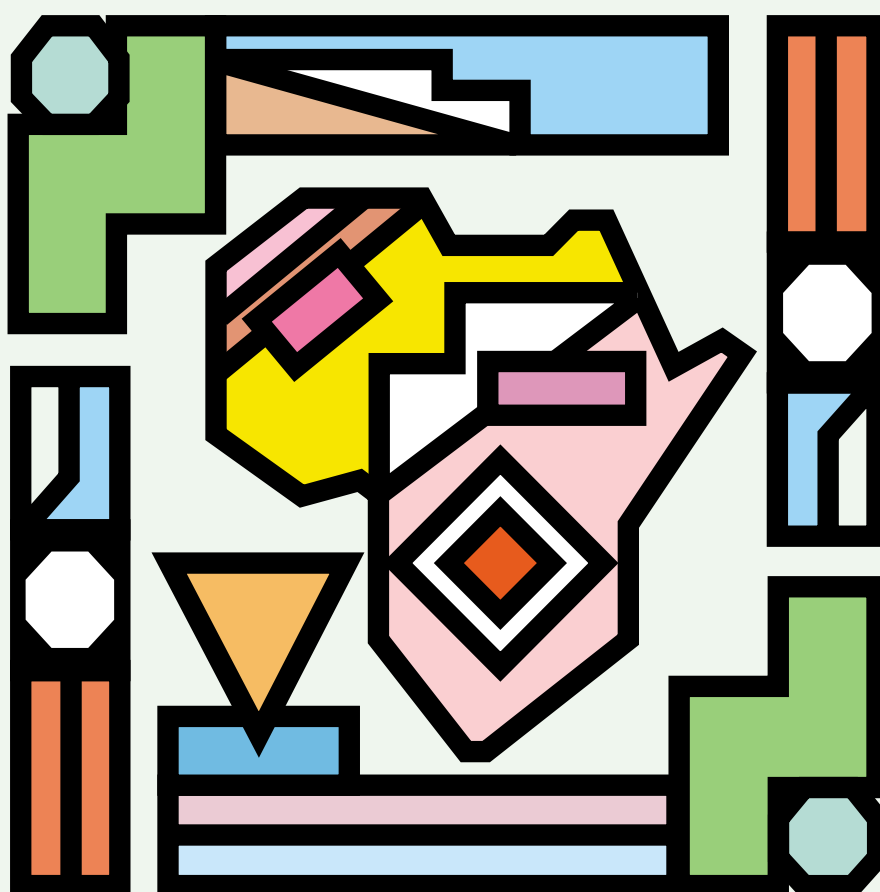


The Study on Japan's Official Development Assistance to Southern African Countries

Volume I Southern African Region



December 2000

Organized by
Japan International Cooperation Agency

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This report is based on the discussions and findings of the Study Committee on Japan's Official Development Assistance for Southern African Countries organized by the Japan International Cooperation Agency(JICA) The Views expressed in the report are those of the members of the Study Committee and do not necessarily reflect those of JICA. This report can also be downloaded from JICA Home Page.(<http://www.jica.go.jp/english-publication>)

Additional copies of this report are available upon written request from:

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Foreword

Africa is facing numerous challenges in the aftermath of the Cold War. These challenges are exacerbating poverty in many African countries, and the economic disparity between Africa and other regions is widening. Although some countries are maintaining their steady path towards democracy, regional and ethnic conflicts remain unresolved in many parts of the continent, undermining the promise of a lasting peace and stability in the region.

This situation prompted Japan to take the initiative to support economic development in Africa. As part of this initiative, Japan hosted the first Tokyo International Conference on African Development (TICAD I) in 1993 and the second conference (TICAD II) in 1998.

As an extension of its contribution to economic development in Africa, Japan focused on Southern Africa, which has been undergoing dynamic social and economic changes since South Africa rejoined the international community. It was considered essential to assess these changes and explore the optimal approach for Japan's development assistance to the region. This recognition led to the establishment of a study committee to focus on South Africa, Zambia and Mozambique, among other countries in Southern Africa.

This study committee held its first meeting in June 1999. In the second to seventh meetings, two sub-committees, one on South Africa and Mozambique and the other on Zambia, held separate sessions. In August 1999, the study committee dispatched a fact-finding mission to the three countries. In most of the eighth and later meetings, the two sub-committees joined together to explore the optimal approach for Japan's official development assistance to each of the three countries and Southern Africa as a whole, based on the discussions in the series of sub-committee meetings. The overall achievements of the study committee were compiled to form this report, which comes in seven volumes in Japanese and four volumes in English.

