THE POLITICAL ECONOMY OF REGIONAL INTEGRATION IN AFRICA

THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

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The political economy of regional integration in Africa

The Southern African Development Community (SADC) Report

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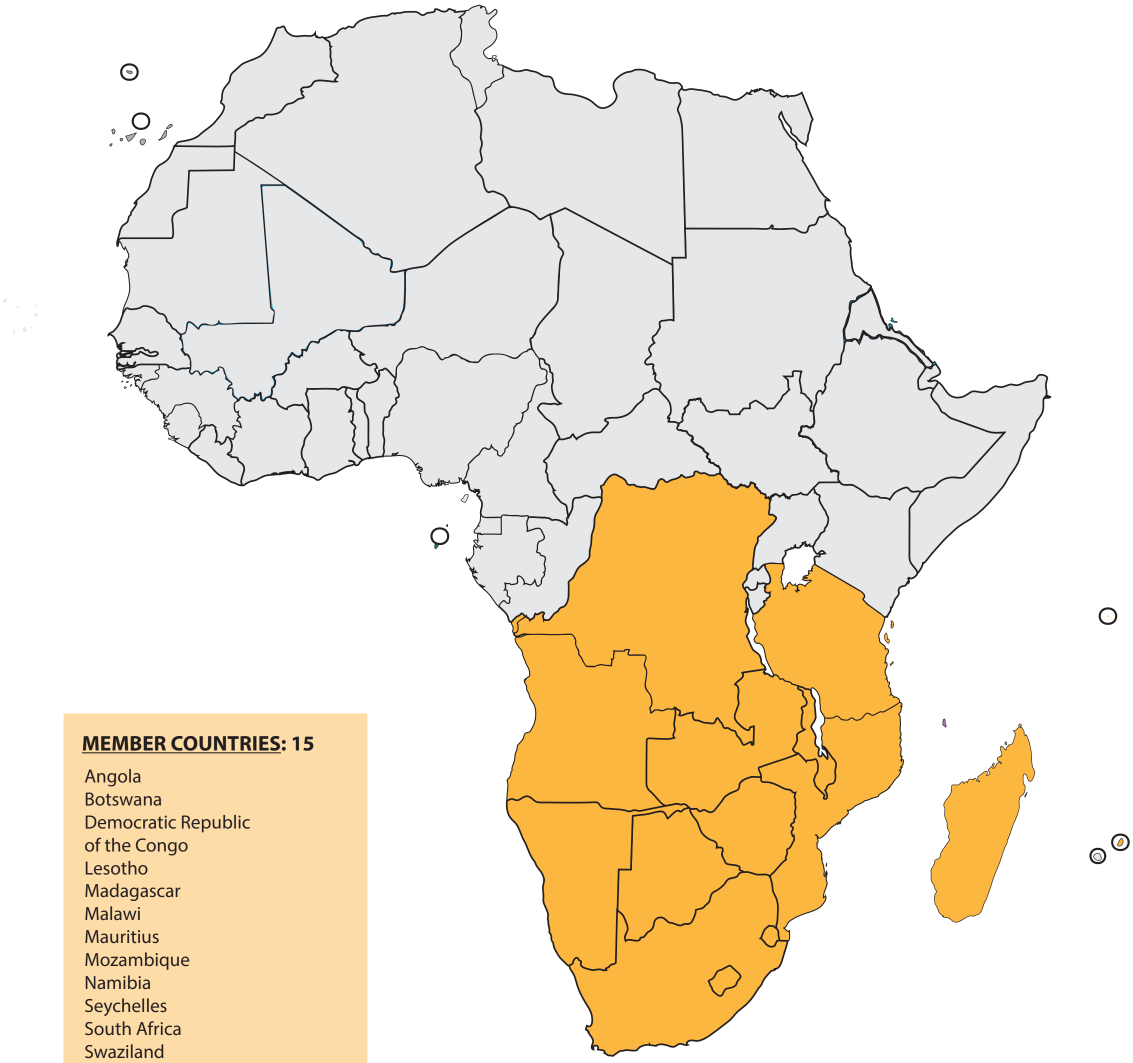

MEMBER COUNTRIES: 15

Angola
Botswana
Democratic Republic of the Congo
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Seychelles
South Africa
Swaziland
Tanzania
Zambia
Zimbabwe

SADC Member States

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The authors of this study are responsible for its content, interpretations and any errors.

Acronyms

AfDB	African Development Bank
AIDA	Accelerated Industrial Development of Africa
AU	African Union
BLNS	Botswana, Lesotho, Namibia and Swaziland
BPFA	Beijing Declaration and Platform for Action
CDF	Consultative Dialogue Framework
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CEO	Chief Executive Officer
COMESA	Common Market for East and Southern Africa
DAM	Day Ahead Market
DANIDA	Danish International Development Agency
DBSA	Development Bank of Southern Africa
DFID	UK Department for International Development
DRC	Democratic Republic of Congo
EAC	East African Community
EACSOF	East Africa Civil Society Organisations' Forum
EAPP	Eastern Africa Power Pool
EASSI	East African Sub-Regional Initiative for the advancement of women
EAWiBP	East African women in Business Platform
ECOWAS	Economic Community of West African States
EDM	Electricidad de Mozambique
EPA	Economic Partnership Agreement
ESK	Embassy of Sweden
ESP	Energy Sector Plan
ETG	Energy Thematic Group
EU	European Union
FDI	Foreign Direct Investment
FIP	Finance and Investment Protocol
FLS	Frontline States
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GVC	Global Value Chain
HDI	Human Development Index
HR	Human resources
ICBT	Informal cross border trade
ICP	International Cooperating Partner
IDP	Integrated Development Plan
IDPF	Industrial Development Policy Framework
IGAD	Intergovernmental Authority on Development
IGMOU	Inter-Governmental Memorandum of Understanding
ILO	International Labor Organisation
IPAP	Industrial Policy Action Plan (South Africa)
IPP	Independent Power Producer
ITC	Independent Transmission Company
KAZA-TFCA	Kavango Zambezi Transfrontier Conservation Area

MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MW	Megawatt
NEPAD	New Partnership for Africa's Development
Nersa	National Energy Regulator of South Africa
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
ODA	Official Development Assistance
OPDSC	Organ on Politics, Defence and Security Cooperation
PERIA	Political Economy of Regional Integration in Africa
PIDA	Programme for Infrastructure Development in Africa
PPA	Power Purchase Agreement
PPF	Peace Parks Foundation
PPP	Public Private Partnership
RCWE	Rwanda Chamber of Women Entrepreneurs
REC	Regional Economic Community
REM	Regional Energy Market
RERA	Regional Electricity Regulators' Association
RISDP	Regional Indicative Strategic Development Plan
SA	South Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAPP	Southern African Power Pool
SATUCC	Southern African Trade Union Coordination Conference
SNEL	Société Nationale d'Electricité de la République Démocratique du Congo
SOE	State owned enterprises
SSA	Sub-Saharan Africa
STEM	Short Term Energy Market
TC	Technical Committee
TFCA	Transfrontier Conservation Areas
TFTA	Tripartite Free Trade Agreement
TWCC	Tanzania Women's Chamber of Commerce
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNIDO	United Nations Industrial Development Organisation
WICBT	Women Informal Cross Border Traders
WTO	World Trade Organization
ZANU-PF	Zimbabwe African National Union - Patriotic Front
ZESCO	Zambia Electricity Supply Corporation
ZIZABONA	Zimbabwe, Zambia, Botswana, Namibia

Executive Summary

This report presents the findings of a political economy analysis of the Southern African Development Community (SADC). It focuses on what drives or constrains this regional organisation in particular sectors such as regional industrialisation, the development of a regional energy market, and *Transfrontier Conservation Areas.* This report is part of a broader study that also includes the African Union and four other Regional Economic Communities (RECs) in Africa.

Why a political economy analysis of SADC?

SADC was established in 1992 as a successor to the *Southern African Development Coordination Conference* (SADCC). SADC ushered in a new era for regional cooperation in Southern Africa after the Cold War, a troubled colonial past, liberation wars, apartheid rule in South Africa, with the occupation of Namibia and a decade of economic and military destabilisation of the SADCC members. Unlike other Regional Economic Communities in Africa, SADCC prioritised cooperation and coordination in a limited number of sectors where clear benefits could be gained from regional approaches. Each of the nine member states had the responsibility of coordinating one such sector, and the external destabilising pressures of the apartheid state engendered political and economic hands-on collaboration among the so-called *frontline states*.

The establishment of SADC marked the transition from a *political coalition* of former frontline states to a coalition with an expanded membership (independent Namibia had joined) and a broader agenda of regional integration. After the first democratic and non-racial elections in South Africa, it also joined SADC, with three more countries – including the resource rich Democratic Republic of Congo – joining shortly after. The SADC agenda soon covered a broad range of sectors and policy areas, with commitments to actions and reforms in peace and security, trade, transport, tourism, environment, corruption, infrastructure development, governance, gender, and many other challenges. This expanded agenda reflected a degree of voluntarism and optimism, as well as the belief in a linear economic integration model resembling the EU one.

Yet SADC has not been able to attain its self imposed objectives and targets for deepening integration in the region. The purpose of this study of SADC, therefore, is to provide insights on the implementation gaps, as such understanding may help inform, calibrate and target reforms as well as support efforts that are not only technically possible but also politically feasible. To do so, the study focuses on the key drivers and constraints that shape the SADC agenda and influence its implementation by analysing three sectors – industrialisation, energy and conservation – and one cross-cutting theme (gender), three of which are SADC priorities. The study applies a political economy framework to answer two core questions: *how do key actors and factors affect and shape the agenda setting of SADC? And how do actors and factors influence what gets implemented and why?*

Key findings of the SADC study

The Treaty that established SADC in 1992 provided for its member states to conclude Protocols in all areas that may be required to realise its objectives. Yet despite this contractual arrangement and the Protocols signed, there are numerous constraints in their implementation at national level. The sector policies on regional industrialisation and on the creation of a regional energy market bring out some of the key political economy drivers and constraints at national, regional and global level. They also highlight one particular foundational factor, South Africa as a *hegemon.* The latter refers to the term given in the literature to a dominant economic and political actor in the region that influences regional processes in substantial ways. South Africa's history of industrialisation, migrant labour policy and infrastructure development has profoundly affected the socio-economic and political relations in South Africa and in the region; and South Africa continues to dominate in a changing global context with new opportunities for regional cooperation.

In the case of regional industrialisation policy, South Africa did not take the lead, despite its strong and diversified economy with strong exposure to global markets compared to the poorly industrialised SADC member states. It was Zimbabwe that took the initiative and successfully put that sector on the agenda of the SADC Summit in 2014 during its presidency. Partly, this was to deflect attention from other regional commitments, such as the full implementation of the SADC Free Trade Area. Zimbabwe fears that the country's implementing of the free trade area will further decimate its manufacturing sector, and reduce its tariff revenues. The SADC Secretariat has – with external backing from UN agencies – supported the policy preparation of regional industrialisation.

On regional industrialisation, South Africa faces mixed incentives. At one level South Africa's interests are not served by a regional industrialisation policy that reduces South Africa's policy space in this sector. The South African Department of Trade and Industry combines a range of policy tools (including trade) to strengthen its manufacturing sector and to enhance employment. The high unemployment figures in urban areas may erode the electoral support base for the ruling ANC, with powerful trade unions exerting pressure for protectionist policies. At another level, there are other voices in government promoting different measures such as infrastructure development, or improving the business environment. Reaching an agreement with SADC member states on a regional approach, moreover, is very difficult as it is hard to to clearly demonstrate the regional value added to different member states. Also, given the lack of participation by business, civil society and trade unions in this SADC process and the lack of alignment of interests among the key players, agreement on an operational plan and its implementation remains distant.

In the energy sector, the case of the regional electricity market seemed more straightforward as there was initial and strong alignment of interests among most member states and a strong economic logic to work together. The region has abundant but underdeveloped energy potential, with inadequate electricity transmission and distribution networks. Sufficient, reliable and affordable electricity supply is important for economic development, especially for the region's largest economy, South Africa. In 1995, SADC established Africa's first regional power pool, the *Southern African Power Pool (SAPP)*. Regional power-pooling involves the creation of a regional market for the surplus electricity.

In the mid nineties there was demand for a regional energy market, as there were sufficient member states with significant excess capacity of electricity generation. And there were members with electricity shortages and an interest to buy surplus from other SAPP members. South Africa took a dominant position in the regional energy market. Its powerful state-owned monopoly holder, ESKOM, controlled the country's electricity value chain (generation, transmission and distribution) and was keen to sell its cheap, coal-generated electricity surplus. South Africa also exercised its influence in the SAPP by shaping the governance and membership rules of the regional market. This way, it was able to initially keep out independent power producers from becoming member of SAPP.

The energy crisis in Southern Africa of the mid 2000s proved to be a critical juncture for the regional energy market as it resulted in shortages of electricity supply, and altered the power and market dynamics. Draughts in the region cut into the capacity for generating hydro-electricity, and South Africa faced a homegrown electricity crisis. This was due to increased demand for cheap electricity from consumers and from the economy, at a time of stagnating electricity production. In post-apartheid South Africa ESKOM had underinvested in production capacity, while simultaneously extending the electricity grid and transmission infrastructure to reach all South Africans. Affordable electricity for all has been an important ANC promise since the first democratic elections. Since the crisis, the balance of the regional energy market in Southern Africa has changed. While member states probably see the long-term value of a regional energy market through a single purpose regional organisation such as SAPP, the electricity shortage to sell and the short to mid-term uncertainties are less appealing. Hence, member states revert to bilateral rather than regional relations in the energy sector.

The case of the Southern Africa's *Transfrontier Conservation Areas* (TFCAs) present a regional cooperation model in which SADC plays a supportive rather than a central role. Such TFCAs are multi-purpose border parks in two or three countries that require multiple state and non-state stakeholders at all sides of the border(s) to solve a range of collective action and development challenges. The first TFCAs were initiated in the new millennium as bilateral or trilateral projects, and were facilitated and kickstarted by a non-state actor, the *Peace Park's Foundation*. The SADC secretariat become gradually more involved in the legal framing of the formal multi-country cooperation protocols that underpinned the rollout of TFCAs in the region. But the drivers of these processes are located outside SADC, involving networks rather than top-down approaches and with an important component of brokerage of coalitions behind shared interests and common problem solving.

Since the inception of SADCC, donors have played important roles as providers of finance, models and technical assistance. SADC has become heavily dependent on donor resources. In all three sectors, donors – including multilateral agencies – have tried to shape particular aspects of the regional process through aid, although not in overly dominating ways. In the case of gender, while donors provide support for both SADC gender related projects and institution building these initiatives are insufficiently translated into action on the ground by state and non-state actors or gender champions on the ground.

Implications

This political economy study of SADC in three sectors and gender points to a number of implications for stakeholders with an interest in effective regional cooperation. Key aspects for consideration for policy makers, donors and other stakeholders when deciding on the level of ambition of reforms, the choice of sectors or policy issues to work on, and selection of reform coalitions to engage with (combination of partners, stakeholders, interest groups) can be summarised as follows:

- South Africa's dominant position in the region is a foundational factor of SADC that cannot be wished away but needs to be factored in in the political economy analysis, as this provides pointers for better identifying opportunities or areas of regional reforms.

- Sectors and sub-sectors differ in their appeal to powerful state or non-state actors, or coalitions of stakeholders. Ignoring these political economy dimensions of sector characteristics results in overambitious and poorly targeted reform agendas and in missed opportunities for coalition building and incremental institution building.

- The case of the SADC Industrial Policy indicates the limitations of engaging in overly ambitious agendas; the case of the Southern African Power Pool highlights how external crises can profoundly alter the incentive environment. In both cases and sectors, however, the incentives and interests of powerful stakeholders within these countries are pulling in different directions. This calls for realism and for engagement strategies that are geared to await the appropriate opportunities and/or to prepare the ground by supporting change coalitions.

- The regional cooperation model and experiences of the *Transfrontier Conservation Areas* are a reminder that transnational and regional cooperation processes can be initiated and driven by other than regional organisations. SADC is supportive in these processes, though not leading.

- SADC's heavy dependence on donor resources brings about risks in terms of agenda inflation, further distortions in the governance and accountability relations between SADC and its member states, and missed opportunities for support to more promising, bottom-up regional dynamics around particular problems or driven by effective coalitions.

- On gender, the implication would be to prioritise stakeholders who are able to mobilise coalitions around gender-related across the border or regional challenges in sectors with potential for scaling up policy actions.

1. Introduction

1.1. Why this study of SADC?

Regional integration and cooperation have long been high on the agenda for African countries, regions and regional organisations. There is wide recognition that regional cooperation is vital to tackle development challenges that cannot be solved at a national level. Many such inter-state problems affect poor people's lives in areas ranging from human security, mobility, rural livelihoods, trade, infrastructure, to environment and climate change. Often such cross-country or regional problems have a particular impact on women, for example in the case of violent conflicts, or in the substantial informal cross-border trade that takes place in Southern Africa.

Over the years, this interest in regional cooperation has resulted in commitments, policy documents and strategies, with many partners providing financial and other support. Yet, policy-makers, partner country representatives and non-state actors frequently express dissatisfaction with the lack of progress. This is no different for the Southern African Development Community (SADC). While regional integration and cooperation is taking place, levels of progress differ across countries and policy areas, and are not appreciated or understood in the same way.

This report presents the findings of a political economy study of this important regional organisation that was created originally by nine member states to deliver on the emerging development and security opportunities that arose from the demise of the Cold War and the emergence of a new democracy in the largest and most diversified economy on the continent, South Africa. As the study on ECOWAS also highlights, the role of the so-called *hegemon*[1] in both regions is important. The presence of such a powerful member state often shapes the agenda of regional organisations and drives or blocks its implementation.

1.2. Why a political economy analysis?

The challenges and complexities of promoting effective regional cooperation and integration are not unique to Africa. Sometimes, support to regional processes has been misguided by too narrow a focus on one dominant regional model, such as the European Union. In other cases, the agenda gets side-tracked as it considers regional organisations to be the sole driver for regional integration.

The political economy analysis refrains from adopting a best-practice or normative model. Policy reforms and support strategies that build on such analysis take the context as a starting point, and seek to build on or adapt to what *is*, rather than we *should be*. The political economy approach used in this study is dedicated to analysing how and why multiple actors and factors interact in a particular regional context, and the effects they have on change and development processes. In particular, the analysis focuses on how power and resources are distributed and contested in regional contexts, and how structural or foundational factors shape national and regional level institutions. This includes an interest in the effects that global actors and factors have on the national and regional incentive environment.

By examining the different actors and factors that affect the way SADC works, this study aims to provide insights in what is technically desirable and politically feasible. It also helps to identify the types of partnerships or coalitions that support regional cooperation and regional integration in Southern Africa.

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[1] The use of the concept of 'hegemon' does not attach any negative connotation to it, and is merely in line with the use in the literature when referring to a powerful and resourceful neighbor that stands out in comparison to its neighbours.

1.3. Methodology of the study

1.3.1. A five-lens framework

In all regional dynamics, five broad sets of political economy actors and factors interact with one another and shape or influence the incentive environment, behaviour and ideas, as well as the distribution of resources, rents, and power. Hence, this study uses a five-lens framework to unpack the actors and factors that one can identify in regional dynamics.[2]

The first political economy lens identifies ***foundational factors***. These are factors that are embedded in geographic, historical, demographic and economic characteristics in a country or region. Their influence may be hard or impossible to change. The history of state and region formation, natural endowments and sources of state income may impact on the interests that political elites have in regional processes.

A second lens looks at ***institutions***, in this context understood as *rules of the game.* These can be formal, written or codified rules (in legal texts, etc.), but also informal, unwritten practices, which are associated with norms, beliefs, and customs. For *outsiders,* these informal rules are harder to discern and understand. Context specific combinations of formal and informal institutions – and the way they interact – are important to understand why a particular institutional form is effective in a particular context, and why the same institutional form is dysfunctional in another context.[3]

Thirdly, ***actors, incentives and agency*** need to be factored into the analytical framework. Actors are the 'stakeholders', or individuals and groups that are most relevant to the object of analysis as they support reforms, oppose or undermine it. Actors vary in their ability to exercise agency or their capacity to act and make choices, largely according to their economic, political and social power. The interactions between institutions and foundational factors create incentives to which these actors respond. Ideas, beliefs, leadership capabilities and norms, also help explain the types of *interests*[4] these actors pursue, and the potential for change, or the stickiness of the *status quo*.

