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FY 2009 FOREIGN ASSISTANCE GOALS

The U.S. Agency for International Development (USAID) Southern Africa Regional program focuses on preventing democratic backsliding and corruption, supporting local institutions working to strengthen health systems and responding to the HIV/AIDS epidemic, and promoting economic growth through increased trade, improved agriculture, and a better-managed environment. USAID is uniquely placed to address cross-border issues and regional concerns throughout the Southern Africa Development Community (SADC). By working closely with SADC, regional institutions, bilateral USAID missions, and U.S. embassies throughout the region, USAID is able to maximize investment in development activities and improve programmatic outcomes. The 14 countries served by the regional program are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Additionally, the regional program directly supports development activities in USAID non-presence countries: Botswana, Lesotho, and Swaziland.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Governing Justly and Democratically

Southern African nations are not homogenous in their approaches to governance, ranging from corruption and lack of political freedoms in Zimbabwe to good governance in Botswana. Yet democratic backsliding and corruption are becoming more prevalent in the SADC region. Democratic consolidation rests on strong government branches, sectors, institutions, and organizations that are capable of serving the interests of the public, and providing the oversight necessary to maintain checks and balances on the executive. Most countries in Southern Africa are not making significant progress toward these democratic aspirations, even though they are embedded in national constitutions as well as regional protocols of the SADC. In FY 2009, USAID strengthened democracies in the region through:

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- The deployment of 40 Members of Parliament (MPs) from the SADC region as international observers in South Africa and Malawi elections. This program added value to regional democratic consolidation by providing MPs, particularly those from opposition political parties, the opportunity to conduct peer reviews of electoral practices.
- A regional anticorruption research project that focuses on political financing and electoral corruption in Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. Findings will be disseminated in FY 2010.

Additionally, USAID focused efforts on opening democratic space in Swaziland. Swaziland remains a significant outlier in terms of human rights abuses and lack of respect for the rule of law. Traditional and formal leadership are often unaware of constitutional rights, in part due to low literacy and an inability to get information, but also because those rights threaten traditional power structures. Civil society organizations that are perceived to promote political agendas are considered a threat to the monarchy, and are vulnerable to government hostility under the law (Anti-Terrorist Act of 2007). Discrimination against women is prevalent at all layers of society, both in the home and public spheres. To address these issues, in FY 2009 USAID:

- Supported advocacy, education, and training on human rights issues as expressed in the constitution.
- Sponsored leadership trainings for 124 young women from around Swaziland to build their capacity as future leaders.
- Trained youth on advocacy strategies to interact with traditional (chiefdoms) and formal (constituency nominated parliamentarians) leaders on human rights issues.
- Trained 10 parliamentarians on designing strategic plans to improve delivery of public goods and services. This strategy development involved the 10 corresponding constituencies in open community workshops and was requested by the parliamentarians, a strong indication of their desire for increased democratic dialogue.

Investing in People

Southern Africa has the world's highest prevalence of HIV/AIDS. While the region is home to less than 2 percent of the world's population, the 10 countries where USAID's regional HIV/AIDS program works account for 30 percent of all people infected by HIV, 27 percent of all children orphaned by AIDS, and 32 percent of AIDS deaths in the world. The three countries with the highest HIV/AIDS prevalence in the world are Botswana, Lesotho, and Swaziland. The disease disproportionately affects southern Africa and has negative consequences across all parts of society—economic, social, political. USAID addresses the epidemic through regional programming, direct management of bilateral programs, and technical assistance with a core goal of developing the institutional capacity of regional and bilateral organizations, which can directly address the epidemic and mitigate the effects of HIV/AIDS on the region.

- Regional efforts are funded both by the USAID regional program and through the President's Emergency Plan for AIDS Relief buy-in from bilateral USAID missions. These programs are highly valued by bilateral missions, which increase their buy-in every year. For example, the Southern Africa Human Capacity Development Coalition program grew from \$1.3 million in FY 2007 to \$7.4 million in FY 2009.

- Through building the institutional capacity of 31 local organizations and collaborating with key regional organizations and donors, USAID increased opportunities for a sustained response to the epidemic at the community, national, and regional levels. Additional results are reported through bilateral reporting mechanisms.
- USAID has contributed significantly to the achievements of programs in the non-presence countries of Botswana, Lesotho, and Swaziland by continuing to manage growing country budgets (from \$43.3 million in FY 2008 to \$52.8 million in FY 2009), increasing numbers of procurements and financing mechanisms (44 in FY 2009), and impressive recruitment achievements (nine new staff members) over the past year, despite a static budget and a lean technical and managerial staff
- USAID offers technical assistance throughout the region on palliative care, assistance to orphans and vulnerable children, human capacity development, human resources for health, and strategic planning and reporting. The technical assistance offered by USAID is recognized for its high quality, as indicated by frequent assistance requests from outside the region, even from other continents.