Finally, I would like to take this opportunity to express my heartfelt gratitude to the Ministry of Foreign Affairs, the Japanese embassies or consulates in South Africa, Mozambique and Zambia, and the JICA offices in the region, together with the institutions concerned, and the relevant departments and task forces of JICA, as well as each member of the study committee. Without their contribution, this report could not have been compiled. I sincerely hope that the report will be of some help in extending Japan's development assistance to Southern African countries.

To Mr. Kunihiko Saito,
President,
Japan International Cooperation Agency

December 2000

Hideo Oda,
Chairperson
The Study Committee on Japan's
Official Development Assistance
to Southern African Countries

Volume I. Southern African Regions

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Background and Outline of The Study

1. Background of the Study

The situation surrounding Southern African Region has been changing radically. The end of the Cold War had consequently brought marginalization and unstabilization to whole Africa. The return of South Africa to the international community after the abolition of Apartheid has had tremendous social and economic impacts to the Southern African Region.

JICA set up a study committee for the Country Study for Japan's Official Development Assistance to Southern African Countries in June 1999 to grasp present situation of the region and examine Japanese future directions for development assistance, especially focusing on three countries; South Africa, which is the key to stability and development in the region; Zambia, which is the priority country for Japanese assistance among inland countries of the region; and Mozambique, which is one of the poorest countries and now has a great need for assistance resulting from its past civil war.

2. Composition of the Report

The Study Committee completed a report including its proposals, which consists of eleven volumes in total; seven volumes in Japanese (including three volumes of appendices containing analytic data), and four volumes in English of the main chapters only. (See the table below)

Main Reports(Japanese and English)		Appendix Data(Japanese only)	
Volume I	Southern African Region	-	
Volume II	South Africa	Volume II -Appendix	South Africa
Volume III	Mozambique	Volume III-Appendix	Mozambique
Volume IV	Zambia	Volume IV-Appendix	Zambia

3. Outline of the Report

(1) Volume I: Southern African Region

In order to establish new regional assistance policies, an accurate understanding of present situations is indispensable. Among the most important factors are historical antagonism between South Africa and the former frontline countries against the Apartheid system, as well as the political and economical influence of the new-born South Africa after the Apartheid.

Besides bilateral assistance which aims to meet each country's development needs, especially in the case of the Southern African region, special efforts should be placed on; i)cross-border issues and ii)issues common to the region by utilizing regional assets.

Basic direction for development assistance to the region include the following points; support for the formation of a new regional framework, attention to the sensitive relationships between South Africa and other countries in the region, the establishment of a constructive, complementary relationship with private economic activities, contributions to peace and stability of the region, and reinforcement of a good reciprocal relationship between the region and Japan.

(2) Volume II: South Africa

South Africa is a regional super power of overwhelming political and economic influence, but it is still suffering from the negative legacy of Apartheid. Japan's assistance policy to South Africa, based on the historic relationship between South Africa and other Southern African countries, should be directed towards stability and development for the whole region through the stability and development of South Africa, and ultimately towards the enhancement of relations between Africa and Asia. Therefore, Japan's development assistance to South Africa is not just bilateral cooperation, but has the potential to become a bridge between Asia and Africa.

Assistance priorities should be focused on the following areas; i)social stability through the provision of basic human needs for the poor black people and the creation of job opportunities, ii)support for capacity building in the government and local authorities as the core of a sustainable development system, and iii)cooperation beyond the framework of ODA and utilization of various forum and schemes to meet specific needs of South Africa.

(3) Volume III: Mozambique

Mozambique is blessed with natural resources, fertile soils and a geographical advantage as a corridor country. Since the end of the civil war, this country has been developed through foreign investments and international assistance. However, the influence of the civil war is still serious, the majority of people still live in absolute poverty. and the rapid social change has given rise to new disparities. Therefore, Japan's assistance policy should aim at the self-reliance of Mozambique while supporting its poverty alleviation efforts and social stability.

Assistance priorities should be focused on the following areas; i)rectifying regional disparities and the stabilization of society through support to the poorest groups, victims of the civil war, and the vulnerable, ii)direct support for regional stability, and iii)human resources development and the formation of systems for self-reliance in the mid- to long term.

