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**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



SOUTHERN AFRICA REGIONAL

**COUNTRY DEVELOPMENT
STRATEGY STATEMENT**

FY 82

BEST AVAILABLE

January 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

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SOUTHERN AFRICA REGIONAL PROGRAM
DEVELOPMENT STRATEGY STATEMENT

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SOUTHERN AFRICA REGIONAL PROGRAM
DEVELOPMENT STRATEGY STATEMENT

I. Development Analysis

A. Background

1. Introduction

For AID program purposes, the southern Africa region is defined to include Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia, and once independence is achieved, Zimbabwe. Although the countries of the region share many economic and social characteristics, it is vital to recognize that each is also very distinct, especially when considering regional approaches to development. The national programs and policies of the individual countries continue to be of paramount importance to socio-economic problem solving. Nevertheless, regional cooperation is also necessary to optimize the development process.

Two recent events will continue to have a profound influence on the role of regional development cooperation in southern Africa. These events are the Southern Africa Development Coordination Conference, held in July 1979 in Arusha, Tanzania, and the recently concluded Lancaster House talks on the independence of Zimbabwe.

The Arusha Conference clearly established the priority that the southern African nations themselves have for regional collaboration in the resolution of common development problems. The draft Arusha declaration called for collective efforts in less developed sectors, such as transport and agriculture, with support from the international donor community.

Southern Africa



- International Borders of Southern Africa LDCs
- - - Other International Borders
- +—+—+ Railroads

The Lancaster House talks achieved unprecedented progress toward the resolution of the fourteen year conflict over the establishment of majority-ruled independence in Zimbabwe. In addition to internal domestic manifestations, the Zimbabwe conflict has resulted in serious social and economic dislocations throughout the region, particularly in Zambia and Mozambique. The lifting of United Nations sanctions and, ultimately, the establishment of peace in Zimbabwe will present important regional development opportunities in southern Africa.

2. SADAP

The Southern African Development Analysis Program (SADAP) was AID's response to a 1977 request by the Congress to conduct a "comprehensive analysis of the development needs of the southern Africa region." The final report, Development Needs and Opportunities for Cooperation in Southern Africa, was completed in early 1979 and submitted to the pertinent Congressional Committees.

It is important to emphasize that the Report to the Congress is an analysis, not a plan. It represents a large body of reasoned information upon which planning and programming may be based.

To date, Congress has not held a formal review of the AID Report, nor is such a review now anticipated. Nevertheless, it is quite clear that much of the Report has been read and will be used as background for whatever future programming AID proposes in southern Africa.

A major conclusion of the Report is that "southern Africa's varied distribution of resources and its material geographic interdependencies will require intraregional cooperation to optimize development." Six of the southern African countries (Botswana, Lesotho, Malawi, Swaziland, Zambia, and Zimbabwe) are landlocked and must rely on neighbors with port facilities (e.g., Mozambique, the Republic of South Africa, Angola and Namibia)*. Accordingly, the construction and maintenance of transportation systems are priority requirements, not only for the individual coastal countries, but for the region as a whole. In agriculture, certain countries (e.g., Swaziland, Mozambique, Zimbabwe) offer natural advantages, while others (e.g., Lesotho and Botswana) face chronic food deficits. Relatively small domestic markets in all countries limit the potential for greater industrial self-sufficiency, with the possible exception of Zimbabwe. These examples demonstrate that regional cooperation is an important consideration in the planning of a cohesive development strategy for southern Africa.

B. Development Description

Southern Africa is a diverse region. While poverty, as measured by almost every economic and social indicator, dominates the lives of the people, the region possesses a substantial endowment of resources which could promote long-term, sustained development.

*Zambia is also served by the Tanzanian port of Dar es Salaam.

Table A
BASIC SOCIAL AND ECONOMIC INDICATORS FOR SOUTHERN AFRICA

COUNTRY	Area		Population 1978		Gross National Product (GNP) 1978		Annual Growth Gross Domestic Product (% 1975-1977)		Per Capita GNP* 1978		Annual Growth Per Capita Real GNP (% 1970-77)	Physical Quality of Life (PQLI) 1977
	(000, km ²)	% of Total	(000)	% of Total	\$, Mil	% of Total	%	\$	%			
Angola	1,247.0	21.0	6,739	10.3	2,000	3.9	6.5	297	- 8.4	- 3.4	16	
Botswana	600.4	10.0	747	.9	460	.8	35.0	617	+ 90.0	16.1	51	
Lesotho	30.3	.5	1,279	2.0	360	.6	4.0	281	- 13.3	9.9	48	
Malawi	94.2	2.0	5,780	9.0	1,010	2.0	6.4	175	- 46.0	3.1	30	
Mozambique	766.0	13.0	9,945	15.0	1,360	2.4	0	136	- 58.1	- 4.3	27	
Namibia	823.0	14.0	953	1.0	1,030	2.0	0	1,080	+233.0	.8	38	
South Africa	1,221.0	21.0	27,708	42.0	40,940	76.8	14.3	1,475	N/A	1.1	53	
Swaziland	17.2	.3	526.	.8	310	.6	9.8	589	+ 81.0	5.6	33	
Zambia	752.6	13.0	5,295	8.0	2,530	4.9	.5	478	+ 47.5	- .2	38	
Zimbabwe	388.0	5.2	6,913	11.0	3,320	6.0	- .4	480	+ 48.5	- .1	46	
TOTALS	5,939.7	100%	65,885	100%	53,320	100%		324				

Source: World Bank Atlas, 1979, and Recent Demographic Estimates for Countries and Regions of the World, 1978.

*Figures in right-hand columns represent each country's share in percentage of the region's total area population and GNP; but under per capita GNP, the right-hand column indicates how much a country's per capita GNP deviates, in percentage, negatively or positively, from the average per capita GNP calculated for the region as a whole minus South Africa.

The vast majority of southern Africa's population is rural based, young in age, and poor. Malawi, Lesotho, and Mozambique are included among the world's 30 poorest countries. Infant mortality in the region is high, with rates ranging from 106 deaths per 1,000 live births in Lesotho to an estimated 168 per 1,000 in Swaziland. Life expectancy in four of the countries is below 45 years of age. Less than 40% of the region's population is literate. In Botswana and Mozambique, the level of food consumption, measured in calories, is only 77% of the world average.

Nevertheless, the substantial national resource endowment of the region suggests that self-financed, sustained, relatively rapid socio-economic growth and development are possible in the foreseeable future. Once transitory political, institutional, manpower, and infrastructure constraints are diminished, the proven and potential natural resource base of the region should ultimately enable most of the countries (e.g., Botswana, Mozambique, Zambia, Zimbabwe) to finance their own development and meet the basic needs of their populations.

1. Physical Definition of the Region

For the purposes of the SADAP studies, southern Africa was defined as being comprised of nine countries: Botswana, Lesotho, Mozambique, Malawi, Swaziland, Zambia, Zimbabwe, Namibia, and Angola. The Republic of South Africa was excluded because it is not appropriately categorized as a lesser developed country. However, while the Republic is not a part of the defined region,

its influence on the other nine countries is profound.

Because of a continuing Congressional proscription, AID has not provided direct assistance (other than PL 480) to Mozambique. This same proscription also precludes Mozambique from being a direct beneficiary of AID regional programs. An operational assumption of this document, however, is that the ban on aid to Mozambique will be removed shortly. Mozambique's role in regional development, as will be discussed, is an important one. AID's ability to work in this key country is vital to having an effectively integrated and responsive regional program.

Elections for the new majority-ruled government in Zimbabwe are planned to be completed by February 29, 1980. Once the results of these elections are known, Great Britain, in accord with the Lancaster House agreements, will officially grant independence to what was its Colony of Southern Rhodesia. At the time of the Lancaster House talks, the United States Government indicated that it was willing to cooperate in providing assistance to an independent Zimbabwe in the context of a southern African regional development concept. Thus, the probability of assistance to Zimbabwe is given important consideration in the immediate and longer-term plans for southern Africa regional programming.

At the time of this writing, little progress is evident in the ongoing discussions over the disputes concerning the independence of Namibia (South West Africa). Until

independence is achieved, it would not be meaningful to speculate on the provision of U.S. assistance to Namibia during the planning period.

Finally, the United States does not have diplomatic relations with the Marxist Government of Angola. More than five years of continuing internal conflict have led this potentially wealthy country into a situation so precarious that it has the lowest Physical Quality of Life Index (PQLI) rating--16-- in the region, a rating only two points higher than the lowest in the world (a distinction shared by Guinea-Bissau, Mali, and Niger). As it cannot be assumed that Angola's internal or external political posture will be significantly altered during the planning period, neither direct bilateral nor regional AID assistance is now contemplated.

2. Geographic Description

The region of southern Africa, excluding the Republic of South Africa:

- covers a land area almost equal in size to all of Europe;
- contains slightly more arable land than Spain and less than France;
- includes nine countries, of which only three, Angola, Mozambique, and Namibia, have direct outlets to the sea; and
- ranges in climate and ecology from the deserts of Botswana and Namibia to the tropical rain forests of Mozambique and Zimbabwe.

The vegetation pattern covering 70% of the region is comprised of semi-arid and marginally arable grasslands. Land use varies from animal husbandry in Botswana and Lesotho to large-scale crop production in Malawi, Swaziland, and Zimbabwe. Soil erosion and expanding desertification are important concerns, as these result from poor land use practices in many areas of the region (e.g., Botswana, Lesotho).

Southern Africa is characterized by a small number of large rivers--the Zambezi, Limpopo, Okavango, Luangwa, and the Ruvoma. Nevertheless, substantial areas of Botswana, Namibia, and Lesotho are severely deficient in water. Major investments have been made in river basin improvements (e.g., Kafue in Zambia, Cabora Bassa in Mozambique, and Cunene between Angola and Namibia) for power and irrigation. Despite improvements, flooding is common. Better control of water resources is necessary, both to protect human lives and property and to improve agricultural production and the availability of relatively low cost hydroelectric power.