A fourth political economy lens draws the attention to the combination of ***political and technical features of particular sectors or policy areas.***[5] Particular features in each sector influence the incentives and interests of (service) providers, users and politicians in different ways, with often specific political and accountability implications (Foresti et al, 2013; McLoughlin and Batley, 2012). Certain visible sectors may have more political salience than less visible sectors, or sectors with more hidden benefits. More visible policies often imply more easily attributable credit or blame. The risks, for example, related to particular

[2] The five-lens approach builds on political economy tools as developed by development agencies and practitioners for gaining insights in the political and economic dynamics at country level. Gradually, the political economy frameworks were also adapted for analysing the political economy dimensions in sectors, or for tackling particular policy problems or challenges. Political economy frameworks that have been consulted and combined for drafting this five-lens framework involve tools as developed by DfID, the EC, Sida, the World Bank, the AfDB, the OECD and others.

[3] *Traffic rules* offer a good illustration of how formal and informal institutions influence one another: formal traffic rules in a context where there is a culture of compliance with rules and regulations have a different result on road safety than the same rules in a context in which the informal rules of the game are essentially about breaking these traffic rules. In the latter context, one needs a range of other formal institutions to ensure compliance of behaviour of road users in order to obtain road safety, with extra costs involved to finance a thicker institutional environment.

[4] 'Interests' are understood in a somewhat broader sense, including also values, norms and ideas that often shape the way actors perceive their interests – and how these are best served

[5] 'Sectors' are broadly understood here. There may be some terminological confusion as the term *sector* sometimes is inappropriate for referring to typical *policy areas* or *cross-cutting themes* such as food security, peace and security, infrastructure development, climate change, gender, etc. These *policy areas* or *themes* cover and combine a number of traditional *sectors* (foreign affairs, defence, agriculture, water affairs, public works, etc.) – yet they cannot be called a *sector* in the narrow sense of the word.

contagious health hazards or to cross-border spill-overs of certain security risks may help explain why contagious diseases and violent conflicts receive more regional attention and cooperation than other sectors. Regional cooperation in different sector or policy areas will also have different related costs and benefits.

A fifth lens focuses on ***external factors*** that affect the domestic political economy and the regional dynamics and organisations. Global trade, investment patterns, external responses to security risks and threats, climate change, even the preferences and attitude of consumers in (rich) markets can influence the incentive environment in which domestic and regional actors operate (OECD, 2011). Unlike foundational factors, these external factors can abruptly change. Sometimes, these external factors can be *game changing events* that may coincide with internal developments to create exceptional continental winds of change, as was the case for example with the establishment of the AU in 2000 and the establishment of SADC itself in 1992. Of interest to the six regional studies are also the international relations, and particularly the volumes and ways in which donors support the regional organisations.

1.3.2. Approach of the SADC analysis

This report is part of a broader *Political Economy Study of Regional Integration in Africa*, PERIA. All six regional studies follow the same approach, defined during a workshop between the research team and the Swedish Government, and further refined after a discussion with representatives of the AU and RECs in Addis Ababa (October 2014). The SADC study builds on inputs from a team of experts from Africa. It involved a review of research literature, participation in conferences and workshops, field visits and interviews with key informants.

Analyses of the political economy of regional organisations such as SADC remain relatively novel, and subject to limitations. Carrying out political economy analysis necessitates access to data, information and previous analyses, including political economy analyses at country and sector levels, which are often not readily available. Furthermore, choices must be made regarding scope and focus, while on-going research can be overtaken by events. While not exhaustive, this study points to important political economy dynamics that are indicative of the way the SADC works with a view to providing insights for a range of interested stakeholders, including policy makers and their development partners.

The selection of sectors or policy areas for analyses, and indeed the decision to focus on three separate 'sectors' or policy areas inevitable entail trade-offs in terms of depth and scope of analysis. Nonetheless, as the above highlights, these cases are illustrative of the broader political dynamics at play within the organisational setup of SADC and therefore have relevance for areas not covered in detail here.

The report was peer reviewed by a Quality Support Group on behalf of the Embassy of Sweden in Nairobi. It combined independent academic expertise, as well as comments of Swedish Embassy staff.

A separate synthesis report provides a summary of the six reports. It formulates ten statements and presents the key findings on the political economy of regional organisations in Africa, which further help identify the most important implications for different stakeholders with an interest in supporting or nurturing regional dynamics.

1.4. Scope and structure of the SADC analysis

This SADC study first deals with general SADC features such as foundational factors, institutions and crosscutting issues, including gender. Section 3 deals with the political economy of regional industrialisation through SADC. Section 4 looks into a particular subsector that is crucial for economic growth in Southern Africa, the regional energy market and the roles of the Southern African Power Pool, a single purpose *agency* of SADC. In the case of the Transfrontier Conservation Areas (TFCAs) in Southern Africa, the key initiators of this process were environmental non-governmental organisations and a few state and business leaders. However, SADC became gradually involved in the expanding TFCAs and the multi-stakeholder cooperation modality it represents.

Three criteria informed the selection of the *sectors* or *policy areas* for the SADC regional study. These included 1) policy relevance of the theme/sector to SADC, 2) underlying importance of the areas for understanding how SADC operates, and 3) feasibility. Section 2 provides background to the key political economy factors that shape agenda setting by the SADC and the implementation arrangements.

2. General SADC features

Regional cooperation in Southern Africa has a turbulent history and faces an uncertain future. Under the Southern African Development Coordination Conference (1980-1992), nine frontline states set the agenda, with a sharp focus on political solidarity with liberation movements, opportunities for economic cooperation and responses to the economic and military destabilisation by apartheid South Africa. Yet, these frontline states, in response to the changing context, re-baptised SADCC into the Southern African Development Community in 1992. The policy agenda of SADC broadened, the membership extended, and the external support network was expanded. When a democratically elected government in South Africa introduced its membership to SADC in 1994, there were both high expectations and concerns. There were high expectations for peace and security, and for the numerous opportunities for jointly addressing a range of political and development challenges. But there was also a concern that South Africa with its powerful and diversified economy, would somehow dominate the SADC agenda setting and its implementation.

This section sets out some of the general SADC features, including the foundational factors as these continue to shape the institutional environment in which regional stakeholders and institutions function, and decide on policies and on what gets implemented and what not. It will present some of the core SADC institutions, as well as a number of cross-cutting issues that shed some light on what is behind the agenda setting of this regional organisation, and the factors that influence the implementation. These two questions will further be dealt with in the following sections that deal with the political economy of specific (sub)sectors or policy area.

2.1. Historical foundations

The origins of SADC lay in SADCC, which was officially established in 1980 with strong support from the European Community, the predecessor of the European Union. SADCC formalised a cooperation agenda that already existed since the 1970s between the nine so-called frontline states of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The system of regional cooperation through SADCC differed significantly from other regional organisations. The organisational and institutional arrangements were decentralised, with member states taking on responsibilities for coordinating one sector. SADCC "sought to build cooperation in areas of obvious mutual advantage to at least two of its nine founding members, and to avoid those where controversy was likely and where the pressures towards organisational dissolution would have become unmanageable" (Goodison and Nee, 1994).

Under pressure from military and economic destabilisation from South Africa, these frontline states established structures that built mutual confidence. Major decisions were taken at senior political level on the basis of consensus, with the involvement of sector specific ministerial level meetings and Heads of States meetings. The responsibility for coordinating the implementation of agreed policies and programmes rested with a so-called Sector Coordinating Unit of the member state with the sectoral responsibility. Hence the bureaucratic power was not vested in a central Secretariat, but decentralised over member states.

Shared experiences of leaders from liberation movements and government leaders of the frontline states during the liberation sometimes help explain current demonstrations of solidarity within the region, especially when political leaders are confronted with external pressures or criticism. South African President Mbeki is an example of such a former liberation leader with strong ties with many African leaders, in particular with the Zimbabwean President Mugabe – which affected his handling of the political crisis in that country (see also Gevisser, 2007). Schoeman (2001) also suggests that the informal basis of cooperation among the frontline states has been important in the way that SADC now operates - 'the way in which the frontline states operated (*ad hoc*, not institutionalised, not built on a formal treaty or constitution, statist in approach, heavy emphasis on individual leadership and initiatives, no checks and balances or transparency) would in later years create immense problems in terms of leadership and the institutionalisation of security relations in the region' (Schoeman, 2001).

External support to the frontline states was as much ideological support as it was development support. In addition to the avoidance of a large bureaucracy by SADCC, there was also an avoidance of the typical trade and market integration approach. The focus was rather on industrialisation and development. According to Söderbaum, "the old SADCC was deliberately designed to avoid trade and market integration, claiming that in the underdeveloped world the development of the productive capacities precede, rather than proceed from, rising levels of intra-regional trade. On paper the SADCC favoured a strategy of *dirigiste* import substitution industrialisation coupled with the equitable distribution of costs and benefits, in contradistinction to distribution according to comparative advantages as emphasised in neoclassical market integration" (Söderbaum, 2004).

The appetite for development and the extent of support was such that the member states soon had many projects to implement regionally and nationally, projects that were funded by donors in a significant way. SADCC never moved beyond the donor-support project approach and did not realise the ambition of region-wide industrialisation and growth, as only pockets of progress were ever registered. Towards the end of the eighties, SADCC had become unwieldy, with little regional oversight or control over the direction of projects implemented in its name. It's very decentralised approach had become ineffective and member states increasingly felt that a new approach was needed in order to deliver on developmental ambitions and to coordinate donor contributions, which were significant at the time and would remain so.

In addition, the geo-strategic interest of the region drastically altered with the end of the Cold War, which sped up the process of independence of Namibia and the democratisation process in South Africa. After the independence of Namibia SADCC transformed into the Southern African Development Community in 1992 with the Windhoek Treaty. South Africa became the eleventh member state in 1994, followed soon by Mauritius, the Democratic Republic of Congo (DRC) and the Seychelles. Madagascar joined in 2005, bringing SADC membership to fifteen member states.

Historical factors that have shaped each of the SADC member states differ across the region and continue to influence the institutional arrangements in the different countries. Whereas most of the member states were former British colonies and have taken English as their official language, Mozambique and Angola are former Portuguese colonies with Portuguese as official language. The DRC came out of the former Belgian Congo with French as the national language. The island states of Mauritius and the Seychelles have both a French and British past with both languages as official languages. And finally, Madagascar belonged to the French colonial empire until its independence in 1960. At one level, the diversity that makes up SADC is often celebrated as a strength, but when it comes down to the realities of negotiating compromises and the nuts and bolts of implementation arrangements, these differences add a layer of financial (in terms of translation and printing services) and time costs (for example when nation states follow different procedures in passing laws by parliaments).

Besides the fact that these different colonial forces imposed different administrative regimes, they also introduced different exploitative colonial practices, some of which profoundly affected the domestic political economies of these countries. The discovery of diamonds and gold in South Africa partially transformed the sub-region into a reservoir of cheep migrant labour for South Africa's mines. This process at the end of the nineteenth century also laid the foundation for South Africa's industrialisation and infrastructure development in the sub-region (rails, roads, ports) that affects investment choices until today (Sequeira, 2011).

Political regimes in the SADC member states also differ substantially, with equally differing degrees of stability and economic development, with former colonial economic ties in many cases remaining strong. Angola participates very little in SADC processes and focuses more on its relationship with Portugal and Brazil. Large areas of the DRC remain ungovernable, resulting in the regional agenda paling in importance to domestic issues, despite the fact that much of the conflict and efforts to address it have regional dimensions. Madagascar has been sanctioned after an unconstitutional transfer of power, and has only recently been reinstated as a SADC member state. Furthermore, SADC member states are highly heterogeneous in terms of land size, population size, domestic markets, per capita income, the share of value added that the manufacturing sector provides, and the global exposure of their economies. Rapid urbanisation is a regional phenomenon. Most SADC countries are still dependent on primary production and rely on two or three exports for most of their export earnings. Aiming for economic convergence and the building of regional value chains with this economic reality means that it will be a long uphill battle in order to make some gains.

Table 1: Key SADC indicators for select member states (World Bank data)

Country	Population	GDP p/c $ 2013	GDP growth	HDI ranking (2013)	Share of value added by Manufacturing in GDP %
Botswana	2 mil	7,770	5.8%	109	6%
Malawi	16.4 mil	270	5%	174	11%
Mauritius	1.3 mil	9570	3.2%	63	17%
Mozambique	25.8 mil	610	7.4%	178	11%
South Africa	53.2 mil	7410	2.2%	118	13%
Tanzania	49.3 mil	860	7.3%	159	7%
Zambia	14.5 mil	3810	6.7%	141	8%
Zimbabwe	14.1 mil	1690	4.5%	156	13%

2.2. SADC institutional factors

The adoption of the SADC Treaty in 1992 brought about a change in legal regime. Its predecessor, SADCC, was governed by a Memorandum of Understanding, which created no obligation on the part of member states. The SADC Treaty laid down key fundamental principles upon which member states were to relate to one another (Afadameh-Adeyemi and Kalula, 2010). This meant that participation and implementation were no longer optional but a legal obligation once member states signed and ratified the Treaty. The breadth of the SADC agenda was captured in protocols,[6] which govern the various sectors, and as such form the legal foundation for cooperation in the specific sectors. Most protocols call for the harmonisation by member states of national policies in these sectors (Hartzenberg and Kalenga, 2015).

The institutional architecture for ensuring implementation of the protocols includes the Summit of Heads of States or Governments, the Council of Ministers, the Standing Committee of Officials and the Secretariat. For security issues in the region, the Organ on Politics, Defence and Security Cooperation was established, which has become a powerful political mechanism of SADC. In addition, there are the

[6] For a complete overview of protocols, see Annex III.

Integrated Committee of Ministers and the SADC National Committees.[7] The decision-making power rests almost entirely with the Summit and with the Council of Ministers through the support of the Standing Committee of Officials. The latter provides inputs to the preparations of the Summit meetings.

The SADC Secretariat is the principal executive institution and is responsible for organising, mobilising, coordinating and administering policies and programmes. The restructuring of the SADC Secretariat in 2008 has created a more comprehensive structure, but seven years later most directorates still struggle with human resource deployment and coordination between directorates. The authority to act exists on paper, but the Summit remains the only political authority, with a Secretariat that can only act with the full cooperation of the member states. Even when Summits agree – for example on the need for a well-resourced and funded Secretariat – there is little change. The budget for the Secretariat and the programmes and policies that it implements are largely donor funded. Donors pay 76% of the budget. While the member states should fund the operational budget ($37 million), yet in 2015 member states contributed only $13 million.

Member states are the pillars for the implementation of the SADC agenda. Heads of States or Governments are of central importance in setting the SADC agenda. Yet, there are numerous discrepancies in commitment to implement this expanding agenda. This becomes clear when looking at the ratification of the protocols that constitute the core of the SADC agenda. Protocols require ratification by a two-thirds majority before entering into force. They only bind those SADC states that have become parties to the protocol. Some important protocols have not obtained these two thirds support yet. The *Protocol on Facilitation of Movement of Persons* (2005), which targeted the progressive elimination of obstacles to the free movement of people in the region, has not yet entered into force because of insufficient ratification by member states.

But even those protocols that have been ratified by sufficient member states face implementation constraints at national levels (SADC, 2013; Hartzenberg and Kalenga, 2015). SADC agreements do not contain a binding obligation to 'domesticate' protocols or other instruments and to translate or integrate these into their national legislation. In other words, failure of member states to comply with their regional obligations has no consequences. Hartzenberg (2015) concludes "under these circumstances, protocols are simply regarded as best endeavour instruments, and not rules-based instruments, with consequences for non-compliance." As responsibilities for implementation rests with the member states, this introductory section will further deal with one key actor in the region, South Africa and with one institution that has been created to encourage a more *rules based* approach to SADC regionalism, the *SADC Tribunal*.

2.3. Actors and incentives

An important variable for a better understanding of the SADC agenda and the nature of the implementation gap relates to key stakeholders and actors. This section limits itself to presenting South Africa as a particularly powerful player that can influence the SADC agenda and its implementation. The case of Zimbabwe and the SADC Tribunal further illustrates how other individual member states can also hamper or otherwise influence the gradual institutionalisation of important regional functions for regional integration. Sections 3 and 4 will deal in more detail with sector specific actors and the incentive environment in regional industrialisation policies and in the creation of a regional energy market.

[7] A detailed table in Annex 1 sets out all of the institutions created by the SADC Treaty, their mandates, an explanation of their function, frequency of engagement and the effects.

2.3.1. The roles of member states and South Africa as a *hegemon*

The blueprint for the region's integration agenda is captured within the *Regional Indicative Strategic Development Plan* (RISDP). It was adopted in 2003 as a 15-year roadmap following a consultation period with inputs made by member states but also regional business organisations, civil society and trade unions. This roadmap sets out an ambitious agenda covering a linear process of deeper economic integration[8], but also infrastructure development, peace and security cooperation, and special programmes in education, health, HIV/AIDS and other communicable diseases, food security and transboundary natural resources, gender and other priorities. The RISDP is treated as the 'touchstone' document by the SADC Secretariat and is used to inform the identification of priorities and work plans for regional officials. It is, however, not legally binding and can be reviewed and changed according to new global and regional economic realities.

Such a mid-term review of the RISDP was scheduled for 2012, but the report of the independent review of a consultancy firm in 2013 was not released. Hartzenberg and Kalenga (2015) refer to initial indications that most member states have not mainstreamed the RISDP in their national development policy and regulatory frameworks. They also point to the fact that progressing towards deeper integration milestones of the RISDP requires reduction in national policy flexibility, which "appears to be problematic to some member states" (idem: p. 4).

One particularly powerful player in the region, South Africa, merits further attention in this respect. The direction of South Africa's socio-economic dominance in the region took a drastic turn with the political transition to a non-racial democracy. The first democratic elections created the political conditions for regional cooperation in a context of enhanced peace and stability Southern Africa, and the resolution of development challenges through dialogue and cooperation. Still, there were fears about how South Africa would use its influence and power, as it is the most diversified and powerful economy in the region, well connected to the global economy, and has a relatively strong public administration, as well as fairly open and competitive political institutions. Even though the global context and the political masters had changed by the mid 1990s, many of the structural imbalances in the region and socio-economic challenges continued to influence government policies towards the region and SADC.

One feature of the political competition and socio-economic tensions relates to the dynamics within the ruling alliance between the dominant political party (the African National Congress), the biggest trade union federation (COSATU) and the Communist Party. ANC factions that seek to win elections have to rely on elements within this alliance. This dependency gives the trade unions a particularly powerful voice in politics. Some of their positions go against longer term objectives of regional market integration in sectors or areas where these unions see their vested interests negatively affected. The pressure has been felt in areas such as import of cheap manufactured products from the region (clothing and textiles for example), as the government fears further job losses in such labour intensive industries. Hence, while tariffs have gone down under the application of the Trade Protocol (entered into force in 2000), other measures – such as discriminatory application of rules of origin, or the introduction of all sorts of non-tariff barriers – have been applied to protect certain South African industries. Non-tariff barriers in SADC affect one fifth (3.3$ billion) of regional trade (World Bank 2011), and are not at all unique to South Africa.

Yet, there are multiple other actors and factors at work that shape South Africa's approaches to regional cooperation, either through SADC or through other partnerships and strategies. The latter include bilateral or multi-country initiatives. Bilateral or multilateral investment related development programmes such as

[8] This economic integration process – along the lines of the EU model – starts with the establishment of a free trade area by 2008, and sets the target dates for a customs union by 2010, a common market by 2015, a monetary union by 2016 and an economic union with single currency by 2018.

the *Maputo Development Corridor* or the *Lesotho Highland Water Project* point to the country's strategic vulnerabilities in areas that are vital for the country's economic growth potential such as water, energy and transport. As the case of the regional energy market demonstrates, South Africa may alter its position in support of – or in opposition to – a regional agenda engage depending on internal political economy dynamics, but also in response to external pressures such as changes in global markets. The pursuit of particular sectoral, short-term interests can compete with other, often longer-term and broader interests. These tensions were well captured by South Africa's National Planning Commission in the President's Office, which prepared South Africa's *National Development Plan. Vision 2030.* The Commissioners admitted that they had encountered views of South Africa being the "regional bully", and that there were inherent strategic trade-offs for South Africa in pursuing deeper regional integration. According to the National Planning Commission, "it may be necessary, for instance, to cede certain national opportunities for regional benefits on the assumption that regional growth will benefit the South African economy. However, regional growth may benefit only some sectors of the domestic economy (such as financial and professional services) to the detriment of other sectors (especially labour-intensive lower wage sectors like mining)" (National Planning Commission, 2012: p. 245).