(4) Volume IV: Zambia

During the era of Apartheid in South Africa, Zambia played the leading role among the former frontline countries. In the international political aspects, Zambia was highly praised by its contribution for the mediation of the civil war in the Democratic Republic of the Congo. However, as for its domestic economy, Zambia cannot extricate itself from the old copper-dependent economic structure. Structural adjustment and economic liberalization have had a negative impact, such as the weakening of social services and the increase in unemployment. Consequently, poverty is still spreading. Toward such situations in Zambia, foreign donors have been introducing the Sector Investment Programs to attain aid coordination. Japan should take a selective approach in accordance with the absorptive capacity and the aid implementation system of Zambia to make the most of assistance effect, based on the past experience of development assistance.

Assistance priorities should be focused on the following areas; i)poverty reduction, ii)support to the vulnerable, iii)efforts to achieve a well-balanced economic structure.

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[Volume II] South Africa (Main Report)

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Chapter 3. Economic Situation	HIRANO
Chapter 4. Social Development	SATO
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Chapter 2. Priority Areas for Development Assistance to South Africa	TODA
Chapter 3. Practical Measures and Considerations	TODA

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Chapter 1. Basic Perspectives on Development Assistance to Mozambique	TODA
Chapter 2. Priority Areas for Development Assistance to Mozambique	TODA
Chapter 3. Practical Measures and Considerations	TODA

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Chapter 7. Poverty Alleviation and Social Development	KODAMAYA
Chapter 8. Environment	KODAMAYA
Chapter 9. Medical Care and Health Policy	UCHIDA, TAKIZAWA
Chapter 10. Education and Human Resources Development	SAWAMURA
Chapter 11. Infrastructure and Energy	IWAMA
Part II Aid Trends	
Chapter 1. Japanese Aid Trends	N. SUZUKI
Chapter 2. Aid Trends of Other Donors	Secretariat
Part IV Recommendations for Japan's Future Assistance to Zambia	
Chapter 1. Basic Perspectives on Development Assistance to Zambia	Y.SUZUKI
Chapter 2. Issues and Framework of Assistance to Zambia	Y.SUZUKI
Chapter 3. Practical Measures and Considerations	Y.SUZUKI

Executive Summary – Southern African Region –

Part I. Outline of the Study

After the end of the Cold War, many African countries are still suffering from increasing poverty. Their economies are even falling behind developing countries in other parts of the world. Although democracy is developing in some African countries, its foundation is still too weak to afford lasting peace and stability.

Under the joint auspices of the United Nations and the Global Coalition for Africa (GCA), Japan convened the TICAD II Meeting, the Second Tokyo International Conference on African Development (TICAD), in order to discuss the issues of African development with African countries and donor agencies. In TICAD II, the Tokyo Agenda for Action (formerly, African Development towards the 21st Century: the Tokyo Agenda for Action) was adopted as a guideline for social development and poverty reduction in Africa. Since then, Japan has taken various measures to realise the goals enunciated in the Agenda.

In order for Japan's assistance to best contribute to the development of Africa, it is essential for us to understand the ongoing dynamic social and economic changes in Southern Africa brought by South Africa's return to the family of nations. In this context, the Study Committee made a start targeting Southern Africa, especially South Africa, Zambia, and Mozambique.

Part II. Understanding Current Conditions in Southern Africa

◇ New Southern Africa

Southern Africa in the 1980s was the scene of conflict between the former South Africa in its strategy to maintain Apartheid and the movement against Apartheid regime, and had quite clear local characteristics. The presidency of Nelson Mandela, however, brought the old paradigm to a close. A new era is now being opened and, accordingly, the local framework of Southern Africa is changing.

Since democratisation and the removal of international sanctions, South Africa has taken an active part in both political and economical spheres.

On the other hand, the former Front Line States, set free from the joint struggle against Apartheid, are also losing the 'Southern African' solidarity in the sense of being in the neighbourhood of South Africa. In the process of adjusting themselves to the newly arising international relations in Africa, some nations faced conflict of interests and became hostile, and others lost shared concerns.

Southern Africa has been unique because of the existence of a matchless power in Africa, and this gave rise to an asymmetric, vertical polar structure of economic relationships, not an equal, horizontal structure. The polar structure has already started expanding beyond the old framework of Southern Africa to extend throughout the continent, triggered by the democratisation of South Africa.

◇ Changes of Regional Partnership Organizations

In 1992 when the democratisation of South Africa became definite, SADC decided to reorganise itself into the Southern African Development Community (SADC). The Trade Protocol signed in 1996 declared the realisation of a free intra-trade system within eight years. Then, South Africa joined SADC and Mandela took office as Chairman of SADC in 1996.

In 1994, PTA was also reorganised into the Common Market for Eastern and Southern African States (COMESA). COMESA set the objective of realising internal free trade by forming a customs union by the year 2000. However, COMESA failed to convince the new South Africa to join it, and because of that Lesotho and Mozambique withdrew.

