

8 July 2019



STATEMENT

BY

**HIS EXCELLENCY DR. HAGE GOTTFRIED GEINGOB,
PRESIDENT OF THE REPUBLIC OF NAMIBIA
AND CHAIRPERSON OF SADC**

ON THE

STATUS OF INTEGRATION IN THE SADC REGION

DURING THE

FIRST MID-YEAR COORDINATION MEETING

8 JULY 2019

Your Excellency, Abdel Fattah el-Sisi, President of the Arab Republic of Egypt, and Chairperson of the African Union,
Your Excellences, Members of the Bureau of the AU Assembly,
Your Excellency, Mahamadou Issoufou, President of the Republic of Niger, our host, and Leader on the African Continental Free Trade Area
Your Excellences, Chairpersons of RECs,
Your Excellency, Moussa Faki Mahamat, Chairperson of the African Union Commission,
Your Excellences, Chief Executive Officers of Regional Economic Communities,
Your Excellences, Representatives of Regional Mechanisms,
Ladies and Gentlemen,

I am honoured to deliver this statement on behalf of the 16 Member States of the Southern African Development Community (SADC).

I wish to thank the Government and the people of the Republic of Niger for the warm welcome extended to me and my delegation, and the African Union Commission for organising this inaugural AU-REC Coordination Meeting.

SADC fully aligns itself with the continental integration agenda as espoused in the 1991 Abuja Treaty establishing the African Economic Community, whose objective, among others, is to promote economic, social and cultural development and the integration of African economies in order to realise the African Economic Community. The Treaty further recognises that Regional Economic Communities (RECs) are the building blocks. By making RECs the building blocks of the continental community, the Union subscribes to the principle of subsidiarity that governs the division of powers and responsibilities between AU and RECs.

This AU-REC Coordination Meeting, therefore, allows us to take a critical look at the progress made in implementing and meeting the objectives of our integration agenda, and provides us with a unique opportunity to take stock of our synergies with the AU Agenda and programmes. I am confident that we will learn from each other, and be able to chart our way forward in positioning ourselves to meet the Continental Agenda.

Your Excellences, Ladies and Gentlemen

SADC's objectives, as spelt out in the SADC Treaty, are to achieve economic development and growth, peace and security, poverty alleviation and to enhance the standard and quality of life for the peoples of Southern Africa. These objectives are to be achieved through increased Regional Integration built on democratic principles, the rule of law, and equitable and sustainable development. These objectives are in tandem with the objectives of the Africa Economic Community, which seeks to foster economic, social and cultural integration in Africa, as outlined in the Abuja Treaty.

Pursuant to SADC integration agenda and objectives, SADC set itself to achieve key milestones, including the establishment of a Free Trade Area (FTA) by 2008, Customs Union by 2010, Common Market by 2015, Monetary Union by 2016, and Single Currency by 2018.

Our review of the status of integration in SADC reveals that implementation has progressed well, notwithstanding some challenges, including multiple membership to RECs by SADC Member States. To address this challenge, SADC has pursued a **developmental approach** to integration that focuses on sectoral cooperation.

This developmental approach is premised on four interdependent priority areas; namely:

- industrial development and market integration;

- infrastructure development in support of regional integration;
- peace and security cooperation; and
- special programmes of a regional dimension.

These priority areas are aligned to the African Union Agenda 2063. With the developmental approach, the set milestones (from FTA in 2008 to single currency by 2018) remain relevant in the long-term.

Key Achievements on Industrial Development and Market Integration include:

- i. The SADC Free Trade Area was launched in August 2008, which now covers twelve (12) of SADC's sixteen (16) Member States and has led to an increase in intra-regional trade in SADC to above 22% of the Regional GDP, compared to the pre-FTA era high of around 16%.
- ii. The SADC Industrialisation Strategy and Roadmap (2015-2063), and its action Plan (2015-2030), which aims to facilitate technological and economical transformation of SADC economies, was adopted and its implementation is on course.
- iii. The SADC Financial Inclusion Strategy and SME Access to Finance, which has paved way for the development of financial inclusion in SADC Member States.
- iv. A framework for centralization of the bond markets in the SADC Region to remove existing barriers to capital market growth in the region and allow listing and trading of government stocks/bonds on stock exchanges.
- v. SADC Model Double Taxation Avoidance Agreement that assists Member States in the negotiation of tax avoidance agreements, which are critical for investment and businesses.

- vi. SADC cross-border Real Time Gross Settlement System (SADC-RTGS) that has improved efficiency and reduced transaction costs. The system has performed impressively with 81 banks participating, and over 1.2 million transactions settled by end of 2018, representing ZAR5.21 trillion worth of SADC's intra-regional trade.

Progress made under Infrastructure Development in Support of Regional Integration include:

- i. Development and implementation of the SADC Regional Infrastructure Development Master Plan to improve the Region's transport infrastructure for surface, air and intermodal transport to deepen integration and boost intra-regional trade within southern Africa. This has also facilitated a Corridor Development Approach towards seamless transport services; and establishment of One-Stop-Border Posts to reduce transaction costs. The RIDMP is aligned to the AU's Programme for Infrastructure Development in Africa (PIDA).
- ii. Establishment of the Southern African Power Pool Coordination Centre (SAPP CC), which provides a platform for power utilities within the Region to share electricity loads and manage surpluses and deficits. To date, 16 power utility companies from 13 SADC Member States are SAPP members.
- iii. Investments in renewable and non-renewable energy forms in the electricity sector has enhanced the capacity for surplus electricity generation capacity registered since 2017 after a decade of power deficits which began in 2007.
- iv. The establishment of the SADC Climate Service Centre, which collects, analyses, and disseminates information on weather and climate patterns to Member States, which facilitates preparedness and early response to climate-related disasters.