Many of the countries of southern Africa contain extensive deposits of important minerals. Botswana has recently begun to expand the exploitation of its deposits of industrial diamonds and coal. 7
Zambian copper production, which has diminished as a consequence of transport and skilled manpower limitations, is viewed as a means of financing the achievement of that country's priority of strengthening its agricultural and industrial sectors. Zimbabwe's reserves of chromium, estimated to be 23% of the world's

Table B
Demographic Profile of Southern Africa

Country	Population (000)	Ave. Annual Growth of Population 1970-77 (%)	Projected Population in Year 2000 (Millions)	Crude Birth Rate	Crude Death Rate (000) -1977-	Life Expectancy At Birth	Infant Mortality	Urban Population Percentage of Total Population 1975	Urban Population Ave. Annual Growth (%) 1970-75
Angola	6,739.	2.3	11.	48.	23	41	203	18	5.7
Botswana	747.	1.9	1.4	47	17	56	97	20	12.
Lesotho	1,279.	2.4	2.	41	17	50	106	4	8.1
Malawi	5,780.	3.1	11.	52	20	46	163.8	20	18.4
Mozambique	9,945.	2.5	17.	46	19	46	165.	7	6.8
Namibia	953.	2.8	1.9	45	16	41	177	2.5	-
Swaziland	526.	2.5	1.1	49	22	44	168	14.	-
Zambia	5,295.	3.	10.	50	17	48	127	34	5.4
Zimbabwe	6,913	3.3	13	48	14	52	122	20	6.4

Source: World Development Indicators, World Bank and World Population Data Sheet, 1979

known supply, can be viewed as an important means of supporting that nation's urgent reconstruction and development needs. Potential for additional mineral deposits in the region is considered excellent.

3. Demographic Profile

The total 1978 population of Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia, and Zimbabwe* was 30.5 million people. The countries of the region exhibit considerable variation in population size. For example, Mozambique, the most populous, has more than ten times the population of Botswana or Swaziland. The countries also display markedly different overall density characteristics. Botswana is one of the least populated nations in Africa (3 persons per square mile); whereas Malawi's population density of 129 persons per square mile is one of the continent's highest.

While both population sizes and densities vary greatly, there are important demographic similarities among the countries:

- By global standards, population density per arable acre is extremely high and increasing.
- Population growth rates are very high, ranging from an annual percentage increase of 1.9 in Botswana to 3.3 in Zimbabwe. The region's population will almost double by the year 2000.

*From this point on, unless otherwise indicated, these seven countries will be what is meant by such terms as "the region" or "the nations of southern Africa."

- Southern Africa is characterized by a high dependency ratio due to the relatively large population of young people. In 1975, 40-50% of the region's population was under the age of 15.
- The rate of urbanization (an average of 7.8% for the region) is one of the highest in the world and far exceeds the region's rapid overall population growth rate.
- The vast majority of the region's population lives in rural areas and is employed in subsistence agriculture.

A significant southern African demographic factor in recent years has been the more than one million refugees and displaced persons forced to leave their homes as a consequence of political and military conflicts. Others have left home in search of employment, most often in the mines and on the farms of South Africa. Such massive, but temporary, movement of population complicates already difficult development problems.

Infant mortality is high throughout the region. Rates (expressed in numbers of deaths per 1,000 live births) exhibited in four of the countries (Mozambique, 165; Malawi, 164; Swaziland, 168; and Zimbabwe, 122) are among the world's most severe. (By comparison, the infant mortality rate in the United States is 15). Prenatal care is rarely available. Life expectancy at birth is low, ranging, in 1975, from 44 years in Swaziland

to 56 years in Botswana. (The average in the United States is 73 years.)

4. Other Quality of Life Aspects

More specific descriptions of the poor in southern Africa are available in the bilateral CDSSs for the individual countries (with the exception of Mozambique and Zimbabwe, for which the reader is referred to the appropriate SADAP volumes). Notwithstanding, there are a number of other aspects to quality of life in the region which are important and are summarized below.

- Less than 40% of the population is literate. Existing formal and non-formal education programs are often not meeting quantitative or qualitative needs for skilled workers. As a consequence, the countries of southern Africa increasingly must confront the paradoxical situation of having large numbers of unemployed citizens while, at the same time, being unable to fill mid-level technical and managerial positions.
- Safe drinking water is rarely available. In rural areas, the nearest water supply is often located at substantial distances from villages. Inadequate urban water supply is also a concern.
- While national political and economic issues and institutional structures are of increasing relevancy and interest to the poor majority,

significant influence is also held by local, traditional tribal organizations. Thus, much of what the governments must accomplish to achieve their development goals must be acceptable at the tribal level if it is to succeed. Because ethnic groups frequently transcend national borders, a coordinated, multi-nation approach may be the most efficient means of implementing certain programs.

- Basic health services are frequently limited, even for the most accessible population groups. All levels of trained health personnel (e.g., physicians, nurses, paramedics, technicians) are in very short supply.
- Although overt malnutrition generally appears to be unusual, more subtle undernutrition may play a significant contributory role in morbidity and mortality patterns.
- The relative availability of arable land is diminishing as a consequence of population growth and soil erosion (e.g., Botswana, Lesotho, Swaziland). Erosion is accelerated by overgrazing due to poor livestock management practices and the need for available, inexpensive fuels which results in the removal of trees and other groundcover. Continued

erosion presents a serious threat to future food production potential.

5. Role of Women

Women play a key role in the economies of southern Africa. This is especially true in those countries (Botswana, Lesotho, Swaziland, Mozambique, and Malawi) that have large migrant labor forces employed in South Africa. In these countries, women have, as de facto heads of households, the principal responsibility for performing most of the important agricultural production and marketing tasks.

Studies indicate that female-headed households are among the poorest in the region. Many government agricultural programs, while not formally denying opportunities for women, do not target females as beneficiaries of credit, training, extension, or similar activities.

In Mozambique, the Organization of Mozambican Women (OMM), formed in 1972, exists to ensure the continuation of the active role that women played as an integral part of that country's independence movement. Women receive the same rights and duties as men, and are viewed as an essential component of Mozambique's national development policy. The OMM sponsors some of its own programs, such as training and day-care centers.

6. Macro-Economic Situation and Trends

The countries of southern Africa have several significant features in common. The great majority of their labor forces (an average of 77% among the seven countries)

depends on agriculture for its livelihood. For the most part, farmers employ "traditional" practices on small plots that are held under some form of customary (often tribal) tenure. Farming is generally done for family subsistence, with small surpluses sold at local markets.

Manufacturing accounts for a very small percentage of the region's GNP. Existing industries are generally owned by expatriate firms or operated by parastatal organizations. Principal industries are mineral extraction, sugar refining, wood pulp, brewing, textiles, and vegetable oil refining. In addition, there is a large number of small manufacturing establishments, many of which are part of the informal or traditional sectors, e.g., potters and charcoal manufacturers. The total number employed in manufacturing is probably not more than one million, compared to over 10 million in agriculture. From 1970 to 1976, mining has been the most dynamic sector, whereas small-scale agriculture (with the exception of Malawi) has been largely stagnant.

Per capita income is low. Malawi, Mozambique, and Lesotho are among the thirty poorest nations in the world, according to World Bank data for 1977. The remaining four countries place toward the lower end of those classified as middle income. Where average per capita income is higher, statistics often hide the nature and extent of inequities in distribution, thus concealing a basic uniformity of living conditions in the area as a whole. This is especially true in Zimbabwe, where a very

disproportionate percentage of the country's assets are in the hands of the minority white population. Estimated growth rates of per capita income over the period 1960-76 range from 1.4% per year in Mozambique to 8.8% in Botswana. When considering the degree of political change since independence and the economic turbulence caused by regional conflicts (most especially the sanctions on Rhodesia), such positive performances are impressive and reflect, to a certain extent, significant government commitment to development.

In foreign trade, the southern African countries are very dependent on exports of primary goods, principally minerals and agricultural products, to the developed countries. Zambia relies on copper, Botswana on diamonds and beef, Malawi on tobacco and tea, and Swaziland on sugar and wood. There is relatively little inter-country trade within the region, although an independent Zimbabwe could become an important supplier of food and manufactured goods if its economy survives the strains of the conflict over independence. Imports into the region (primarily from South Africa and the West) consist of a broad range of capital equipment for mining, manufacturing and agriculture; food; fuels; and manufactured consumer goods. Availability of foreign exchange for development needs is a concern for most of the countries.

Regarded in purely economic terms, it is virtually impossible to discuss the southern Africa region without focusing on the role of the Republic of South Africa. South Africa is

the principal economic factor and hub of the region. While the role of South Africa will be reviewed in greater detail later in the section, the points listed below demonstrate the essential nature of the dependency of the rest of the region. Most of the periphery countries rely on the Republic for:

- more than 50% of all trade;
- ports, roads, communications, and international airport facilities;
- basic manufactured and processed foods;
- employment for migrant labor;
- investment capital;
- foreign exchange from worker remittances;
and
- food imports.

The economic role of South Africa in the southern African region is, at this time, so extensive and vital, that no country in the region, including Mozambique (the most radical), can afford to consider seriously the possibility of imposing economic sanctions against their powerful neighbor. Any harm that befalls the economy of the Republic of South Africa (e.g., the recently implemented OPEC oil embargo) impacts in significant multiples on the well-being of the poor citizens of the less resilient dependent developing nations of the region.

C. Principal Constraints to Development

While none of the causes of underdevelopment in southern Africa is unique, the combination of causes has brought about special development problems. Political turmoil,

extreme shortages of skilled manpower, logistic difficulties of landlocked countries, the vulnerability arising from economic dependence on South Africa, and falling agricultural productivity have a synergistic effect which magnifies and makes more difficult the solution of any given country-specific problem.