In 1992, COMESA proposed the unification of the two organizations, but SADC rejected the proposal. COMESA, under the leadership of Egypt, its new member, seems to be pursuing the market of the communications sector to make the most of the large

area of COMESA. This means the failure of the ECA regional plan and the northward shift of COMESA. It even suggests future conflict between South Africa and Egypt for supremacy in the Eastern African market. A new vision of an African regional framework needs to be set in the context of the international trend toward a “strategy of regionalism” to survive globalisation.

◊ **Changes in economic relations between South Africa and African countries**

South Africa’s trade within Africa is characterised by a massive trade surplus. South Africa compensates for its trade deficit with industrialised countries by running a surplus within Africa. The African market is indispensable for the South African economy, but at the same time, dependency on South African products is increasing not only for the surrounding countries, but for all African countries. As regards investment, South African companies are very active in overseas investment.

Mozambique gathers by far the most amount of FDI in SADC countries. The total inflow, including that from South Africa, amounted to 2.9 billion dollars, when Mozambique’s GNP is only 1.7 billion dollars. Compared with Mozambique, Zambia receives less FDI, but South African investment after the privatisation of ZCCM will determine the future of the Zambian economy from a variety of perspectives.

The Maputo Development Corridor Plan was originally one of the eight Spatial Development Initiatives (SDI), development plans made and managed by South Africa. We can see from this that when South Africa’s economy expands into other countries beyond its borders, a lot of private capital of South Africa and others is devoted to the affected country.

◊ **Changes of the regional framework in Africa**

Just as the Congo War in 1960 restricted international relations in Africa then and after, the present “New Congo War” has had a huge impact on Africa.

The political change in Zaire and the leadership Uganda exercised there were highly appreciated by the international community and the United States in particular. The case was the first since the establishment of OAU in Africa that one country directed a shift of political power in another country. They regarded the case as a good model of self-sufficient conflict-control capability in Africa.

Zaire did not belong to any regional groups in the era of the Mobutu regime. After becoming the DRC, it joined SADC. This arose against the background that the Eskom Electric Power Public Corporation of South Africa intends to integrate all nations south of DRC into the international power network. In accordance with the plan to purchase electricity using an international power grid network, Eskom has already connected the Cabora Bassa Power Plant in central Mozambique and the Kariba Power Plant on the border of Zimbabwe and Zambia. Eskom further intends to connect the Congo River in DRC as the last core of the international power network, and to cover countries to southward. The negotiations on the power supply and prices in each country has already begun on the table of the Southern African Power Pool (SAPP) established in 1995.

As the power network expands, the area of Africa below the equator will need to maintain the power transmission network and to constantly co-ordinate power distribution. South Africa expects SADC to have such a co-ordinating function, and that is why South Africa insisted on the membership of DRC in spite of oppositions within SADC.

◊ **New Frontline**

The Kabila regime established in 1997 was unstable. The relations with countries in the Great Lakes region suddenly turned for the worse, and the “New Congo War” entered a second phase. Now the Great Lakes countries and Southern African countries are in military conflict in DRC territory, which is forming a “New Frontline” situation.

Even before the outbreak of the New Congo War, President Robert Mugabe of Zimbabwe was opposed to President Mandela. The former was Chairman of Organ on Politics, Defense and Security established in 1996 to succeed the function of old Frontline, and the latter was Chairman of SADC. As the SADC expands, the areas that used to be outside the scope of Southern Africa give rise to conflicts within SADC.

The international community is hesitating to be directly involved into the African conflicts, expecting that Africa can solve

conflicts by themselves. The DRC issue is expected to be solved in the nation or in the region. Now Africa has lost the common enemy of 'non Africa,' and must manage international relations and conflicts within Africa. Unfortunately, Africa has not obtained the ability or structure to do this yet. Without the international principle of anti-Apartheid, Southern Africa as a community is not cohesive enough to face critical regional problems any more.

◇ New Regional Framework and Some Considerations

The Southern Africa of the 1980s no longer exists. There are now countries that have different relations with South Africa and different interests regarding the new 'regional' issues from the north. How can the economy of Mozambique, the poorest nation in Africa, grow by double-digit figure? This "miracle of Mozambique," which would not have happened if the nation were not in Southern Africa, explains the new characteristic of this region.