2.3.2. Zimbabwe and the SADC Tribunal

Other member states can also exert influence on the SADC agenda and on its institutional or governance arrangements. Zimbabwe, for example, was able to block the workings of the SADC Tribunal, one of the main SADC institutions. This tribunal was established to strengthen the functions of SADC in a rules-based manner (Erasmus, 2012). It started to operate in 2005 and had the power to ensure adherence to the SADC Treaty. Until its demise in 2010 the Tribunal had heard 14 cases with no inter-state complaints filed, and only one complaint by a private company involving customs procedures. Two cases involved Zimbabwe nationals who filed complaints against the Zimbabwe government, one of which involved an unlawful expropriation of private land without compensation. In both cases, the SADC Tribunal determined that the confiscation of private agricultural land in Zimbabwe was in violation of the SADC Treaty.

Zimbabwe contested the ruling and pressurised SADC to suspend the tribunal in 2010. According to Gray (2013) "it was clearly not in the interest of any of the other member states to override those objections, since they would have also been potentially compromised by such a court's future rulings" (Gray, 2013: p.18). So when the matter reached the SADC Summit, which is responsible for taking action in case of non-compliance by member states, the Summit called for a new Protocol for the SADC Tribunal and did not renew the terms of the sitting judges, thereby de facto suspending the Tribunal as no new judges were appointed.[9]

2.3.3. Non-state actors participation in SADC

The SADC Treaty stipulates the fundamental principle of participation by non-state actors for the achievement of regional integration. SADC encourages the participation of civil society and the private sector in its integration process through involvement of civil society in policy and programme formulation. This principle is, however, only applied when the SADC Secretariat invites the non-state regional organisations. Hence, the space for effective civil society and private sector interests groups to directly engage with the SADC policy and decision-making structures remains constrained. These structures include the Standing Committee of Officials, Commissions, the Council of Ministers and the Summit of Heads of State. SADC requires that non-state actors obtain observer status or formal invitations before

[9] Meanwhile, the SADC Summit of August 2014 adopted and signed a new Protocol with a limited jurisdiction (only inter-state disputes) with serious questions raised about the binding character of the legal instruments (Erasmus, 2015).

they can engage with the policy organs. These prerequisites and the lack of clear guidelines have created disincentives for non-state actors to participate in formal regional policy dialogue.
SADC established a Parliamentary Forum in 1997, which extended participation in SADC policy processes to non-state actors. While such a forum can be a helpful conduit for non-state actor participation, these forums tend to become formulaic, with restricted responsibilities for invited regional non-state organisations. This robs the policy formulation processes from input, experience and expertise from various stakeholders.

There is a broader set of dynamics involving national level non-state actors that engage in bottom-up, multi-country processes involving regulatory frameworks or more hands-on problem solving. In the case of infrastructure development or trade liberalisation, for example, some influential non-state actors – such as lobby organisations of big business and powerful trade unions in public and private sectors – may choose channels to influence regional dynamics through their national governments, as is the case in South Africa.

2.4. External factors – the influence of donors on institutional development and agenda setting

Donor funding accounts for 79% of the SADC budget, with only one fifth contributed by member states (ISS, 2014; SADC, 2013). Donors supporting SADC include the African Development Bank, the World Bank, the EU, the US, Canada, Japan, the Netherlands, Germany, France, Spain, Sweden and Denmark. The EU played a significant role in the inception of SADCC, was deeply involved in the founding of SADC and has been influential in shaping SADC strategies and priorities.

Donors and SADC agreed in 2006 to align the partnership with the principles of the Paris Declaration on Aid Effectiveness (2005), which resulted in the Windhoek Declaration on a New Partnership between the SADC and donors. Twice a year a core group meets to discuss SADC ownership over regional developments and measures to deliver assistance in more transparent and sustainable ways through jointly agreed arrangements. This way, the partnership intends to optimise the potential of aid, and reduce the multiple risks that result from an over-reliance on it. These risks for SADC can be summarised as follows:

- The risk of agenda inflation: donor funding may come with the explicit pressure or the implicit incentive for the SADC to expand its agenda in line with donor preferences. The SADC has already set itself an ambitious agenda, with a serious deficit in resource mobilisation among member states. It would not be feasible to undertake all of these activities with the resources that member states are willing and able to contribute to regional processes, i.e. one fifth of the total budget.

- The risk of overreliance on external funding: Such overreliance on donors – and the lack of predictability, fragmentation of different sources of funding, failing transparency and accountability systems – tend to reduce the incentives on SADC stakeholders (including member states) to effectively prioritise, plan, and budget.

- The risk of disconnects: donor preferences (choice of sectors, of partners, of strategies and of tools) or ideal-type models have at times prevailed over domestic or regional priorities and context specific formats. Muller (2013) has illustrated the related risk in the water sector, and pointed to the dangers of disconnects with the agenda and priorities of national governments as well as local communities: “It is primarily local and national actors who drive water resource management and development in support of economic and social activity. There is a separate (and disconnected) set of activities driven at the regional level that focuses mainly on environmental protection or related basin focused initiatives. These initiatives are driven largely by donors acting at the SADC level, with the limited involvement of national governments".

- The risk of *too close for comfort:* the substantial donor support for the SADC Tribunal (support for the model, design, technical assistance, financial support, etc.) was used by its opponents at a time of crisis to discredit this institution as a foreign import. Its functions were considered to be a threat to the sovereignty of a number of member states (see also previous section).

- The risk of the *Rambo*[10] *effect*: There is attraction for donors to prioritise the cooperation with the hegemon in the region, South Africa. This was the case with the EU's *Trade and Development Cooperation Agreement with South Africa* (see also 3.4.2), a broad programme that created incentives for South Africa to unilaterally engage with the EU and that reduced the chances for South Africa to reach a mutual consensus with the other SADC member states, as it was mainly beneficial to South Africa.

All these risks carry implications for ownership by key SADC stakeholders of the regional agenda and for the governance and institutional arrangements to implement this agenda and commitments.

2.5. Gender from a comparative perspective - SADC and EAC

This sub-section compares the policy agendas on gender and the emerging implementation arrangements and dynamics in the East Africa Community (EAC) and in SADC. Such comparative gender analysis shows that the EAC is progressing well in its trade agenda but not on developing a gender policy framework and agenda, with SADC being stronger on the latter. In both cases, however, implementation of such agendas has been minimal.

Both EAC and SADC have made numerous commitments on gender and women's empowerment at international, continental and regional levels. However, SADC has gone further than EAC to translate these political statements into policies and strategies. SADC also has a more elaborate institutional framework to ensure gender mainstreaming and women's empowerment. With regards to financial resources, both RECs face difficulties in securing sustainable sources of finance, and their Gender Departments are largely resourced by donors. While the SADC Gender Unit is better staffed compared to the EAC Gender Department, both RECs need to recruit additional technical staff to lead on critical issues such as gender focused trade, private sector development, financial services and public sector budgeting. For a detailed comparative analysis see Annex II.

All SADC member states have made commitments to promoting gender equality in their constitutions, and all have policies, programmes and institutional frameworks, which provide guidelines for the implementation of gender equality principles and women's empowerment. Furthermore, all member states are party to international and regional instruments on human rights generally and women's rights in particular. Yet, in every aspect, the challenges on the gender front remain daunting with widespread poverty, increasing incidence of gender based violence against women and girls, immense burden of HIV and AIDS, and emerging crises such as trafficking of women and girls (SADC, 2005: p. iii). In order to address these challenges and improve the status of women in SADC, gender was included in the SADC Treaty and the RISDP.

In the EAC, the gender agenda has been integrated in the EAC Social Development Framework (EAC, 2013: p. 41). This framework states that since the post independence era, the lives of women in the region

[10] See also footnote 15.

have undergone profound changes, at both national and regional levels. On the positive side, most countries have registered a substantive increase in the number of women with access to various levels of educational and employment opportunities. Women's participation in public authorities is also increasing and the governments have enshrined gender equality in their constitutions, domesticated international human rights instruments, promulgated gender-friendly legislation and policies, and put in place national institutions with a mandate to promote gender equality. Despite these policies gender inequalities in East Africa persist and are manifested in, among other things, women's lack of adequate access to health resources, their relatively high unemployment rate in the formal sector, as well as their lack of access to credit facilities for investment in income generating activities. Other constraints include differences in legal status and entitlements, exemplified by the many instances in which women lack equal rights to personal status, security, land and inheritance. As in the SADC region, women face high levels of gender-based violence.

There is a growing and active civil society working on gender equality and women's empowerment that engage with SADC and EAC. In both regions these civil society organisations utilise the space that is offered by the regional policy and institutional frameworks. Such organisations include the East African Sub-Regional Initiative for the Advancement of Women, the East African Platform of Women in Business (EAWiBP), the East African Civil Society Organizations' Forum (EACSOF), SADC Human Rights Forum, the Southern Africa Trust, and others. These organisations continue to provide the EAC and SADC Secretariats with technical support for the implementation of different gender and women's empowerment programmes and policies.

Box 1: Women in cross border trade in SADC and the EAC – a reality check

Informal cross border trade (ICBT) is an important economic activity and the way it is being conducted affects the lives of hundreds of thousands of women and families in border regions in Southern and East Africa. Despite the lack of data some estimates put informal cross border trade at between 30 and 40% of intra-SADC trade (African Development Bank, 2012). Reasons for such high volumes of informal trade in sub-Saharan Africa range from borders with complicated customs formalities and weak law enforcement, but also numerous regulatory problems such as fragmented business registration procedures and product regulations. Informal cross border trade features prominently in Africa among women's strategies for self-employment, poverty reduction and wealth creation.

According to a 2011 report by the *East African Sub-Regional Initiative for the Advancement of Women* women informal cross-border traders (WICBTs) in the EAC are involved in cross-border trading of a wide range of goods and services, creating informal distribution networks that sustain livelihoods at community and household levels. These informal women traders face a myriad of challenges in the absence of effective regional trade facilitation institutions. These challenges include: ignorance about border crossing and goods clearance procedures, complicated and cumbersome business registration procedures and documentation (approval of multiple agencies needed and documents required to be completed), gender based violence experienced at border points, harassment by government officials, limited business skills coupled with low literacy levels, poor infrastructure (including sanitary facilities) a border posts, limited access to affordable credit and time poverty which often hinders the traders from acquiring much needed business skills. These informal traders are poorly organised, which makes it difficult for service providers, national and regional business/private umbrella groups and policy makers to access and engage with them. To address the issue of weak organising among WICBTs and women micro traders, organisations such as Tanzania Women's Chamber of Commerce (TWCC), Rwanda Chamber of Women Entrepreneurs (RCWE) and EASSI (East African Sub-Regional Initiative for the Advancement of Women) have begun organising these groups into border and regional associations and self-help groups.

Despite stated commitments by SADC and EAC to promote gender equality and the roles of women in the economy, the literature review for this study did not produce examples of measures taken by SADC and EAC Secretariats to support WICBTs in such an important area where regional cooperation can make a difference.

3. The political economy of the SADC industrial policy

3.1. Introduction: Bringing industrial policy to the core of the agenda

SADC has placed industrial development "at the core of its developmental integration agenda" (SADC, 2014), to promote diversification of the member states' economies, employment creation, poverty reduction and sustainable growth. Some member states have developed their own approach to industrialisation whether it is through specific industrial policies and accompanying measures (like South Africa) or in more general economic development plans or trade policy strategies (like Zambia). Most countries, however, have no specific industrialisation policies and there are high degrees of variance in industrial development among member states. Plans with a regional dimension are scarce, perhaps with the only exception being the members of the Southern African Customs Union[11] who embarked on a regional industrial policy process a number of years ago, a process from which this paper draws some lessons.

On paper there has been a strong recognition of the importance of industrialisation from SADC members as set out in the Treaty and adopted in the RISDP.[12] This was not much more than words while the focus of the SADC economic agenda remained on creating a free trade area and with high-level discussions largely dominated by political and security related matters (e.g. the crisis in Zimbabwe and Lesotho). The review of the RISDP in 2011 found that there had been limited success in terms of regional industrialisation both in terms of increased productive capacity in member states and a shared policy approach to support regional linkages (SADC, 2014). In this light the member states and the Secretariat established the Industrial Development Policy Framework (IDPF).

Following the push from Zimbabwe at the SADC Summit in Victoria Falls in August 2014, it was agreed to develop a regional industrialisation strategy and roadmap to implement the framework. This process has brought to the fore some political economy dynamics in southern Africa that illustrate the complexities of advancing industrial policy at a regional level. These include the interactions between member states and the role of the Secretariat as well as external partners (such as the United Nations and the African Union).

At the Extraordinary Summit in Harare on 29 April 2015, the SADC Heads of State adopted the Industrialisation Strategy and Roadmap. It is a lengthy document that covers a wide range of issues that are anchored on three pillars: Industrialisation, Competitiveness and Regional Integration. The Summit Communiqué (SADC, 2015: paragraph 10) notes that the Industrialisation Strategy takes a phased long-term approach from 2015 to 2063 and is aligned to the AU's vision document *Agenda 2063*. To reinforce the linkage with continental discussions, SADC also adopted a position on industrialisation in the Continental Free Trade Agreement negotiations at the same meeting (SADC, 2015: paragraph 18). The work is continuing now to prepare an action plan for the implementation of the Industrialisation Strategy and Roadmap, with the goal of completing this work in 2016.

If a thorough industrialisation policy is to deliver on inclusive economic growth and development, it is important to understand where the policy process originates from, who influences it, and who are the winners and losers among member states and other stakeholders. The following sections begin to answer these questions in the broader SADC context. There are general challenges for SADC that are also relevant for industrialisation, including the diversity of economies amongst the members states, the hegemony of South Africa, limited involvement of the private sector in regional processes, weak institutional structures and compliance mechanisms, and competing pressures from external actors.

[11] Botswana, Lesotho, Namibia, South Africa and Swaziland.
[12] It is worth noting that there was some work on industrialization under the SADCC before the transition to SADC.

3.2. Sector characteristics

Industrial policy is a contested concept that has seen a global resurgence since the financial crisis. There is not one approach that is adopted by all countries or regions, including in SADC and the rest of the African continent. One way of thinking about this is to think of industrial policy as comprising horizontal and vertical components. The horizontal component consists of those issues that affect the economy as a whole, while the vertical component focuses on particular industries of concern. If the focus of the industrial policy is on horizontal factors that determine the overall business climate then it may encompass visible aspects, such as the provision of ICT infrastructure, as well as more intangible ones, such as licensing, registration and labour market regulations for manufacturing firms. While horizontal, such economy-wide policies nonetheless affect different groups in different ways, especially depending on the way in which policies are applied in practice.

Industrial policy that takes a more vertical approach or attempts to ‘pick winners’ results in the creation of clearly defined competitive dynamics between sectors (and even within sectors in some instances). These can be complicated at the national level, even where there are mechanisms for compensating ‘losers’ and decision making processes are more transparent and (ideally) inclusive of key stakeholders. The regional level political choices about the allocation of resources is controversial and often not pursued through a process that is representative of key interests or structured in a way that allows for negotiated trade-offs.

There are a number of political incentives that are relevant at the national level for the direction pursued when it comes to industrial development policies. For example, industrialisation has become synonymous with employment creation and inclusive growth in many SADC countries. Employment in some services sectors is not viewed as ‘decent work’ by the labour unions in the region (particularly in South Africa) who continue to place a strong emphasis on creating ‘factory’ jobs reflecting the traditional location of the power base of unions in manufacturing sectors. For unions there are also interests in ensuring that these jobs remain at a national level rather than taking a regional view of industrial development. The growing bulge of unemployed, largely unskilled youth is also contributing to the pressure on the political elite in the region to create economic opportunities (although this plays out to different degrees in SADC member states).

At a broad level, the choice of approach to industrial policy can be determined by factors that include the current structure of the economy concerned; socio-economic objectives that might be sought to be influenced by industrialisation (e.g. employment, inequality, skills development); ideology and historical legacy (for example, in the case of South Africa where the structure of the economy along racial lines is relevant); resources (human, technological and financial) available for implementing programmes in support of industrial development; and the political power balance of capital and labour. All of these are relevant within SADC and some are explored in more detail in other sections in this paper.

Other key characteristics that can influence the approach to industrialisation in SADC, include the nature and volume of intra-regional trade and the structure of its industry and the business. The table below presents the figures for SADC intra-regional trade between member states in 2012. This has seen little shift since the early 2000s and has remained fairly static following the implementation of the SADC Free Trade Area both in terms of overall share and in the composition of products that are traded. During the negotiation of the FTA, it was observed by Kalenga (1999) that there were limited complementarities between SADC countries with regards to trade. The one exception was the potential for greater levels of non-SACU exports to South Africa. Even here the majority of products were not industrial, except from Zimbabwe. The South African market was opened up significantly under the SADC FTA but there remain other structural barriers that restrict access from neighbouring states. There are protected industries that rely heavily on support from the government by way of tariffs, trade remedies, non-tariff barriers and even incentives. Others have been found to be monopolistic in structure and therefore fearful of competition. These characteristics are clearly reflected in the South African industrial policy and play a role in the approach to regional initiatives.

Table 2: Intra-regional trade in SADC

	GDP	Intra-regional trade	% of trade as GDP
Angola	$125 513,90	$4 690,83	4%
Botswana	$14 554,28	$6 764,67	46%
Democratic Republic of Congo (DRC)	$28 449,27	$4 046,63	14%
Lesotho	$2 425,72	$32,89	1%
Madagascar	$9 863,77	$306,72	3%
Malawi	$5 653,00	$1 139,74	20%
Mauritius	$11 488,01	$879,34	8%
Mozambique	$15 044,79	$3 550,97	24%
Namibia	$13 053,28	$7 554,87	58%
Seychelles	$1 129,09	$100,76	9%
South Africa	$397 871,34	$17 490,42	4%
Swaziland	$3 765,19	$2 920,64	78%
United Republic of Tanzania	$28 101,34	$2 507,43	9%
Zambia	$24 967,72	$7 485,07	30%
Zimbabwe	$12 472,42	$7 388,86	59%
Total SADC (2012)	$694 353,10	$66 859,84	10%

Source: Author's own calculations from ITC Trademap data.

Industrial policy is a theme that is inherently linked to other areas with their own political economy dynamics, including trade policy, investment and infrastructure development. It is sometimes not clear where industrial policy begins and ends in this context. Decisions taken in one area are likely to impact on others. Industrialisation also generates spill-over effects, sometimes negative ones, such as environmental degradation. There are common actors, factors and institutional structures with cross-theme incentives and dynamics. This makes the development and implementation of industrial policy particularly challenging at a national level and this is only compounded when extended to a region. SADC is no exception.

Investors from both inside and outside the region could be used to contribute to the industrial development of SADC through establishment of green field operations in the manufacturing sector, expansion of existing operations, and joint ventures with local partners. Some of the potential benefits of Foreign Direct Investments (FDI) include the transfer of technology and skills, which are important drivers of industrialisation. The broader investment climate in the region is therefore also influencing its industrialisation policy development and implementation. The Finance and Investment Protocol (FIP) is relevant in this regard and some progress has been made in its implementation as well as the on-going monitoring of progress (including through the donor-supported work of FinMark Trust).

The reality remains however that investment policy is still largely determined by member states at the national level and varies greatly throughout the region. There are issues related to legal certainty and protection for investors, including under domestic law and bilateral investment treaties, as well as incentives provided to attract investments (which can be used as tools of industrial policy in some cases). While a number of SADC countries are shown to have improved their competitiveness and business environment in recent years, there remain challenges from policies that favour local firms (such as *black economic empowerment* in South Africa and *indigenisation* in Zimbabwe and Namibia) and create a perception that FDI is not always welcome. Such national policies in the region tend to act as disincentives to third party investment, hampering any initiative seeking to harness FDI and external partners to assist in implementing its industrialisation priorities.