The discussion of sectoral constraints to development, which follows below, is by no means exhaustive.* Those problems which are described are considered by AID and the countries themselves (as expressed in the draft Arusha Declaration) to be the most appropriate for regional action. Notwithstanding, it is emphasized that, although a subject is identified as being suitable for regional action, it is also assumed that such action will serve to complement continuing domestic programs which share the same goals.

1. Manpower Development

The shortage of skilled and experienced manpower in the region is widely viewed as the most serious constraint to long-term development prospects. The countries of southern Africa typically face the paradoxical situation of having large numbers of unemployed citizens while, at the same time, being unable to fill middle-level technical and managerial positions. In the analysis of every sector (e.g., transport, agriculture, public services) in every country, the salient factor limiting

*For more detail and analyses of southern Africa's sectoral needs, the reader is referred to the volumes of Annex B to AID's Report to the Congress on Development Needs and Opportunities for Cooperation in Southern Africa (i.e., the SADAP studies).

development is the lack of sufficiently educated, trained, and experienced manpower. Critical shortages of technical, administrative, managerial, and professional personnel have had a profoundly adverse effect on economic performance and government efficiency in planning and implementing development programs. Many of the countries (e.g., Zambia, Lesotho, Botswana) must rely heavily on the presence of expatriates to fill the everyday roles of middle and upper level positions in both the public and private sectors. The use of expatriate personnel to meet manpower requirements is neither cost-effective nor politically acceptable as a long-term solution to the problem.

In part, the education/manpower problems stem from a colonial legacy of inadequate or ineffective efforts to develop the capacities of the indigenous populations. For example, at independence, only one percent of Zambia's population had completed primary school; 1,200 had received secondary school certificates; and 100 were university graduates. There were only four Zambians in professional government jobs and 25 in higher administrative positions. Manpower deficiencies were even more severe in Mozambique where the objective of colonial education policy was "to form citizens capable of feeling the full imperatives of Portuguese life, knowing how to interpret them, and making them a constant reality in order to secure the continued existence of the Portuguese nation."

Human resources development in southern Africa is beset with a tightly interrelated set of problems. The number

of people with the necessary skills for entry into education and training at all levels is limited. Less than 40% of the region's population is literate. Educational and training facilities are not adequate to meet demands. Minimal provision has been made for teacher training.

Although much progress has been made since independence, there is a continuing need to improve the quality and relevance of formal education. Two examples of countries which have made notable progress in expanding enrollments are Botswana and Mozambique. Prior to independence in 1966, only 43% of Botswana's school-aged children were enrolled in primary school; by 1977, the comparable figure was 80%. In Mozambique, between 1974 and 1977, the number of children attending primary school increased from 700,000 to 1,300,000, and secondary enrollment during the period tripled from 20,000 to more than 60,000 students.

Curriculum reform continues to be a high priority need. Students must be given those educational inputs that are most relevant to their own personal needs and the needs of their countries and communities. Notwithstanding, it must be recognized that curriculum reform is a slow, difficult process, often complicated by political and ideological factors.

Non-formal education methods are being tested in several countries (e.g., Lesotho). However, none of the countries, at the present time, is operating an effective non-formal education program of significant scale at any level. Such an approach has the attraction of being a cost-effective delivery system of

Table C
EDUCATION MANPOWER PROFILE

	Adult Literacy Rate	Primary School Enrollment	Secondary School Enrollment	Percentage of Population of Working Age	
	% of Adult Pop. 1975-8	(% of school age population group)		1960	1977
Angola	12	31	5	55	53
Botswana	20	72	8	50 (1976)	
Lesotho	47.5	69	8	57	57
Malawi	25	32	3	56	53
Mozambique	15	25	3	56	54
Namibia	N/A	65	4	38 (1976)	
Swaziland	30	62	12	51 (1975)	
Zambia	39	61	9	51	51
Zimbabwe	30	39	3	49	51

Source: World Development Indicators, World Bank and Data Sheet, Population Reference Bureau, Inc., 1979.

Table D
PRODUCTION PROFILE

	Distribution of Gross Domestic Production (%) 1977			Index of Per Capita Food Production 1969-71 = 100 Av. 1975-77
	Agriculture	Industry	Mining	
Angola	64	49	23	89
Botswana	87	28	10	N/A
Lesotho	89	30	15	97
Malawi	85	47	18	101
Mozambique	72	56	12	85
Namibia	55	20	10	N/A
Swaziland	82	31	24	N/A
Zambia	69	14	41	108
Zimbabwe	82	15	27	102

Source and Notes: World Development Indicators, World Bank 1978 and 1979. Mining is part of the industrial sector, but its share of GDP is also shown separately since it is for southern Africa, the most dynamic part of the industrial sector.

both traditional and vocational education subjects, while providing an option that can, to some extent, circumvent the constraint of an inadequate pool of teachers.

The availability of technical, vocational and managerial training opportunities also falls far short of demand. The dearth of skilled and experienced manpower has a profoundly negative impact on development throughout the region. Many of the specific skills in greatest demand are in need throughout most of the region. A constraint to the individual countries having their own vocational programs is the high cost of facilities and a significant shortage of qualified faculty. It is for this reason that the need for technical and managerial training appears to be appropriate for regional cooperation.

2. Agriculture and Livestock Production

In the intermediate term, southern Africa may face serious food shortage problems. Despite extensive governmental efforts, per capita food production in many of the countries is declining. Over 70% of the region's labor force is employed in agriculture.

While agriculture is the single largest sector of employment, its contribution to GDP varies from a high of 47% in Malawi to less than 20% in Zambia and Zimbabwe. Improving the productivity of the agricultural sector, while maintaining a high level of employment and assuring the farmer of an adequate economic return, will be vital to equitable longer-term development in southern Africa.

The drought, which much of southern Africa experienced in late 1978 and early 1979, emphasized the precarious nature of food security within the region. Because imported food is expensive and, in many cases, is not readily accessible due to problems of inadequate storage and transport, greater emphasis must be given to improving domestic agricultural production. In several of the countries (e.g., Zambia and Mozambique), transport and marketing difficulties serve as disincentives to increased farmer productivity. There are several categories of important problems that now face the region's agricultural sector.

- Constraints related to traditional farming methods:

- * Overgrazing and related soil erosion in several countries are severely reducing the productive potential of the land. The problem is most serious in Lesotho, where an estimated one percent or more of the nation's top-soil is washed away each year through erosion. Desertification is a major concern in Botswana.
- * There are insufficient incentives to increase production. The widely applied system of communal land allocation plays a major role in limiting production as it: (a) greatly limits the incentive farmers have to improve land to gain higher yields, (b) encourages cattle to be used as the preferred method of storing wealth, and (c) affects the ability of farmers to utilize credit.

- * Botswana, Lesotho, Swaziland, Malawi, and Mozambique export labor to South Africa's mines and farms, leaving women and children to carry out all agricultural activities for the absent males.
 - * There is a lack of adequate markets, farm-to-market roads, and storage facilities (e.g., Zambia, Mozambique).
 - * Cattle potential is not being fully exploited for supplementing existing sources of fertilizers (manure), energy (animal traction, fuel), nutrition (milk and meat), and family income (sales).
- Constraints related to government policies:
- * Pricing and marketing incentives are not widely available to all farmers. Until recently, Zambian government food pricing policies, in effect, penalized farmers in favor of the urban consumer. As a result, agricultural incomes were reduced as were the incentives for the farmer to produce.
 - * Inequitable land tenure practices may also discourage agricultural development. Whites in Rhodesia (3-4% of the country's total population) occupy 50% of the arable farm land, most of which is not in production.

- * Agricultural information, such as market reports and communication of appropriate production technology, is not widely or systematically disseminated. Rural extension and basic agricultural education programs are, at best, limited. Opportunities for extensionists to receive in-service training are few and the salaries they receive are low.
 - * While women are not formally denied opportunities in agriculture, there is a failure to promote the utilization of female resources in agriculture, to train women in agricultural skills, and to encourage full female participation in available agricultural programs (e.g., extension, credit).
 - * There is limited availability, particularly to traditional farmers, of seeds, credit, fertilizers, and other basic inputs. This may be related to the farmers' inaccessibility and/or the narrow scope of government programs.
- Constraints related to environmental factors:
- * Diseases caused by tsetse flies, ticks, etc., have a deleterious effect on animal resources. Vast expanses of fertile agricultural land are underutilized because of tsetse fly infestation

(e.g., Zambia, Mozambique). A 1977 outbreak of hoof-and-mouth disease in Botswana severely limited that country's beef exports to EEC markets.

- * Poor soil quality is not conducive to cultivation. This is particularly acute in Botswana and Lesotho.
- * There is inadequate and, in some countries, inappropriate use of wildlife, fisheries, and forestry resources.
- * There is little forward planning to cope with periodic droughts (an exception is Botswana).
- * There is a need to focus applied research on existing crop varieties which are already adapted to local conditions. In general, relatively little agricultural research is done. There is a need to organize government programs and train the necessary personnel.^e
- * There are substantial pre- and post-harvest losses due to inadequate storage and processing. Similar losses are also associated with imported food and agricultural input commodities.

3. Transportation

After the need to improve the region's availability

^eNote: AID is currently supporting major bilateral agricultural research programs in Lesotho and Malawi.

of skilled manpower resources, transport is the most often cited constraint to regional development. The economic vulnerability of six of the countries (Botswana, Lesotho, Swaziland, Zambia, Malawi, and Zimbabwe) is heightened by virtue of their landlocked geographic position and consequent reliance on the rail and port facilities of coastal neighbors. Poorly maintained and frequently war-interrupted or war-damaged transport has led to critical shortages of food in Zambia. Many of the primary transport systems have been deteriorating over recent years. Maintenance of existing roads and railroads is often minimal as the result of insufficient numbers of skilled manpower and high costs. The absence of adequate transport also minimizes incentives to farmers who could increase production to reduce food shortages in urban areas and limit foreign exchange expenditures on food imports.