The existence of new South Africa, this regional power with its matchless economy and active investment, has given rise to unique economic phenomena in this region, which have never been seen before in this group of the poorest countries. Old regional frameworks have lost their *raison d'être*, and the whole of Africa is now undergoing readjustment. If we wish to support regional partnership, we must define what kind of Cooperation form is appropriate for each country, and where we can find the regional framework for which our support is applicable.

• Efficient use of regional public goods

The new 'Southern Africa' can be defined as the sphere under the influence of the new South Africa. It also depends on the decision of each country whether it accepts the entry of South African interest. Unfortunately, Africa is different from Asia in its lack of a second row of a flying-geese formation. In this situation, the existing social and economic infrastructure owned by South Africa must be fully utilised for future regional development.

Without the improvement of the rural economy, poverty will not be reduced. CIMMYT and ICRISAT, which once initiated the "Green Revolution" movement, have their Southern African offices in Zimbabwe and Malawi. With assistance from Japan, their activities will promote. Through the connection to South African local research efforts, results from their activities will be used for African small-scale farmers in each country.

Agricultural land reform is one of key issues in Southern Africa where a lot of white people used to settle. Not only agricultural technology, but also knowledge and policy experience in land policies and agricultural land reform, are necessary for the stable development of national economies. The historical experience of Japan and Asian countries in this field will certainly contribute to governments who are pursuing the racial integration and poverty reduction at the same time.

• The importance of "country-specific approach" and "comprehensive approach"

It is of importance to return to the principle of a "country-specific approach." In the present Southern Africa, it is the most important to take each country's situation into account when forming an assistance strategy. If in the process we find any international project necessary to each country's development, then we should discuss regional assistance. An accurate understanding of regional characteristics is necessary when discussing a regional assistance plan. Especially in the new Southern Africa, a new mechanism in which consortiums devote private funds into local development is working to create dynamism of the whole local economy. ODA should not interrupt such mechanism, and this is what a "comprehensive approach" intends. It is expected to make the most use of South African "regional public goods", as an example of contribution of ODA through a comprehensive approach.

Part III. Japanese Aid Trends to Southern Africa

1. Japanese aid trends to whole Africa

Japan has attempted to increase assistance to Africa since the late 1970s. Assistance to African countries in 1989 reached 1,040 million dollars, 15.3% of Japan's total bilateral assistance. However, in 1990 the amount declined to 790 million (11.4%). Both loan aid and grant aid showed a drop. The drop in loans was due to the heavy debt accumulation of African countries, and the lower level of grant aid was due to the suspension of aid to politically unstable countries. After 1995, the proportion of assistance to Africa remained around 12% of total bilateral ODA, and in 1998 it was 11.0%, or 950.29 million dollars.

2. Japanese aid trends to Southern African Region

Bilateral assistance to Southern Africa accounted for 30 to 40% of Japan's total ODA to Africa. In 1997 and 1998, the proportion reached around 60%, and the actual amount increased as well. The main reason for this is the increase in loan aid to South Africa and some other countries after 1996. However, special attention must be paid to countries and sectors for which the provision of new loans is problematic. There are some heavily indebted poor countries that are planning to reduce their debt under the HIPC initiative, such as Angola, Zambia, Mozambique and Malawi. Others are semi-advanced countries or near this level, such as South Africa, Botswana and Mauritius. There are also countries which place restrictions on sectors that can receive yen loan.

Grant aid, on the other hand, accounted for 48.0 % (in FY1998), which is above average for Japan's world-wide assistance but still low in terms of assistance to the whole of Africa. This is because the income level of some countries in this region is above the standard for grant aid. Although the level of grants to Mozambique and Angola are expected to increase, grants to the whole of Southern Africa will not increase dramatically.

Part IV. Frameworks for Future Japan's Assistance to Southern African Region

1. Basic Perspectives for regional Cooperation to Southern African Region

• Regional Cooperation to Southern African Region and Bilateral Cooperation

ODA to Southern Africa should be based on a comprehensive diplomatic policy and an external economic policy covering economic activities in the private sector (that is, "a country-specific approach" and "a comprehensive approach"). At that time, we should take into account each country's situation and bilateral relationships. Bilateral Cooperation embodying such policies should be the core of ODA.

On the other hand, regional cooperation goes beyond the bilateral cooperation framework, and yet it forms a complementary relationship with bilateral cooperation. The following two issues in Southern Africa require the comparative advantage of regional cooperation, as bilateral cooperation cannot deal with them adequately.

