector to take a leading role in making investment and service decisions.

Ian Bird: Create a climate for economically justifiable concessioning, where the concession is structured for the long haul, and [ensure] that investors realise that there are no significant short-term gains to be made by significantly increasing the cost of the service to the end user.

Dr. João Caholo, SADC Secretariat
SADC is encouraging public–private partnerships, as infrastructure development in SADC countries needs to move from being donor-driven to being self-funded. Regional integration is about moving people and goods, and [providing] good services; and the easier it becomes, the earlier our dream of a common market will be achieved.

What big lessons have been learned? Since when?

Dr John Middleton: Big isn't necessarily better. The days of enormous World Bank-funded infrastructure projects – dams, highways, railways – are long gone. We have realised that you reach far more people more effectively through small and medium enterprise development.

Peter Copley: That Southern African countries are very small, and, if the region is to compete internationally with the likes of Brazil, India, Argentina, Australia or — heaven forbid — China, something of the magnitude of SADC is the best means of survival and growth.

Michael Duncan, Alexander Forbes
These large projects – dams, roads, railways – are extremely complex, with multiple parties involved and very large and diverse exposures. It is clearly important that the right intermediary is selected to review the contract conditions and ensure that there are no gaps in cover. Where the private sector is involved, there may well be a need to consider cover against the consequences of unforeseen project delays, which could have a devastating impact on future profits and cash flow.

What should SADC's priorities be for improving infrastructure and development?

Bradley Knapp and Henry Posner III: Institutional reform is more important than technical improvement, especially when its prime focus is on the transportation market. For this reason institutional alternatives, such as concessioning, should be promoted by SADC.

Moeletsi Mbeki: It's not easy. Railways service the economy and if the economy is not performing, then the railways won't perform. There is a real tough road ahead to find competent government which has the political will and also the support of the population.

Piet Gieringer: Road user charges need to be studied. Our operators cannot compete with operators from countries like Zimbabwe, which have a road user charge of \$10/100km. The Maputo Corridor works for South African truckers because there is no road-user charge, but elsewhere in Mozambique they must pay the \$10 fee.

Dr John Middleton: Access to clean water, as this is so fundamental to health; and development of transport is of course important, as it opens up trading potential and market development. In Africa, the poor state of railway infrastructure usually means that there is more immediate 'bang for the buck' in road development.

Ian Bird: Concentrate on rail rather than road.

Terry Hutson: Invest ... and give customs a good shake-up to reduce cross-border delays.

Mending Angola's Roads and Rail

A trickle of South African road transporters have begun travelling across the length of Angola in convoy – all the way to Luanda – as the security situation improves on the country's roads.

'But it is still a long journey of two to three weeks, one way, and an expensive one,' said a Johannesburg businessman who frequently travels to the country.

'The roads are still in very bad condition and true maintenance is lacking. A pothole might be filled with sand and be exposed once again after two trucks have gone over it, or after a rain storm.'

After decades of war it will take years to mend its transport infrastructure.

According to Lyson Muwila of the Development Bank of Southern Africa, Luanda has developed a rehabilitation strategy that identifies transport as one of the key sectors. 'From the country's resources, quite a substantial amount has been identified for transport as there is a need for distribution facilities [for humanitarian aid].'

Muwila said that membership of the Southern African Development Community (SADC) has raised the public profile of Angola. 'By being part of SADC, it has made information distribution and acquisition easier because there is a lot of interaction between Angola and the other countries within SADC…SADC has opened the door for a redirection of resources into Angola.'

He added that the influence of private sector initiatives has been substantial. Many technical skills needed for the rehabilitation of the transport infrastructure had come from the region, particularly technical skills from SA.

Andrew Maggs, an independent consultant to the construction industry, pointed out that, in terms of government planning, Luanda was looking at regional initiatives and how it could integrate its planning with the existing transport infrastructure within SADC. 'Broadly, the focus is on three development corridors: Lobito, Malange and Namibe.'

'Much of the rehabilitation is still largely being driven to facilitate [aid and disaster relief to] international refugees and internally displaced people. The UN World Food Programme has a project to rehabilitate 15 bridges', he said. Maggs cited as an example the bridge over the Cuchem River in Huambo province, which will allow the delivery of humanitarian aid to 16,000 vulnerable people.

Making life easier for road transporters is the improvement of the border procedures at Santa Clara, the entry point from Namibia, where the waiting time has been reduced from 10 to 3 days. Roads have been a priority in the rehabilitation of Angola's transport infrastructure. Rather than being overambitious, the government, however, is aiming to make the country's roads more passable to traffic in the short-term. Luanda's public works minister, Antonio da Silva, has said that the first step has been to rehabilitate roads — not to be first class roads — but rather to make them usable with minimum time and cost. Major priorities have been labelled as the stretches of bad road from Luanda to Luena, in the centre of the country; and from Lubango, the main city in the south, to Menongue.

The first step has been to rehabilitate roads — not to be first class roads — but rather to make them usable with minimum time and cost.

In terms of railways, transport minister Andre Luis Bandao said that about 200 kilometres between Luanda and Dondo had already been rehabilitated. Two segments of the Benguela rail line —the one between Huambo and Caoala and the other between Lobito and Cubal —have also been repaired.

The Benguela line is an important link into the heart of the continent. It spans the southwest of the neighbouring Democratic Republic of Congo, passing through Lubumbashi (the DRC's second largest city) and ending across the border at Ndola in Zambia's Copper Belt. Ndola is connected to the Southern Africa grid and nearby, at Kapiri Mposhi, the Chinese-built Tazara line goes up to the Indian Ocean port of Dar es Salaam.

Minister Bandao estimates that it will take Angola 11 years to restore its railway network to normal operating levels.

In Namibia, a railway line is already under construction from the northern mining town of Tsumeb to the Angolan border area. It will include the border post at Oshikango (opposite Santa Clara). The rehabilitation of Angolan lines and the construction of a stretch extending to the border would be required to connect Angola's southern port of Namibe to Namibia. The rehabilitation of Namibe is seen as an important factor in unlocking the export potential of southern Angola.

While the government is concentrating on rail and roads, shipping companies using the port of Cabinda have invested in cranes and barges to address the silt build-up in the port over the last three years.

Angola still has only one international airport in Luanda. According to the transport minister, an alternative one was needed in Huambo to redirect traffic away from Kinshasa and Brazzaville, which are currently the only alternatives.

Duncan Guy is the editor of Transport World Africa

SA within SADC : The Region's Powerhouse

The old Frontline States are still wary of the relative size of SA's economy and worry that Pretoria will achieve complete dominance over Southern Africa.

When it was first established, the regional organisation now called SADC enabled the countries immediately north of SA to band together economically and reduce their dependence on the apartheid state. Now, with the conflicts of the liberation era over, this regional body has been recast to incorporate SA.

But the economic suspicions haven't fully disappeared. The old Frontline States are still wary of the relative size of SA's economy, and worry that Pretoria will achieve complete dominance over the region. SA has about one-third of SADC's population, but generates about 75% of the region's GDP and about 90% of its electrical power. Its railway system carries more than 90% of the total railway traffic.

But it is the trade imbalance between South Africa and its neighbours and the country's ability to attract foreign direct investment (FDI) that remain the most sensitive issues. (South Africa bucked the trend of declining FDI into Africa by attracting US$6.6 billion in 2001 as compared to US$900 million in the previous year.)

African governments have often complained that FDI by industrialised nations is insufficient, and that traditionally the net flow of capital has been out of Africa. In investment terms South Africa has displaced many developed nations as the largest investor into Africa, outside of the oil and gas sector. But, its investments into the continent have kindled anxiety rather than gratitude.

Within the past 10 years, the dramatic increase in trade between South Africa and the other SADC countries has gradually displaced the trade position previously held by the western and far eastern industrialised states. The percentage of total South African exports going to Africa has raced from 9% in the late 1980s to 19% today. Last year the country exported some R44 billion of goods into Africa, with the four top recipients in SADC. Zimbabwe was the largest recipient at R7.3 billion. Mozambique came second with R6.4 billion, followed by Zambia at R5.5 billion, and Angola at R3.4 billion.

Railway wagons and road trucks taking goods north often return empty. This provides an opportunity for the fully laden northward-bound traffic to subsidise southward bound traffic. Perversely this north-bound subsidy promotes the use of South African ports for regional trade, and gives the impression that the SADC transport corridors are inefficient and expensive.

The real situation is more complex, and also entails the designation of feeder and hub ports, the frequency of vessel calls, transhipment costs, customer or buyer preferences and many other factors. But, it is difficult to understand why a South African port such as Durban — which suffers from congestion, imposes surcharges and is having difficulty servicing some of its South African customers — should be the preferred point of exit for exports from Zambia, Zimbabwe and Malawi.