When compared with other developing areas of the world, southern Africa has a relatively good regional rail and road system which, for the most part, will not require large-scale expansion. The system was put in place by the previous colonial authorities (British and Portuguese) principally to facilitate the development of extractive industries. As a consequence, transport between countries is generally much more evolved than is transport within the individual countries themselves.

Studies have shown that the qualitative and quantitative absence of adequate storage along major regional

transport routes reduces the efficient utilization of existing transport infrastructure. Transport related storage is also viewed as a vital incentive to promoting increased agricultural and industrial productivity.

The regional transport system tends to enhance the dependence of the landlocked countries on the Republic of South Africa. Five of the ten major ports in the region are in South Africa. Mozambique has three ports (Maputo, Beira, and Nacala). Namibia (Walvis Bay) and Angola (Lobito) have one major port each, but, due to political disruptions, neither of these can now be used by other countries in the region. Until the recent lifting of United Nations economic sanctions on Rhodesia, the use of Mozambique's ports was substantially limited.

Added transport costs and time delays are severe handicaps to the landlocked countries. These handicaps increase basic unit costs, necessitate larger inventories, and generally limit the availability of imports. Investors are discouraged from making investments when access and egress are not guaranteed or efficient.

The greatest constraint on effective planning, administration, and maintenance of transport systems in southern Africa is the scarcity of trained personnel. The usual expedient is to rely on expatriate advisors, most especially for senior positions. In Botswana, there is only one national in the Roads Department who is a qualified engineer.

The conflict over the independence of Zimbabwe has been particularly disastrous to regional transport. U.N. sanctions, bombings, and sabotage have contributed to the deterioration and destruction of large portions of the systems that serve Zambia, Malawi, Zimbabwe, and Mozambique. The end of the conflict, which, optimistically, is now in sight as a result of the Lancaster House talks, will permit the undertaking of urgently required reconstruction and rehabilitation activities. Zambia, as a result of the disruption, is experiencing dangerously severe food shortages, and merits priority attention.

In all the countries, transportation is viewed as the most limiting factor to doing more in rural areas. Surveys have shown that rural populations perceive that one of their greatest needs is for increased contact with the "outside world." In this context, transport is an essential aspect for further improvements in rural life.

4. Industry and Private Enterprise

A common problem among most of the countries in the region is that capital generated from extractive or other production is often drawn out of the national economies. Southern Africa possesses a variety of resources, which, if properly utilized, could result in a broad range of viable, small-scale industries or other enterprises. Such resources include minerals, agricultural products, inexpensive hydroelectric energy, and, significantly, a large supply of low-cost labor. Increased entrepreneurial activity would be an effective means of reducing

reliance on imports of essential goods and services (e.g., building materials and construction), and creating new sources of off-farm employment for those not involved in agricultural production.

Manufacturing is generally owned and operated by either expatriates or parastatal firms. As a percentage of GDP, manufacturing contributes from 10% in Botswana to 27% in Zimbabwe* (a rate which will almost certainly decline, albeit to an undetermined extent, after independence).

Most goods and services originate in the Republic of South Africa; and much of the expatriate investment in the region's private sector is South African. Thus, in addition to increasing domestic employment opportunities and decreasing the outflow of foreign exchange, the southern African nations view encouragement of the development of private sector activity as an important means for reducing excessive dependency on the Republic of South Africa.

There are several basic constraints to the rapid expansion of private sector activity. As always, manpower is a major problem. There are insufficient numbers of local entrepreneurs with business, commercial, and management experience. Furthermore, the numbers of adequately skilled and educated persons necessary to form a highly productive work force are not available. Because of the relatively small size of domestic markets (the countries typically have small populations with many

*Table E shows a 41% contribution to the "Industry" sector in Zambia. However, Zambia was not used as an example because of mining-induced distortions in the Industry data.

persons outside the money economy), economies of scale are not easily attainable. Inefficient and insufficient transport and communications systems may raise the cost of doing business, particularly for the landlocked countries.

Finally, there is no local tradition of capital formation, especially for higher risk, small-scale enterprises. Typically, the savings of individuals have gone to the purchase of livestock, which is considered a prestigious and profitable investment.

5. Mining

Southern Africa's wealth of mineral resources holds a key to the region's self-sustained development. Mining is also a sector which could potentially absorb substantial quantities of unskilled labor. With the exception of Malawi and Lesotho, each of the countries has proven deposits of commercially valuable minerals. For example, Botswana has diamonds and coal; Swaziland and Mozambique - coal; Zambia - copper; and Zimbabwe - chrome. Many other minerals are also present in abundance. Nevertheless, the actual level of exploitation, to date, has been somewhat limited. In part, this fact is attributable to political turmoil and instability, energy shortages, insufficient investment capital, and fluctuations in the world market price of primary product exports (e.g., copper).

There have been other vital constraints to the development of the region's mining sector. The shortage of trained and experienced manpower has been particularly acute in

Table E
SOUTHERN AFRICA'S ROLE IN WORLD MINERAL SUPPLY
 Percentage Share of Total World Output (O) and Reserves (R) 1975-6

	Angola O/R	Botswana O/R	Lesotho O/R	Malawi O/R	Mozambique O/R	Namibia O/R	Swaziland O/R	Zambia O/R	Zimbabwe O/R	Total O/R
Asbestos							1/5		4/10	5/15
Bauxite					1/1					1/1
Chromium Ore									9/20	9/20
Coal		1/1			1/3		1/3	1/1	1/1	4/8
Cobalt								10/1	1/1	11/1
Copper	-/1	1/1			1/1	1/1		9/7		12/11
Diamonds	5/9	6/10	1/1			12/5				24/25
Gold	1/1								2/1	4/3
Gypsum	1/5									1/5
Iron Ore	1/1						1/1			2/2
Lead						2/5		1/1		3/5
Nickel		1/1							2/1	3/5
Petroleum	1/1									1/1
Silver								1/1		1/1
Tin						1/1				1/1
Uranium						-/5				-/5
Zinc						1/1		1/1		2/2

Source and Notes: Mineral Industries of Africa, Bureau of Mines, U.S. Department of Interior, 1976.

Although many African countries have significant mineral resources by world standards, only fragmentary data and assessments are available. Most available information is based on limited exploration.

mining. In Zambia, 95% of the professional staff of the Geological Survey Department is comprised of expatriates. Inadequate or non-existent transport, energy, or water infrastructure to support mining has rendered uneconomic the development of certain known mineral deposits. Much of the region's resources remain unexplored. Detailed geological information is available for only 15% of Botswana's land surface.

A significant impediment to the future development of southern Africa's potential mineral wealth is the lack of priority that the international concessional financing entities give to involvement in the mining sector. Ironically, it is probably the development of this sector that will allow some of the southern African nations to "graduate" from the roles of international donor assistance.

6. Health

While the health status of the majority of people in southern Africa is poor, the health sector, at this time, does not appear to be a major concern of the region's governments. Crude birth and death rates and infant mortality are high. Malaria is widespread; and preventable, infectious diseases are common. Government expenditures on health care are, in general, low (\$2 to \$15 per capita per year). When available, health services are often of poor quality. The number of qualified health personnel at all levels is very small. While population growth rates are among the highest in the world, none of the governments in the region has vigorous family planning policies or programs.

D. Political Considerations

1. Dependency

a. The Republic of South Africa

Dependency, most particularly on the Republic of South Africa (RSA), is perhaps the most prevalent aspect of any discussion of the southern African region. All of the countries look to South Africa as a principal source for all or most of the following: food imports, low-cost manufactured goods, employment for unskilled labor, and trade and transport links.

In 1978, almost 200,000 southern Africans were employed as migrant labor in the mines of South Africa. Remittances by foreign workers in South Africa totaled approximately \$191.5 million in 1976. Net compensation from remittances is a significant part of the national incomes of Botswana, Lesotho, and Malawi. If the option of migrant work in South Africa were to become suddenly unavailable, the returning workers would substantially exacerbate the already severe problems of unemployment in their countries of origin.

The Southern Africa Customs Union, operated by the RSA, provides a substantial proportion of the net incomes of the member states. These revenues are distributed according to a formula weighted in favor of Botswana, Lesotho and Swaziland (the other member is Namibia). The formula tends to tie these countries more strongly to South Africa, in that revenues from the Customs Union account for approximately 46% of all recurrent revenues in Botswana, 70% in Swaziland, and 78% in Lesotho.

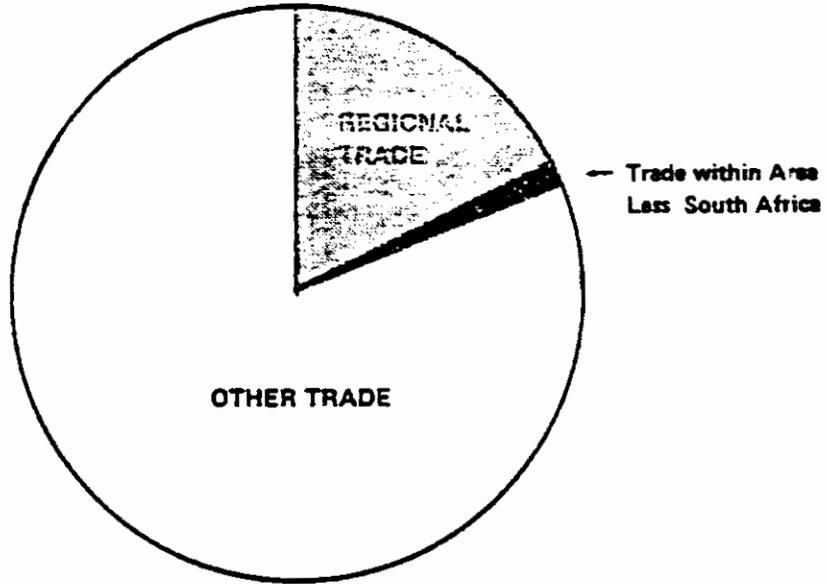
South Africa's ports, railroads, and roads have historically been the primary transport outlets for the landlocked countries. Even Mozambique, which is the most ideologically opposed country to South Africa in the region, relies on the Republic for capital and technical assistance in operating and maintaining its own transport network.