(1) Efforts toward the solution of cross-border issues

Due to the nature of problems and the fact that the process in which potential problems emerge as actual problems extends beyond national borders, it is difficult for each country in the region to deal with such problems separately. Thus, it is desirable to take comprehensive measures utilising a regional cooperation framework. (Problems related to peace and stability in the region, corridor development, regional transportation, development of telecommunications infrastructure, problems related to the cross-border movement of goods and people such as immigrants, regional environmental problems, and capacity-building of intra-regional cooperation organizations dealing with these problems.)

(2) Efforts toward the issues common to the region utilising regional assets

In principle, each country should separately deal with problems related to education, vocational training, small and medium-scale enterprises development, promotion of farming, and public sanitation. However, when facilities and resources (including human resources) necessary for the solution of problems are shared within the region or have similar characteristics, it is more effective to utilise excellent resources that a specific country in the region owns as “regional public goods”, rather than to take measures separately using the limited human and physical resources of each country. Through a network of resources in each country, these resources can be utilised flexibly by making the most of the advantages of each national resource.

• *New regional cooperation policy corresponding to new situations*

(1) Disappearance of the past regional framework and contributions to formation of a new framework

The position of Southern Africa as a sub-region in the future presents an extremely important question, including recognition of the process of “Southern Africanization” of the whole of Africa. A new regional cooperation policy for “Southern” Africa should be considered along with the supposition of “Southern Africanization” of the whole Africa based on the future regional characteristics of Southern Africa.

In the process of formulating a new regional framework, in order to determine the criteria for a future regional cooperation policy for Southern Africa, it is necessary to ask how far Japan’s ODA should be actively involved in its formulation. Moreover, it is desirable to share basic policy not only at Japan’s various policy-making levels and implementation levels but with the recipient countries as well. What is more important is to share recognition of the essential structure of Southern Africa when developing ODA projects, and to decide how far Japan’s ODA should be involved in a proactive way.

(2) Consideration of the delicate relationship between South Africa and its surrounding countries

In forming a basic structure in Southern Africa, it is necessary to consider the most appropriate relationship between South Africa and its surrounding countries, as well as effective support for the establishment of such relationships. Based on these considerations, it is necessary to further discuss the direction Japan’s ODA should take. The following three approaches are assumed to represent regional cooperation with consideration for the delicate relationship between South Africa and its surrounding countries:

1) Support for making public goods in the social sector in South Africa into “regional public goods”

There are many options for the active use of resources in South Africa as “regional public goods.” In particular, in consideration of the delicate relationship between South Africa and its surrounding countries, intensified support should be provided throughout Southern Africa to utilise resources in areas that the surrounding countries do not feel dominated (such as social sector including health and medical care and education)

2) Support for forming an intra-regional network through equal partnership

In order to contribute to the empowerment of countries besides South Africa, it is necessary to support the establishment of an intra-regional network based on an equal partnership between various resources scattered over the region, while avoiding as much as possible the establishment of a “hub & spokes” structure centring around South Africa.

3) Utilization of Japan’s established cooperation bases

For 1) and 2) it is possible to utilise resources that Japan has established as bilateral cooperation bases in each country. In this case, the relationship between these bases should be founded on the above-mentioned equal partnership. It is important to adopt new approaches corresponding to the needs of the times through cooperation activities between bases. In a word,

flexible changes are required.

(3) Establishment of a positive complementary relationship with economic activities in the private sector

The nucleus of a regional economy is already supported by private investment and other economic activities in the private sector in South Africa. There is not enough room for ODA to be directly involved. Thus, ODA should function only as a catalyst to reach goals, or should be provided to the social sector where it is difficult for the private sector to get involved.

When providing ODA to large-scale projects such as the development of regional infrastructure in heavily indebted countries, careful consideration is required. In view of the need to maintain consistency in other ODA provisions, Japan can effectively participate in the joint establishment of projects, from the upstream stage of concept formation, using technical cooperation.

(4) Contribution to peace and stabilisation in the region

Peace and stability in the region is one of the most important issues in Southern Africa, and is indispensable for regional development and the improvement of welfare, which is the basic aim of ODA.

In continuing and expanding cooperation in the existing fields, there is an approach to gradually strengthening direct support for peacebuilding within the range of possibilities, while promoting projects that pay more “consideration” towards impacts on peace and stability in the region than ever. It is important to indicate the attitude that “Japan is learning” through participation in activities contributing to peacebuilding in the region.

(5) Reinforcement of reciprocal relationships with Japan and their development into inter-regional cooperation

Reinforcement of reciprocal relationships between Southern Africa and Japan is deeply related to their particularities. Where to place South Africa as a major power in the region in relation to Japan as a member of Asia is particularly important, which may be a criterion for reinforcement of a regional relationship between Asia and Africa.