These countries have traditional ports, notably Beira, Maputo and Nacala in Mozambique, which are 1,000 kilometres closer, largely privately operated, and mostly running at about one-third of their capacity. The explanation, in part, lies not in transport infrastructure but in the lack of reliability of other ports, their capricious and time-consuming port procedures and stock losses in transit.

Virtually all the SADC railway systems are in the process of being privatised. The SA parastratal, Spoornet, is aggressively seeking to become the operator of all these concessions as a matter of clearly stated policy and with the support of SA's departments of trade and industry and foreign affairs. However, Spoornet is not being privatised and belongs to Transnet, which is the same company that owns and operates all the South African ports.

Spoornet is also having some difficulty in servicing some of its general freight customers in SA, due to a lack of capacity. Spoornet, as part of a private company, NLPI, now operates Zambia Railways. It also operates the railway systems connecting the South African ports. Clearly, their business is to promote the use of their own system, and handing over goods to the Tazara system, a mere 100 kilometres from Ndola, would not be good business unless Spoornet could also control Tazara. Spoornet is part of a consortium bidding to take over Tazara when it is privatised, probably after the Tanzanian elections in 2005.

The transport situation is driven by the free market, but also effectively controlled by state-owned corporations. Does this warrant the appointment of a regional SADC transport regulator? Ideally the system should be self-regulating by means of a regionally co-ordinated transport policy.

Bo Giersing, Portfutures Africa

A QUESTION OF GAUGE

Most of the railways in SADC member countries are 3' 6" gauge (1067mm), otherwise known as 'Cape' gauge, which was the standard gauge used by many colonial railway builders in Africa. Narrower than the European and American standard gauge of 4' 8.5" (1435mm), the gauge was chosen because it would help keep construction costs down in the difficult terrain that railway builders encountered in Africa.

Not all colonial railways were built to Cape gauge, however. The three railway systems in Tanzania, Kenya and Uganda were built to metre gauge, or 1000mm, between the rails. Just 67mm prevents trains from most Southern African countries from operating over the contiguous railways of East Africa, causing problems with connectivity. To help overcome this, a transhipment facility has been built at Kidatu, west of Dar es Salaam at a point where the 1067mm Tazara Railway and the 1000mm Tanzanian Railway Corporation system almost meet. The facility allows the rapid loading of freight containers from one train to another. Although transhipment increases transit times for freight, there is no other economically viable solution to the gauge problem.

Privatising Zambia's Railway

Zambia's recent move towards concessioning offers important lessons to fellow SADC members

Running through the heart of Southern Africa, Zambian Railways is potentially one of the most important economic links in the region, connecting the mineral belt of Congo with the ports of Cape Town, Durban, and Maputo.

Years of state mismanagement, neglect and regional conflict ran the railroad off its rods. From 1975–1998, freight traffic decreased from 6 million tonnes annually to a mere 1.4 million tonnes. At the end of that period, the railroad was losing $12 million a year and needed an estimated $45 million for rehabilitation. Now, however, Zambia Railways is becoming a model of renewal by using a hybrid approach to privatisation called concessioning. By subcontracting the management of the railroad to an independent firm, the state has found a new source of much-needed revenue and efficiency on the rails has shot upwards. Since 1998, when the transition process began, freight traffic has increased by 64%. The ending of wars in neighbouring states also means that the railroad is poised to regain its coveted links with Angola and Namibia.

> **'We believe the railway network is a sleeping giant...We believe in our capability to convert this railway network into a vibrant system'.**

Countries across Southern Africa are struggling to turn lumbering state-owned enterprises into efficient, job-creating concerns. Concessioning offers a novel solution with several advantages. Rather than selling off valuable assets outright, states retain ultimate ownership of the infrastructure, while the concessionaire pays for the right to run the operation and bears the burden of upgrading equipment.

Prior to turning the railway over to a concession partner, the Zambian government took steps to make the venture more attractive to potential bidders. Between March 1998 and June 2002, the railway cut its bloated payroll from 6,000 workers to 1,650. Then, in August 2002, a year after the Zambian Privatisation Agency floated tenders, a predominantly South African consortium called NLPI took over the daily management of Zambian Railways.
Transnet has a 20% share in this group, while other shareholders include Nedcor, Sanlam, Old Mutual and Gensec. (NLPI is also a major shareholder in Beitbridge–Bulawayo Railway Limited, the privately-owned Zimbabwe-based railroad company.) Transnet owns the South African rail operator Spoornet, which has recently won a concession to operate the line from Maputo to South Africa and is active in some 17 African countries.

'We believe the railway network is a sleeping giant that has not been fully exploited for a long time,' said Nedcor director Orville Cachia. 'We believe in our capability to convert this railway network into a vibrant system. '

NLPI will pay the Zambian government a total of $253 million and 5% of turnover every quarter over the period of the concession. NLPI has also committed $80 million to upgrade track, rolling stock and other equipment.

As an indication that the concession approach is turning Zambian Railway into something of a regional hub, freight traffic on the line has increased by 500,000 tonnes this year to 2.3 million tonnes — and there's every indication that such growth will continue.

To Talk or Not to Talk?

Trade facilitation, with or without a multilateral framework, is a crucial sine qua non for the creation of an environment that enhances intraregional trade.

The September 2003 World Trade Organisation (WTO) ministerial conference in Cancun, Mexico, ended in deadlock. The conference collapsed over failure to reach agreement to negotiate on 'new issues': trade facilitation, transparency in government procurement, competition policy and investment. Trade facilitation is considered the least contentious and most beneficial of these four issues.

Trade facilitation is the simplification and harmonisation of procedures to move goods from one customs territory to another. Though mainly focused on reducing export and import 'red tape' it also encompasses policies aimed at the improvement of trade-related infrastructure, provision of efficient and competitive trade-related services, and curbing customs corruption.

A growing worldwide consensus believes that customs formalities at ports, airports and land borders are cumbersome and unnecessary, and that it should be a priority to either simplify or eliminate them. In some cases, losses to businesses from such inefficient procedures exceed tariff costs.

SADC, too, counts the costs. According to a recent study by SA's Department of Transport, trucks from the 'Moving SA' project wait at the Beitbridge border with Zimbabwe for up to 32 hours. The same load travelling from South Africa to a SADC destination costs between 46% and 119% more per kilometer than it does within SA. Excessive paperwork slows down and adds expense to cross-border shipping. Exceptional border post delays, non-standard vehicle mass and dimensions, and miscellaneous permits and road user charges add an estimated R325 million annually to goods transport costs.

The SADC Trade Protocol, in force since 2000, attempts to eliminate hurdles to trade among member states, and to achieve a high level of regional economic integration. Measures include setting up trade-friendly rules of origin, customs co-operation and harmonisation of product standards.

While some progress has been made, infrastructure and services supporting regional trade (transport, telecommunications, finance) are inadequate. Institutional weaknesses like corruption and inefficiency in customs and transit arrangements further erode these efforts.

At the multilateral level, states disagree on how to improve trade facilitation. A group of countries advocating a multilateral trade facilitation agreement (TFA) have proposed a two-track approach covering commitments on borders and border-related procedures to expedite the movement, release and clearance of goods. This process is meant to build on GATT provisions related to trade facilitation, including GATT Articles V, VIII and X dealing with free transit, fees and formalities and publication of customs procedures, respectively. The second track would focus on the development and implementation of a comprehensive technical assistance programme for developing countries.

Most developing countries, while not opposing the concept of trade facilitation, *per se*, object to taking on new legal obligations in the WTO. They fear that more rules will exceed their implementation capacities and expose them to dispute settlement. Others believe that trade facilitation work should be undertaken at the national, bilateral or regional level only, or be left to organisations like the World Customs Organisation.

To allay these concerns, any proposed TFAs by WTO members should include firm commitments to enhance technical capacity, provide for special and differential treatment, longer transition periods and exemptions from the Dispute Settlement Understanding.

Those seeking a TFA in the WTO assert that such an agreement would contain core standards to avoid likely inconveniences if trade facilitation is subject to unpredictable national interventions. It would improve the predictability of individual transactions by ensuring that the simplified and modern procedures put in place are not reversed. As a result small traders, developing countries and particularly landlocked countries would benefit the most.

SADC countries should support trade facilitation at a multilateral level because such an agreement would complement rather than detract from its own efforts to increase trade flows in the region.

To do this, SADC states would have to identify their key trade facilitation interests and ensure that the provisions of the TFA are favourable to them. Accordingly, it would be better for these countries to approach such negotiations as a bloc. The fact that most SADC countries also belong to other regional trade blocks like COMESA, SACU and EAC is a well-documented weakness. But, with sufficient political will, this overlap in membership could be used as a way of bringing these blocs to a common position to gain more bargaining power in the WTO.

Trade facilitation, with or without a multilateral framework, is a crucial *sine qua non* for the creation of an environment that enhances intraregional trade, attracts investments and fosters economic growth within SADC. SADC countries should reconsider their objections to this issue in the WTO.