South Africa, in a recently announced policy statement, is seeking to expand its influence in the region through the creation of a "southern African constellation of states.". The RSA will try to expand its influence by increasing its investment and assistance to willing majority-ruled countries in the region.

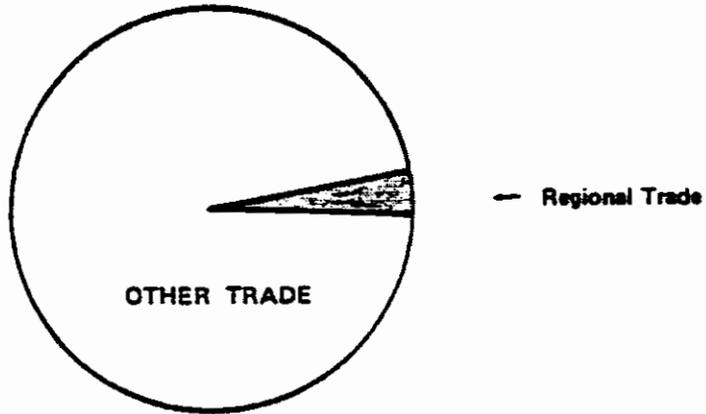
The countries themselves are seeking to reduce their dependency on South Africa. Such dependency is viewed as contrary to goals of national independence and as a source of vulnerability to action which the RSA itself may take unilaterally, or to actions that other countries in the world may take against the RSA. Illustrative of such vulnerability is the OPEC embargo placed on the sale of petroleum products to South Africa. This embargo threatens the supplies of dependent states that have no other options (e.g., Botswana, Lesotho) and also drastically raises the price of energy to these and other governments (Malawi, Swaziland) that can ill afford the high cost of the spot market oil now being purchased by the RSA.

The governments of southern Africa seek to reduce, not eliminate, their dependency on South Africa. Elimination of dependency on the RSA is neither a practical nor

SOUTHERN AFRICAN TRADE PATTERNS



TOTAL TRADE FOR ENTIRE REGION



**TOTAL TRADE FOR REGION
MINUS
THE REPUBLIC OF SOUTH AFRICA**

possible consideration. The more realistic goal held by the countries is a more balanced relationship, particularly with regard to political and economic aspects. To a certain extent, within the medium-term, this goal can be achieved.

b. The Landlocked Nations

There are six landlocked countries in southern Africa: Malawi, Zambia, Botswana, Lesotho, Swaziland, and Zimbabwe. No matter how many egresses to the sea any one of them can develop, dependence on the goodwill and stability of neighbors involved in their transit trade will always be a factor.

Zambia provides the best illustration of this phenomenon. Rail connections are available from Zambia to the ports of South Africa, Mozambique, Tanzania, and Angola. The situation in early 1979 was as follows: South African ports were inaccessible in whole or in part as a result of Zambia's closure of its Rhodesian border in compliance with U.N. sanctions, or were available for only limited traffic flows as the result of fighting or sabotage along the rail lines. Ports in Mozambique could not be used because of that country's closure of its border with Rhodesia. Traffic along the Tazara Railroad between Zambia and the Tanzanian port of Dar es Salaam was below capacity because of washed out railbeds. Finally, no traffic at all operated along the Benguela Railroad, which links Zambia to the Angolan port of Lobito, due to warfare.*

*The December 1979 Rhodesian cease-fire and end of U.N. sanctions substantially eased Zambia's supply problems, as rail lines through Rhodesia were reopened and the Tazara Railroad was repaired.

In contrast to Zambia's multiple options, the tiny Kingdom of Lesotho is a virtual island completely surrounded by the Republic of South Africa. Lesotho must get along with the Republic all of the time. Its very existence rests in the balance.

Thus, while the landlocked nations are also subject to the other aspects of dependency existent in the region, their flexibility/ability to react independently is severely circumscribed. It is because of the serious nature of this problem that all possible regional transport routes should be well maintained, kept efficiently operating, and be subject to expansion of capacity in accordance with established and projected demand.

2. Areas of Conflict

a. Zimbabwe

The fifteen year struggle for majority-ruled independence in Zimbabwe appears to be ending. The long years of bitter and increasingly violent conflict not only affected the well-being and development of Zimbabwe, but also took their toll on neighboring countries, most especially Zambia and Mozambique, which provided bases and support to the principal Zimbabwe independence groups.

United Nations economic sanctions against the illegal regime in Rhodesia caused severe economic dislocations in neighboring countries. Landlocked Zambia not only lost the most proximate (and, therefore, least expensive) source of essential imports (e.g., coking coal, fertilizers, various kinds of

equipment), but also was forced to look for ocean transport routes which bypassed its "illegal" neighbor. In late 1979, as a consequence of a Rhodesian bombing of key transit routes and selective blockade on maize shipments, Zambia was confronted with the prospect of serious food shortages. However, the December cease-fire and resumption of British colonial control brought an end to the blockade. In addition, Zambia has renewed rail access to ports in northern Mozambique (Beira and Nacala) which had been inaccessible due to the sanctions, since 1975.

In Mozambique, Rhodesian sanctions meant the loss of foreign exchange previously earned from the transit trade of the interior countries, and the disruption of internal traffic and commerce. Mozambique, as well as Zambia and Botswana, has been the temporary home of tens of thousands of Zimbabwean refugees. Not only were these refugees a drain on already inadequate national manpower and food resources, but they were also the target of frequent Rhodesian attacks, which, in addition, destroyed domestic infrastructure (e.g., roads, power stations).

The establishment of peaceful independence in Zimbabwe will signify not only the obvious benefits of a cessation of hostilities and an end to sanctions, but also the addition of a potentially important partner in the achievement of southern African development goals. In a food deficit region, Zimbabwe has the proven capacity (in its plantation agriculture) to export much needed agricultural products to its neighbors. Zimbabwe's industrial bases, if maintained, can also provide a nearby option to imports from South Africa.

The international donor community, including the United Kingdom, has expressed an interest in supporting the rehabilitation and development of Zimbabwe and its neighbors once independence is achieved. However, at this time, peaceful independence is still not a foregone conclusion.

b. Namibia

Namibia (South West Africa) was a colony of Germany, and, in the aftermath of World War I, became a mandated territory of the League of Nations under the administration of South Africa. In 1966, the United Nations General Assembly resolved that South Africa's mandate over Namibia was terminated. Nevertheless, the Republic proceeded to increase the linkages of the territory's economy to its own and intensified its exploitation of Namibia's substantial mineral wealth (e.g., uranium, diamonds, copper). In the latter part of the 1970s, worldwide pressure, primarily manifested through the U.N., created an environment which obliged the Government of South Africa, whose continued occupation of the territory had been declared illegal by both the U.N. and the International Court of Justice, to take steps to forward the independence of Namibia. Nevertheless, little progress has been made to date. The direct involvement of Communist forces in Namibia continues to be a threat.

Independent Namibia would potentially have two major assets: mineral wealth and direct access to the sea (the Atlantic Ocean). It is for these reasons that control of this poor, arid nation is of such widespread interest. The country's principal developmental concerns will be food supply

(self-sufficiency is an unlikely consideration because of prevalent arid conditions), establishment of transit linkages to countries other than South Africa (e.g., Botswana, Angola), and water and energy resources (potentially available from a partially complete river basin project in Angola).

c. Angola

Angola became independent from Portugal in 1975. Since that time, the country has suffered a civil war and continuing internal disorder, factors which have had a profoundly negative impact on the country's development progress. Angola is a potentially wealthy nation. It possesses significant reserves of petroleum, diamonds, and iron ore. The potential for agricultural self-sufficiency is excellent. Nevertheless, because of the continuing state of political disruption, Angola is experiencing extreme poverty and major food shortages.

As a result of its internal problems, Angola does not, at present, play a significant role in southern African development. However, good potential for such a role exists if the political situation were to improve.

The United States does not have diplomatic relations with the Government of Angola. No U.S. development assistance to Angola has been granted or is planned until other problems between the two countries are resolved.

E. Intraregional Development Cooperation

1. The Arusha Conference

In July 1979, the Southern Africa Development Coordination Conference was held by the Front Line States (Botswana,

Zambia, Angola, Mozambique and Tanzania) in Arusha, Tanzania. The Front Line States had originally joined together several years earlier to cooperate in bringing about majority-ruled independence in Zimbabwe. Arusha established that the Front Line countries (along with the other majority-ruled southern African nations who would be invited later to join them) wished to expand their collaboration to confront common development problems.

The Conference, which received critical support and encouragement from the British Commonwealth Secretariat, included the participation of interested, multilateral and western nation donors (including the United States). Discussed were a broad range of possibilities for regional cooperation. A priority goal identified was the reduction of dependency on the Republic of South Africa. Three areas of endeavor were identified for initial regional collaboration.

The most important of these areas was transport. The Conference called for the establishment of a regional transport commission to be located in Maputo, Mozambique. This commission, to be operated by southern Africans, will set and coordinate priorities for regional transport needs. Action to improve ports and rail lines serving Zambia, Zimbabwe (after independence), and Mozambique was given significant importance.

Other areas of concern detailed in Arusha were the need to improve manpower training and to strengthen regional food security. While no specific approaches to these problems were

detailed, a number of ideas were put forth to be further investigated for future action. The Government of Botswana was assigned principal responsibility for Arusha follow-up.

It is expected that the Arusha Conference will result in additional collaborative efforts by the southern African countries. Regional approaches to development, in identified areas of priority, will be considered to be highly desirable complements to individual country action.