The following two points should be noted in the argument regarding “transplantation” to Africa of “successful experience” in development in parts of Asia. First, needless to say, there is regional diversity and large differences in the conditions of both regions. Thus, careful consideration will be required. Second, we must recognise that there is not just a one-way approach from Asia to Africa, but also there may actually exist a two-way approach, from Southern Africa to Asia.

2. Efforts toward the major regional issues

• Efforts toward the cross-border issues

(1) Measures to deal with problems accompanying the movement of people and goods

A framework for regional cooperation has the following two opportunities for effective intervention

- (i) Contribution to promoting the movement of people and goods, aiming at the optimum distribution of resources and reinforcement of intra-regional interdependence
- (ii) Contribution to minimizing the negative impacts of the movement of people and goods

(2) Support for capacity-building in intra-regional cooperation organizations

With major upheavals in the region, regional cooperation organizations are no longer static.

Under these circumstances, the following suggestions are made for Japan's efforts:

- (i) To provide support for regional organizations backed by a regional cooperation policy
- (ii) To take measures that consider other regional cooperation organizations besides SADC

- (iii)To reinforce catalytic functions in the formulation of regional cooperation programmes
- (iv)To reinforce cooperation with regional organizations in Asia

(3)Support for peace and stabilisation in the region

When implementing ODA projects in the region, impacts on peace should be assessed from the early stage of programme formulation. Projects should be implemented with consideration for impact assessment on peace. (“Consideration for peacebuilding/Peace Impact Assessment”)

• Efforts toward the issues common to the region (e.g. poverty reduction)by utilising “regional assets”

(1)Measures to deal with development issues in the social sector(health and medical care, education, etc.)

In bilateral cooperation in the region, development of the social sector is regarded as the priority issue from the viewpoint of poverty reduction.

In providing regional cooperation support, it is effective to utilise bases created through bilateral cooperation, and to promote networking between these bases.

(2)Support for the sustainable rural livelihoods, increased production of key staples, and local industrial development

Both sustainable rural livelihoods and increased production of key staples are important issues in the countries of the region, in order to promote poverty reduction in rural areas. For this purpose, an effective approach is to collect knowledge not only within the framework of bilateral assistance but also in and around the region, and provide regional cooperation support that promotes the utilization of such knowledge.

When providing support for industrial development and regional development in the framework of regional cooperation, a complementary relationship with bilateral assistance as well as with economic activities in the private sector is a prerequisite.

3. Reinforcement of Implementation systems

• Promotion of aid implementation based on the overseas office’s initiatives and institutional networking of aid knowledges and experiences

(1)Establishment of a sound institutional structure with responsibility and authority in overseas offices

Japan has less experience in providing cooperation to Southern Africa than to ASEAN countries. Therefore, in order to take measures responding to the actual conditions, and to develop high-quality cooperation that will be highly valued by the recipient country, responsibility and authority should be transferred to the overseas offices.

The transfer of responsibility and authority to the personnel in charge of providing assistance at the overseas offices, not only contributes to making project implementation more efficient and expeditious, but also promotes reinforcement of a reliable relationship with the parties concerned in the recipient country and other assistance organizations at the site.

(2)Flexible utilization of human resources for assistance and networking of aid knowledges and experiences

In order to enhance the profile of Japanese cooperation in Southern Africa where many donor countries are involved, the quality of personnel dispatched must be high. For this purpose, limited human resources should not be confined to dealing with a certain problem in a specific country. Rather, in order to use these resources more effectively in various countries, the following ideas should be discussed.

(3)Promotion of “visibility of Japanese assistance” through donor co-ordination

Compatibility between donor co-ordination and “visible cooperation”

- Sharing information and objectives and differentiation of measures
- Promoting cooperation focusing on Japan’s ODA principle

Displaying Japan’s initiatives in priority fields of cooperation(active participation in the planning process; pro-active participation)

(4)Utilization of new information technology(IT)

New information technology(IT)is very likely to create a major breakthrough in the solution of cross border issues and regional issues in Southern Africa where the movement of people and goods has many restrictions.

Accumulation and sharing of knowledge and experiences in and outside the region through IT will complement the current development assistance implementation system. Thus, IT will contribute to significant improvement in the quality of cooperation and the development of more flexible cooperation. Though IT is an important means, it is merely one of the means for poverty reduction and achieving other purposes of assistance. Therefore, it is imperative to establish a sound framework for the content of IT, that is, how to utilise IT based on what philosophy and purpose.