Nkululeko Khumalo is a trade research intern at SAIIA

Privatising Ports

When the 14 SADC states signed the Protocol on Transport, Communications and Meteorology seven years ago, they agreed to promote efficient port management and operations through economic and institutional reforms.

They recognised that these 'economic gateways', some of which had been affected by years of war, had to be brought up to global standards if the region was to become a viable competitor in the global market place.

Most ports in the region have the structures, but lack efficiency, said Oliver Hartmann the secretary-general of the Ports Management Association of Eastern and Southern Africa. One way to solve this problem, he said, is through privatisation.

But nearly a decade after pledging to revitalise their harbours, only one of 15 regional ports has been turned over to private management. Earlier this year the Mozambican government turned over the daily operation of Maputo's docks to a consortium of private firms that plan to triple cargo flows in the next 15 years. Presently about 4 million tonnes of cargo flow through the port each year.

The consortium, the Maputo Port Development Company, has committed $70 million for the next three years to rehabilitate the infrastructure; develop new terminals; upgrade equipment, dredging and marine services; and provide better security and training.

Namibia has taken some initial steps to privatise the Port of Walvis Bay. But Namport, the country's national port authority, still provides core services. Angola, meanwhile, has privatised three terminals at the docks in Luanda and is preparing to do the same with its merged container, general and cargo terminals.

This privatisation drive has, however, been met with resistance as labour unions worry about the effects of transferring national assets to foreign investors.

Geoffrey Heald, a professor at the Business School of the University of the Witswatersrand , says workers' job concerns could in the short term slow the process of shifting management of ports away from state control. 'It can split countries and it can be a political risk,' he said. Most ports are overstaffed, and longshoremen know their jobs are vulnerable.

In SA the transport and allied workers' union is involved in talks concerning privatising the management of the container terminal at the Durban Port.

'One of our objections is the fact that government seems to have an ideological assumption that privatisation is the only way to go,' said Jane Barret, the union's policy research officer.

Crime is another obstacle. Critics of privatisation worry that if ports are turned over to nonstate management, governments will lose their ability to monitor the flow of illicit commerce. Improving the capacity and efficiency of ports can result in an increase in the flow of illegal imports and drugs, criminologists say.

Luleka Mangquku is the sub-editor of eAfrica at SAIIA

The Port of Maputo

by Dianna Games

Since April this year, the Maputo Port Development Company (MPDC), which was awarded a 15-year lease to operate the port, has spent nearly US$10 million on equipment and machinery.

Priority projects include the dredging of the harbour, the building of new harbour offices, upgrading roads, buying handling equipment and developing a new port entrance linking the harbour to the N4 highway from Pretoria, the backbone of the Maputo Corridor, via a link road.

Maputo is the first African port to be turned over completely to the private sector through concessions. The consortium which holds 51% of the Maputo Port Development Company comprises Mersey Docks Group (UK), the owner and operator of the Port of Liverpool; leading Swedish construction company Skanska; and Portuguese terminal operator Liscont. The government, private Mozambican investors and transport utility CFM, hold the remaining 49%.

More than US$70 million is to be pumped into the port over the next three years with the aim of restoring the port's basic land and marine infrastructure. The Development Bank of Southern Africa is the lead bank, and 17 international banks are also involved.

The concession includes all designated port areas for international shipping within Maputo, and the coal terminal of Matola. The main existing terminals within the concession, such as those handling sugar and citrus, will continue to operate under the terms of their respective leases. Also, during the first stage of new management, existing CFM port regulations will continue to be in force.

The restoration of the port will allow it to compete effectively with other ports along the east coast of Africa, notably Durban in South Africa. Currently, only 4 million tonnes of cargo is moving through the rundown harbour. The MPDC hopes to raise this to 18 million at the end of its concessionary period, drawing freight from SA, Swaziland and even Zimbabwe. Currently, traffic from Zimbabwe goes through Beira in central Mozambique or via SA.

Trans-Kalahari Corridor - Opportunities Waiting?

The construction of the Trans-Kalahari Highway was motivated by two main objectives: to open up the interior of Botswana, mostly to greater levels of tourism, and to provide a more direct trade route from Johannesburg to Namibia.

The corridor was completed in 1997 with much publicity, which presented the road link as SA's gateway to the west through the Namibian port of Walvis Bay. Large super-link trucks, carrying up to three containers (or 35 tonnes of freight) travel the 1,800 km distance between Walvis Bay and Gauteng in less than two days. Border and customs formalities often taking less than 30 minutes these days.

The route is being actively marketed by the Walvis Bay Corridor Group and Walvis Bay port with the intention of attracting exports from SA. A new standardised SADC customs form is being used along the route as a pilot project, in order to reduce transit times and costs. It is hoped that the same system will be implemented throughout SADC.

But usage of the corridor has been disappointing. Traffic volumes have been lower than projected, with most of the truckers still preferring the longer southern route. Imports through Walvis Bay have so far been fairly modest, and consist mainly of high value just-in-time motor car components. Exports from Gauteng through Walvis Bay have effectively been zero. The reasons for this are complex, but they include entrenched negative perceptions and resistance to change. Cellular phone reception along the Trans-Kalahari corridor (TKC) is better than along the Upington route, although service facilities are less developed and the chance of collisions with stray animals significantly higher. One should travel only during daylight hours.

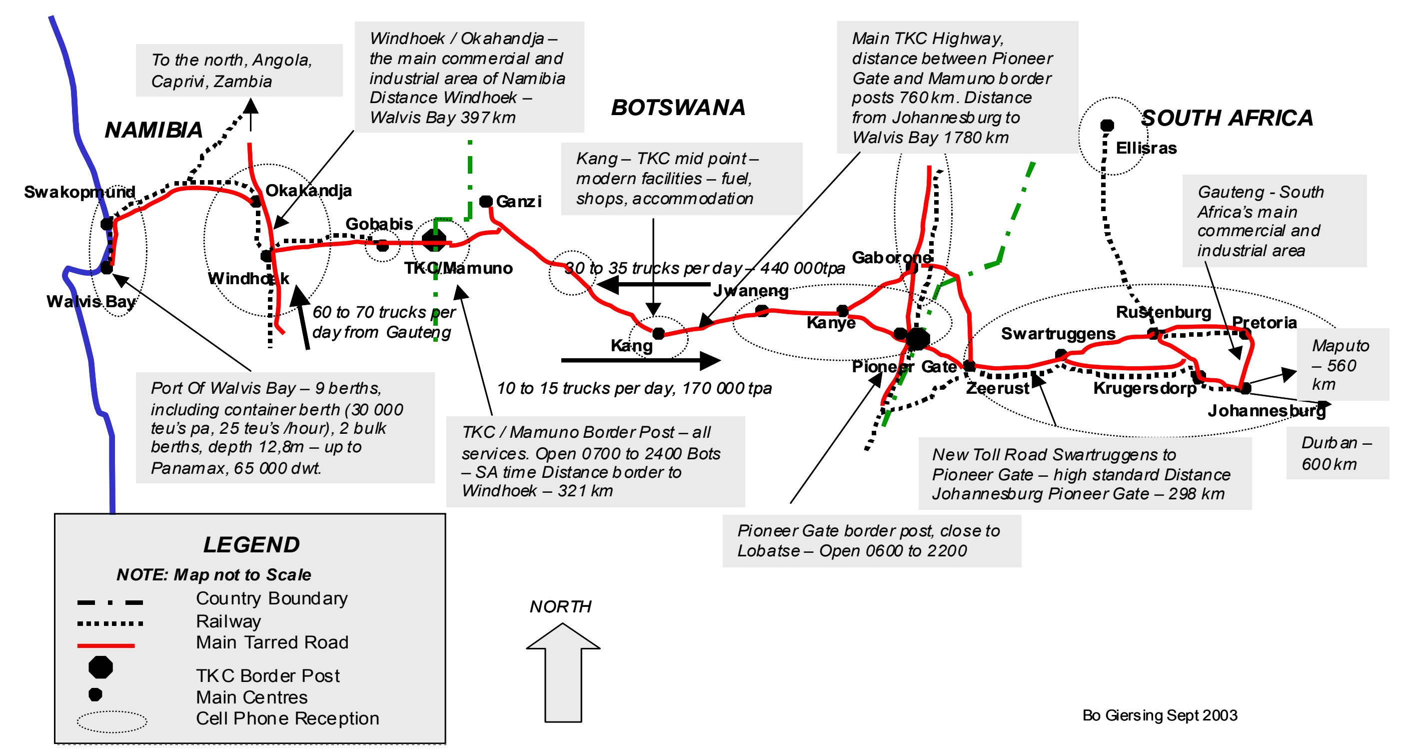
The cost saving resulting from the shorter distance is effectively offset by the road user charges in Botswana and the toll fees on the new Platinum Highway in SA. This imbalance will be corrected when tolls are installed on the road route through Upington.