Economic Growth

Southern Africa accounts for only 1 percent of global merchandise trade. Given the small size of most domestic markets, increased regional and international trade is essential for economic growth and stability. A key factor limiting the region's ability to compete effectively in global markets is an inconsistent and complex trade policy and regulatory environment. USAID, through its trade capacity building activities, reduces trade barriers, increases transparency and harmonization of trade regulations, and promotes intra-regional and international exports. These successes were accomplished through the Southern Africa Global Competitiveness Hub, USAID's primary mechanism for implementation of the African Global Competitiveness Initiative. In FY 2009, USAID accomplished significant achievements:

- USAID support facilitated \$40.17 million of transactions in the textile and apparel, specialty food, and other product categories; 852 buyer-seller linkages; and export capacity building for 137 firms. Many of these transactions were facilitated by participation in international trade shows such as the Fancy Food Show and MAGIC apparel shows in the United States. A company from Botswana producing marula (an African fruit) products received multiple inquiries and linked up with a potential importer of marula products at the Fancy Food Show. This development represents a significant opportunity for rural smallholders who could increase income by gathering marula fruit for processing in Botswana.
- With USAID assistance, a new trade monitoring and compliance mechanism was designed for the SADC Secretariat and is in the process of implementation. The mechanism will assist in resolving disputes and be used to track the progress of SADC countries' regarding tariff phase-downs and removal of non-tariff barriers in line with their obligations under the SADC Trade Protocol and Free Trade Agreement.
- The Trade Hub produced a guide to the SADC Protocol on trade aimed at informing the business community about the terms of the Protocol, and conducted trainings in trade and investment attended by 1,649 people, including 418 women. Additionally, the Trade Hub was the preferred facilitator of key World Trade Organization and World Customs

Organization assessments in the SADC region and was successful at harmonizing four customs procedures with internationally accepted standards.

Agriculture contributes to 35 percent of the SADC regional gross domestic product. Approximately 70 percent of its people depend on agriculture for income, employment, and subsistence. Southern Africa continues to be severely affected by the chronic vulnerability and food insecurity that can last for years due to the region's susceptibility to droughts, floods, plant pests, and animal diseases. The food price increase of 2007-08 also added to food insecurity, especially among the region's most vulnerable people. USAID addresses this vulnerability through the Initiative to End Hunger in Africa by focusing on improving regional agricultural policies, developing best practices and products, and disseminating improved technologies and plant varieties that help overcome the regional susceptibilities. Additionally, USAID links farmers to buyers to provide markets for high-value crops, which can drastically increase household incomes. In FY 2009, USAID supported regional agriculture by:

- Assisting six SADC countries in reviewing and redrafting their seed regulations and other laws (Plant Breeders Rights and Plant Variety Protection regulations) to align them to the SADC technical agreements and allow seed trade to occur across borders.
- Supporting the regional organization Food, Agriculture, and Natural Resources Policy Analysis Network (FANRPAN). USAID has been FANRPAN's lead donor since its inception in 2002. FANRPAN has been recognized by the United Nations Assistant Secretary General, national governments, and international organizations for the quality of its work. In FY 2009, FANRPAN formalized seven strategic partnerships to leverage \$1.9 million in USAID funding for regional agriculture-policy capacity building. The establishment and sustainability of this renowned agriculture policy institution is a critical success of USAID's program.
- Increasing sales from smallholder farmers in targeted cash crops through partnerships with international research centers, regional universities, and the private sector. Farmers in Malawi, Mozambique, and Zambia sold over \$1 million of vegetables, spices (chili and paprika), and oyster mushrooms to the hospitality industry, supermarkets, and processing companies. Farmers expanded the hectareage under these crops as a result of increased demand by the market. These farmers are now earning up to \$3,500 per month from sales of their production.
- Implementing innovative pilot activities, such as demonstrating that growing Irish potatoes as a cash crop would return a farmer \$481 on his labor from 0.18 hectares of land over a four-month cropping period. This translates to \$4 per day on the average size smallholding. Research technicians in Angola, Malawi, Mozambique, and Zambia received training in various aspects of potato research, production, and storage of seed and table potato. Over 374 extension and research staff and 11,496 farmers and processors were trained during the reporting period.
- Supporting the disabled community of Livingstone, Zambia, in growing vegetables for the hospitality industry. Their market has now expanded to include buyers from Botswana, Namibia, and Zimbabwe. The project started with 115 farmers; now 1,186 farmers have adopted the disseminated technologies, and the production of vegetables has grown to meet the increased market demand.

Some of the work that USAID conducts yields few yearly quantifiable outcomes, but will result in once-off large scale, sustainable outcomes. Two such efforts are found in USAID's infrastructure and environment work.

- **Energy Infrastructure:** USAID has been delayed in attaining financial closure of a major new power plant in Botswana, primarily due to South Africa's electricity utility's inability to make commitments for its off-take agreement. The Electricity Supply Commission (ESKOM) is the largest purchaser of power in the region, and their agreement to buy power from the new plant is crucial for the plant to get financing. During the third quarter of FY 2009 and at the request of ESKOM, USAID began discussions and negotiations with the South African Government and ESKOM on the provision of technical assistance and recommendations to overcome policy, financial, and regulatory issues related to ESKOM's ability to sign agreements with independent power producers. If the issue can be resolved, USAID's intervention will have been crucial to the success of a \$6 billion power plant project that will open the door for future power-generation programs. The region struggles with adequate electricity generation within the Southern Africa Power Pool, particularly following extremely low reserve capacity during FY 2008 and FY 2009. This lack of energy is an enormous barrier to increased investment in the region.
- **Environmental Protection:** USAID is getting closer to protecting a 70,000 square-kilometer area of biological significance by upgrading its protected status. USAID has been working for several years with the Government of Angola on declaring upgraded protected status for land along its border area with Botswana and Namibia. Given the sensitivities of land usage, this process has taken several years, and has not yet produced results. Dialogues within the Angolan Government and with communities have occurred to achieve full community buy-in for the change. USAID expects to be able to report this significant accomplishment in upcoming performance reports. Smaller environmental project outputs in FY 2009 included the finalization of an extensive biophysical inventory in southeastern Angola and the installation of solar energy lighting systems in eight remote community campsites in the Okavango River Basin.