2. Other Donors

As part of the year-long process that produced the SADAP Report to the Congress, AID developed close working relationships with the multilateral and other bilateral donors interested in the southern Africa region. Particularly involved in southern Africa are the European Economic Community (EEC), various elements of the United Nations system (UNDP, UNECA, FAO, WFP, etc.), the World Bank, Great Britain, Canada, West Germany, Sweden, Denmark, Norway, Japan, and others.

Although comprehensive quantitative information on other donor southern Africa regional programs is unavailable, interest is high. There are several illustrative examples. The EEC has indicated a continued priority for supporting regional transport efforts. It has recently completed a major study of regional transit linkages to Zambia and will soon begin looking into the needs of the port at Beira. The EEC has given support to the Botswana-Zambia Road and is considering assistance to the Lesotho Southern Perimeter Road, two important regional arteries.

The EEC has also been the principal external support for the reestablishment of the Kazangula Ferry which ties Botswana and Zambia across the Zambezi River.

The FAO has several important regional animal health programs to control hoof and mouth disease as well as tickborne parasites. Extensive refugee feeding programs are coordinated by the World Food Program throughout the region. The World Bank has also provided significant funding for the Lesotho Southern Perimeter Road. Key support for the realization of the Arusha Southern Africa Development Coordination Conference was given by the British Commonwealth Secretariat.

Coordination of donor regional programs was one of the agenda items of the Arusha meeting. Entities, such as the transport commission to be established in Maputo, will seek to organize and prioritize foreign donor inputs.

II. Strategy

A. Rationale for a Regional Approach

The desirability of a regional approach to development in southern Africa was a major conclusion of the SADAP Report to the Congress. The fragile and vulnerable economies of the majority-ruled nations of the region, as well as the unavoidable geographic dependence of the six landlocked countries, have created a natural interdependence. At the July 1979 conference in Arusha, the major objectives of the participating countries included a "forging of links to create a genuine and equitable regional integration, ... mobilization of resources to promote national, interstate, and regional policies, ... and concerted action to secure international cooperation within the framework of a regional strategy for economic liberation."

The AID Southern African Regional Program will be designed to complement, not replace, existing or planned bilateral programs. With this in mind, regional activities will be actively coordinated and developed with the appropriate AID field missions, so as to optimize the impact of U.S. assistance to southern Africa. Wherever possible, regional programs will seek to support the achievement of bilateral programs and national development objectives. An example is planned support to meet both regional (i.e., transit trade) and domestic storage needs in Mozambique. Similarly, AID regional activities to be developed in the agriculture and livestock sector will seek to reinforce existing or planned bilateral research programs in

Botswana, Zambia, Swaziland, Lesotho and Malawi.

Because of continuing political problems to which no short-term resolutions are now apparent, the AID southern Africa regional strategy does not, at present, give active program consideration to either Namibia or Angola. Each of these states, however, does have a potentially important role to play in regional development. Namibia offers a possible "western egress" for the goods of Botswana and, possibly, Zambia. Angola's Benguela Railroad, which is already in place but is virtually inoperative because of military disruption, represents an important asset to landlocked Zambia. Furthermore, Angola's large rivers, particularly the Cunene, offer excellent potential for regional river basin projects that could provide both reliable, inexpensive hydroelectrical power and water for irrigation to neighboring Botswana and Namibia.

B. AID Objectives

The AID southern Africa regional program purpose is to support regional cooperation in socio-economic development. Individually at first, and then collectively at Arusha, the majority-ruled states have been progressively achieving a consensus on the essential nature of collaboration in the resolution of certain regional development problems. As a consequence of the SADAP analyses, the Government of the United States, concurs with and wishes to support this consensus.

The United States views development as a basic factor in the establishment of lasting peace and stability in the region.

Development is a vital component of an overall process of political moderation that will primarily benefit the poor, who have suffered most from the various conflicts of recent years. The use of Economic Support Funds for Regional Programs is a reflection of the political nature of many of the region's development problems. AID Regional Programs are an important means through which the U.S. Government can seek to influence and support a peaceful transition through development in the majority-ruled states of southern Africa.

The AID Regional Program will endeavor to be responsive to the perceived needs of the governments concerned and forward the establishment of, and work with, regional institutions involved in areas of program interest as they are formed. Illustrative of such an entity is the regional transport commission, to be located in Maputo, which was conceived at the Arusha Conference. When such organizations exist, AID programs will be channelled through them, as well as supporting their qualitative institutional growth.

The AID Regional Program purpose supports the following goals:

- Promote more balanced economic interdependence throughout the region.

Implicit to this goal is the concept of reciprocity within the region. Dependency on the Republic of South Africa is a major concern, a fact strongly emphasized during the Arusha Conference. A reduction of this dependency can most effectively be accomplished through a counterbalancing action

achieved as the result of building stronger economies throughout the region. A substantial degree of national self-sufficiency is not realistically within the grasp of most of the countries (possible exceptions include Zimbabwe and Mozambique). However, the strength of each individual nation could be greatly enhanced by constructive collaboration with its neighbors. Examples of possible areas of reciprocal development cooperation are: agriculture (e.g., Lesotho and Botswana are chronic importers of food, while Mozambique, Zimbabwe and Malawi have excellent potential as net agricultural exporters), industry (most of the countries do not have sufficiently large markets to support essential economies of scale; cooperation in regional trade is vital to the future development of this sector); and energy (the hydroelectric potential of Mozambican river resources could be developed to meet the needs of neighboring states).

-- Support the socio-economic reintegration of the region's vast population of refugees and other dislocated or unemployed persons.

The turmoil surrounding independence in Zimbabwe and Namibia, internal control of power in Angola, and apartheid in South Africa have led to the dislocation of more than one million persons. As conflicts are resolved or as people take on permanent status in their new countries of residence, already substantial problems of unemployment and underemployment will be seriously exacerbated. Major efforts will be necessary to integrate large numbers of persons, in a productive manner, into national economic structures. Because of the scale of the problem,

the economic absorption of these people must essentially be a self-help effort. In this regard, however, such an approach will require support by providing the target beneficiaries with the basic inputs (e.g., education/training, land) that will be necessary before self-help can be considered a feasible concept. It must be assumed that, to a significant extent, most of the people who will be classified as "unemployed" will seek involvement in agricultural activities. Their reintegration will require reasonable access to land, production inputs, and appropriate technology, whether they enter into subsistence or commercial production. Increased emphasis on vocational and basic education will also be essential.

-- Strengthen the capacity of the majority-ruled governments to offer the conditions and services necessary for meeting basic human needs throughout the region.

Food shortages, unemployment, inadequate health care, and limited educational opportunities are only several of the factors which serve as obstacles to the improved well-being of southern Africa's poor. The removal of such obstacles is essential to the task of bringing the poor into the mainstream of the modern economy and society. Extreme poverty is southern Africa's most pressing problem. Poverty and its causes are implicit elements in the analysis of all the other major issues of concern in the region. Even in the context of politics, a marked reduction of poverty must be considered a strategically integral element of any plan for long-term stability. Because many of the causes of poverty transcend national borders,

multi-country efforts to improve quality of life in the region are both appropriate and logical.

C. Southern Africa Regional Program Assistance Strategy

1. Toward Regional Cooperation

Regional cooperation in southern Africa must be the concern primarily of the southern African countries themselves. AID and other donors can provide encouragement in areas where the countries are fundamentally committed to cooperate. A decidedly pragmatic, step-by-step, problem-solving approach has been adopted by the governments. There appears to be no intention to elaborate an overall set of organizing principles or institutions to serve as a regionalizing force (e.g., a regional common market). This would appear to be a wise approach for the present, since, beyond transportation and technical training, the advantages of regional cooperation to the individual countries are not yet entirely clear.

On the other hand, there needs to be some organizing impetus within the region to further those activities to which the states are committed or opportunities will be foregone. The establishment of a Regional Transport Commission in Maputo will encourage activities in the sector identified as the first priority for cooperation. There does appear to be, moreover, a need for an entity (e.g., a small secretariat) to coordinate activities for the region. Progress since the Arusha meeting has been halting, in part, because no effective, overall coordination within the region has been provided. The time and staff

resources that top level officials can give to coordinating efforts is severely limited. Accordingly, AID should be prepared to cooperate with other donors in supporting such coordinating mechanisms as the member countries deem appropriate.

AID's strategy will be initially to concentrate its support for regional cooperation in transportation. At the same time, modest, exploratory activities will be initiated in other sectors important to the development of the region. These latter efforts will be expanded as the member countries begin to concert their own priorities in these sectors.

2. Transport

At Arusha, the southern Africa countries placed their highest priority for regional attention on strengthening transportation linkages. Improved transport is a vital factor in the promotion of more balanced economic interdependence and a basic element in the development of each of the countries in the region. Enhanced freedom from isolation will permit the landlocked countries to pursue more productive development strategies, i.e., strategies which are less defensive and reflect reduced economic vulnerability to transport-related dependencies. Improved transport is also a key to the promotion of trade (both within and beyond the limits of the region) and industry. In a related manner, better transport is also a stimulus to greater economic productivity and improved conditions for the poor, who must have easier access to goods and services to meet their basic needs. To further the achievement of this priority, the

countries participating in Arusha resolved to form "a Southern African Regional Transport and Communications Commission to coordinate the use of existing systems and the planning and financing of additional regional facilities."

AID, in collaboration with the multilateral and other bilateral donors, will work closely with the new Commission (to be located in Maputo, Mozambique). Initial involvement during the planning period will focus, for the most part, on enhancing the utilization of the existing transportation network. Of particular importance will be the improvement of services to the most vulnerable landlocked countries, such as Zambia, Malawi, Lesotho (Southern Perimeter Road), and perhaps Botswana.