The key issue is the flow of trade, which moves mostly from east to west. This means that truckers try to fill their westward-bound trucks by cross-subsidisation. Transportation from Walvis Bay across the corridor is remarkably cheap, and yet many of the trucks return from Namibia — mainly Windhoek — empty. This route also offers a saving in sailing time of about four to five days over the route through Durban for goods from the west. Is this an opportunity waiting to be discovered?

The SA motor industry is interested in exploring the possibility of using Walvis Bay and the TKC as a route for exporting SA-made cars and importing motorcar components, which is already being done on a small scale. But, motor manufacturers would prefer a TKC railway in order to avoid the risks associated with transhipment. Alternatively, they could consider an innovative multimodal system.

Bo Giersing, Portfutures Africa

Trans – Kalahari Transport Corridor



Political Crisis Takes Toll on Zimbabwe's Infrastructure

When the SADC heads of state stood as one man to salute Robert Mugabe at their recent annual meeting in Tanzania, they weren't thinking about the 50 people who died earlier this year in Zimbabwe's worst-ever train accident.

Nor were they thinking about the millions of Zimbabwean children who are no longer able to go to school. Or the hordes of desperately ill who languish in decrepit hospitals waiting for care that will never come. Or masses of hungry people turned away from empty marketplaces and grocery stores.

But they should have — if for nothing more than self-interest.

Zimbabwe's political and economic crisis, which is about to enter its fourth year, has had devastating consequences on the country's infrastructure. Health, education, energy, transportation, banking, communications, agriculture, and business — all of the vital systems and sectors are in advanced stages of collapse.

And given the country's central geographical position, what affects Zimbabwe affects the entire region. Truckers have to find alternative routes through Botswana and Mozambique because of Zimbabwe's fuel shortages. When Zimbabwe's trains don't run and its fields wither, there is less food for the region and fewer ways to move it.

Regional leaders continue to prod Mugabe and his opponents to the negotiating table. But three years of soft diplomacy has failed to have any meaningful impact, and by the time the crisis finally does end, recovery will cost the country and the region billions of dollars it does not have.

In the early morning hours of the 2nd of February 2003, a passenger train collided head-on with a freight train laden with flammable materials near the town of Dete on the line between Bulawayo and Victoria Falls.

Three months later, when the acting general manager of the National Railways of Zimbabwe (NRZ) explained the cause, there was little surprise. The NRZ needs several million dollars in hard cash to refurbish its rails and trains, but the country faces an acute currency crisis. So, instead, the railroad was forced to employ an antiquated system of communicating with engineers known as 'the gunpowder method.'

> NRZ train guards place gun-powder detonators about a kilometre in front and behind a stationary train. The detonators explode when breached, warning the driver of an oncoming train that there is another train ahead.

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Collisions, however, are not the only way trains are killing people in Zimbabwe. The bulk of the country's agricultural products and minerals are transported to and from seaports by rail. No trains, no delivery. International donor groups complain that slower movement of imported food aid on Zimbabwe's rail and road network is endangering lives.

The energy sector is also flagging. Existing electrical installations badly need refurbishment. But the state's debt-ridden Zimbabwe Electricity Supply Authority, like the national railroad, has no hope of new funds. So Zim-babwe imports 30 % of its energy needs — mostly from South Africa's Eskom and Mozambique's Cahora Bassa — while any dreams of building new production capacity have long since been dashed.

The health sector is probably the worst hit by the country's political and economic crisis. Once the pride of Mugabe's achievements, Zimbabwe's public health sector has taken a big knock from the crisis. State hospitals, primary clinics and other health infrastructure built by the government during the first decade of independence are crumbling, weighed down by years of mismanagement and underfunding. Nearly all government hospitals, which are the only sources of health for the majority of Zimbabweans, lack basic drugs and equipment.

Highlighting the crisis, the government in August this year appealed to international donors through the World Food Programme for US$28 million worth of essential drugs for its hospitals.

With SADC advocating more free and easier movement of people across its borders, the impact of a public health disaster in Zimbabwe, tucked at the centre of the region, will certainly have costly consequences beyond its borders.

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New SADC Approach to ICT

Over the past decade tecchnology has radically changed the way we communicate – and it is changing it still. Every day brings another wonder: Cellular phones that double as modems and cameras, fibre-optic cables that transfer gigabytes around the world in fractions of seconds. Even in the most rural villages, ordinary people are doing the extraordinary and going online.

This communications revolution poses specific structural and regulatory challenges. In the run-up to the World Summit on Information Technology, which will be held in Geneva in December, the SADC Information and Communications Technologies (ICT) unit has been working to adopt a co-ordinated strategy to enable the region to keep pace with galloping advances in information sharing. This means creating a legal environment that eases the transition to a more knowledge-based economy in the individual member states; improving e-literacy; and developing new computer applications to improve health care, agricultural practices, commerce and governance.

Although at policy level,SADC member states have demonstrated unanimous consensus to adopt ICT as a tool to speed up development, in practice no serious implementation has taken place. The only exceptions are countries like South Africa, Mauritius, and Mozambique, where the governments have taken it upon themselves to drive the necessary reforms to push ICT to the top of their agenda.

Furthermore, in SADC as in the rest of the Africa, our existing regulatory institutions are not adequately prepared to take advantage of new technologies because they are too often regarded as threats to the existing and well-entrenched telecommunications players. Today the convergence in technologies is making traditional regulatory demarcation in broadcasting and telecommunications obsolete. Information is now flowing freely on websites, cellular phones, radio and television. The advent of the internet is again challenging the existing and stagnant regulatory systems in member states. Today voice communication is possible on Internet (VOIP), but its usage remains illegal. Although it provides cheaper voice communication possibilities and is only one of many internet applications, it is still seen as a threat to traditional telephony. This is an oxymoron in a continent that has the lowest teledensity in the world.

Information technology has traditionally been coordinated in the region by the Southern African Transport and Communications Commission (SATCC) under the sub-sector of Communications as stipulated in the SADC Protocol on Transport, Communications and Meteorology. The focus has been on the creation of reliable infrastructures in transport and communications to speed up development and facilitate trade among member states. The protocol itself is a commitment by member states to embark on fundamental reforms in the transport and communications sectors.

- Most SADC countries have fixed line teledensity below 3%.
- Apart from South Africa, Tanzania, Botswana, Mauritius and Seychelles, the region has a very low PC penetration of less than 0.1%.
- All member states have several licensed internet service providers, but the cost of access is high and subscription rates are low.
- Mobile penetration has outgrown fixed line teledensity, indicating the importance and relevance of this type of service and technology.

Since information technology reaches into every facet of modern public and private sectors, a new ICT unit is being set up at the restructured Secretariat. The new SADC ICT unit does not form part of any of the existing four SADC directorates as a separate economic sector. Instead, it cuts across all the sectors as an enabler for development.

The Southern African Transport and Communications Commission has played a key role in promoting competition in the telecommunications services and, in that respect, is a valuable reference for the whole of the African continent. But the region still has a very low level of teledensity and access to basic telephony remains very expensive. This situation does not make the SADC region attractive to investors and puts the business operators of the region at a disadvantage.

As ICT in SADC is being recognised as an enabler for socio-economic development, the ICT unit will have the challenging job of advising member states on new technologies and their applications so as to turn SADC into an information- or knowledge-based economy. It is still not very clear how the ICT unit will operate at the SADC Secretariat. Will it be a policy unit focused on ICT strategic targets for integrating the region into one homogeneous market or just on ICT support unit focused on operational issues at the secretariat? With the winding up of the Southern African Transport and Communications Commission, how does the ICT unit interact with the Directorate of Infrastructure and Services to achieve the targets set up in the RISDP without running the risk of duplication? Finally, who will be responsible for co-ordinating with the Telecommunication Regulators Association of Southern Africa (TRASA) and Southern African Telecommunications Association (SATA) on regulatory matters and telecommunications infrastructure development : the ICT unit or the Directorate of Infrastructure and Services? As events unfold the role of the ICT unit will have to be clearly defined if the objectives set up in the Regional Indicative Strategic Development Plan are to be realised and the targets met.

Nitin Jaddoo is IT Coordinator at the SATCC

Wireless Connections Outstrip Fixed Lines in SADC

Information and Communication Technologies (ICTs) have a positive impact on economic growth by providing valuable information such as market prices timeously. They also provide a platform for further growth by facilitating the transfer of goods and services.

ICTs can improve health services, for example, by reminding TB patients when to take their medicine. They also widen access to education through distance learning programmes, and foster political development by empowering both people and organisations through information sharing and education. ICTs can also integrate societies and regions separated by great distances — something that is particularly relevant to SADC.

