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Increased efficiency and ownership to foster regional integration: The 50-million Annual Action Programme for SADC

Brussels, 22/08/2012 - The European Union will give €50 million of new support to regional economic integration in the Southern African Development Community. Doing business in Southern Africa should become easier and a more favourable and reliable investment framework should be created. One project will work on bringing down non-tariff trade barriers and support Economic Partnership Agreements. Even though many tariffs in the region have been dismantled, interregional trade remains low (9% share in total trade), compared to 46% among some Asian countries). The project focuses on two types of problems: barriers to trade that are technical, sanitary or related to plant health, as well as investment barriers.

A second project addresses another bottleneck for regional integration: While the region urgently needs investments and donors such as the EU had made funds available in the past, the investments were still not realised. The main reason was a lack of preparation of the necessary documentation. The project will conduct this preparatory work as well as studies to make key infrastructure projects bankable. In a second phase, it will bring potential financiers on board by organising, amongst other things, investor fairs.

At the heart of the programme is the 20 million Regional Economic Integration Programme (REIS) It follows a two-pronged approach: To bring down non-tariff trade barriers and to support the negotiation and implementation of Economic Partnership Agreements (EPAs). In spite of considerable dismantling of tariffs in the SADC region, interregional trade has remained disappointingly low (9%, compared to 46% amongst some Asian countries). REIS will in particular tackle two types of problems: Technical, Sanitary and Phytosanitary barriers to Trade, as well as investment barriers. Doing business in Southern Africa should become easier and a more favourable and reliable investment framework should be created.

Another bottleneck for regional integration will be addressed with the Project Preparation and Development Facility (PPDF, 12 million). While the region witnesses an urgent need for investments and donors like the EU had earmarked considerable funds for this task in the past, the investments were not realised. The main reason is a lack of preparation of the necessary documentation. The PPDF will conduct the necessary preparatory work and studies to render key infrastructure projects bankable. In a second phase, it will bring potential financiers on board by organising, amongst others, investor fairs. The

Development Bank of Southern Africa (DBSA) will take over the technical work. The project will be supported by further donors such as the German KfW bank.

The consolidation and continued improvement of the management capacities of the SADC Secretariat will be pursued under the Institutional-Capacity Development Programme (ICDP, 12 million).

The Technical Cooperation Facility II (6 million) will not only accompany the three aforementioned programmes and assist in preparing future EU-SADC cooperation. It will also give a hand to organised civil society in the region.

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http://ec.europa.eu/europeaid/index_en.htm

http://ec.europa.eu/commission_2010-2014/piebalgs/index_en.htm