In the period following the establishment of peace and independence in Zimbabwe (i.e., the early years of the planning period), there will be a particularly urgent need to emphasize assistance to the transport network that feeds into the northern Mozambican ports of Beira and Nacala. During the period of U.N. economic sanctions on Rhodesia (which ended in December 1979), much of this network (that is, those parts which pass through Rhodesia) was dormant. Lines of supply to Malawi and Zambia have been precarious; and, at times, supplies of food, fuel, and other vital materials have been dangerously low. The rehabilitation of this network, which is also of great importance to the economies of Mozambique and Zimbabwe, is of priority concern.

The increase of related storage capacity is an important element in augmenting the efficient utilization of existing road, rail, and port facilities. Available studies indicate that many transport routes are underutilized because cargoes (e.g., food) cannot be held at railheads, ports, etc. Improvement of storage capacity (e.g., cold storage, warehouses, grain facilities) along regional transport routes will complement and enhance the food security and related domestic storage programs of the individual countries (particularly Zambia, Malawi, Botswana, and Mozambique).

Port development, the provision of railroad rolling stock, signaling equipment, and other transport vehicles will also be of importance to the strengthening of the sector. Meeting such needs will be very costly. In working with the countries of the region and the other interested donors, AID will also seek to increase the involvement of other appropriate U.S. Government agencies, such as the Export-Import Bank.

During the middle year of the planning period, there will be a number of other areas in the regional transport sector that will merit AID attention. Road linkages across the Zambezi River between Botswana and Zambia will improve the commerce of both countries and stimulate development in what has otherwise been a rather remote region. Rail connections between Swaziland and Maputo require upgrading to improve trade between the two countries (Mozambique is a natural market for many Swazi agricultural goods), as well as to provide a more viable option

to the ports of South Africa for Swaziland. Independence in Namibia, if the new nation includes Walvis Bay (which will be disputed by South Africa) will open a new potential west coast outlet, via rail or road, for landlocked Botswana and Zambia. In addition to reducing dependency on the Republic of South Africa, a west coast egress would spur development in what is now a sparsely settled, but potentially productive area of Botswana.

3. Agriculture and Livestock

The draft Arusha Declaration states: "A majority of the people of Southern Africa are dependent on farming and animal husbandry. Their future livelihood is threatened by environmental degradation...as well as recurrent drought cycles." ... few of the states of the region are self-sufficient in staple foods and are heavily dependent on the Republic of South Africa for grain and dairy products. Both environmental protection and food security are major challenges nationally and regionally. It is a matter of urgency to identify ways in which coordination of research and training as well as exchange of information can strengthen programs to protect our environment and improve food production."

To date, the southern African states have not detailed their region-based agricultural plans*. If regional organizations are formed for the promotion of the agriculture

*AID bilateral programs already support research and other small farmer-oriented programs in Botswana, Swaziland, Lesotho, Malawi, and Zambia.

and livestock sector, AID will support and work with them. Even without such entities, a number of possible region-based opportunities in the sector have already been identified (e.g., an ICRISAT substation in Botswana proposed at Arusha), and are either being supported or discussed by AID and other donors. Agriculture must be viewed strategically as the most viable and efficient means of integrating large numbers of people into national economies. It will also permit people, at a minimum, to be better able to provide their own subsistence needs.

Regional access to existing relevant agricultural information and technology must be increased. The International Research Centers in subject areas such as tropical agriculture (IITA) and dryland agriculture (ICRISAT), as well as other agricultural institutions, have much to offer the southern African region (e.g., drought resistant crop varieties). The quantity and quality of agricultural technicians in the region must be augmented. National agricultural planning capabilities need to be further developed.

Important regional efforts to control the spread of livestock diseases will require long-term support. Hoof and mouth and tickborne diseases* threaten the health and welfare of large numbers of the region's population of small-scale herders. Implicit are programs of herd inoculation, fencing, research, and farmer education. Because of the importance of livestock to

*The FAO is developing a regional tickborne disease control project which it has already discussed with a variety of southern African countries and interested foreign donors.

the poor, there is need to expand the availability of veterinarian services. All of the above will be factors in support of an overall program to improve livestock productivity.

Environmental control is an inherent element of all programs to improve agricultural and animal production in southern Africa. Desertification and erosion are major concerns, particularly in Botswana, Lesotho, and Swaziland, where AID bilateral efforts are already assisting in confronting the problem. Regional coordination of measures to inhibit the environmental degradation of land resources must be an intrinsic part of support for increased food production. Southern Africa can ill-afford the continued reduction of its productive land resources.

4. Manpower Development

The need for manpower development is pervasive throughout every sector of every country in southern Africa. The draft Arusha declaration focuses specifically on this constraint and recommends regional action.

Training programs can be considered in two possible ways: in their sectoral context (e.g., transport and agriculture) or as components of more generalized training projects. As the regional process which began to take form at Arusha becomes more defined, it is probable that training needs will be increasingly integrated into sector specific programs. AID support for manpower development in southern Africa will accompany this evolutionary process.

Four specific areas of manpower development needs were identified at Arusha: railroading, management, mining, and wildlife management. In the FY 1981 Congressional Presentation, AID has already indicated a direct interest in supporting the first two of these areas on a regional basis. AID bilateral programs focus on a wide variety of training needs in agriculture (Botswana, Malawi, Lesotho, Swaziland, and Zambia), education (Swaziland, Lesotho), and other sectors.

Southern Africa has an urgent need to improve and expand opportunities in traditional (i.e., non-vocational) education. During the planning period, however, it is envisaged that AID's involvement in such programs will be limited to appropriate bilateral interventions.

5. Private Enterprise and Intraregional Trade

The formation of private enterprise, particularly on a small scale, can have a significant impact on a variety of regional objectives. In the promotion of interdependency, private enterprises can provide reliable, domestic sources of priority goods and services, create new employment (thus reducing the importance of exported migrant labor) and reduce the outflow of limited foreign exchange resources required for other development priorities. Significantly, new enterprises can add value to extractive agricultural and mining products now exported for processing elsewhere. Such investments also offer new off-farm employment opportunities for the unemployed and increasing numbers of urban poor.

Although all the countries of the region desire greater private sector investment, a lack of tradition, experience, and stability has served as a disincentive to expand activity. At present, regional and national organization to promote private enterprise formation is rather weak. AID will be seeking opportunities to support new government initiatives as they arise. Beginning in FY 1981, for example, AID will provide regional project inputs to encourage the training of small-scale entrepreneurs. Technical assistance and financial support (e.g., loans) to new enterprises are other possible future interventions. Where mutually desirable, AID will work with governments in the region to develop small-scale enterprise promotion incentive programs (e.g., reduction of taxes, lowering of tariff barriers to imports of capital equipment).

Larger-scale private sector and foreign investment are more appropriately developed with the assistance of such mechanisms as the Overseas Private Investment Corporation (OPIC), the Export-Import Bank, and AID's Reimbursable Development Program. As the situation determines, AID can, through its regional program, facilitate contacts between these entities and the appropriate regional or national institutions.

To a certain extent, the success of private sector development promotion will rely on increases in intra-regional trade. An analysis of trade patterns indicates that the trade of the majority-ruled states is largely with the Republic of South Africa and other developed countries. Trade within the

region is negligible. The relatively small size of the markets of the individual countries of southern Africa limits the industrial potential of any given country. National economies could benefit from more easily accessible and larger markets. Regional economic planning and cooperation will be vital factors in reducing or eliminating wasteful competition and trade barriers. It is AID's intent to encourage such regional collaboration in any way appropriate.

6. River Basin Development

River basin programs, including hydroelectric power, irrigation, and fisheries development, offer significant potential for helping to resolve regional problems of food and energy supply. However, given the limitations of present knowledge on the subject, it is neither possible to quantify this potential nor to estimate the level of environmental risk involved.

One of the major factors discouraging private investment and industrial development in southern Africa is the high cost of energy. Any industry-based employment strategy must be accompanied by a relative reduction of power costs.

Some river basin development has already begun. Cabora Bassa, along the Mozambican portion of the Zambezi, provides 7% of the power used by South Africa. A project on the Cunene in Angola is partially operational. Some irrigation projects have been identified, but the countries involved have not studied the possible environmental impact. Riparian agreements covering the major water systems are virtually non-existent.

River basins that have development possibilities include the Okavango, the Zambezi, and the Cunene. Each of these systems traverses, in whole or in part, countries not now specifically included in AID program plans. However, once Zimbabwe is independent and the U.S. proscription on direct aid to Mozambique is ended (both likely prospects), serious consideration of Zambezi basin projects will be possible. During the planning period, AID will seek opportunities, possibly in the latter part of the planning period, to work with the governments of the region in developing riparian agreements and in conducting river basin feasibility and planning studies.

7. Health and Population

While southern Africa does have a noteworthy variety of health problems and a relatively high average population growth rate, the governments of the majority-ruled states do not give this sector a high priority for regional action. The control of health problems and containment of population growth rates are, however, important elements of AID's basic human needs objectives.

Project assistance for health and population will be carried out under the individual AID bilateral programs. These programs are complementary to activities supported by the United Nations (e.g., WHO, UNFPA).

D. A Note on Sectoral Targets

The first major conclusion of the SADAP Report to the Congress was that "assistance, in the short-run, can limit the negative impact of regional political turmoil, and in the long

run, can establish a basis for more equitable social and economic progress." Although political conditions in southern Africa are, at present, more hopeful than at any other time in the past five years, the "turmoil" has not yet ended. Accordingly, existing baseline data for many (perhaps most) of the countries are not realistic. The large population of refugees and displaced persons, in addition to war-related economic disruptions, has exacerbated indices of unemployment, food production, inflation, health problems, etc.

While it is possible that peace and stability could prevail in southern Africa in 1986, it cannot be said precisely when this would occur. Accordingly, given these limitations, it would be misleading to set regional sector achievement goals for the period under consideration (1982-1986). From this perspective, the target for all sectors remains the minimization of the negative impact of turmoil on social and economic development throughout the region.