Industrial policy can be seen as both a concept of cooperation, for example, in improving the regional climate for doing business so as to encourage the establishment of new industries, as well as integration. With regard to the latter, regional value chains are a key component of the latest thinking on industrial policy as it relates to regional economic integration objectives. This is not so much influenced by the narrative on global value chains (GVCs) found in debates at the World Trade Organization (WTO) and the Organisation for Economic Cooperation and Development (OECD) but more by the success of Asian countries in achieving industrial development. Many SADC countries hold up China as a model in this regard – often without much consideration of the unique factors that influenced China's path (Li, 2014). There is a degree of ideology in this with continuing mistrust of what are perceived as 'Western' agendas in support of multinational corporations and the continuing marginalisation of African economies.

A number of SADC member states have grounded their national trade strategies on the pillar of industrial development. For example, the South African Trade Policy Strategic Framework is clear that trade is a tool of industrial policy. This is also the approach adopted by Namibia in the on-going review of its trade policy to bring it into alignment with the national industrial strategy. Zimbabwe has specifically linked industrial and trade policies at the regional level by pushing for the adoption of a SADC industrialisation action plan before it will fully implement its commitments under the FTA.

The intersection between trade and industrialisation impacts on SADC's policy debate in this area in a number of different ways. First, the limited level of intra-regional trade in SADC (despite the implementation of the FTA since 2012) provides a motivation for trying to achieve greater levels of industrialisation. It is argued that if there were more industrialised economies in the region then it would address some of the supply side constraints impacting on the low levels of intra-regional trade and effectively ensure that there were more manufactured goods to trade. This argument is used to support an approach to industrialisation that is based on regional import substitution. Second, the narrative that focuses on the increasing levels of trade that take place as part of global value chains is impacting on the options for industrialisation discussed in SADC. Discussions taking place on GVCs in the WTO and other international forums have had little direct relevance for southern African countries due to their low levels of integration into global production processes. The industrial policy debate in the region has however embraced certain aspects of the GVC narrative and the idea of establishing regional value chains is a popular one. Again it has tended to be interpreted in a way that supports policy choices in favour of regional import substitution.

3.3. Institutions

The SADC Secretariat is the formal institution responsible for coordination and support of a regional industrial policy. It has, however, limited ability and resources to stimulate implementation and progress. The Industrial Development Policy Framework (IDPF) is fairly general in its approach with few specific actions or timeframes included. Member states argued for a more specific action plan, which resulted in the adoption of the Industrialisation Strategy and Roadmap. But these documents remain ambitious at a broad level and short on specifics. This in part reflects the limited substantive engagement that has taken place between SADC member states on industrialisation and the lack of focus of these discussions.

SADC is a member-driven REC that vests little power in the Secretariat. The industrialisation agenda is now moving forward because it suits key players among the member states. In particular, Zimbabwe as the chair of SADC was keen to pursue this issue during its one year presidency. The influence of the SADC Chair is variable and more often than not the Chair does not actively drive a substantive economic agenda and tends to focus on dealing with regional challenges related to peace, security and politics. Given that there is no longer a direct preoccupation with the political challenges of Zimbabwe, there was a window for President Mugabe to use his regional leadership position to push his economic agenda. Essentially, he wanted to pursue trade protectionism and keep tariff revenue as high as possible.

President Mugabe has been an active SADC Chair and has exerted considerable pressure on the industrialisation agenda, including through the Extraordinary Summit on that topic that took place in April 2015. It is worth noting that there is a historical aspect to the role played by Zimbabwe given that the country was responsible for industrialisation in the context of the SADCC. The industrialisation issue has been embraced by the leadership of the SADC Secretariat with the Executive Secretary and her team seeing this as an area where SADC can make a real impact and leave a legacy for the region. The previous Executive Secretary had continued to push for the creation of a SADC customs union but that is not supported by South Africa and has become less of a priority, especially in light of the Tripartite Free Trade Agreement negotiations underway between SADC, COMESA and EAC.

As explained above, SADC is an organisation with a limited budget from its members and resources provided by international cooperating partners or donors fund much of the work of the organisation. Industrialisation is no exception and SADC has not devoted its own core resources to pursuing this work since it was included in the first RISDP. The main donors are UN agencies, specifically the United Nations Economic Commission for Africa (UNECA) and the United Nations Industrial Development Organization (UNIDO). They have provided funds to cover the costs of a team of consultants who prepared the country reports and draft documentation for discussion by member states at the recent Extraordinary Summit.

There are a number of risks from the reliance on consultants paid for by external players in support of the industrialisation agenda in SADC. Member states may not take ownership of the process and some have already questioned whether there are not more pressing issues that could have benefitted from the resources expended on the project to develop the regional action plan on regional industrialisation. A consultant-driven process also may result in an overdesigned policy that is not linked to realistic goals, and poorly connected to interests and incentives at national level.

3.4. Actors and incentives

The debate on industrialisation in SADC has been framed by discussions taking place at the continental level in the AU and UNECA as well as by external partners. The intersection between the national and regional approaches is also critical.

The following is a summary of the approaches of various member states and other key actors that affect or are affected by industrialisation in the region.

3.4.1. Member states

SADC is a member state driven organisation with the SADC Secretariat having little right of initiative, and acting mainly as a convening body rather than a driving force. The key incentives and motivations of some of the other member states[13] are discussed here.

Zimbabwe took over chairing SADC at the Summit in August 2014 at Victoria Falls (until 2015). At that point there was a significant increase in the level of activity around the issue of industrialisation, described as a strategic move on the part of Zimbabwe, with the support of **Malawi**, to deflect attention away from their derogation from the Trade Protocol and from their commitments to liberalise trade under the FTA. Zimbabwe has historically been an advocate of regional industrialisation policy and argued that there should not be any further liberalisation of trade in the region without an industrial policy in place. The incentive for Zimbabwe and Malawi was to reduce some of the pressure coming from other member states (especially South Africa) to fully implement the SADC FTA. Both Zimbabwe and Malawi depend on tariff revenues to a much greater extent than other member states and have deep challenges of industrialisation, Malawi being dependent on agriculture and Zimbabwe facing the near-complete decimation of its manufacturing sector. With Zimbabwe in the chair, there was an excellent opportunity to exercise an increased level of power over SADC processes.

Looking at the SACU member countries of **Botswana, Lesotho, Namibia and Swaziland** (BLNS), SACU has had on-going discussions about developing its own regional industrial policy. There was extensive research done, including on some of the same priority sectors that are now being considered as part of the SADC process such as clothing and textiles, agro-processing.

To a certain extent the BLNS are beholden to the South African approach to industrialisation given South Africa's use of trade policy as a tool to implement its Industrial Policy Action Plan (IPAP), discussed below, and the common external tariff of the customs union. This has not stopped Botswana and Namibia developing their own national strategies that are largely based on similar thinking to that reflected in the South African approach. It would be expected that the BLNS adopt a similar position to South Africa in the SADC debate on industrialisation as there are significant incentives for SACU solidarity in this regard even though there is not yet a regional policy for the customs union in this area. At this stage it would seem that SACU members are more interested in pursuing a sector-based industrial policy amongst themselves and would prefer to see a more general discussion on the enabling environment at the SADC level.

With respect to other countries, Mauritius has limited interest in pursuing the type of industrialisation agenda currently being proposed for SADC. It is more concerned with ensuring that the approach adopted is not used by other member states to roll back commitments made in other areas, such as under the FTA, the Finance and Investment Protocol and the newly concluded Protocol on Trade in Services, with **Mauritius** clearly interested in building its role in the region as a service hub. The national studies prepared for **Zambia** and **Mozambique** as part of the development of the SADC Industrialisation Strategy and Roadmap indicate a strong focus on the need to find ways to encourage greater value addition to commodities and natural resources (mainly minerals), which are the export sectors they most rely on currently.

[13] This is not a complete list of the positions of all SADC member states. During the course of the research for this paper it was not possible to get detailed information on all member states. The views of Mozambique, Zambia, Tanzania, Madagascar and the Seychelles are not examined in any detail here. This should not be read however to imply that these countries are not interested or active in the area of industrialisation.

It is more difficult to judge the positions of the **DRC and Angola** who both keep the SADC economic integration processes at arms length and play-off their participation in other RECs (Central African and Great Lakes structures) against their SADC commitments. Their interests in the SADC region are very much political as the commercial relationships of both the DRC and Angola are dominated by European countries (Belgium and Portugal respectively), China and the US. Neither country can be expected to play a leading role in the debates on industrial policy, which is not necessarily a reflection of the substance of the issue itself but more the overall approach to SADC membership (Nene, 2012; Redvers, 2013). This highlights the point that different countries seek to address different interests and objectives through different RECs.

3.4.2. South Africa

South Africa is the SADC member state with the most developed national industrial policy in the form of the National Industrial Policy Framework and an annual Industrial Policy Action Plan (IPAP). It is premised on a specific set of incentives that are largely unique to South Africa given the structure of its economy, its history, political institutions, the ideology of the economic ministers and officials, available resources, and the tripartite relationship between the state, business and labour. At the same time there is very little economic or political incentive for South Africa to push for, or even accept a regional process on industrial development that will compromise its domestic policy space. The SACU experience is also in the mind of South Africa and it is loathe to investing scarce resources for regional processes on issues that are unlikely to have any real impact in the short term.

At the same time, South African officials claim its exporters are suffering the most in trade terms from the delays in achieving full implementation of the SADC FTA and that trade is being diverted to China and other countries outside of the region. South Africa is therefore mainly interested in getting through this current phase of work on industrialisation relatively quickly so that the implementation of the Trade Protocol is not held hostage by Zimbabwe and others. Zimbabwe, in particular, is an important regional destination for South African exports and there is a concern among officials that South Africa is losing ground to others while Zimbabwe drags its feet in implementing the preferential market access for SADC partners. Some have questioned the real interest of South Africa in the SADC FTA (as in the Tripartite FTA) as South African exporters have been relatively successful in penetrating African markets, even in the absence of preferential market access.

But even within South Africa, there are differences in prioritisation of the goals and approaches to industrial policy. In the *National Development Plan 2030* South Africa's National Planning Commission explicitly refers to the need to "stabilise the regional political economy through increased integration and cooperation", with a further clarification that policy-makers need to remain cognisant of the differences between African geopolitical ambitions, notions of solidarity and domestic realities" (National Planning Commission, 2013: 243). The widely debated document openly addressed some of the underlying tensions between different sectors and stakeholders. It promotes 'developmental integration', with a need to focus on specific areas where there could be enhanced regional cooperation in support of industrial development, such as building the necessary infrastructure. This is often considered a more politically neutral horizontal approach than identifying specific sectors for state support. This position contrasts with that of the Department of Trade and Industry, which is focused on sector-specific initiatives rather than cross-cutting issues that could contribute to the economy as a whole and to the region.

This is certainly not the first time that South Africa has shown that it is prepared to pursue one agenda at the national level and another in the context of regional integration (e.g. the position on bilateral investment treaties). Krapohl and Fink (2013: 484) describe the struggle that South Africa faces to protect its access to regional markets while at the same time ensuring that any regional cooperation does not constrain its relationships with external partners. The result is that South Africa acts as a regional 'Rambo'[14] and adopts a position on industrialisation that seeks to reinforce its economic dominance rather than lessen the impact of the asymmetries in the region (Krapohl, Meissner and Muntschick, 2014).

3.4.3. African Union

In addition to member states, the regional industrial policy is also affected by policies at the continental level. Beyond the role of UNECA, the AU Agenda 2063 identifies industrialisation as one of the key pillars that is expected to carry the social and economic transformation of Africa in the next 50 years (AU, 2013). This is premised on the basic idea that no country or region in the world has achieved prosperity without the development of a robust industrial sector (AU, 2014: 3). There are AU-wide initiatives aimed at increasing the industrialisation of the continent (such as the African Productive Capacity Initiative and the Action Plan for the Implementation of the Accelerated Industrial Development of Africa - AIDA) and the SADC plan is set within this context. The AU has been working with UNECA on developing a pan-African approach to industrialisation. It is thus not surprising that UNECA, together with UNIDO seek to influence the SADC industrialisation process through technical assistance and funding for the process of preparing a regional industrial policy action plan.

3.4.4. SACU and other regional groups

Industrial development is one of the three pillars under the Tripartite Free Trade Agreement (TFTA) along with market integration and infrastructure development. As such, the industrial policy approaches of COMESA and the EAC are also relevant for SADC.

There has not been much discussion in the TFTA on industrialisation objectives or policies with a focus rather on launching the free trade area negotiations and to a lesser extent pursuing regional infrastructure development (especially along the transport corridors). As the TFTA progresses, there might be an incentive for SADC to consider how its regional industrial policy ambitions relate to those of COMESA and the EAC, and its member states, as in the absence of coordination and cooperation the integration objectives of the TFTA could be undermined by competition between the regional economic communities.

Industrial development has also been a declared priority within SACU with attempts at implementing specific activities among the member states. The nature of regional cooperation within SACU is different from that in SADC, with a particular history tied to South Africa's industrialisation and to a revenue sharing formula that creates powerful incentives for the four other member states to remain involved. Still, there may be useful lessons for SADC more broadly, namely around competing interests among member states and South Africa's dominant position undermining a common regional approach.

In 2013, SACU embarked on a similar process to the SADC industrialisation process. The SACU focus is on a number of specific sectors with the aim of establishing regional value chains within the customs union. Consultants were used to undertake extensive research in this regard and to develop a series of recommendations for SACU. These were not presented to member states for consideration due to other dynamics within SACU, primarily around revision of the revenue sharing formula. This has seen SACU processes grinding to a halt with technical level meetings only restarting towards the end of 2014 after at least a year hiatus.

[14] *Rambo* refers to the game-theoretical *Rambo.* In the South African context this relates to an actor that defects from a particular process because of external privileges (in this cased those created by the EU under the *Trade and Development Cooperation Agreement*, discussed in the next subsection) that create incentives to defect from a leadership role in support of a regional integration agenda.

Despite the limited engagement among member states on the industrialisation action plan for SACU, there have been indications of differences in approach. This was summarised as those members who wanted SACU to develop a common industrial policy (Botswana) versus those (South Africa) who wanted to concentrate on cooperation to promote industrial development while maintaining its own national policy. The *status quo* suits South Africa as it is able to effectively apply its national industrial policy within SACU due to the nature of the regional processes on determining tariffs and managing other trade policy tools (e.g. trade remedies). This is not uncommon where the policies of one powerful member state may set regional rules (Krapohl and Fink, 2013: 473), again highlighting South Africa's role as a regional hegemon. There were also signs of potential competition between SACU countries due to the approach taken to focus on specific sectors (and exacerbated by the existing economic asymmetry in the grouping) – characterised as a bidding war around the allocation of certain industries between member states (e.g. clothing and textiles to Lesotho - an area where Swaziland is also investing, agro-processing to Namibia, pharmaceuticals to Botswana). This is not realistic and would be almost impossible to implement. It is not inconceivable that similar dynamics could play out at the SADC level.

3.4.5. Business community

SADC does not have an umbrella regional business organisation that is recognised and regularly consulted on policy issues, like industrialisation, due to challenges on both the public and private sides of the dialogue. This sets it apart from other African RECs like COMESA and the EAC, which both have functioning business councils. There is no common voice for the private sector at the regional level even though there are public-private dialogue mechanisms in all SADC member states. This limits the ability of the business community to participate directly in the current dialogue on industrialisation in SADC. Instead, the business community has been involved through member states governments, a fact that has been bemoaned by senior representatives of the SADC Secretariat and member states alike. The SADC Secretariat's criticism is due to a perception that the consultations take place nationally and rarely result in real commitments by the business community to regional objectives and plans. Some member states struggle to get the representation that is needed in such consultation processes and therefore feel that regional engagement could be a useful supplement.

Regional business people attended a workshop in the margins of the Harare Extraordinary Summit in late April 2015. It demonstrated some interest in the discussions on industrialisation but did not result in any concrete outcomes. This might in part reflect the difficulties of identifying the common interests of the regional business community given sector and country differences in relation to existing levels of support and the nature of the competitive environment for the private sector. The nature of the SADC process also meant that there was limited impact on the Industrialisation Strategy and Roadmap, which had largely been drafted in advance by the consultants. It is recognised that the private sector is crucial to the successful implementation of industrial policy but there is no regional platform for engagement.

Beyond public-private dialogue considerations, it is not possible to look at business without breaking it down into sub-groups. For example, exporters of manufactured goods are likely to have an incentive to support the development of a regional industrial action plan that seeks to improve the business environment and encourage regional value chains, especially if it will provide support for the expansion of operations in the region. Importers of manufactured products in the region on the other hand could be threatened by local content requirements and restrictions on trade that might be part of a regional industrial policy that is based on an import substitution approach. At this stage the industrialisation strategy of SADC is mixed and therefore it does not lead to clear signals of who are likely to be the winners and losers in the private sector.

South Africa is the member state with the most obvious benefits from SADC's integration for its businesses. There are, however, more powerful dynamics at play that affect state-business relations, or at least the openness from the ANC government towards the private sector (Grant Makokera, 2015). These powerful dynamics relate in the first place to the alliance between ANC, powerful trade unions and the South African Communist Party. The former South African Finance Minister, Trevor Manuel, pointed out that “business in South Africa has no combined voice. Unless there is a coordinated voice that advances everyone's interests, real issues are not brought to the table” (Sanlam, 2015).

3.4.6. Organised labour

One of the key socio-economic goals of industrialisation is the creation of more jobs in the region. For example, Herbst and Mills (2015) cite unemployment as South Africa's "overwhelming challenge" given the "fundamental contradiction" between the low number of workers who are relatively well paid and unionised and the unemployed who have none. Labour market constraints have been identified as a key constraint by businesses and investors in surveys of the competitiveness and business environment in SADC member states. For an industrial policy to be effective, issues related to skills, labour market regulation and the movement of people in the region will have to be taken on board. In this context, the views of organised labour can be particularly important to understand when it comes to the implementation of these aspects of industrial policy. There is no common voice for labour in the region on industrialisation.

There has been some engagement at the national level on the development of the regional action plan but the platform for regional discussion between member states, business and labour tends to focus on employment issues at the annual meeting of SADC Labour Ministers. While organised labour does have significant power in some member states, particularly South Africa, it is not such a major force at the regional level. The regional *Southern African Trade Union Coordination Council* (SATUCC) is recognised as a social partner for SADC but does not have much influence outside of direct engagements on labour issues.

3.5. External factors

The use of trade policy by certain member states as a tool for industrialisation is limited by existing trade agreements with external parties. SADC itself is not party to any such agreements, yet its member states have a variety of commitments, including among themselves under the Trade Protocol. Some members belong to SACU and others the COMESA FTA, with Tanzania a member of the EAC. These overlapping arrangements are part of political economy considerations at a broader level, yet they also limit the available policy options.

There are also trade agreements with other countries outside of the region that provide similar limitations on the policy space in SADC, most notably the Economic Partnership Agreements (EPAs) that some SADC member states have concluded with the European Union. The EPAs are yet to be fully implemented but they do include limitations on the tariffs that these SADC members can charge on imports from the EU (still the most important regional trading partner). There are also restrictions on the use of other possible tools for industrialisation, such as export taxes, infant industry protection and quantitative measures.

In the case of South Africa, Krapohl et al. (2014) argue that South Africa has followed for the past two decades a unilateral trade policy, focused on extra-regional trade, despite the rhetorical support for regional integration through SADC. This unilateralism was further reinforced in South Africa's extra-regional relations with the European Union. After the end of apartheid, South Africa tried to join the *Lomé Convention*, an overarching cooperation agreement between the EU and a group of former colonies from

Africa, the Caribbean and the Pacific. Because of South Africa's level of development and industrialisation, the EU made a counter proposal and offered a preferential trade agreement that was signed in 1999. The so-called *Trade, Development and Cooperation Agreement* (TDCA) opened the way for a bilateral FTA between the EU and South Africa. Yet, this extra-regional deal between South Africa and the EU was problematic for the region. First, SACU had to accept the conditions as negotiated by South Africa. Secondly, the TDCA proved to be an obstacle to the realisation of the SADC Customs Union as it predetermined South Africa's external trade regime without taking into account the trade interests of other SADC members. Or, given these trade incentives, "South Africa preferred the extension of its extra-regional trade relations to the EU over a co-ordinated regional approach" (Krapohl et al: 890).