The benefits of ICTs, however, cannot be fully realised by SADC unless the penetration levels of computers and telephones are substantially increased. While SADC countries have made a number of commitments towards ICT, including the Regional Indicative Strategic Development Plan (RISDP), these commitments are predominantly focused on the harmonisation of national ICT policies, legal frameworks, and regulatory environments across the region. Few commitments are made to specific penetration targets and measurable implementation goals.

Although some progress has been made in regulatory and policy arenas, the penetration levels of ICTs in the majority of SADC states remain low and there is considerable disparity across the various member states. In SA, for example, there are 37.35 total telephone subscribers per 100 inhabitants and an estimated 3.1 million internet users. In the Democratic Republic of Congo meanwhile, the relative statistics are 0.32 telephone users per 100 inhabitants and 90,000 internet users. Disparities also exist within countries between rural and urban areas.

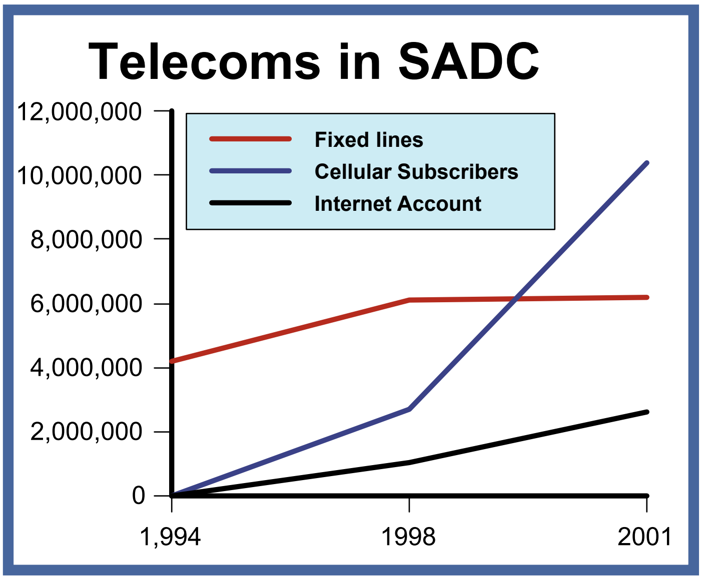
This raises questions about the effectiveness of SADC's ICT policies. It is one thing to encourage the regional harmonisation of ICT policymaking, but without commitment of the member states to actually implementing ICTs within countries, regional harmonisation means very little. The primary responsibility for ICT implementation should lie with the governments of member states.

Wireless telecommunication services have been growing rapidly in SADC. Between 1995 and 2002, growth rates of over 100% per annum were recorded in a number of the SADC states. Combined with the minimal growth rates of fixed line telecommunications, this phenomenon has led to the number of cellular telephone users overtaking that of fixed line users in all SADC countries. Prepaid tariffs on cellular phones have provided operators with increased security against bad debt and therefore made it more affordable for low-income users to subscribe. Wireless telecommunication also profits from significant levels of pent-up demand for a reliable and affordable communications service that public telephone operators have been unable to deliver. There has also been greater private sector involvement in the wireless telecommunication market as a more liberal approach to licensing has been adopted, with the majority of SADC states now having two or more mobile phone operators.

The success of wireless telecommunication in SADC highlights the importance of establishing a supportive regulatory environment and encouraging private sector involvement. While going a long way, wireless telecommunication, unfortunately, does not provide the answer to all the problems that surround the implementation of ICT. For example, the internet cannot, as yet, be run affordably or with sufficient speed across wireless networks in the region. If the governments of SADC states are serious about reducing the 'digital divide' and transforming the region into an information-based economy, it is necessary that they also demonstrate greater commitment to the implementation of ICT policies such as universal access.

That goal cannot be attained through the harmonisation of regional policies and regulation alone. Nor can it be expected to be delivered solely by the private sector. Universal service requires both these things, but, more importantly, it requires serious commitment on the part of government. SADC member states need to demonstrate their commitment to ICT infrastructure — not only through the SADC initiatives, but also by delivering results on attaining specific penetration targets and measurable implementation goals within their own spheres of influence.

Michael Davies



SADC's Financial Infrastructure

The financial system in any region is important because it creates an environment for growth to occur. A well-developed financial system also assists businesses and governments in better risk management.

Growth requires the mobilisation of long-term savings, which can then be channelled into productive investment. The financial system acts as an intermediary for this process. A more efficient and diversified financial system will assist in increasing the level of domestic savings as well as promoting foreign capital inflows. A well-developed financial system also assists businesses and governments in better risk management. Intuitively then, the financial infrastructure in any region is important in that it creates an environment for growth to occur. SADC is currently in the process of drafting a protocol on finance and investment, which among other things will address the issue of financial sector development in the region.

The disparate histories and experiences of SADC countries have shaped their financial sectors differently. SA, with a much larger economy than any of its counterparts, has a sophisticated financial sector. The value it ads in the banking sector, both in absolute terms and as a proportion of GDP is the highest, with the Johannesburg Stock Exchange (JSE) having a large market capitalisation. Countries like Lesotho, Swaziland and Namibia have strong similarities in terms of their financial systems. Their movements in interest rates, exchange control regimes and monetary policies closely mirror those of SA.

Angola, Mozambique and Tanzania are all formerly socialist economies with a history of state involvement in the financial sector. Following reforms, new banks began to enter the market. The competition that was subsequently created led to the the development of new products and services. But banking services are still limited to short-term, trade-related finance.

On the monetary policy side, open market operations are now an important tool in these countries. Money markets allow for short-term deposits and interbank borrowing by commercial banks through clearing houses and treasury bills.

Malawi, Zambia, Zimbabwe and the DRC have a hybrid of state and private-sector participation in the financial sector. Reforms were meant to increase the flexibility of interest rates, stimulate competition, develop money markets and secondary markets for bonds and equities, and gradually move towards indirect money control. In Zimbabwe, the financial sector has been relatively well developed. There are a number of commercial banks, merchant banks, finance houses, discount houses, and a wide branch network. The Zimbabwe Stock Exchange (ZSE), although fairly small, is also well-established.

SADC countries have some way to go on the path to having a fully liberalised financial sector with strong prudential regulations

Botswana and Mauritius are currently SADC's star economic performers . While Botswana has no need to undertake any major reforms, it has made significant progress in developing its financial system. It has seen the launch of the credit card and point of sale debit card. It has introduced foreign exchange bureaux and foreign currency accounts, and has abolished exchange controls. Advances have also been made in automating and linking banking processes and branches. Interest rates have remained more or less stable, with positive real interest rates maintained since 1993. In Mauritius, financial liberalisation involved the abolition of direct control on bank credit, and a move towards using indirect monetary policy tools. There is now an extensive financial network across the island. Progress has also been made in developing a better, electronically based national payment system. Nevertheless, both these countries still have some way to go before their financial systems can claim to be world class in terms of costs, the range of products offered, and the quality of services provided.

With few exceptions, SADC countries still have some way to go on the path to having a fully liberalised financial sector with strong prudential regulations. Some constraints on the development of financial systems still remain — especially in terms of the role of governments, determination of interest rates and the administration of credit and exchange controls. Many legal and organisational problems also need to be solved. Among key issues of concern are the absence of a clear separation of commercial and central banking functions, clear definition of the role and degree of independence of central banks, and the need to reduce the fiscal functions of central banks in order for them to concentrate on their basic monetary roles. Financial-sector development cannot take place independently from growth in the real sector of the economy, and an environment of macro-economic stability especially monetary stability needs to be fostered before the financial sector can flourish.