E. Collaboration With Other Donors

Although donor flows have varied significantly from recipient to recipient (for 1976, a high of \$67 ODA per capita in Botswana and a low of \$7 ODA per capita in Mozambique), both public and private sources of financing to the region have shown a marked increase in recent years. Average per capita ODA for the region (excluding Mozambique) in 1976 was \$16; and when Rhodesia, Angola and Mozambique are included, the average dropped to \$9. By comparison, for the same year, average per capita ODA for the eight countries of the Sahel was \$21.

Because of the variety of political influences in the region, the number of active donors is rather large. AID's position is that, to the extent possible, its southern Africa regional programs will be developed in close cooperation with other interested multilateral and/or bilateral donors. The prevalent sentiment within the donor community is that regional programming is desirable from the perspective of development needs. All donors contacted have expressed an interest in regional development approaches and are receptive to working with AID.

Those donors that AID has been working most closely with in planning southern Africa regional programs are: the European Economic Community (EEC), the Food and Agriculture Organization (FAO), the United Nations Development Program (UNDP), and the Governments of Great Britain, Canada, Sweden, West Germany, Norway, and Denmark. The established working relationships with these bodies will serve as an important basis for future active collaboration on regional assistance programs.

III. Assistance Planning Level

A. Rationale for the Use of Economic Support Funds:
U.S. Interests in Southern Africa

In recent years, southern Africa has been a major focal point of American foreign policy. A reflection of the increased priority has been the upward trend in U.S. assistance flows to the region (\$17.4 million in 1972 to a proposed level of \$119.9 million in 1981). The items below define the nature of American interest in southern Africa and why a continuation of the upward trend in assistance is of particular importance.

-- U.S. foreign policy places a high priority on the resolution of political turmoil in southern Africa.

In collaboration with Great Britain and other friendly nations, the United States has devoted a great deal of effort, over the past several years, to bringing about a peaceful resolution of the turmoil related to the establishment of independence and majority-rule in both Zimbabwe and Namibia. American policy has also sought to influence the progressive elimination of the apartheid policies of the Government of South Africa. Apartheid has had a negative impact on the well-being and security of the people of the region far beyond South Africa's own borders. U.S. assistance programs in the region are planned to promote development-based stability, minimize--to the extent possible--human suffering due to war-related social and economic dislocations,

and encourage cooperation in development which can serve to create a more balanced economic structure within the region. At the same time, assistance programs can help establish the foundation required for longer-term, balanced growth. The manner in which the United States is able to demonstrate its economic and humanitarian concern for the region as a whole, in conjunction with ongoing peace initiatives, will be important factors in determining the quality of future American relations with the rest of Africa and the Third World.

-- The needs of the people of southern Africa are squarely within the basic human needs rationale for U.S. development assistance. The region is characterized by poor, newly independent nations. Poverty and human suffering are widespread and worsening. There are massive numbers of refugees and displaced persons. Food supplies are increasingly precarious in several countries; and unemployment is mounting. For many, political turmoil has resulted in a lower quality of life and expanded personal risk. The countries of the region have fragile economies which are threatened by political and military conflict. In terms of meeting basic needs, southern Africa presents both a formidable challenge and a major opportunity to American foreign policy and humanitarian development objectives.

- U.S. support for social and economic development will serve to counter the influence of the Eastern Bloc in southern Africa. Continued conflict in the region and the failure of South Africa to provide full political participation for all its citizens offer opportunities for disruptive Eastern Bloc activity in southern Africa. In general, the Eastern Bloc, while more than willing to provide arms to various factions throughout southern Africa, has shown no notable interest in the peaceful resolution of the region's problems. It is significant that Marxist Angola and Mozambique have indicated a desire to improve their commercial and economic relationship with the West. U.S. efforts to promote the peaceful resolution of regional conflicts, together with development assistance programs, can have an important impact on addressing the root causes of instability.
- Southern Africa offers opportunities for expanded U.S. trade and investment. A majority of the countries of the region possess confirmed or highly probable deposits of important minerals (e.g., coal, diamonds, copper, chrome), several of which are of strategic interest to the United States. Several American corporations already have substantial financial commitments in the region. American

foreign assistance policy could have a positive effect on the availability of future attractive investment opportunities for the U.S. private sector. Moreover, American aid policies (including those of OPIC and the Export-Import Bank) seek to further conditions that encourage those private sector activities which complement concessional assistance by meeting important development needs in employment, manpower training, transportation, etc.

The nature of the concerns detailed in the above four elements clearly indicates the appropriateness and necessity of using Economic Support Funds (ESF) for AID Southern Africa Regional Programs. ESF funding is proposed for the entire 1982-1986 planning period. This is a result, in large part, of a continuing U.S. Government desire to influence the peaceful resolution of the politically-based problems of the region.

B. Proposed Assistance Planning Level (PAPL)

No Indicative Planning Allocation (IPA) has been made for the Southern Africa Regional Program. The amount proposed for Fiscal Year 1981 in the FY 1981 Congressional Presentation is \$39 million. If an annual dollar inflation rate of 10% is assumed, the same program would have a value of \$62.9 million in 1986; an assumed 13% inflation rate would yield a program totalling \$71.9 million in the last year of the Planning Period.

A handicap in using the proposed FY 81 program as a baseline for planning future budgetary levels is that it does not fully incorporate the needs or implications of an independent Zimbabwe. As indicated in the "Strategy" section of this paper, the United States has publicly committed itself to providing assistance to Zimbabwe in a southern Africa regional context. Without doubt, the most urgent need of Zimbabwe and its neighbors will be improved transit linkages to the sea. Typically, transport projects are very costly. Although other donors (e.g., Great Britain, the EEC) have indicated their intention of providing assistance, meaningful U.S. participation will require a larger real allocation of development assistance than is presently being offered.

The Proposed Assistance Planning Level (PAPL) for the FY 1986 Southern Africa Regional Program is \$100 million, which, using the 13% inflation factor, reflects a present dollar value increase of only \$15.3 million. This increase is relatively modest when the levels of U.S. interest in, and commitment to, the region are taken into account.

It is projected that transport will continue to be the major cost element of the Southern Africa Regional Program, particularly in the earlier years of the Planning Period. The preliminary analyses of needs already available indicate a rather long list of important priorities. Illustrative examples include: upgrading rail and associated storage links between ports in Mozambique and Zambia, Zimbabwe and Malawi; increasing

port capacity/efficiency in northern Mozambique; improving regional road transit between Zambia and Botswana, Malawi and Zimbabwe; upgrading rail ties between Swaziland and Mozambique; and investigating the feasibility of establishing western egresses for Botswana and Zambia through Namibia.

The second largest sector of Regional Program investment will be agriculture. Improved agriculture can provide the most substantial input to better regional food security, greater employment opportunities, and a higher quality of life for the region's poorest. Activities will focus on research, training, sector planning, animal health and the formation of agro-industry. River basin development planning will also be considered and will become more significant toward the end of the Planning Period.

Support for manufacturing and private sector investment will be augmented through the Planning Period. These sectors are sources of reduced dependency, improved regional economic strength and stability, and increased off-farm employment opportunities. Assistance will be directed at facilitating sector development through national and regional planning and cooperation; the establishment of a system of fiscal incentives; training programs for entrepreneurs, managers, and technicians; and possible support for the establishment of small enterprise venture capital programs.

In general, manpower development initiatives will be carried out as a part of sector specific activities. However,

a discrete portion will be reserved to promote nascent regional manpower development programs and/or organizations.

There are a group of non-sectoral activities which traditionally have been, and will continue to be, funded under the Southern Africa Regional Program. These activities include support for Private Voluntary Agencies (PVOs) active in the ESF countries of the region (Botswana, Zambia, Mozambique, and potentially, Zimbabwe), self-help funds (i.e., "The Ambassador's Fund") in the ESF countries; and Planning, Management, and Research Funds to support regional project design and evaluation, as well as sectoral studies, planning, and related activities.

Table F
PROPOSED ASSISTANCE PLANNING LEVEL (PAPL)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>Total</u>
Transportation	35.0	29.0	22.0	25.0	13.0	124.0
Agriculture and Livestock	8.0	15.0	25.0	35.0	27.0	110.0
River Basin Development	-	-	-	5.0	35.0	40.0
Small- and Medium-Scale Enterprise	2.0	10.0	15.0	3.0	3.0	33.0
Manpower Development	10.0	10.0	12.0	15.0	15.0	62.0
PVOs	2.0	2.7	2.6	3.0	3.0	13.3
Self-Help	0.3	0.3	0.4	0.4	0.4	1.8
Project Management and Research	2.7	3.0	3.0	3.6	3.6	15.9
TOTAL	60.0	70.0	80.0	90.0	100.0	400.0

C. A.I.D. Administrative/Management Considerations

The Fiscal Year 1981 Southern Africa Regional Program will be the first to have significant field implementation considerations. At present, PVO and Self-Help Fund efforts are largely project elements of the individual bilateral ESF USAID missions.

Primary responsibility for the development of the regional program rests in the Planning Office of the Africa Bureau's Office of Southern African Affairs (AFR/SA). This office, under the supervision of the Director, AFR/SA, has an authorized staff of two full-time and one part-time professionals. With appropriate support from AFR/DR, the southern Africa USAIDs, and occasional contract assistance, the present staffing level should prove adequate to meet program needs.

What is not yet clear are the implications of regional program field implementation requirements on the southern African USAIDs. These missions have comparatively small staffs. Thus, direct hire field manpower availability for regional responsibilities is limited and will be constrained by bilateral requirements which, of course, will continue to have priority. For the present, the Assistant Director of USAID/Swaziland has been designated as the field coordinator for the Southern Africa Regional Program.

To the extent possible, regional programs will be carried out on a collaborative basis with other donors. Nevertheless, experience in other areas of the world indicates that the participation of other donors does not necessarily decrease the A.I.D. workload.