A final external factor to consider is one referred to above and that is the impact of donors on the policy choices of SADC. Regional activities are still largely funded by traditional donors and, in the case of industrialisation, there is not one clear agenda. For example, the United Nations (UN) and its agencies tend to favour a traditional model that prioritises support for particular industrial sectors. European donors have focused more on supporting crosscutting issues aimed at improving the business environment in the region as a whole (e.g. infrastructure development and implementation of the FTA). Emerging partners (like China, India and Brazil) are yet to become directly engaged in the work of the SADC Secretariat – although they are important in this context as bilateral trading partners and investors.

3.6. Conclusions

The process to develop an action plan for the implementation of the Industrial Development Planning Framework is still underway and it is not clear exactly how it will play out in the months to come. The Strategy and Roadmap adopted in April 2015 is another long list of activities that might receive rhetorical support from SADC member states, but which might have little real impact on the ongoing national level industrial development programmes. This section has highlighted the key political economy factors behind inclusion of industrial policy in the SADC policy agenda, and its likely implementation.

Fundamentally, there are ideological differences around the approach to industrial policy in SADC member states. On top of this, all SADC member states have weak industrial sectors that are competing for market share in the region, which lowers the potential for regional collaboration in this area. It makes it also difficult to establish the clear value added of a regional industrialisation strategy. Hence the reluctance on the part of member states to actively cooperate on a regional policy that could risk undermining their own national industrialisation aspirations, let alone to relinquish any sovereignty or control over national economic strategies in favour of regional objectives.

The agenda of industrialisation is being pushed by Zimbabwe in order to deflect from other regional issues, such as full implementation of the SADC free trade area, and it remains to be seen if it will result in any significant changes at either the national or SADC level. Although there are opportunities to identify crosscutting themes that support an improved business environment in member states and the region, this is often not in line with actual policy practice. A more sector specific approach is outlined in the Industrialisation Road Map and Strategy.

The leadership within the SADC Secretariat has been actively supporting the development of a regional industrialisation policy. But the SADC Secretariat has limited internal resources (human and financial) to pursue the work on industrialisation and has relied on funding and technical assistance from specialised UN agencies to date. This means that UN funded consultants are currently dominating the technical work and discussions. This may further reinforce the lack of member state ownership of the industrialisation process in SADC, as member states are not required to commit domestic resources for overdesigned policies that stand little chance of being implemented.

Clearly, South Africa is a key player in this regional process and faces mixed incentives. It seeks to embrace the regional process of industrialisation as a way of advancing its own ideological approach to it. Yet, simultaneously it also seeks to block the implementation so as to maintain national policy space in this vital domain for domestic employment.

There has been limited engagement and participation of business, labour and civil society in the SADC processes, including on industrialisation lowering the level of effective demand for a regional industrialisation policy and any key parties to hold governments and the SADC Secretariat to account for its implementation. Further planning and implementation of industrial policy by SADC will require significantly enhanced engagement with the business community both from in the region and major trade and investment partners. State-led industrialisation is limited in the regional context, especially given the weak state of regional institutions and the large diversity in the current levels of development.

From this reading, a regional industrialisation agenda will only progress with the buy-in of South Africa, meaning the government and private sector, implying the need to find and define common interests among member states. South Africa has shown that it is willing to deploy a wide range of tools (trade measures, investment incentives, industrial development zones) to pursue its own national industrial policy and it will be difficult for other countries in the region to compete. As was demonstrated by the SACU experience, a sector-based regional industrial strategy is not particularly practical under these circumstances.

4. The Southern African Power Pool

Despite being rich in potential electric power generation capacity, sub-Saharan Africa is severely short of electricity. Southern Africa[15] is such a region, with abundant but underdeveloped energy potential and inadequate electricity transmission and distribution networks. The region is increasingly confronted with energy shortages due to the failure of existing generation capacity to keep up with demand. Increasing cross-border trade in electricity represents a potential cost-effective way to improve access to reliable and affordable electricity supply. A stable, affordable energy supply underpins socio-economic development by acting as an enabler for infrastructure development, investment, and ultimately increased industrialisation.

Therefore, SADC has prioritised promoting regional energy trade and security within the region. In 1995, the Southern African Power Pool (SAPP) was created at a SADC Summit to ensure regional energy security through regional cooperation. Regional power-pooling[16] refers to the practice whereby energy grids of various power producers are interconnected, both through physical means across borders, as well as through interchange agreements governing energy cooperation and trade.

The SAPP is the oldest established power pool in sub-Saharan Africa (SSA), and is a single-purpose regional organisation with a clear agenda, functional focus and working on policy challenges that are of direct practical concern to some of the members. The SAPP, moreover, is of great importance for broader socio-economic development in the region. This section situates the SAPP against the background of the political history of the region and more recent developments that have altered regional energy cooperation in Southern Africa. It deals with foundational factors and path dependency, but also the critical junctures that have occurred and how external and internal actors and factors have further shaped the SAPP institutions of regional electricity cooperation in SADC.

The SAPP fulfils multiple functions and roles in a specific sub-sector. This section, however, will only deal with one particular function, i.e. the creation of a Regional Energy Market, and the political economy factors that shape regional institution building in this area through the SAPP.

4.1. History and foundational factors

Energy cooperation within Southern Africa dates back to the late fifties, with the first bilateral energy trading agreement between Zaire (now the Democratic Republic of Congo, DRC) and Zambia. Importantly, the history of energy production and consumption in the region has been profoundly influenced by its colonial and post-colonial history. South Africa's political economy of mines and migrant labour, as well as the regional strategies of apartheid South Africa in the second half of the 20th century have had a lasting imprint on the energy outlook of the region. The energy sector was an economic and strategic pillar of the apartheid economy, with its politics of autarky and of regional domination. South Africa's electricity parastatal ESKOM played a vital role in that strategy. At the time of the country's first free and democratic elections in 1994 22 heavily subsidised power plants provided an excess of comparably cheap electricity (Grynberg, 2012).

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[15] See also section 4 of the PERIA study on the Common Market for Eastern and Southern Africa (*Power trading and the Eastern Africa Power Pool).*

[16] While power-pooling is a relatively new concept in Africa (with similar initiatives being established in West, East and Central Africa as recently as the past two decades), it has been successfully applied in other regions such as in the US and Europe.

During apartheid, and after the independence of Zimbabwe in 1980, nine of South Africa's neighbours cooperated politically and economically in an attempt to reduce the dependency from their powerful neighbour. They established the *Southern African Development Cooperation Conference* with a regional strategy that included deliberate attempts to minimise energy dependency on South Africa, as this energy dependency would give South Africa excessive political leverage in case it became the sole provider of electricity. Still, South Africa managed to arrange long-term bilateral agreements on cross-border electricity trade with some of its smaller neighbours. Investment and cooperation decisions in that era were primarily politically motivated.

Three events and developments in 1992 proved to be important game changers for the creation of regional energy institutions in Southern Africa: the severe drought that hit Southern Africa in that year, the creation of SADC as successor to SADCC, and *regime change in-the-making* in South Africa. Given that resources for electricity generation are largely split between the hydro-rich north and the thermal-rich south, the drought and the resulting shortage of power generation necessitated closer cooperation between South Africa's neighbours and the electricity surplus-producing powerhouse of South Africa (as a main source of coal-generated electricity). This coincided with the process of ending apartheid policies in South Africa, which changed the agenda and nature of South Africa's foreign and regional policies. But as a policy, it also broadened the clientele or consumers of electricity to all its citizens. South Africa joined SADC and initiated closer cooperation within this regional grouping. At an SADC Summit in South Africa in 1995 the SAPP was created based on an *Intergovernmental Memorandum of Understanding*. SAPP counts twelve[17] member countries represented by their electric power utilities organised through SADC.

Another structural divide within SAPP is that between countries with a shortage of generation capacity and those with excess generation capacity. This divide also sets the background of interests and power relations (Table 4 illustrates this differentiation in generation capacity at the outset of SAPP cooperation in 1996). While South Africa's share of total generation capacity in the region has declined in the past decade, it remains the largest energy producer with more than 75% of the region's installed capacity (down from 83% in 2004). Other countries in the region, most notably Angola, Botswana, Mozambique and Tanzania have increased their installed capacity since 2004.

Another dimension of intraregional asymmetry in electricity relations manifests itself in infrastructures such as transmission lines. Figure 1 depicts South Africa like a hub in an incomplete spoke. Besides Zambia and Zimbabwe, all other SADC members are only connected to one or two neighbouring SADC countries.

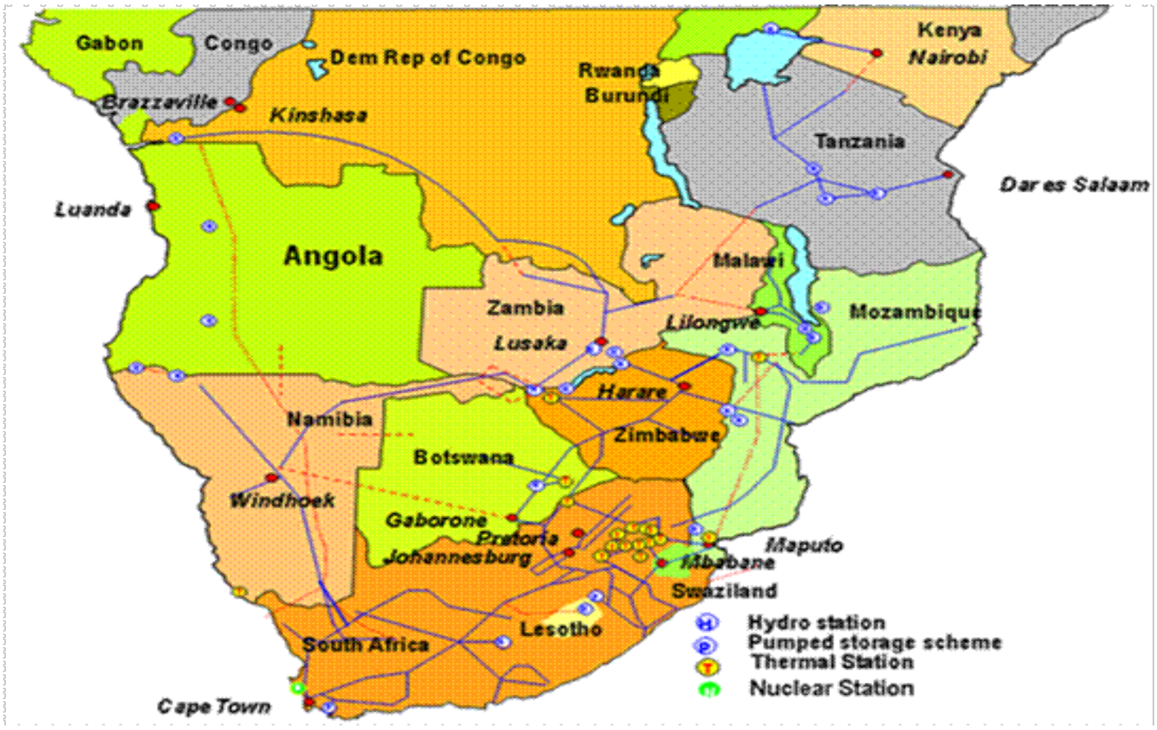
Table 3: Differentiation in generation capacity at the outset of SAPP (1996)

Excess		**Shortage**	
Country	**Capacity (MW)**	**Country**	**Capacity (MW)**
South Africa	2160	Zimbabwe	388
Zaire (DRC)	1985	Botswana	128
Zambia	604	Lesotho	76
Angola	145	Swaziland	75
Malawi	7	Mozambique	36
		Namibia	14
		Tanzania	1
Source: Muntschick, 2013.			

[17] The island countries of Madagascar, Mauritius and the Seychelles are not members.

With the end of apartheid, the political and economic factors were such that regional energy cooperation became more an issue of connecting those countries in the region with significant excess generation capacity that could be exported for financial gains to those with shortages. South Africa's artificial overcapacity of equally artificial cheap electricity is the key driver for setting the parameters for regional energy cooperation in the first stages of the SAPP. Countries with a shortage of supply were eager to cooperate under such circumstances. This also fitted well in South Africa's agenda of promoting regional solidarity and cooperation under the Presidencies of Mandela and Mbeki, who also framed it in the broader *African Renaissance* ideology.

Figure 1: SAPP energy hub and spoke infrastructures



Source: SAPP website (http://www.sapp.co.zw)

However, as of 2007, SAPP has experienced a significant shortfall in the available energy supply, mainly due to an electricity crisis in South Africa. While SAPP requires member countries to carry a reserve capacity margin of about 10%, increased demand and a lack of sufficient investments for additional generation capacity has eroded past surpluses and resulted in energy shortages and insecurity in the region, characterised by power cuts and blackouts. In 2014, the difference between installed capacity and peak demand was about 3% (2,000MW). By comparison, the SAPP had a reserve capacity of nearly 25% in 1998 (Hammons, 2011).

4.2. Institutions of regional energy cooperation

4.2.1. SADC

In its strategic guiding role, SADC has enacted a number of protocols and strategies to facilitate cooperation in the energy sector. The SADC Protocol on Energy was signed in 1996. Energy security plays an important role in economic development and poverty eradication; hence the Protocol set forth the institutional mechanisms and financial provisions to achieve this goal. It established an Energy

Commission (responsible for implementing the Energy Protocol); a Committee of Ministers (establishing policy and strategy of the Commission); a Committee of Senior Officials comprising of representatives of each state (acting as link between the Committee of Ministers, the Commission and the Technical Unit); the Technical Unit (acting as executing organ of Commission, the SAPP); a Director; and various Sub-Committees (SADC, 1995). Strategies geared towards energy development and cooperation in the region include the SADC Energy Cooperation Policy and Strategy (1996); the SADC Energy Action Plan (1997); the SADC Energy Activity Plan (2000); and most recently the Energy Sector Plan (as part of the Regional Infrastructure Development Master Plan, 2012). The Secretariat itself, however, noted that "implementation of these strategies has been slow" (SADC Website, accessed 26 July 2015).

While the SAPP is responsible for reporting to SADC, the SADC Secretariat has little influence on the day-to-day activities of the SAPP (Interview: SAPP). Instead, direction is provided to the SAPP from the Secretariat through its various regional strategies, the most recent of which is the Energy Sector Plan (as part of the Regional Infrastructure Development Master Plan, 2012).

4.2.2. SAPP before South Africa's energy crisis of 2007

The SAPP executes its mandate through the SAPP Coordination Centre based in Harare, mainly by coordinating activities of planning and expanding generation, transmission and distribution among member states. Daily operations are carried out by various committees, including the Management Committee with five sub-committees on environment, markets, coordination, operations and planning. Despite being mandated by SADC to carry out regional energy related strategies, it is financially independent from SADC (ICA, 2011). SAPP reports on progress within the region to the SADC Directorate of Infrastructure and Services and the SAPP Executive Committee, which consists of Chief Executive Officers (CEOs) of national energy utilities.

Box 2: Regional power pooling[18]

Regional power pooling, the trade of electric power between utilities in multiple neighbouring countries based on an integrated master plan and pre-established rules, provides a mechanism for pooling resources to create a more robust regional power grid and regional power market. It also exploits economies of scale in the generation and distribution of electric power. Typically, regional power pooling requires the development of cross-border interconnection of infrastructure for the integration of national power grids into a regional network, the establishment of a common legal and regulatory framework (involving inter-governmental and inter-utility memoranda of understanding) and the creation of a multi-country organisational structure to oversee planning, harmonise rules and develop a commercial framework for cross-border power trade.

Regional power pools have the potential to bring about a number of benefits for their members, including lower operating costs (due to savings from energy exchanges and reduced power reserve maintenance costs), lower capital costs (due to the development of the most cost efficient regional energy resources), improved power system reliability and enhanced security of supply (combined systems are less vulnerable to unexpected disturbances in transmission lines or power plants) (AfDB, 2013). Importantly, both electricity-exporting and importing members should be able to benefit from connecting their national grids within the framework of an institutionalised regional power pool. Potential electricity-exporters benefit from being able to export excess capacity to multiple partners. Potential importers benefit from being able to defer investment in domestic generation capacity. Furthermore, in regions with underdeveloped energy infrastructure, the pooling of risk and improvements in efficiency associated with the establishment and operation of regional power pools can also help to create a more attractive environment for investment in priority regional generation and transmission projects and capacity building for power supply operation and management

18 Taken from the EAPP chapter in PERIA study on COMESA.

(idem). Regional power pools therefore represent regional 'club' goods from which member states can derive benefits (Muntschick, 2013).

Nevertheless, in order for a power pool to successfully bring about these benefits, it requires political buy-in from its participants to the principle of regional power trade. One of the most challenging aspects of regional energy integration is whether power trade is deemed politically acceptable, especially in importing countries (McKinsey & Company, 2015). For potential importers, the main concern is security of supply. They need to have confidence that exporting countries within a regional power trade arrangement will continue to supply electric power in a predictable and reliable way, or not use it as a political or diplomatic pressure tool. Importing countries also have to accept that, at least in some cases, importing power generated elsewhere means foregoing potential construction jobs at home (idem).

The SAPP coordinates technical support to its member states (for example, through studies), collects and shares energy related data for reporting to its members and the Secretariat, facilitates funding for various infrastructure projects with donors and provides capacity building to national utilities. Various actors consider the SAPP Coordination Centre to be a well-run and transparent organisation that effectively promotes the regional energy agenda and regional energy cooperation (Muntschick, 2013; ECA, 2009). Member states have praised SAPPs capacity building efforts, noting the positive effects this has had on capacity within the region.

The SAPP is officially registered as a non-profit organisation. The SADC Protocol on Energy notes that membership contributions to SAPP should be in accordance with Article 28 of the Treaty establishing SADC, thus in the same manner and formula as for other institutions of SADC (SADC, 1995). Zimbabwe contributes an additional 10% of funding of the SAPP (totalling US$ 51,476 in 2014), in recognition of the advantages of hosting the SAPP Coordination Centre in Harare. While income is generated from membership fees, the SAPP also derives funds from administration fees through managing the Regional Energy Market (REM) and the contributions of development partners. Past reports indicate that up to 80-90% of membership fees are directed to SAPP operations, while external funding is mainly geared towards studies and projects in pursuit of regional energy cooperation (ECA, 2009). Income from the Day Ahead Market (DAM) administration fees has increased from US$ 1,732 in 2009 to about US$ 170,000 in 2014, representing little more than 7% of income in 2014 (SAPP, 2014). However, a significant increase in trading on the market in 2015 allowed the organisations to generate more than $1 million from administration fees (AGM, 2015).

One central project on the agenda of SAPP was the formation of a regional electricity market that would facilitate regional power trade. This project was intended to transform energy trade from a bilateral trading approach to a competitive and flexible, regional one within a Regional Energy Market. Bilateral agreements had been largely sufficient for long-term energy security, yet the inflexible nature (fixed prices, fixed volumes and fixed periods) was inadequate to deal with the short-term requirements of various member states. A regional market could help solve these shortcomings, as well as increase competition through inclusion of additional, independent, electricity producers and distributors.

In 2001, SAPP established the Short-Term Energy Market (STEM). This mechanism institutionalised regional electricity cooperation in SADC. It was "driven by regional demand and fuelled by external financial and technical support" (Economic Consulting Associates, 2009: p. 40). Only the member states' national power utilities were allowed to participate in STEM. The market was neither fully liberalised nor competitive, with demand almost always exceeding available supply offers. Pricing mechanisms further constrained trade as the sellers did not benefit from higher prices. Trade volumes in electricity through STEM only covered about 5-10% of total regional trade in electricity. By the mid 2000s diminishing surplus generation in South Africa and inadequate electricity infrastructure resulted in the decline of STEM and its closure (Muntschick, 2013).

