

HOW SADC INFRASTRUCTURE IS POSITIONED FOR FUTURE GLOBAL SHOCKS

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- The views expressed and critiques made here are mine and not that of DIRCO or the South African Government
- Although information to be shared is from official documents of SADC and other entities, the objective is to contribute to the discourse

OUTLINE OF THE PRESENTATION

1. OBJECTIVES OF SADC (ART 5 OF THE TREATY) WITH IMPLICATION FOR INFRASTRUCTURE
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3. SADC BLUEPRINTS
4. SADC VISION 2050
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6. PILLAR II: INFRASTRUCTURE DEVELOPMENT IN SUPPORT OF REGIONAL INTEGRATION
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OBJECTIVES OF SADC (ART 5 OF THE TREATY) WITH IMPLICATION FOR INFRASTRUCTURE

- Promote sustainable and equitable economic growth and socio-economic development to ultimately ensure poverty eradication, enhance the standard and quality of life of the people and support the socially disadvantaged through regional integration;
- Consolidate, defend and maintain democracy, peace, security and stability;
- Achieve complementarity between national and regional strategies and programmes;
- Achieve sustainable utilisation of natural resources and effective protection of the environment.



DATA WITH IMPLICATIONS FOR INFRASTRUCTURE

- The region's population is growing at an average rate of 1.7% p.a, with projections indicating that by 2027 the number of people living in the SADC region will surpass 400 million.
- This projected growth would necessitate improved access to energy, information technology, water and sanitation, health and education as well as transport infrastructure and services.
- Due to COVID-19 impact, GDP rate in the region ebbed to -2.7% in 2020, started rebounding in 2021 to 3.4% and it is projected to reach 3.8% in 2022
- Close to 55.7 million people in the region are food insecure compared to 41.2 million in 2019, before the onset of COVID-19 pandemic.
- According to the Regional Infrastructure Development Master Plan, SADC will need around USD 559 billion to implement all the infrastructure projects.



SADC BLUEPRINTS

- SADC Vision 2050;
- The Regional Indicative Strategic Development Plan (RISDP) 2020-2030;
- The Industrialization Strategy and Roadmap (2015-2063);
- The Regional Infrastructure Development Master Plan (RIDMP), 2027;
- The Regional Agricultural Investment Plan (RAP)

SADC VISION 2050

- ***“A peaceful, inclusive, competitive, middle to high income industrialised region, where all citizens enjoy sustainable economic well-being, justice and freedom”***
 - The SADC Vision is the ultimate destination of a 30-year journey beginning in 2020 and culminating in 2050.
 - In the next 30 years, it is projected that SADC will, on aggregate, become a middle to high income constellation of Member States and will enjoy expanding economic status.
 - The journey requires that the region should embrace the principle of variable geometry.
 - The RISDP 2020- 2030 sets intermediate to long-term horizons with milestones to be achieved in pursuit of the Vision.

RISDP 2020-2030

1. **Foundation:** Peace, Security and Good Governance;
2. **Pillar 1:** Industrial Development and Market Integration;
3. **Pillar 2:** Infrastructure Development in Support of Industrialization and Regional Integration;
4. **Pillar 3:** Social and Human Capital Development; and
5. **Cross-Cutting Issues:** Gender, Youth, Environment and Climate Change and Disaster Risk Management.

PILLAR II: INFRASTRUCTURE DEVELOPMENT IN SUPPORT OF REGIONAL INTEGRATION

The Vision of 2050	Pillar II of RISDP	Strategic Objectives	Key Performance Indicator
SADC to have efficient and effective, technology-driven cross-border infrastructure services and networks to support and facilitate deeper regional integration in SADC.	Infrastructure development in support of regional integration	Quality, interconnected, integrated and seamless infrastructure network	10 Power Generation and Transmission projects with addition capacity of 35,000 MW commissioned by 2030
			At least 10 Member States implemented SADC Frequency Allocation Plan by 2030
			Regional Rail revitalisation plan in place by 2025
			20 infrastructure projects supported through RPPF reaching bankability by 2028
			Regional Framework on Urban Transport and Mobility in place by 2026
		Improved capacity for conceptualizing, design, construction, maintenance and operation of regional infrastructure and services	2 legal instruments establishing and strengthening Regional Energy Subsidiary Organisation in place by 2026
			Regional Framework to promote private sector involvement in the construction, maintenance and operation of infrastructure developed and implemented in 2029
			Regional Framework on maintenance of public infrastructure and facilities in place by 2028
			Hydrologists from all Member States trained on the use of HYCOS and SARCOF early warning seasonal forecasts by 2030
			Regional Strategy and Action Plan on gender and youth mainstreaming in infrastructure developed
		Increased access to affordable infrastructure and services	Regional Strategy and Subsidy Mechanism in place by 2025
			5 investment projects by the private sector in renewable energy and energy efficiency by 2025
			SADC regional geo-stationary orbit satellite communication network by 2028
			Framework and guidelines for regional data centre in place by 2028
			4 projects on transboundary water supply and sanitation infrastructure delivered by 2030



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SWOT ANALYSIS (IN TERMS OF RISDP)