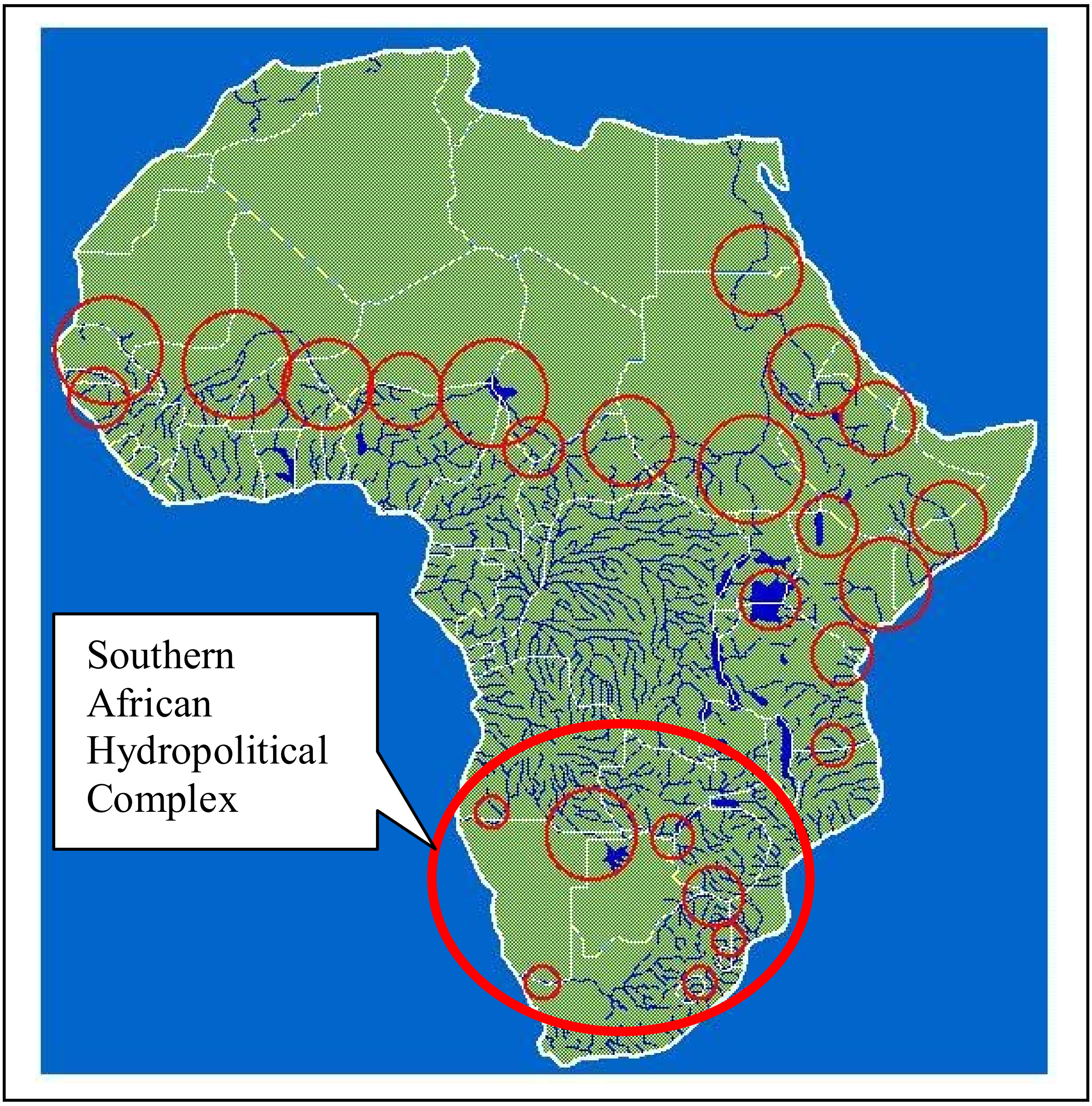
Dennis Rweyemamu, Economic and Social Research Foundation (ESRF), Dar es Salaam; Tanzania

Transboundary Rivers: A Strategic Issue in SADC

The ancient Mesopotamians had the Tigris and Euphrates. The Egyptians have the Nile. It is no coincidence that the world's great modern cities – London, Paris, Chicago – rise from the banks of major waterways.

The lesson is simple: No society in human history has ever developed successfully without managing its water resources. Nor will SADC.

Water is vital to SADC's regional development strategies for two important reasons. Firstly, rivers were used by the former colonial powers to demarcate political borders, dividing African communities that were culturally and socially linked. This has left 15 international river basins in SADC that cover approximately three-quarters of the land area of mainland Southern Africa. Secondly, the distribution of rivers is uneven. The map shows the perennial rivers in Africa, with the belt of dry land across the North and parts of the South clearly visible. The small circles on the map indicate known existing conflicts over water. These coincide neatly with the transition from re-lative water abundance to relative water scarcity. Significantly, these occur mostly where rivers cross political borders.



The pattern of water distribution across Southern Africa influences the region's economic development. Access to water affects health, power generation and sustainable development. Ironically, SADC has sidelined water concerns amid its efforts to reorganise its structures. This is a critical mistake.

It is important to note that the region's four most economically developed states – SA, Botswana, Namibia and Zimbabwe – are also the most water-stressed. Each is poorly endowed with rivers. (See the map.) Consequently, these four states all face inherent limitations to their future economic growth and prosperity. At the same time, the four share two international river basins – the Orange and Limpopo – that are rapidly reaching the sustainable limits of supply currently available. This has given rise to strategic planning for a Southern African Hydropolitical Complex, which is based on four key concepts. These are:

- ***pivotal states*** – countries that are economically well developed, and have a high reliance on shared water resources for their future economic growth and prosperity (SA, Botswana, Namibia and Zimbabwe);
- ***pivotal basins*** – rivers that are

Figure 1: The Southern African Hydropolitical Complex (Turton *et al.*, 2003).

		International River Basin								
		Pivotal		Impacted						
		Orange	**Limpopo**	Okavango	Cunene	Incomati	Maputo	Pungué	Save	Zambezi
Pivotal State	**Namibia**	PS		PS	PS					PS
Pivotal State	**Botswana**	SC	PS	PS	-					PS
Pivotal State	**South Africa**	PS	PS	-	-	PS	PS			-
Pivotal State	**Zimbabwe**	-	PS	-	-	-	-	PS	PS	PS
Impacted State	Angola	-	-	IS	IS	-	-	-	-	IS
Impacted State	Mozambique	-	IS			IS	IS	IS	IS	IS
Impacted State	Swaziland	-				IS	IS			-
Impacted State	Lesotho	IS								-
Impacted State	Zambia									IS
Impacted State	Malawi									IS
Impacted State	Tanzania									IS

Legend
PS = Pivotal State
IS = Impacted State
SC = Special Case

strategically important for the sustained development of the economies of the pivotal states, and are reaching a point where human usage threatens their ecological integrity (Orange and Limpopo);

- ***impacted states*** – nations that are underdeveloped, but which because of their co-riparian status on transboundary rivers have had their future economic growth potential capped by the demands on the water made by the pivotal states (see figure 1); and
- ***impacted basins*** – transboundary rivers that link pivotal states with impacted states in a way that constrains their capacity to use these resources for development. (See figure 1.)

The strategic challenge that water poses to SADC centres on the key issue of using transboundary rivers as a vehicle of integration that will allow for the redistribution of economic opportunities across the region. A related challenge is posed by the political interdependencies that are emerging as inter-basin transfers of water across international borders are developed. Examples are the mooted linkages of the Zambezi to the Limpopo, and of the Congo, Zambezi and Okavango rivers; and expansions of existing projects such as the Lesotho Highlands Water Scheme and the Komati Basin Water Authority. The playing field between pivotal states and impacted states will have to be levelled if any degree of equity is to emerge from the hydropolitical race that is currently under way for economic growth and the consequent political power.

A recent study found that of the 261 international river basins in the world, 17 are 'at risk'. More than half are in Africa, and six are in SADC (Cunene, Incomati, Limpopo, Okavango, Orange and Zambezi). This presents a major challenge to SADC because it undermines investor confidence in the region by incorrectly suggesting that water resources are likely to become a source of major conflict. In truth the African experience is that water is a catalyst for co-operation rather than for conflict. But, the apparent downgrading of the SADC Water Sector Co-ordinating Unit as part of the current restructuring drive may remove water from the regional agenda at the cost of its benefits for integration.

Anthony Turton, CIBBS-ERAI Chair in Integrated Water Resource Management, aturton@csir.co.za

Protocol Update

The SADC Secretariat has received a number of ratifications of SADC Protocols.

Most notably, **Tanzania** fast-tracked the ratification of all the SADC Protocols through its parliament before assuming the chair of the organisation. Tanzania ratified protocols on Health; Legal Affairs; Shared Watercourses; and the Protocol against Corruption. Tanzania is the only country thus far to have ratified the protocols on Forestry; Extradition; and Mutual Legal Assistance in Criminal Matters.

The **Zambian** parliament approved the ratification of the Protocol on Wildlife, Conservation and Law Enforcement, the Protocol on Corruption and the Protocol on Culture, Information and Sport.

South Africa ratified the Protocol on Politics, Defence and Security, which means that only one ratification is now required before the protocol can enter into force. South Africa also ratified the Protocol Against Corruption.

Namibia ratified the Protocol on Culture, Information and Sport.

The Protocol on Fisheries entered into force, but the following protocols have not yet received the required nine ratifications to become legally binding: Health; Wildlife, Conservation and Law Enforcement; Legal Affairs; Revised Protocol on Shared Watercourses; Politics, Defence and Security; Control of Firearms, Ammunition and related Materials; Culture, Information and Sport; Corruption; Forestry; Extradition; and Mutual Legal Assistance in Criminal Matters.

SADC Meetings in Dar

In a different era, the tide-lapped city of Dar es Salaam was an important crossroads for Southern African revolutionaries, a place where ideas were exchanged and battle plans forged.

The only thing that's changed is the nature of the enemy. Gathering in the Tanzanian port for their annual summit in late August, the SADC heads of state grappled with the most pressing issues affecting the region, and recommitted themselves to what the organisation's executive secretary, Prega Ramsamy, called 'the fight against poverty and underdevelopment'.