4.2.3. SAPP after the energy crisis

The market conditions for regional energy trade changed drastically as South Africa's supply of cheap surplus electricity dwindled in the second half of the 2000s. The energy crisis related to a changing pattern of demand and supply in South Africa. The internal electricity production capacity was no longer compatible with two sources of demand: one was South Africa's industry, the second the vastly increased numbers of citizens who had become electricity consumers in post-apartheid South Africa. Connecting citizens to the electricity grid had been one of the first electoral promises of ANC leaders. Yet, investments in refurbishing or creating new production capacity had not kept pace with growing demands. Moreover, 85% of South Africa's electricity is produced in coal-fired power plants, turning South Africa into a top twenty producer of Greenhouse Gas.

The Short Term Energy Market functioned effectively. However, it could not survive without an energy market, so the energy crisis killed it. Yet, in the same period, and under the same economic conditions, a similar SAPP institution was created to replace STEM and to facilitate short-term regional electricity trade, the Day Ahead Market, DAM. DAM became operational in 2009, and featured some innovations, such as the fact that it opened participation to independent power producers and distributors. In general, there had been a reluctance of State Owned Enterprises (SOEs) among the SAPP members to allow Independent Power Producers (IPPs) to be included in the SAPP structures. According to SAPP, the greatest stumbling block to increased private sector participation in the Regional Energy Market has been that most member countries do not allow IPPs to engage in cross-border trading. While some national regulators are more welcoming of private sector participation in regional energy markets (e.g. Zambia), others are less.-Yet due to inefficiencies within public electricity utilities, private players gradually had started to address the challenge of insufficient generation capacity from the mid-2000s onwards. The private sector was needed to finance generation and transmission infrastructure.

In 2006, the SADC Revised Intergovernmental Memorandum of Understanding altered the provisions for membership of SAPP, and made provisions for the inclusion of IPPs and Independent Transmission Companies (ITCs) within SAPP. Currently, nine SADC countries with a total of thirteen SAPP members are interconnected and hence can trade electricity, with three members still not interconnected (SAPP, Annual Report 2013/2014). All thirteen interconnected SAPP members are active in the bilateral market while nine of them are also active in the competitive market of DAM and a newly created Post Day Ahead Market (as of 2013). By 2014, two of the SAPP members were IPPs and 2 were ITCs. Independent producers, however, do not share the same decision making powers and influence as national regulators within SAPP – their domestic role is seen as much less significant (i.e. not responsible for the entire grid) and therefore they have less voting power within SAPP (Interview: SAPP).

As in the case with STEM, DAM is considered to be an effective organisation. Yet, given the diminished surplus electricity generation in the region by 2006, Muntschick (2013) remarks that even a "perfectly institutionalised power pool is rather useless if there is no (surplus) electricity left to trade or if inadequate capabilities of power lines put constraints on potential trade". Recently, the volumes of regional electricity trade have picked up again, though the bilateral energy markets continue to remain more important. This section mainly looks at the regional energy market and the role of SAPP, so other functions and roles of SAPP are therefore not brought in the picture.

Next section looks in more detail at some of the key players that affect the energy agenda, and the political economy of regional energy trade.

4.3. Actors and incentives

National interests are manifest in bilateral and regional electricity trading and infrastructure arrangements in Southern Africa. Yet South Africa's political economy of the energy sector dominates the regional sector dynamics and the changing electricity landscape. Starting with the 2007 electricity crisis in South Africa, the prospects of the regional energy market have altered with still a strong place for bilateral cooperation in the electricity sector.

4.3.1. South Africa as a regional energy *hegemon*

South Africa's post apartheid foreign and energy policies reinforced one another as the government wanted to engage constructively with the region. The New South Africa was able to sell surplus energy in more effective ways through the creation of a regional energy market and improved electricity infrastructure development. In that latter strategy, ESKOM, South Africa's vertically integrated state-owned energy utility played an important role. ESKOM holds a monopoly over the electricity value chain linkages (generation, transmission and distribution of electricity). Within that value chain, coal-based generation priorities are more important than the transmission and distribution components. According to Morris and Martin (2015) that generation component has become the driving force behind ESKOM's actions. In the late nineties, the government tried to restructure the energy giant and provide more oxygen to independent power producers. However, faced with an energy crisis, the government gave in to a coalition of vested interests behind cheap energy supply (including industry and unions).[19]

In the second half of the 2000s, South Africa was confronted with an internal energy crisis due to growing demand by households (connectivity to the grid rose from 30% in 1994 to 87% in 2012) and industry, but also due to lack of timely investments by ESKOM. Prices were kept artificially low, and in order for ESKOM to invest in new capacity it had to generate income by adapting the electricity price. This resulted in some of ESKOM's allies losing confidence. The crisis – and demand for alternative electricity producers – further triggered interests from international private sector investors and also catalysed South Africa's Department of Finance (the Treasury) to explore renewable energy alternatives.

Meanwhile, South Africa's capacity in renewable energy production through IPPs has risen substantially. Yet, according to Morris and Martin (2015) the policies relating to renewable energy and the opening and support for IPPs were less driven by a political commitment to addressing issues of climate change, than to the deep energy crisis, the weakened position of ESKOM, and an emerging – yet still loose – coalition for change, consisting of the Treasury, the Department of Energy, the Department of Environmental Affairs, foreign owned IPP companies, and ancillary professionals. Yet, while the political economy terrain has altered significantly, "the future trajectory of sustainable energy is by no means assured" (Morris and Martin, 2015: p. 11). These observations are also important for understanding the drivers of South Africa's energy policies, and how this may affect its position vis-à-vis the regional energy market and the SAPP agenda.

Because of the erosion of South Africa's surplus capacity, the country reached out to neighbours (most notably Mozambique and the DRC) to assist with its capacity shortfall. This engagement with Mozambique has largely been conducted on a bilateral basis, with direct investments from South Africa in Mozambique's

[19] For more background to South Africa's political economy of energy in relation to climate change policies, see also PERIA study on the African Union (section 6).

generation and transmission infrastructure. In the case of the DRC, however, Pretoria has thrown significant weight behind talks of developing the Inga hydropower schemes in the DRC. In this case, dialogue between the stakeholders has been organised through the SAPP and regional energy cooperation, given the impossibility of direct transmission from the DRC to South Africa. Yet South Africa ensured that the lion's share of generation capacity is reserved for South Africa.[20]

The consequences of South Africa's energy choices and strategies of its energy monopoly holder, ESKOM, have been felt by Botswana. ESKOM has been reluctant to sign power purchasing agreements for coal generated electricity produced outside its borders. The Government of Botswana and various private companies have over the past two decades tried to exploit their proper coal reserves around Mmababula to generate up to 3,000MW of electricity. While Eskom signed an initial agreement regarding the development of Mmababula, it faced domestic pressures in South Africa from powerful labour unions and eventually halted any further developments. Trade unions with considerable influence within high-level politics in South Africa maintain that they want to protect employment opportunities provided within its domestic energy sector (production, mines, distribution, etc.) and don't want to see these opportunities spill-over into the rest of Southern Africa. The project has since been suspended pending further interest from South Africa (Grynberg, 2012). The case of Mmababula is significant in that it illustrates how South Africa has employed its position as regional hegemon to act as a blocker within the regional energy agenda due to domestic interests and pressures.

4.3.2. Other SADC member states

As of 2006, Eskom started re-examining its supply contracts to the rest of Southern Africa and, as contracts came up for renegotiations, it negotiated more flexible contracts. The renegotiated contracts provided Eskom with more leverage, e.g. to block supply when its own grid came under pressure. The unintended consequence of this move has been an increase in market stimulation. Where previously countries could rely on cheap energy supply from South Africa, there has since been a greater urgency from other member states to secure supply independently from South Africa. For example, Botswana has undertaken development of its own generation operations through its Morupule power plant. It has also reached out to IPPs to provide capacity in the short term. Again, while at times countries within the region engaged in the regional cooperation agenda, national interests were pursued through bilateral arrangements or generating proper electricity capacity when this was more convenient.

Unlike most countries in Southern Africa, **Namibia** has thus far been able to avoid *load shedding* (as planned electricity outages are locally referred to). It has done this through pursuing bilateral energy deals with neighbours (Zimbabwe, Angola) in order to secure supply. It has also embarked on an innovative approach to securing power. Through sharing the capital costs of the rehabilitation of some of Zimbabwe's generation infrastructure, it has in return been able to negotiate long-term fixed contracts for generation supply (New Era, 2014).

Zimbabwe's interest in SAPP seems to be driven by the need to secure electricity supply. The situation is currently dire, with the country producing little more than half of what is needed during peak demand (with local generation capacity at 1,200MW against a peak demand of 2,200MW). Generation infrastructure has long been neglected and new infrastructure investments have been minimal. Zimbabwe's energy crisis has been compounded by the fact that some of the major suppliers with whom it had fixed bilateral contracts, including South Africa's Eskom, Zambia's ZESCO and Electricidad de Mocambique (EDM) have cut off electricity supply due to non-payment (Mhlanga, 2015). While it has not been explicitly stated, Zimbabwe

[20] See for example Southern Times Africa: South Africa Charms for Inga Project.

stands to potentially benefit significantly from wheeling charges[21] accrued from energy trading across the region, especially if the Inga-capacity comes online, given its central geographic location and key interconnectors already passing through it (see current SAPP grid above).

The participation and drive of the **DRC** within SAPP has largely been focused on the development of the Inga hydro complex and interconnectors that link its national grid with the SAPP. Ultimately, the Grand Inga complex will have a generation capacity of 40,000MW, which is considerable given that total current installed capacity in SAPP is just under 60,000MW. However, the current political instability and energy infrastructure challenges faced (e.g. transmission, distribution, maintenance) in the DRC could severely affect development of the scheme and buy-in from other stakeholders (e.g. financiers; Interview: UCT ERC, Imani). Another concern regarding the development of Inga has been the combined membership of the DRC state owned electricity company (SNEL) of SAPP, the Eastern Africa Power Pool (EAPP) and the Central African Power Pool (CAPP). It is unclear how multiple memberships would work given the likelihood that operating standards of the power pools might differ. It thus seems as if the DRC is not so much committed to the Southern African energy integration agenda, but more towards developing its own resources.

Angola, along with **Malawi** and **Tanzania** are yet to be connected to the SAPP grid. While the Zambia-Tanzania-Kenya transmission project falls under the ambit of the *Nile Basin Initiative*, Angola and Malawi's project to connect the countries to the SAPP grid is coordinated by SAPP. Within SAPP, there appears to be a greater push to connect Angola to the grid via the Namibia-Angola interconnector, largely due to the significant generation potential within Angola (both thermal and hydro). For example, at a recent investment conference in Beijing, the Angola interconnector was pitched as one of the priority projects, while the Malawi interconnector has received comparatively little attention and is not included as one of SADC's high-priority energy transmission projects (likely given Malawi's status as minor net-importer) (Sikuka, 2012; Muheya, 2014). There is also a notable urgency from Namibia in support of connecting Angola. Namibia has been proactive in procuring bilateral energy contracts and is currently developing the Baynes Hydropower project (400Mw) along with Angola.

So the picture that emerges in terms of regional energy dynamics has become volatile, creating both uncertainties and opportunities in terms of a regional energy market. Since SADC member states cannot rely anymore on imports from South Africa's electricity production, they are exploring other options, but these are often not related to the SAPP per se. It is too early to assess whether the bilateral or trilateral Power Purchase Agreements and interconnection projects constitute building blocks or stumbling blocks for the establishment of a regional energy market. The question remains whether member states are more committed to ensuring supply and developing their own capacity than establishing a regional market. Yet, it is equally important to refer to the fact that the hard and soft infrastructure development that these projects bring about can serve to support the development of a regional market.[22]

4.3.3. Donors

Already during the apartheid days of SADCC, the European Community and member states, provided support for the renewal, interconnection and expansion of regional transmission lines. From the late 1990s until 2006, several donors (including USAID and the World Bank) facilitated regional energy and electricity cooperation in the regional successor, SADC. And once the SAPP was established donors also provided support to the SAPP and its Coordination Centre. USAID also has a long history of involvement with the SAPP, although its emphasis has now shifted. The EU and bilateral donors (mainly from Scandinavian

[21] Charges related to the transportation of electricity over transmission lines
[22] Similar questions are raised in the case of the Eastern Africa Power Pool in the COMESA regional study.

countries) were another source of grant funding for the SAPP. The EU, through its *ACP-EU Energy Facility*, was instrumental in the development of STEM, the predecessor of DAM. Further support has been provided mainly for capacity building for network operations, systems planning and promotion of public-private partnerships (SAPP, 2009). Total grant funding oscillated between 12 and 46% of the total SAPP budget, levelling off to 20% by the beginning of this decade. Muntschick further commented that "due to their importance as lead donors, Scandinavian countries and the EU are in a likely position to exert influence on the establishment, design, and effectiveness of institutionalised regional electricity cooperation in Southern Africa" (idem: p. 124).

Regional power pooling requires both hard and soft infrastructure development, and the SAPP has been able to rely on long-term support from different development partners with interests in both domains. The SAPP has contributed to facilitate funding in these areas. One of the key challenges infrastructure development in the region faces, is at the preparation and planning stage. Often, national governments are reluctant to commit the initial investments required for transnational project preparation. To facilitate this process, the World Bank in 2014 provided a grant to the SAPP of US$20 million. This grant will allow the development of such bankable projects (World Bank, 2014). The African Development Bank (AFDB) and the Development Bank of Southern Africa (DBSA) also have provided support in these areas.

One notable example of donors exercising influence was through the development of the REM at a time that the Short Term Energy Market (STEM) gradually faded out due to negative market conditions. Donors enabled the creation of successor institution for energy trade through the Day-Ahead-Market in 2009. Muntschick (2013) and Hammons (2011) suggest that external incentives and support from donors such as the EU and Norway may have enticed SADC and SAPP to go ahead with the DAM, even though underlying market conditions were not conducive for it to function properly. Recent figures suggest that energy trade on the DAM has grown, from 545 MWh in 2009/2010 to nearly 510,000 MWh in 2014 (up from 84,000 MWh the preceding year). It now covers roughly 6% of total regional trade volumes (SAPP, 2015). However, the outlook for increases in future trading volumes seems to be tepid given the continued electricity crisis in South Africa.

4.4. Conclusion

Regional energy cooperation is vital for economic development in Southern Africa. Two decades ago SADC established the SAPP in order to contribute to a competitive market for surplus electricity and support for related cross border infrastructure development. One can distinguish three phases in the regional electricity dynamics in Southern Africa, but in each of these phases South Africa is a dominant player, although with changing political and economic motives. It did so, either as a regional hegemon seeking to perpetuate white supremacy through control of the region in the apartheid days, or as a supplier of surplus capacity. Hence, a first phase is characterised by bilateral energy trading whereby independent neighbours tried to reduce dependency on apartheid South Africa.

In a second phase, a democratic South Africa supported the institutionalisation of a regional energy market through SAPP. At that time South Africa had significant surpluses of cheap electricity, with neighbours that faced shortages. Regional cooperation was also part of a more general trend with the new South African leadership signalling its support for the region that had backed the liberation struggle. All this plus support from donors, competent SAPP management and aligned interests by a substantial group of SADC members created the conditions for the institutionalisation of a regional electricity market through SAPP.

Yet this window closed again after a decade, with a major electricity crisis in South Africa and the region as of 2007. The third phase clearly marked the political economy machinations of certain dominant players, primarily South Africa's state-owned energy utility, ESKOM. As it holds a monopoly position in the electricity sector, it has substantial influence over domestic political decisions, policy design and market entry of independent power producers. But ESKOM also impacted strongly on the regional energy market through SAPP. After the crisis of 2007, South Africa turned from an exporter of cheap surplus electricity, into an importer. In certain cases, South Africa relied on the regional market through SAPP (is in the case of the DRC), while in other cases it engaged in bilateral arrangements (Mozambique). This electricity crisis weakened the power basis of ESKOM, and gave rise to a new coalition for change in the South African energy sector, which may also affect South Africa's position vis-à-vis the region and more specifically towards SAPP. It appears, for example, to have led to an increased acceptance of the role of private electricity producers, which has also relevance for the future of non-coal based electricity – including renewable energy – production.

Regional energy dynamics in Southern Africa are volatile and contingent. Although there is a relatively high level of institutionalisation of a regional market through SAPP, the unstable and unpredictable environment drives member countries to focus more on narrower electricity generation and interconnection projects. The latter are generally bilateral in nature and not clearly linked to the SAPP (although it is possible that the SAPP continues to play supportive roles). From the recent cooperation through SAPP, one may deduce that member states probably see the long-term value of a regional energy market. Yet, in the short to medium term member states tend to focus more on bilateral or sub-regional approaches to energy trade. For the time being it is hard to predict whether such bilateral initiatives could be seen as competing with the power pools, or rather as being essential building blocks to fully integrated regional markets in the long term.[23]

[23] Similar issues are raised in the case of the Eastern Africa Power Pool in the COMESA regional study.

5. Transfrontier Conservation Areas in SADC

Transfrontier Conservation Areas (TFCAs) are cross-border parks or conservation areas, eighteen of which are – or are in the process of being – established in Southern Africa. The initiative for such transfrontier parks developed outside SADC, and has been promoted by a private sector foundation, with involvement of a wide range of institutions and stakeholders, including SADC, but also heads of state, central administrations, border and nature conservation officials, actors in the private sector, traditional chiefs of local communities and NGOs.

Participation evolves around problem solving and cooperation on a wide and multi-level range of cross-boundary problem solving including visa requirements, fencing, policing and patrolling, management of the movement of wildlife assets and biodiversity, conflict resolution, and much more. With numerous such parks taking shape it would seem as if bilateral, multilateral and regional cooperation in the management of such transfrontier border areas is progressing at a steady pace. Still, there are sticky problems to solve such as overcoming administrative and regulatory hurdles, troubling levels of poaching (including on the almost extinct rhinos), and administrative hassles hampering the movement of tourists. At yet another level, the unilateral decision of Botswana to sell *fracking* rights for shale gas exploitation in the oldest of the Southern African TFCAs provided a reminder of the fragile nature of the underlying institutional arrangements.

5.1. Historical and foundational factors

Transfrontier parks arose in Southern Africa in the 1920s under South Africa's premier Jan Smuts who saw the potential for a massive conservation area in Africa, building on the Kruger National Park bordering with Mozambique in Southern Africa. Later, with the independence of Botswana, South African park officials helped manage the Botswana park. Peace in Mozambique (1992) and the transition to a non-racial democracy in South Africa (1994) were the conditions for more institutionalised forms of bilateral and trilateral cooperation in support of establishing of transfrontier parks.

In many parts of Africa, this cross-border cooperation are intricate processes, as borders between countries have been artificially imposed by colonial administrations, with often many administrative and other obstacles for the free movement of people. In Southern Africa, liberation wars reinforced the *thickness* of borders. Today, there are numerous African languages and cultural practices that are a shared asset across borders. There are many cross-border communities that view these borders as an unnatural construct that divides them from one another. These communities live alongside wild animals that are used to migrating over vast terrains. There is still an unresolved debate about the merits and costs of *transboundary conservation*, and certainly transboundary parks are not a conservation panacea. In terms of attracting eco-tourists, however, there are strong incentives for bigger, transboundary parks can attract larger and more diversified animal populations. Coupled with a ripe tourism market in the region and very few local economic opportunities in these border regions, there is also a logic for promoting TFCAs based on the expectations of local development opportunities for private sector and community-run tourism initiatives.

Tourism is, historically speaking, a relatively new economic activity affecting trade and economic growth. The tourism industry has grown substantially. The global number of international arrivals showed an evolution from a mere 25 million international arrivals in 1950 to an estimated 806 million in 2005, corresponding to an average annual growth rate of 6.5% and in 2007 international arrivals recorded 904 million tourists who spent $855 billion."[24] It is therefore unsurprising that this industry has created a myriad of actors all vying for a share of this growth and its profits. Africa's greatest assets in this regard are its vast areas of unspoiled natural beauty with its wild animals. The marketing of African tourism, therefore, focuses on this asset and other adventures and leisure activities linked to game viewing.