STRENGTHS	WEAKNESSES
<p>Population and demographic profile: At its current growth rate, the population is projected to reach 947.3 million persons by 2065 (UNPD, 2017).</p> <p>Rich cultural heritage: These sites offer a variety of options for socio-economic growth for the region, including tourism and infrastructure development.</p> <p>Natural resource base: Such as oil and gas, minerals, productive agricultural and hydrological resources, aquacultural resources, renewable energy resources (hydro, solar, geothermal, wind, etc.) should contribute to industrial development and the green economy.</p> <p>Established and functional regional organs and institutions: This means the region is well-placed to leverage the experience, sectoral expertise and institutional memory that is required in future.</p> <p>Free movement of goods and services: While movement towards the dream of economic development and integration as stated in the SADC Treaty has been slower than desired, Member States are removing visa requirements in their bilateral relations with one another.</p> <p>Political stability: The region continues to be relatively stable despite some instances of intrastate conflict. Peace and stability are the accepted precondition for the successful delivery of industrial and infrastructure development initiatives to benefit the citizens of SADC.</p>	<p>Slow ratification and domestication of certain protocols: Member States face different barriers regarding the adoption and/or implementation of some instruments.</p> <p>Limited financial resources to implement regional and national programmes: The region's dependence on ICPs will impact on the implementation of RISDP.</p> <p>Limited capacity to coordinate the execution of regional and national programmes: At Member State level, weak or inadequate coordination structures account limited progress in implementing programmes.</p> <p>Lack of /inadequate/poorly maintained infrastructure: Realisation of the objectives of free movement of goods, people and capital depends on the quality of infrastructure available to make this a reality.</p> <p>Lack of reliable and quality data: The lack of reliable and quality data and Monitoring and Evaluation (M&E) systems to anchor evidence-based planning and reporting impact adversely on implementation.</p> <p>Barriers to ease of doing business: Lack of market-friendly regulations and poor corporate governance compromise growth, trade and investment.</p> <p>Macroeconomic instabilities: Some countries also battling with low rates of economic growth, capital formation, public capital spending as well as high inflation rates leading to macroeconomic instability.</p> <p>Severe and persistent droughts: These have plagued the region in recent years and are associated with negative impacts on livelihoods, food shortages and strained local economies.</p> <p>Limited visibility of SADC: This is resulting in weak ownership of regional programmes and projects by citizens of the region.</p>



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SWOT ANALYSIS (IN TERMS OF RISDP)

OPPORTUNITIES	THREATS
<p>Population structure: SADC's large population is an important potential market for goods and services thus creating a window of opportunity for industrialisation.</p> <p>Approved agreements, protocols, and action plans: Where progress has already been registered, the experience of the respective Member States provides an opportunity for others to learn accordingly.</p> <p>Natural resource base: This offers a vast opportunity for the region to implement interventions that will improve food security, create employment and grow the region's economies.</p> <p>Global and continental initiatives: Initiatives such as AU's Agenda 2063 and the UN's SDGs provides firm ground for SADC's programmes.</p> <p>Developments in technology: These provide opportunities to ramp up productive capacity and service delivery in learning, communication or automation of production processes.</p> <p>Further diversification and attracting FDI: SADC's growing economy brings opportunities for both of these to activate some of the initiatives and infrastructure development endeavours.</p> <p>Domestic resources mobilisation: Mobilising domestic resources, from both the public and private sectors (including remittances from the diaspora citizens and African pension funds) is central to the success of the RISDP especially regional infrastructure projects.</p>	<p>Differences in levels of development: Serve as hamstrings to efforts to fast-track the implementation of SADC programmes and projects hence the principle of variable geometry is more preferable.</p> <p>Multiple membership in regional economic communities: These have resulted in conflicting integration targets and milestones.</p> <p>Potential for intra-state conflicts: Violent conflicts lead to instability, crumbling of state structures, capacities and resources, which results in a vicious cycle of underdevelopment, insecurity and instability.</p> <p>Poverty, unemployment and inequality: These constitute a major threat because poor service delivery, unemployment and poverty may easily morph into violent demonstrations, igniting instability.</p> <p>Disease outbreaks and endemic health issues: The COVID-19 pandemic, HIV/AIDS and Ebola have shown that adequate preparation for future communicable disease outbreaks is of great strategic importance.</p> <p>Global scale macro-economic disruptions: The financial meltdown of 2008 had long lasting effects and some Member States never completely rebounded to pre-crisis growth.</p> <p>Impact of economic growth on the environment: Industrialisation has impacted negatively the planet's environment (droughts, floods and cyclones and natural resources base).</p> <p>Rising geo-political tensions: Trade wars and, recently, the Ukraine-Russia conflict have resulted in international supply chain disruption, falls in prices of commodities and lower demand for SADC products in international markets.</p>

WHAT SHOULD BE DONE – SOME THOUGHTS

- Collapse all the Blueprints into one document in order to align deliverables, viz RISDP 2020-2030; the IS&R (2015-2063); the RIDMP (2027); the RAIP (2017 – 2022);
- Fully resource the SADC Project Preparation and Development Facility (PPDF) to ensure that Member States accessed support from it;
- Give priority to ratification of the Protocol on Statistics;
- Explore financing options such as (i) Guarantees and Risk Mitigation Instruments; (ii) Domestic Resource Mobilisation; (iii) Public Private Partnerships; (iv) Grant funding; (v) Debt Financing; (vi) Equity Financing; (vii) Pension Funds and Insurance Reserves; (viii) Climate Finance; (ix) Sovereign Wealth Funds; (x) Diaspora Bonds; (xi) PIDA Funding.
- SADC Secretariat to assist Member States to prepare feasibility studies of infrastructure projects that are investor-ready;
- Review regional legal instruments (protocols, treaties etc.) that have not received enough ratifications but can serve as catalysts for infrastructure development;

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