Progress is slow. Despite the plethora of committees, protocols and accords ratified in recent years, and in defiance of much earnest speechifying from year to year, Southern Africa remains a region in crisis. Nine of the 10 countries with the world's highest HIV/Aids rates are SADC members; the social and economic collapse in Zimbabwe is deepening; and guerrilla warfare and ethnic massacres persist in Congo.

Everywhere, reforms and restructuring programmes are hindered by a lack of cash. For example, the SADC summit in Dar es Salaam endorsed the framework and approved the establishment of a regional HIV/Aids fund that would support the implementation of a five-year multisectoral strategy, but how the member states will foot the estimated $10.5 billion cost was left conspicuously unresolved.

The summit once again reflected the imbalance between lofty resolve and practical action that has characterised SADC during the 11 years since SA joined and the organisation became the region's recognised vehicle for integration.

SADC countries have still not agreed on a common position on the use of antiretroviral treatment in the fight against Aids, despite the recent WTO agreement that it would make generic versions of expensive drugs easier to obtain.

Careful not to 'ruin the solidarity with the group', regional leaders adamantly refuse to condemn Robert Mugabe. They resent the strong external pressure brought to bear on them to bring the Zimbabwean president's ruinous policies to a halt. Instead, the assembled heads of state lifted their voices in praise of the ageing autocrat's controversial land reform programme and his condemnation of Western sanctions.

Summit Highlights

The Seychelles did not attend the SADC smmit in Dar es Salaam, instead submitting notice of its withdrawal from the organisation. It claims that SADC did not provide 'value for money'.

The DRC was allowed to participate in all meetings despite being under sanctions for non-payment of its membership fees following a verbal commitment to meet its obligations.

SADC leaders discussed the creation of a SADC Regional Development Fund, as well as organizational relations with the AU and other external parties.

The council of ministers approved a final draft of the 10-year Regional Indicative Strategic Plan.

SADC leaders signed a Mutual Defence Pact.

Dr João Caholo, Supervisor of the Infrastructure and Services Directorate and Margaret Nyirenda, Supervisor of Food, Agriculture and Natural Resources, at a press briefing in Dar es Salaam

The summit established a mutual defence pact that many lauded as the best way for SADC to play a more direct role in restoring stability and security in Zimbabwe and addressing the deterioration of the rule of law and civil and political liberties in Swaziland. But this might be overly optimistic. Developing more structures can't replace political will. Nor will the defence pact enter into force until the Protocol on Politics, Defence and Security, which was signed in 2001, has been ratified. One more parliamentary endorsement will turn the protocol into a legally binding document.

Special Feature

SADC Faces Leadership Crisis

SADC, once considered the most advanced of Africa's regional economic blocs, faces a leadership crisis. Although Tanzania appears well posed and serious about its tenure as SADC chairperson, it will not be able to provide the leadership required to pull the organisation from its inertia and turn it into a strong machine for regional development and growth.

On governance and conflict questions, the region is hopelessly divided. On policy harmonisation leaders are distracted. And in trade liberalisation – arguably the most obtainable SADC goal – leaders are backtracking on agreed schedules.

Tanzania assumed the chairmanship of SADC at the August 2003 summit. As a stable democracy, economic reformer and darling of aid donors, Tanzania appears well positioned to fill the leadership vacuum. But does it have the will and ability to make a difference?

For SADC to move decisively in any direction, there must be far greater consensus than now exists

Jakaya Kikwete, Tanzania's foreign minister, outlined the country's priorities as chairman in May. First on his list was infrastructural development. Other priority areas include increased trade, fiscal reforms, human resource development, institutional development, the application of appropriate technology to increase production and productivity, continued regional and international cooperation, and institutional and legal reforms. The list is not new, nor does it reflect the pressing priorities in SADC.

At the annual summit in August, delays in completing the SADC restructuring dominated discussions by the council of ministers and heads of state, who complained that member states failed to provide their inputs on the crucial study to determine the staffing levels and requirements of the SADC Secretariat. Although members agreed to the restructuring plan, many are dragging their feet. Some simply lack capacity and others fear that the process will result in greater South African domination.

As long as the restructuring of SADC remains incomplete, progress on most aspects of regional cooperation will be stalled and the implementation of the Regional Indicative Strategic Development Plan will remain a pipe dream.

Even if Tanzania were to take a major interest in restructuring, which it does not, completing the process and hiring the required staff promises to take at least a year. But, Benjamin Mkapa iappears ncreasingly distracted by his aspirations to pursue a career as an international diplomat when he steps down as president in 2005.

Liberalisation helped Tanzania to achieve 6.2% economic growth in 2002 and made Mkapa a darling with aid donors. Tanzania scored best in SADC on the *Global Competitiveness Report*'s 'optimism' and 'improvement' indices. But growth has not created employment and privatised firms continue to shed jobs. A significant faction of the ruling CCM party favours 'indiginisation' of the economy, which is in part a reaction to the growing presence of South African companies in the country. With presidential elections approaching in 2005, such factional tensions will affect the government's ability to focus on external affairs.

The delays in SADC's restructuring are not of Tanzania's creation, but are manifestations of deeper tensions within the region.

Tanzanian Foreign Minister, Jakaya Kikwete

Within SADC there are essentially two blocs and a few fence-sitters. The first group is most concerned with domestic politics, which renders them unwilling to consider good governance issues and unable to contribute financially to regional development plans. Members of this group include Zimbabwe, the DRC, Angola, Namibia and Swaziland. On the other hand, the so-called reformists, who would most like to see an economically stronger region, are South Africa and Botswana. Zambia and Malawi are bankrupt and unable to take decisive action. Mozambique is well meaning but weak. The same is true of Lesotho and Tanzania.

For SADC to move decisively in any direction, there must be far greater consensus than now exists. By virtue of its historical ties with both South Africa and Zimbabwe, Tanzania could theoretically help bridge the gap between the factions within SADC. But, those fraternal ties between liberation movements are insufficient to the task. Tanzania does support South Africa in some matters, but it also has been among the most vocal supporters of Robert Mugabe.

On trade, Tanzania has embraced

liberalisation but has faced some difficult choices at the regional level. Its withdrawal from the Common Market for Eastern and Southern Africa (Comesa) in 2001 was controversial. It was under pressure from its East African partners – Uganda and Kenya – to choose between Comesa and SADC before progress could be made on the East African Community (EAC) Treaty. Threatened by the loss of customs revenue from imports from the region – which outstripped exports by 300% – under the fast-tracked Comesa customs union, Tanzania figured it could do better to gain preferential access to the South African market (in 1998, SA was a bigger supplier of imports to Tanzania than neighbouring Kenya). Tanzania preferred (and possibly still does) the slower pace of tariff reductions and the removal of other obstacles to regional trade in SADC.

The East African Customs Union will now be signed in November 2003 and the implementation of the agreement over the next 4-5 years will demand serious commitment and resources from Tanzania. Although its efforts to merge SADC and Comesa had failed, Tanzania has grand visions of a united SADC and EAC. As Jakaya Kikwete stated: 'I would conclude by reminding potential traders and investors that it was high time they regarded SADC and the EAC as one investment area and a trade destination in the world'.

It seems that Tanzania sees itself as a regional bridge-builder. But bridges need to be strong and they need to have support. Tanzania's vocal support of Robert Mugabe may have helped it in the past, but as the Zimbabwean crisis escalates even beyond the control of its own political elite, the dividends of that relationship are dwindling. The conflict-resolution efforts of Tanzania in the DRC and Burundi have been eclipsed by the presence of South Africa, and the danger exists that SA will overpower, rather than support, Tanzania within SADC. That is if SA could bother to become actively involved in SADC. Despite SA's professed commitment to the success of the regional organisation, in reality its attention has been absorbed by greater projects such as Nepad, the African Union and global trade talks.

SADC needs a strong leader. It doesn't look like Tanzania is up to the task. But considering that most of the constraints upon its ability to lead SADC are at the regional, rather than domestic level, who WILL be able to do the job? Angola has to focus on internal reconstruction after its 27-year civil war. Zimbabwe's economy is in tatters. And South Africa can't do it because it doesn't dare (or care) to.

SADC is experiencing a leadership crisis with no easy way out.

Gina van Schalkwyk is the SADC researcher at SAIIA

Rooting out Corruption in Tanzania

The SADC Protocol against Corruption provides SADC countries with an opportunity to prove their commitment to good governance and the creation of an investor-friendly environment. The protocol itself is not yet in force, but Tanzania is one of the few countries who have ratified the protocol and also started taking steps to implement domestic legislation in compliance with its requirements.

The protocol is aimed at combating both public and private sector corruption and accomplishing the participation of the public in the fight against graft by ensuring public access to information and protection for whistleblowers. The protocol also requires that an institution be set up to implement mechanisms to combat corruption.