5.2. Institutional factors

The first *de jure* transfrontier park in Southern Africa opened on May 2000, with the signing by Presidents Mbeki (South Africa) and Mogae (Botswana) of the treaties creating the *Kgalagadi Tranfrontier Park*. The second formal ceremony took place in December 2002, when three countries – Mozambique, South Africa and Zimbabwe – established the *Great Limpopo Transfrontier Park*. In the latter case, the Peace Parks Foundation (PPF) was involved in brokering and facilitating among the key high-level public and private actors. This independent foundation grew out of the World Wildlife Foundation South Africa and other conservation efforts in 1997, and started to promote TFCAs in other border parks in Southern Africa.

While there is a wide variety in transfrontier parks, their core characteristics can be summarised along the following milestones of the TFCA process (Van der Duim, Lamers, and Van Wijk, 2015). PPF engages with Heads of State in order to assess whether there is high-end political will and support for the TFCA concept. PPF has engaged with most Heads of State SADC countries to assess their political will and seek their support for the TFCA concept. Multilateral planning teams consisting of government and non-government expertise are set up to develop a memorandum of understanding between the participating countries. This is a crucial step in the process as it not only mandates institutions, bodies or committees to enter into negotiations on behalf of government, but also formalises the intention of the participating countries to be supportive of the TFCA process. Participating governments subsequently sign the memo of understanding to facilitate the establishment of the TFCA and initiate a formal negotiation process and constitution of an institutional framework. This includes the formal appointment of an international co-ordinator and the various multilateral and national technical committees.

The next step involves the development of an international treaty on the establishment of the TFCA, a process that is usually facilitated by an independent co-ordinator that is mutually appointed by the participating countries. The co-ordinator is responsible for managing the various committees/bodies as mandated by the MOU to deal with issues such as customs and immigration, finance (co-ordination of donors and aid agencies), communities, veterinary issues and wildlife diseases, legislation, security, tourism management, etc. Signing of international treaty and implementation of institutional framework as mandated by the treaty such as the formation of joint management committees at a apolitical and/or operational level. The launching of the opening ceremony is also the part where the initiative is officially *celebrated* and made public. The implementation phase involves the integration of conservation and economic principles in order to further institutionalise the TFCA into a sustainable protected area and conservation system.

The governance and institutional arrangements of a typical TFCA in Southern Africa are fairly comprehensive from a Ministerial Committee downwards to a Secretariat, including Senior Officials Committees and working groups. All are mandated to deliver on the Treaty signed between the participating governments. Officials and individuals from a number of countries become the drivers of the TFCA processes, reporting back to the Heads of State on progress made and problems encountered. Table 4 provides further detail on the governance arrangements.

[24] See www.unwto.org

Table 4: Governance Arrangements of TFCA's[25]

Ministerial Committee	These are the Ministers responsible for TFCA matters in the participating countries. The Ministerial Committee should meet at least once a year and all decisions are made by consensus. Responsibilities are: • Overall policy guidance in the establishment and development of TFCAs • Monitoring progress in the establishment and development of the TFCAs
Senior Officials/Technical Committee	The TFCA Technical Committee consists of senior representatives of the implementing agencies and/or senior representatives of the relevant ministries of the participating countries and their respective stakeholders. The Committee should be chaired by rotation and meet at least twice a year. Responsibilities include: • Translating decisions of the Ministerial Committee into operational guidelines and policies • Developing area specific action plans for the establishment, development and management of TFCAs • Harmonising the expectations and aims of the participating countries with respect to the establishment, development and management of TFCAs Upon signing of a treaty by the Heads of State, Technical Committees may become less functional, and over time their functions may be taken over at the park management / operational level
National Technical Committees	Representatives appointed by the implementing agencies of the participating countries populate this key component. The National Technical Committees are responsible for: • Implementing action plans developed by the Technical Committee • Ensuring stakeholder participation in the overall planning and development of the TFCAs, especially in policy formulation, preparation of management and development plans and production of other documents associated with TFCAs • Liaising and collaborating with other relevant development initiatives • Providing feedback and progress reports to the technical consultant
Working Groups	The establishment and development of TFCAs cuts across the portfolio responsibility of other institutions outside the sphere of natural resources management such as customs, immigration, veterinary services, defence, security, tourism, etc. These institutions are important role players in the establishment and development of TFCAs and should therefore have forums to meet with counterparts from the participating countries to discuss TFCA matters relevant to their sectors. The working groups are appointed by the Ministerial Committee, by the senior officials or technical consultants on a standing or an ad hoc basis to address and resolve specific challenges in order to improve the TFCA on a functional level
TFCA/International Coordinator	The coordinator is jointly appointed by the participating countries to facilitate the establishment and development of a TFCA. The function of the coordinator usually is replaced through a park-to-park management structure in mature TFCAs. The Co-ordinator can be supported by additional support staff and is responsible for: • Driving activities associated with planning and developing the TFCAs • Ensuring that effective and representative committees are established and

[25] Van der Duim, Lamers, and Van Wijk, 2015: 173.

	also those programs to achieve the objectives of the TFCAs are sustained • Facilitating the convening of meetings of the different committees • Ensuring that TFCAs negotiations comply with relevant international treaties and regional protocols • Preparing reports on key resolutions and directives emanating from the Ministerial and Technical Committees
Secretariat	In certain cases, such as the KAZA-TFCA, a Secretariat can be established as a more permanent structure to fulfil the TFCA coordination function but also as a separate legal entity responsible for implementing projects from donor and participating partner country funding to develop the TFCA

5.3. Actors and sector characteristics

A wide range of actors – with varying interests and in and relations to transfrontier parks – is involved in establishing, managing or opposing such cross-border parks. These parks are being established for a wide range of purposes, ranging from to attract eco and other tourists, stimulate marginalised rural economies, to conserve shared wildlife resources, and even preservation of traditional societies and peace promotion.[26] Unlike the two cases on industrialisation and energy, the principle initiators and facilitators for the TFCA processes are not formal regional organisations.

5.3.1. Peace Park Foundation

In the mid nineties The Mozambican President Chissano, who had a strong interest in wildlife conservation, kick-started the process that would eventually result in the TFCAs in southern Africa. The South African businessman and philanthropist, Anton Rupert, invited President Mandela to participate. During conversations the idea of borderless wildlife parks emerged. Rupert could bring several donors on board, whereas Mandela was able to ensure the buy-in from Heads of State in the region. The Rupert Nature Foundation gave an initial start-up grant in 1997 in order to establish the Peace Parks Foundation (PPF). The Peace Parks Foundation is a non-profit organisation with virtually all the powers of a normal company, but it cannot have shareholders, and pay no profits to supporting members or directors. In order to optimise the foundation's fundraising potential, structures that allow donations to be made in a tax-efficient manner have been created in Germany, the Netherlands, Sweden, Switzerland, the USA and the UK.

The Peace Parks Foundation played a critical role in facilitating key actors, and in framing the TFCAs in manageable processes and projects. PPF has gone through a steep learning curve, as its cultural background was one of a private sector actor that was operating in a context where solutions could not be imposed or rushed. The interests of numerous stakeholders, including local communities, needed to be reconciled with the preservation of a *regional public good*. During the planning phases of new cross-border park initiatives, PPF continues to assist with impact and feasibility studies, sensitisation and advocacy to convince political elites of the benefits of the TFCAs. PPF further provides managerial and fundraising support, as well as facilitation and brokerage functions for discussing the cross-border challenges. It is often called in to act as an implementing partner as it has the track record and capacity as well as the expertise to manage large funds, provide policy inputs and link government to the private sector. According to the World Wildlife Foundation of South Africa such an independent, specialised body with a capacity to coordinate, facilitate and drive the process of establishing and funding TFCAs was essential for their realisation. There was little confidence that either the member states or the SADC Secretariat could commit themselves sufficiently to such tasks.

[26] For an in-depth and comparative institutional analysis of the *Kgalagadi Transfrontier Park* and the *Greater Limpopo Transfrontier Conservation Area*, see Schoon (2008).

Yet, concerns were also raised that PPF would assume too many tasks, given its high-powered profile and the large economic backing and sophistication of the organisation. However, early in the process, PPF constituted an advisory committee and invited representatives from the wildlife authorities of SADC member states to serve in an ex officio capacity (Van der Duim et al, 2015). PPF has gained the trust from a range of stakeholders, and continues to be solicited as a process facilitator and a catalyst that works with governments, communities, civil society organisations and private sponsors, member states' representatives and SADC structures. The Peace Parks Foundation has managed to obtain a certain autonomy from donors as a substantial part of its resources are directly raised from private sources, including in Northern countries.

5.3.2. SADC

SADC slowly came on board as a partner to the process, and no longer an ex officio observer. SADC member states were lobbied at several levels in order to drive the message home of the substantial potential impact on regional economic development of such TFCAs, as well as the importance to house this initiative firmly within a dedicated foundation. The fact that four SADC member states were already cooperating in the first two TFCAs showed that such cooperation was feasible and beneficial to participants. An additional push factor came from the continental New Partnership for Africa's Development (NEPAD), which in its environmental programme pointed to the importance of combating poverty and contributing to socio-economic development. Creating TFCA's became an avenue towards implementing part of the NEPAD policy (Van der Duim, Lamers, and Van Wijk, 2015: 170).

As a result of this sensitisation, SADC adopted the *Protocol on Wildlife Conservation and Law Enforcement* in 1999. This protocol defines the TFCAs and the institutional and governance systems, with member states engaging in establishing such cross-border parks as they see fit. It soon became clear that the problems encountered in these processes were similar across TFCAs, a realisation that encouraged the demand for a central coordination unit or network to assist and share experiences. In 2004, the SADC Council of Ministers decided that "TFCAs be implemented bilaterally by the concerned Member States without the involvement of the SADC Secretariat" (SADC, 2013). But a few years later, the SADC Member States had realised "that (i) certain potential International Cooperating Partners (ICPs) are only willing to channel their support for the development of TFCAs through the SADC Secretariat; and (ii) individual Member States are finding it difficult to mobilise financial and technical resources for the implementation of TFCA activities." So SADC developed a TFCA Programme to support TFCA planning and development (SADC, 2013).

Donor funding for TFCAs through SADC resulted in the creation of the *SADC TFCA Framework* within which the *SADC TFCA Programme* (2013) could be established. The programme brings together the variety of actors and stakeholders that are impacted by the creation of TFCAs. The programme envisions the region to become a "model of community centred, regionally integrated and sustainably managed network of world class transfrontier conservation areas" (SADC, 2013). To achieve this vision, seven key component need to be addressed according to SADC, including policy harmonisation and advocacy, sustainable financing, capacity building, data and knowledge management, local livelihoods, climate change vulnerability and TFCAs as marketable tourism products. SADC also set up a specialised SADC agency with an internet portal for TFCA stakeholders for sharing ideas and the generation of debates. The SADC TFCA Programme and its internet portal have become tools for dialogue amongst stakeholders that find themselves in remote locations with little opportunity to meet.

5.3.3. Multiple-stakeholder partnerships

Southern Africa's TFCAs involve cross-country and multi-stakeholder dynamics. In order for these dynamics to deliver on their environmental, social and economic potential they have to be able to rely on and create tangible benefits for a range of stakeholders, especially local communities, tourist entrepreneurs and tourists. In order for local communities to participate, they have to see tangible benefits such as safe villages, economic stimulation and development. The domestic or local tourism industry seeks to benefit from increased numbers of ecotourists through the scaling up of the size of transboundary parks.

For private sector tourism transfrontier parks provide clear prospects and incentives of profit making. For public and community-run tourism initiatives, the prospects are less clear and harder to manage as profitability has to be balanced with social goals such as job creation. These community based projects face different hurdles that make the benefits of stimulating rural economies through conservation and ecotourism more elusive (Schoon 2008). Some TFCAs have worked hard on incorporating the communities within their boundaries; others demarcate borders around community land to safeguard farming communities and their crops from wildlife. The parks that seem to be working and progressing best are those situated in areas where borders transect one ethnic group. On both sides of the Zambia-Malawi borders, for example, one finds the same ethnic groups, sharing language and culture. The Swaziland-South Africa border offers a counter-example with strict border controls and little contact between ethnic Swazis and South Africans.

Some SADC member states that are traditionally seen as weak participants within regional processes, like Angola and the DRC, have demonstrated a keen interest in TFCAs. The DRC is active in the establishment of parks, even beyond working with its SADC counterparts. (Language barriers don't seem to impede progress within the TFCA's, which perhaps shows that initial assumptions about language barriers resulting in slow regional integration progress should not be over emphasised.) Angola has made progress with signing a Treaty to establish the Kavango-Zambezi TFCA with Botswana, Namibia, Zambia and Zimbabwe. In this TFCA, country interests were sufficiently aligned. Moreover, early participation of different categories of officials (in this case, border managers, park rangers, health inspectors, and others) proved to be effective and to add a level of commitment as they became involved in removing numerous stumbling blocks.

5.3.4. Networked problem-solving

When comparing the two oldest TFCAs in Southern Africa – the Kgalagadi Transfrontier Park and the Great Limpopo Transfrontier Park – Schoon (2008) emphasises the network character of the governance at different levels of these TFCAs. While decisions arise from within sovereign states, there is some independence in the implementation, with joint working groups seeking to coordinate action rather than dictate it. The network involves different tiers of actors at different levels, with local NGOs and park officials playing active roles, but also international NGOs and management bodies involved in cross-border level cooperation to collectively seek the advancement of the park.

At all these levels, and depending on the context, there are different sorts of issues to address or problems to solve. This makes it hard to clearly circumscribe or define the 'sector characteristics' of transfrontier park management. Issues to address range from the local matters of animal husbandry, eco-management, to security, visa and border crossing issues. More intricate challenges revolve around whether law enforcement officials can be granted the right to work within neighbouring territories. However, there is severe pressure on these eco systems, with poachers ending as winners when things are left unresolved. In fact, the on-going scourge of rhino poaching has brought the Greater Limpopo Transfrontier Park to the brink of being closed. There are talks about reintroducing fences in order to apprehend poachers that cross from South Africa into Mozambique via the park and disappear into Mozambique where South African law enforcement officials have no authority.

However, in some TFCAs these pressing challenges have turned into opportunities for overcoming collective action failures and ensuring proper regulation and coordination. One shared concern across borders relates to how countries can effectively cooperate around poaching when law-enforcement agencies are not integrated and no institutional arrangements are in place to allow foreign law enforcers to operate within neighbours' borders. Malawi and Zambia offer an example of looking for hands-on solutions that fit the context in which they operate. Both countries established a Joint Anti-Poaching Unit, with a wildlife law enforcement advisor coordinating the Zambia Wildlife Authority's anti-poaching programme and Malawi's Department of National Parks and Wildlife programme.

There is also opposition to TFCAs, mainly from wildlife officials, established livestock farmers and veterinary services that have concerns regarding the rapid increase of animal diseases in TFCAs. With open borders, foot-and-mouth disease may spread more easily. Beef industries in Namibia, South Africa and Botswana have been vocal in their opposition to TFCAs, as they fear the threat of such animal diseases that spread more easily through borderless transfrontier parks. Domestic animal keepers have similar concerns regarding the management of animal diseases and how these can be contained from spreading across borders.

5.4. External factors: tourists and donors

Two external factors – tourists and donors – are in varying degrees and in different ways important for the sustainability of TFCAs and the roles of SADC. Tourists are important for TFCAs as they help shape the incentive environment through their buying power, enabling the alignment of interests among key actors, communities and stakeholders at different ends of the frontiers. SADC is, among other things, involved in attracting more tourists to Southern Africa through joint promotion of SADC as a tourist destination, and the introduction of a unique visa for all SADC member states (UNIVISA). To that end, SADC member states signed the Protocol on the Development of Tourism in 1998. The UNIVISA system would allow international and regional entry and travel of visitors to occur smoothly with an operational date set for 2002. It was estimated that the SADC tourism industry could see an annual growth rate of between 3-5% as a direct result of a UNIVISA, although the effects would be felt more in some member states than in others (GRF Tourismusplanung, 2010). This system has not been introduced yet, but work is ongoing by the UNIVISA Working Group, consisting of a group of countries made up of Mozambique, Namibia, Swaziland, Angola, Lesotho, South Africa and Zimbabwe. In the absence of the region-wide UNIVISA some member states within TFCAs have come to internal bi-or trilateral agreements to allow tourists to clear customs in one country, move freely within the park and across national borders of participating countries without additional visa procedures, as long as tourists exit via the same entry point (see Box 2).

There are a few ways in which donors have influenced the institutionalisation of TFCAs. Initially, donors or multilateral agencies were involved in the feasibility studies for TFCAs. Later, some donors may have nudged the SADC Secretariat in the direction of taking on more active roles in TFCA processes than they initially may have wanted to take on. Donors preferred to channel their aid for TFCAs not directly to member states involved in TFCAs, but through the SADC Secretariat. This resulted in the establishment of the SADC TFCA Framework, and the creation of the TFCA Programme to support TFCA planning and development (SADC, 2013). Initially SADC member states had agreed that the SADC Secretariat would not play an active role in TFCAs, as this was a bilateral or trilateral matter for concerned member states. In a later stage of the TFCA process, member states have asked SADC to become involved, especially in the legal framing.

Box 3: The KAZA Transfrontier Conservation Area

The Kavango-Zambezi TFCA (KAZA-TFCA) is situated in the Okavango and Zambezi river basins and is the world's largest TFCA spanning around 520.000 km^2 (roughly the size of France). A treaty established the KAZA-TFCA and a secretariat in 2011. The Treaty has now been ratified making it a legally constituted entity. The member states include Angola, Namibia, Botswana, Zambia and Zimbabwe. A project team has been appointed to develop an Integrated Development Plan, which should be based on the five Integrated Development Plans of the member states involved. According to the PPF annual report, "the IDP process is a comprehensive and participatory planning process that aligns the planning and development of the different tiers of government with those of the private sector and communities. It also informs that national development strategies of the member states." (Peace Parks Foundation, 2014).

This policy harmonisation process has also made provision for commissioned studies on the best way forward in various areas, including resource management (wildlife corridors, shared watercourses, species conservation), tourism (responsible tourism, linkages between member states, single park entry fees) and legislation on the recognition of the TFCA in national laws.

The free movement of people in SADC is still a very contentious issue and little progress has been made in this regard within the overall SADC agenda. However, through the cross-country cooperation in the context of KAZA-TFCA, progress has been made. A mechanism for issuing UNIVISAS between Zambia and Zimbabwe has been established. Tourists will now only have to purchase one visa at $50 and not two. The points of entry where the KAZA visa will be available are the Kenneth Kaunda International Airport, Harry Mwaanga Nkumbula International Airport, Victoria Falls, Harare International Airport as well as Kazungula and Victoria Falls border posts. It is still seen as a pilot project with strong support from the World Bank, but it does show that there is political will to ensure coordination and cross-country cooperation in the tourism sector. Zambia has also recently relaxed its yellow fever vaccine requirements for travellers to the country as great strides have been made in declaring Zambia yellow fever free. In sum, the KAZA example shows that integration can proceed with a small(er) number of countries if the willingness exists with public authorities with strong backing from interested constituencies.

The Regional Tourism Organisation of Southern Africa (RETOSA) is now working on expanding the concept to other TFCA's and SADC in general.

5.5. Conclusion

The idea and concept of TFCAs has taken hold across Southern Africa and all SADC member states are involved in TFCA processes in one way or another. In the facilitation and promotion of TFCAs, SADC plays a role, but not a dominant nor a central role. In fact, the transfrontier park's model has been pioneered by a non-state actor, the Peace Park Foundation, which brokers transfrontier cooperation and coalitions in order to align the interests of multiple state and non-state stakeholders. Resistance to transfrontier conservation areas is generally low. Furthermore, the countries involved were not asked to sacrifice sovereignty, but merely to make a series of small steps in order to alter regulatory frameworks for a narrow target group with no effect on state security, or migration flows to name but two sensitive policy issues.

Tourism has become important for TFCAs as it underpins the shared incentive environment for aligning most stakeholders, whether public actors involved in management of conservation parks and raising taxes, border management, law enforcement, but also private sector actors in the tourist value chain, local communities in or near such conservation areas, departments of finance, and many others. Globally, economies are showing slow growth in manufacturing, yet tourism figures - and the income generated from this sector – keep rising.