Peace and Security

In the area of peace and security, SADC has put in place mechanisms that play a pivotal role in the area of preventive diplomacy, mediation, conflict prevention and resolution. Some of the achievements include:

- i. The *SADC Principles and Guidelines Governing Democratic Elections* have, since adoption in 2004, facilitated consolidation of democracy and prevention of post-election conflicts.
- ii. The Regional Early Warning Centre (REWC), officially launched in 2010, enables Member States to share information and address emerging issues.
- iii. The SADC Standby Force has strengthened capacity for collective defence and rapid response to security threats through Peace Support Operations, humanitarian assistance and support to civil authorities. The Standby Force was established in 2007, and development of the SADC Regional Logistics Depot (RLD) remains on course. The RLD seeks to put in place a logistics capability to provide mission start-up equipment for the three components of the Standby Force, namely military, police and civilian components. SADC has already allocated US\$10 million for the construction of the RLD and has been working with the African Union Commission in mobilising resources to bridge the resource gap of US\$35 million. We, therefore, encourage the African Union Commission to finalise the ongoing discussion with SADC in this noble cause. This important discussion was initiated by the Chairperson of the Organ on Politics, Defence and Security Cooperation, His Excellency Edgar Chagwa Lungu, President of the Republic of Zambia.
- iv. The SADC Regional Strategy on Women, Peace and Security (2018-2022), which aims to increase participation of women and children in peace and security activities, programmes and projects in the region, in

line with UN Security Council Resolution 1325. Implementation of the Strategy is currently ongoing.

- v. The adoption of the SADC Counter-Terrorism Strategy (2016) to strengthen the region's peace and security infrastructure. The Strategy has enabled a common approach in the fight against terrorism and violent extremism.

Developments on crosscutting issues that are of a regional dimension in support of regional integration include:

- i. The SADC Pooled Procurement Services whose objective is to coordinate the development and harmonisation of policies, guidelines and legislation for Procurement and Supply Management of essential medicines and health commodities, further ensuring exchange of information among Member States to enhance joint-negotiation and procurement, which will result in price reductions and procurement of high-quality medicines.
- ii. The SADC HIV and AIDS Cross Border Initiative (CBI) as one of the responses to the HIV and AIDS pandemic.
- iii. Adoption of the Windhoek Declaration on Malaria Elimination by SADC Heads of States and Government, which places malaria at the top of the Region's agenda.
- iv. The SADC Portability of Accrued Social Security Benefits Policy Framework, which is part of the regional integration agenda as espoused in the RISDP.
- v. The SADC Regional Agricultural Policy and its Investment Plan (2017-2022), which is aimed at increasing agricultural production, productivity and competitiveness; increasing access to markets and trade

agriculture; reducing social and economic vulnerability in the Region; and improving food and nutrition security in the SADC Region.

Your Excellences, Ladies and Gentlemen,

Despite these achievements, our efforts towards attaining regional integration have also encountered some challenges including:

- i. Multiple and overlapping membership of our Member States to various Regional Bodies, a challenge which SADC hopes will be addressed through the operationalisation of the COMESA-EAC-SADC Free Trade Area, and the establishment of the African Continental Free Trade Area whose operational phase was officially launched yesterday. We, therefore, need to expedite the operationalisation of these initiatives while recognising that the Tripartite COMESA-EAC-SADC Free Trade Area is inevitable, if we are to expedite the continental Free Trade Area;
- ii. Some plans and commitments are either unrealistic or are not fully owned by Member States. This negatively affects implementation of the plans and the ultimate realisation of the set milestones. We, therefore, need to ensure that the Plans are realistic, and all Member States are fully consulted and subscribe to them;
- iii. Inadequate participation of the private sector in Regional Integration. We need to effectively bring on board the private sector as a critical partner to regional integration;
- iv. Lack of prioritisation and implementation of plans and activities that promote regional integration.

In view of these challenges, our commitments need to be matched by ownership, realism, commitment and actions at all levels.

Your Excellences, Ladies and Gentlemen

In conclusion, I would like to state that the implementation of our integration agenda and objectives, as outlined in the SADC Treaty, has progressed well despite some challenges. SADC has been successful at many levels and across a wide range of areas relating to regional cooperation and integration.

At continental level, the current situation of overlapping mandates and duplication of efforts among RECs and between RECs and AU undermines progress, and needs to be resolved as a pre-condition to accelerating continental integration. There is need for absolute clarity of roles and responsibility between AU and RECs, and the principle of subsidiarity should provide the basis for effective division of labour, bearing in mind the financial challenges being faced by Member States. In this regard, Member States should direct and take ownership of the formulation of policies and programmes at the regional and continental levels with a view to ensuring value for money.

For Africa, a vast continent of over 1.2 billion people, integration has considerable potentials not only for promoting robust and equitable economic growth, but also for reducing conflicts, and promoting sustainable peace and stability. May I, therefore, call upon all Member States to redouble their efforts in regional and continental commitments, and reap the fruits of integration.

As SADC, we suggest that for our Coordination Meeting to be more effective, more time should be allocated to presentations and discussions on reports on status of integration by RECs. Issues that require attention should be clearly highlighted and presented by the African Union Commission for consideration and decision by the Coordination Meeting.

I thank you.