Because the Tanzanian Prevention of Corruption Act makes no distinction between persons in the public and private sector when it defines acts of corruption, it could be inferred that the Tanzanian position in this instance is in line with the Protocol. In terms of the role of the public, there are no provisions in Tanzanian legislation for any sort of access to information. This shortcoming is coupled with the lack of any protection for whistleblowers which would make it difficult for the public to be able to, or to feel compelled to, become involved in combating corruption. It would be important for Tanzania to establish and maintain a culture of cooperation between the goverment and public through designated legislation.

Tanzanian legislation provides for an Anti-Corruption Squad to be established by the president and placed under the control of the prime minister. It would appear from this that this squad would be firmly under political control, which leaves it with little or no discretion to investigate politically sensitive corruption matters. The Prevention of Corruption Act itself is furthermore unclear as to the scope of the powers of the squad and its director. It gives the squad ample scope concerning what specific acts it might investigate, but it is unclear as to when and if the squad may actually initiate any specific investigation.

The Anti-Corruption Squad is a step in the right direction, but perhaps not an ideal institution in terms of what is required by the Protocol. But it should be possible to amend the existing legislative structures in order to transform the squad into a more robust and effective institution.

Gysbert Engelbrecht is Legal and Legislative Researcher at the Institute for Security Studies in Cape Town

Dar es Salaam Corridor - Times are Changing

What is the best way to move freight on land: road or rail? It is a perennial debate among planners trying to provide more efficient infrastructure to link the region. If the fate of the Tazara railway is any indication, there is no contest. At least not in times of peace.

The Dar es Salaam Corridor was developed at a time when wars were raging in Mozambique, Angola, Namibia, and what was then Rhodesia, effectively blocking access to the economically critical Zambian and Zairean copper belts. For many years this shell-shattered stretch of tarmac known as 'hell run' was too dangerous to be used for moving vital commodities from sea to hinterland.

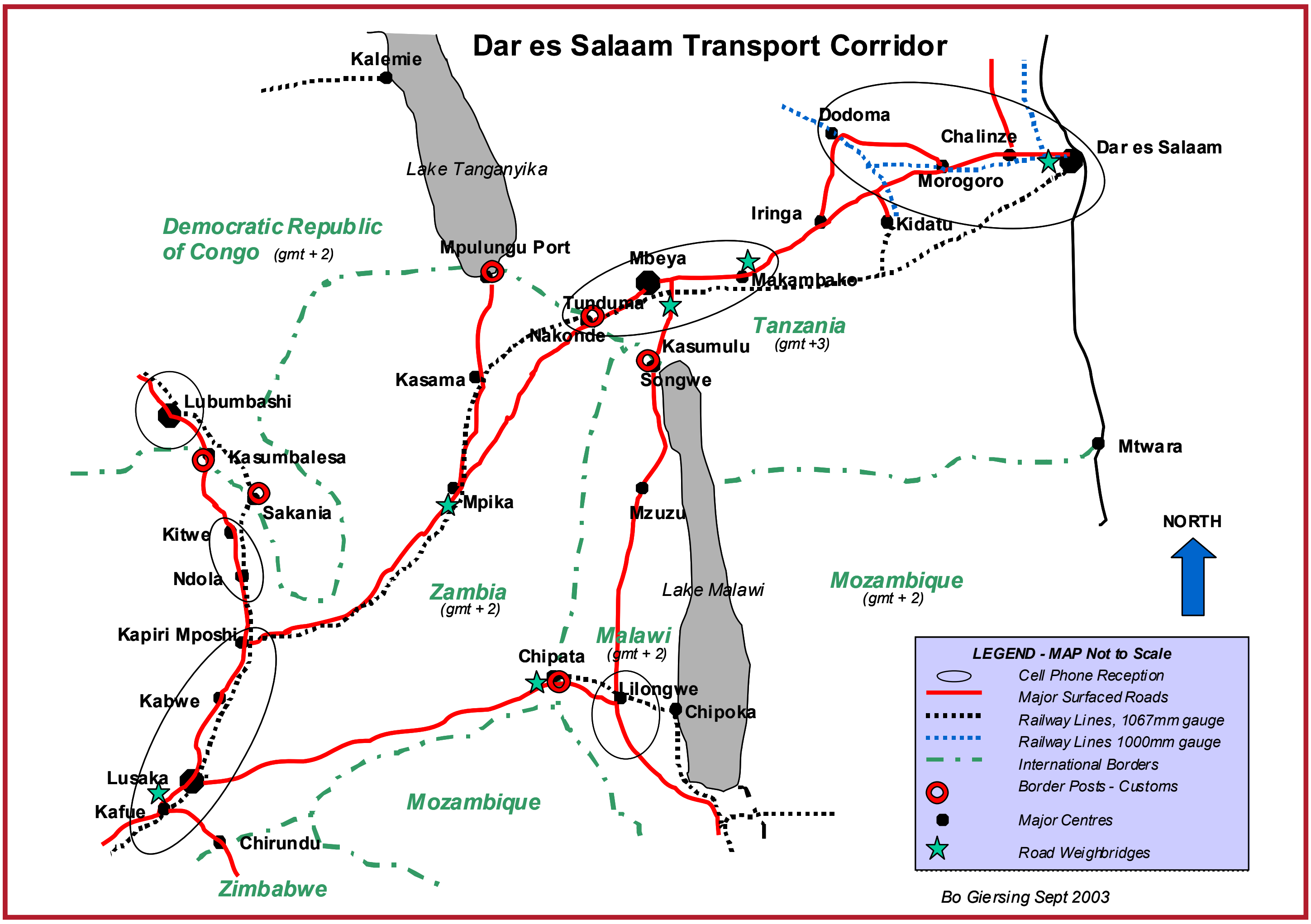
So in 1975, the Chinese financed and built the 1,800 km railway line linking Zambia to the Tanzanian coast. It cost Bejing US$500 million —a debt which is still outstanding. Tazara initially functioned quite well, and remains in sound condition. But times have changed. The Zambian economy has shrunk: copper production, which once accounted for 90% of the country's foreign exchange earnings, is now less than a third. International rail freight traffic has fallen off, and the consequent shortage of operating cash is preventing the railway from maintaining a consistent level of performance.

China continues to provide support for infrastructure, equipment upgrades and repairs on a loan basis — all without repayment. But even the Chinese now agree with the Zambian and Tanzanian governments and the World Bank that the option of privatisation should be considered. The Tanzanian railway is already being privatised.

Now that most of the region's wars have stopped, the real progress is to be found in the roads and ports. Many South Africans might be surprised to learn that it is now possible to drive from Johannesburg to Dar es Salaam, a distance of about 4,000 km, in an ordinary car. There is no need for jerry cans or spare tyres on the bonnet. Several sections of the highway through Tanzania and Zambia are being reconstructed, and potholes are infrequent. The only real pro blem is getting through Zimbabwe, where a political crisis has left petrol pumps dry . Cash is scarce and government thugs prey on the unsuspecting. But Botswana provides a safe alternative route, and the Kazangula ferry moves trucks and cars across the Zambezi river with few complications.

Just beware of police road blocks in Zambia. One missing reflector can ruin a driver's day.

Bo Giersing, Portfutures Africa



Selected SADC meetings: July-September 2003		
October		
Regional Workshop on Review of the Implementation of the Protocol on Shared Watercourses	13-14 October	Lesotho
SADC Creator's Day	14 October	Member States
SADC Regional Anti-Money Laundering Seminar	21-23 October	South Africa
Workshop on Establishment of a Customs Union	October	Botswana
Investment Subcommittee Annual Meeting	October	Mozambique
Regional Electricity Regulators Workshop	October	Namibia
ZAMCOM Agreement Finalization Meeting	October	TBA
Transport Infrastructure Computer Aided Design (CAD) Meeting	October	Tokyo
November		
SADC/EU Senior Officials Meeting	November	Brussels
Annual Diplomats Briefing	November	TBA
SADC Council of Ministers Meeting	November	TBA
Trade Ministers Meeting	November	Botswana
ACP Committee of Trade Ministers	November	TBA
10th SADC Drug Control Committee Meeting	November	Tanzania
December		
Drug Law Enforcement Training Course	December	TBA
Customs Cooperation & Facilitation Workshop	December	TBA
World Summit on Information Technology	December	Geneva
ACP Council on EPA Negotiations	December	Brussels
Orange/Senqu River Commission Meeting	December	Lesotho
A number of other committee and subcommittee meetings will be taking place. Further details can be obtained from the SADC website: *www.sadc.int*		

New on the SADC Web Site

The SADC Regional Indicative Strategic Development Plan, a ten-year workplan for the organisation. A final version containing comments from member states and the SADC Summit is being prepared by the Secretariat.

Documents from the SADC Summit in Dar es Salaam, including press briefings by the various directorates, the Social Charter and the welcoming address by the new chair of SADC, President Benjamin Mkapa of Tanzania.