Ownership for the TFCA processes seems to firmly rest with domestic actors, with SADC in a supportive role. A likely explanation can be derived from the aligned interests – including from SADC member states – in attracting foreign tourists. Numerous regulatory and practical problems need to be resolved, including conflicts with stakeholders with different interests (such as commercial cattle farmers) or cross-border poaching. Single actors cannot do so. An effective TFCA model, therefore, is one of well-facilitated, hands-on multi-stakeholder cooperation to create an attractive environment for tourists, with roles for member states, agencies, NGOs and civil society organisations across borders. SADC has been asked by the member states to contribute by providing a broader legal framing for the TFCA institutionalisation. The roles of PPF evolved, and it now has become a specialised NGO that facilitates multi-stakeholder cooperation.

6. Overall conclusions

This political economy study of the Southern African Development Community (SADC) has analysed three sectors and gender to shed light on development opportunities and challenges in regional cooperation and regional integration. More specifically, this study has tried to identify structural and institutional factors, actors, specific sector characteristics and external variables that shape the SADC regional agenda and the implementation of agreed policies. The following main conclusions can be drawn.

Foundational and structural factors have shaped Southern Africa's troubled past, and continue to influence the regional cooperation and the performance of its regional organisations, including SADC. When its predecessor, the Southern African Development Coordination Community, transformed into SADC in 1992, this event marked a profound transition from a regional organisation with a restricted mandate and a lean structure into one with a more inclusive membership and broader, development oriented agenda of regional integration, including market integration. When a democratic South Africa joined SADC in 1994, this marked the end of an era of apartheid rule in South Africa and its military and repressive dominance of the region, with optimism about the prospects of peaceful cooperation in all spheres of the expanding SADC agenda in a stable region.

This political aspiration and spirit of cooperation could not hide the more sobering reality of the underlying foundational factors such as wide disparities in Southern Africa with poorly developed and smaller economies, with weak industrial sectors that are competing for market share with the South African powerhouse. South Africa also faces strategic vulnerabilities, such as water shortage, energy dependency and transport bottlenecks. These structural features are not the only ones that shape the incentive environment in which SADC operates. For a more rounded picture of political economy features, the study has looked into three sectors – industrialisation, energy, environment/tourism – and one cross-cutting theme that are high on the regional agenda. By narrowing the focus on four cases, the study presents additional insights on sector related political economy features, including the key actors and their interests and incentives, and the external factors that influence the domestic incentive environment and policy outcomes.

In the case of regional industrialisation, SADC member states face – besides their structural differences – widely diverging interests and incentives. Pushing an industrialisation agenda seems to provide a convenient way for certain SADC member states to draw attention away from their lack of compliance on earlier commitments. Zimbabwe in particular had a problem with reduced income from falling import tariffs under the SADC Trade Protocol. Multiple memberships by many SADC member states of other Regional Economic Communities also limit the available policy options on industrialisation in SADC. External influences include the technical support from UN agencies in support of developing and debating such regional industrial policies, as well as the trade agreements with the EU. The latter typically restrict the use of possible national and regional policy tools for industrialisation such as expert taxes, infant industry protection and quantative measures.

In the case of Southern Africa's energy/electricity sector, SADC established a specialised regional organisation in 1995. This Southern African Power Pool (SAPP) was created to promote regional electricity trade and energy security in the region. Yet it was South Africa that proved to be the pivotal player in the ups and downs of the SAPP and the regional electricity market. Initially, interests and incentives of the members of SAPP were aligned. Some SADC member states had an interest in selling their electricity as they produced surpluses. Others were interested in buying that surplus due to shortages. South Africa had a surplus of cheap electricity. SAPP was effective in providing services to its members and creating a regional electricity market. But in the mid 2000s a homemade electricity crisis in South Africa (with rising electricity consumption and weakly managed production capacity) coincided with a drought in the region, an external variable that dried up parts of the generation capacity for hydroelectricity in the region. The resulting electricity crisis created a critical juncture that drastically altered the incentive environment in South Africa and in the region and negatively affected the prospects of a regional electricity market through SAPP. This crisis – by weakening the position of South Africa's state-owned monopoly electricity company – also created opportunities for emerging independent electricity producers, including those producing non-coal based or renewable electricity. However, faced with such electricity shortages in South Africa and the region, SADC member states have reverted to bilateral arrangements, leaving the future of the SAPP and the regional energy market undecided.

The gap between SADC policy and implementation by member states (ratification of protocols and application through national institutions) has been a recurrent feature in this and other studies about SADC. In the case of gender, there is strong policy support within SADC as expressed through policy statements, organisational structures and regional sensitisation programmes. But implementation at national level lags behind. In those matters where a regional organisation can make a difference beyond sensitisation and norm setting – for example the abuse of women in cross-border trade in the region by border officials – there seems to be little concrete evidence of contributions through SADC.

Regional cooperation in the case of Southern Africa's *Transfrontier Conservation Areas* (TFCA) followed a different trajectory from the other sectors and from gender. TFCA processes are driven by a different set of stakeholders and their trajectories follow a different pattern. In 1999 SADC agreed on a policy and a Protocol on Wildlife Conservation and Law Enforcement. Yet it was a specialised not-for profit organisation that kick-started the launch and implementation of a cross-border cooperation model around transfrontier parks in Southern Africa. This bottom-up model tries to adapt to the context and align the interests and incentives of a diverse group of state and non-state stakeholders, including local communities, park managers, tourist boards, specialised non-governmental organisations, various departments in neighbouring countries, and others.

Specialised brokers are needed with the technical and political capabilities for multi-country cooperation that involves coalition building for adaptive problem solving as there are fine balances to be managed between multiple interest groups in the fragile ecological and socio-economic contexts of nature reserves. As in most TFCAs, foreign tourists provide the economic underpinnings and incentives for private and public actors for cross-border cooperation, and can be considered as *external drivers*. The Asian market for exotic *park products* such as Rhino horn and ivory tusks are an external blocker as it stimulates poaching in the transfrontier parks, posing serious challenges that cross-border cooperation needs to address.

Meanwhile, member states have mandated SADC to support the establishment of such TFCAs by creating the legal framework for these initiatives to further mature and institutionalise. SADC involvement in TFCAs differs substantially from the top-down, protocol driven approaches in the other sectors, and highlights a number of political economy actors and factors that shape effective regional dynamics and institutions.

Implications

This political economy study of SADC in three sectors and gender points to a number of implications for stakeholders with an interest in effective regional cooperation. Key aspects for consideration for policy makers, donors and other interested stakeholders in deciding on the level of ambition of reforms, the choice of sectors or policy issues to work on, and selection of reform coalitions to engage with (combination of partners, stakeholders, interest groups) can be summarised as follows:

- South Africa's dominant position in the region is a foundational factor of SADC that cannot be wished away but needs to be factored in in the political economy analysis, as this provides pointers for better identifying opportunities or areas of regional reforms.

- Sectors and sub-sectors differ in their appeal to powerful state or non-state actors, or coalitions of stakeholders. Ignoring these political economy dimensions of sector characteristics results in overambitious and poorly targeted reform agendas and in missed opportunities for coalition building and incremental institution building.

- The case of the SADC Industrial Policy indicates the limitations of engaging in overly ambitious agendas; the case of the Southern African Power Pool highlights how external crises can profoundly alter the incentive environment. In both cases and sectors, however, the incentives and interests of powerful stakeholders within these countries are pulling in different directions. This calls for realism and for engagement strategies that are geared to await the appropriate opportunities and/or to prepare the ground by supporting change coalitions.

- The regional cooperation model and experiences of the *Transfrontier Conservation Areas* are a reminder that transnational and regional cooperation processes can be initiated and driven by other than regional organisations. SADC is supportive in these processes, though not leading.

- SADC's heavy dependence on donor resources brings about risks in terms of agenda inflation, further distortions in the governance and accountability relations between SADC and its member states, and missed opportunities for support to more promising, bottom-up regional dynamics around particular problems or driven by effective coalitions.

- On gender, the implication would be to prioritise stakeholders who are able to mobilise coalitions around gender-related across the border or regional challenges in sectors with potential for scaling up policy actions.

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Annex I – Overview of SADC formal institutions

SADC Institution	Membership	Mandate	Frequency of Meetings	Effect / Implications
The Summit of Heads of State or Government	Heads of State of each Member State	Supreme policy-making unit for all institutions and member states Decision-making by consensus	Twice yearly	Implementation of decisions made by Summit are up to member states discretion. Nothing in the SADC Treaty to enforce implementation or to establish supremacy over national laws Not possible to make decisions that could be favourable to the region but with adverse effect on one or two member states, therefore sum of nations rather than supranational institution
The Organ on Politics, Defence and Security Cooperation	Chairperson and Deputy appointed by the Summit Ministerial Committee of member states' Ministers of Foreign Affairs, Defence, Public Security or State Security	Promotion of peace and security, prevention of breakdown of law and order, development of common foreign policies, enforcement of international law, promotion of democracy Reports to Summit		Not independent from Summit No checks and balances
The Council of Ministers	One Minister from each member states	Oversees functioning and development of SADC Implements policies Oversees project implementation Recommendations to Summit Develops and implements SADC common agenda and strategic priorities Decision-making by consensus Reports to Summit	At least four times per annum	No power to make binding decisions, this delays and impedes its activities
The Integrated Committee of Ministers	Two Ministers from each member state	Monitoring of core areas of integration including trade, industry, finance and investment, infrastructure and services, food, agriculture and natural resources, social and human development	Once per annum	No real power to steer policy direction or chastise where integration is not progressing

		Decision-making by consensus Reports to Summit		
The Standing Committee of Officials	One permanent secretary from member state SADC national contact points	Technical Advisory Committee to the Council Processes documentation from Integrated Committee of Ministers Decision-making by consensus Reports to Council	Four times per annum	Largely administrative and the work-horse of SADC
The Secretariat	Staff appointments from SADC member states and donor technical assistance secondments. The Secretariat has around 200 permanent staff members and another 100 project staff members.	Principal executive institution Organising, mobilising, coordinating, implementing and administering policies and programmes Executive Secretary – appointed by summit four year term (renewable once)	Daily	Summit appointment means Executive Secretary can not chastise non compliant member states Secretariat has no compliance powers, therefore merely an administrative body, largely ineffective
The SADC Tribunal	Ten judges with a president, five are regular members, five called in when needed Five-year terms (renewable once)	Should have been cornerstone of regional integration	As need arises	See separate discussion in text
The SADC National Committees	In each member states the stakeholders from government, private sector, civil society, NGOs, workers and employers associations	Provide input to SADC agenda from the national level Coordinate national level implementation of SADC policies and programmes		Should be the bottom-up approach to regional integration, but generally very weak, not same level of importance as Ministries of EAC Affairs in East Africa
SADC Parliamentary Forum	Parliamentarians of SADC member states – a maximum of five representatives are nominated by the national parliaments	Strengthening of SADC policy implementation through the involvement of parliamentarians No legislative powers Only knowledge sharing on protocols, policies and programmes within member states	Twice per annum	No significant contribution, have not been able to push for or promote protocol ratification or national implementation of SADC policies
The Troika	Troika principle applies to the Summit, the Organ, the Council, the Integrated Committee of Ministers and Standing Committee of Officials – Troika consists of outgoing, incoming and current chair, which is the Head of	Decision-making, implementation and policy-direction in-between other meetings of the institutions Effective coordination	In-between other meetings	Perpetuates self-interest although it could promote efficiency

	State or government of one of the member states. As such, the chair as influence over agenda-setting and leads and directs the organisation for that particular year.			

This table has been compiled from the Chapter written by Afadameh-Adeyemi and Kalula in the tralac publication 'Monitoring Regional Integration in Southern Africa Yearbook, 2010, with additional own interpretation and analysis.

Annex II - Table comparing the SADC and EAC gender approach

Agenda	SADC	EAC
DIFFERENCES		
Legislation	Provision: SADC has a Protocol on Gender and Development (2008), which provides a legal framework for gender mainstreaming in addition to the provisions found in the SADC Treaty. Driven by: SADC Gender Protocol Alliance, which is a network of gender NGOs, country theme clusters and special interest groups, and acts as a strong gender lobby group with influence at the highest level. Effect: The acceptance of the Protocol has elevated the space, leadership, institutional development, budget, human resources and intervention for women empowerment and mainstreaming. This has impacted on allocation of considerable finances and human resources for pushing the gender agenda in SADC, although this funding is mostly donor driven.	Provision: None. The EAC has no law regulating gender mainstreaming and women empowerment in the region. Although there is a proposed draft regional Bill on gender and women's empowerment, this is far from being enacted. This means that EAC will continue to perform *adhoc* gender interventions. Women have continued to lose in this scenario. Driven by: There is a lack of strong actors that can drive the gender agenda at the EAC level. Effect: The lack of legally binding provisions of gender equality and the advancement of women.
Policy	Provision: SADC has a progressive gender policy and a workplace policy for gender, which guides the community on a comprehensive, multi-sectoral and partnership based intervention for gender mainstreaming. This has provided the necessary guidance on gender mainstreaming and women empowerment in the region. Implementation deficit: However, the implementation of these policies has lagged behind which continues to defeat the purpose for its establishment. Therefore, women continue to lose out on their empowerment as envisaged by the policy and on the economic benefits accruing from regional economic integration.	Provision: None. The EAC does not have a gender specific policy as a basic guideline for mainstreaming gender in the EAC. Effect: This has limited the implementation of gender interventions at regional and national levels. Women in specific and girls have continued to lose out on the economic benefits and engagement in the last 15 years of the EAC integration process.
Power, control and decision making	Political signal: SADC shows high levels of political commitment at the policy and institutional level, which has fast tracked the development of laws, policy and strategy on gender in their integration process. Implementation deficit: However, women are still excluded in decision-making and gender and women's issues are not given adequate attention and often relegated to the periphery.	Political signal: The position is similar within the EAC. Implementation deficit: Women have been left out of key policy and decision-making processes within the integration agenda. Gender and women's empowerment issues are not given due attention and importance.
Procedures and rules (REC roles and responsibilities)	Provision: SADC has well-established procedures and rules with clear roles and responsibilities and commitment to integrate and mainstream gender issues at institutional and programmatic levels with the view of empowering women in the integration process. SADC rules of procedures for employment and decision making, employment and programme implementation in addition to the available different tools and documents to guide this process. Effect: This creates visibility of duties and obligations for employment practices, with potential for monitoring, peer pressure, etc.	Provision: Gender commitments have not been translated to actionable policies and strategies. Effect: This has not resulted in any change regarding the majority of men attending and participating in the EAC decision-making process compared to women. The nominations at national level are done with men whose nomination to the EAC meetings has largely been male dominated. This has created gaps in the implementation of the gender agenda and thus women have lost out on the opportunity to stand on an equal footing with their male counterparts in the EAC integration process.

<table>
<tr><td>Human and financial resources</td><td>Provision: The SADC Gender Unit and the Parliamentarian Forum are well resourced in terms of human and financial resources for the implementation of the gender commitment, mainstreaming toolkits and indicators. However, the bulk of the financing still comes from donors, which begs the question about the true commitment of gender mainstreaming within the member states. Additionally, the Gender Unit needs more technical/skilled staff to lead on critical issues such as gender focused trade, private sector development, financial services and public sector budgeting.</td><td>Provision: The EAC Gender and Community Department currently has no staff with the relevant human resources and finances to conduct the duties of the department.
Effect: This has seriously impeded the functioning of the department and advancing the gender agenda in the EAC integration process.</td></tr>
<tr><td>Structure and institutions</td><td>Provision: SADC's Gender Unit is strategically positioned within the Secretariat and its head reports directly to the Executive Secretary.
Effect: This has sped-up and eased the decision making process on issues relating to women on social and economic benefits.</td><td>Provision: The recent establishment of the Sectoral Committee on Gender and Community will help to initiate and discuss gender specific issues. However, this committee is yet to commence work and will, in addition to gender, discuss other issues on children, youth, the disabled and civil society.
Effect: Gender may be drowned in the overfull and non-specific agenda of the Sectoral Committee.</td></tr>
<tr><td colspan="3">SIMILARITIES</td></tr>
<tr><td>Promotion of women in trade</td><td colspan="2">Both the EAC and SADC make clear reference, in most instruments, to supporting and promoting businesswomen. However, clear and specific strategies and operational plans are yet to be developed and implemented in this regard.</td></tr>
<tr><td>Treaty commitment on gender equality & equity principles</td><td colspan="2">All RECs recognise the importance of gender equality and equity as a human right and have committed themselves to promote gender equality and equity. They have dedicated articles in their Treaties to this end, for example Article 6 (2) of the SADC Treaty and Article 122 of the Treaty for the establishment of the EAC.</td></tr>
<tr><td>Commitment to International Instruments on gender equality and equity</td><td colspan="2">Both the EAC and SADC are parties to international and sub-regional instruments on gender equality such the Dakar Platform for Action (1994), the Beijing Declaration and Platform for Action (BPFA)(1995), the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) (1997), the Millennium Declaration and Millennium Development Goals (2000), the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (2005) which further guides gender mainstreaming.</td></tr>
<tr><td>Women in political & decision making positions</td><td colspan="2">Both RECs have demonstrated affirmative action in the promotion of women in decision making. Women hold powerful positions in both Secretariats; however this situation could be improved. Notably, SADC has developed and is implementing a gender policy for the workplace.</td></tr>
<tr><td>Stakeholders involvement</td><td colspan="2">Both the EAC and SADC recognise in their constitutive Treaties the importance of involving the private sector, and civil society and other interest groups in the integration process. However, a key gap is the involvement of women in the RECs' trade policy formulation processes and negotiations.</td></tr>
</table>

Annex III – SADC protocols – signature, entry into force and ratification

	Protocol	Date Signed	Entry into Force	Ratifications
1	SADC Immunities and Privileges	1992	1993	10
2	Transport, Communications and Meteorology	1996	1998	12
3	**Trade**	**1996**	**2001**	**12**
4	Combating Illicit Drug Trafficking	1996	1999	11
5	**Energy**	**1996**	**1998**	**12**
6	Mining	1997	2000	10
7	Education and Training	1997	2000	11
8	Development of Tourism	1998 (2009)	2002	9
9	Health	1999	2004	9
10	**Wildlife Conservation and Law Enforcement**	**1999**	**2003**	**9**
11	Shared Watercourses	2000	2000	10
12	Legal Affairs	2000	2004	6
13	Culture Information and Sport	2001	2006	9
14	Politics, Defence and Security	2001	2004	9
15	Fisheries	2001	2003	10
16	Control of Firearms, Ammunition and Other Materials	2001	2004	9
17	Against Corruption	2001	2003	9
18	Extradition	2002	Not yet in Force	7
19	Forestry	2002	2009	5
20	Mutual legal Assistance in Criminal Matters	2002	2007	5
21	Finance and Investment	2006	2010	n/a
22	Science and Technology and Innovation	2008	Not yet in force	n/a
23	Gender and Development	2008	2013	n/a
24	Trade in Services	2012	2012	n/a

From: website – www.sadc.int, http://www.sadc.int/documents-publications/protocols/ (downloaded, November 2015).

Annex IV: Interviews conducted

Name	Position	Institution
Oswell Binha	President	Business Council of Southern Africa
Matthias Bresser and colleagues		GIZ (on SADC)
Peter Draper		Tutwa Consulting (on SACU study)
Prof Roman Grynberg	Senior Research Fellow	Botswana Institute for Development Policy Analysis
Ulli Klins		Southern Africa Trust
Saul Levin	Director	TIPS
Prof Gavin Maasdorp	Transport and Infrastructure Specialist	Imani Development
Themba Mhlongo	Deputy Executive-Secretary	SADC
Bruno Merven	Senior researcher: Energy systems analysis and planning	University of Cape Town – Energy Resource Centre
Xolelwa Mlumbi-Peters	Acting DDG ITED	the dti
Dr Lawrence Musaba	SAPP Coordination Centre Manager	Southern African Power Pool
Mbuseli Mziyanda	Market Committee of SAPP	Eskom
Mark Sims	International Trader Manager (Rep on Operations Committee of SAPP)	Eskom
Willem Theron	General Manager – Manager, Southern African Energy Unit	Eskom
Trade officials at Botswana Ministry of Trade and Industry		

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