• Reinforcement of a comprehensive policy dialogue function

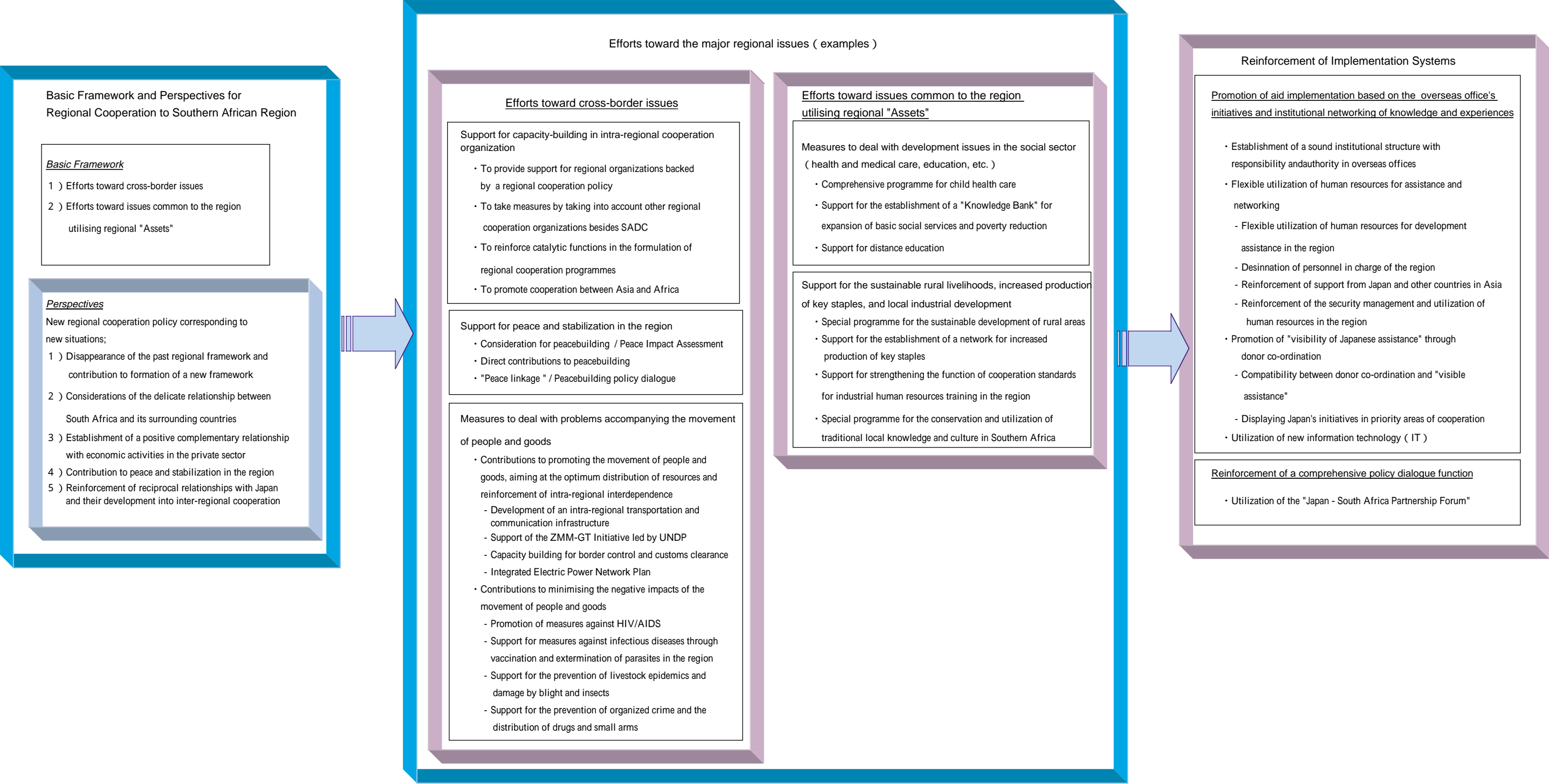
In order to promote effective regional cooperation in Southern Africa, it is necessary to harness Japan’s intellectual capacity, and look far ahead to future changes in the situation from a comprehensive viewpoint. Then, a system should be established to constantly consider the relationship between Japan and Southern Africa as well as Japan and Africa as a whole.

One example is the establishment of a comprehensive forum covering non-ODA activities and the private sector, in cooperation with existing forums, such as the Japan-South Africa Partnership Forum, in order to consider what cooperation Japan could provide to Southern Africa. Moreover, the establishment of a permanent forum, including an E-Forum on the use of IT, should be discussed.

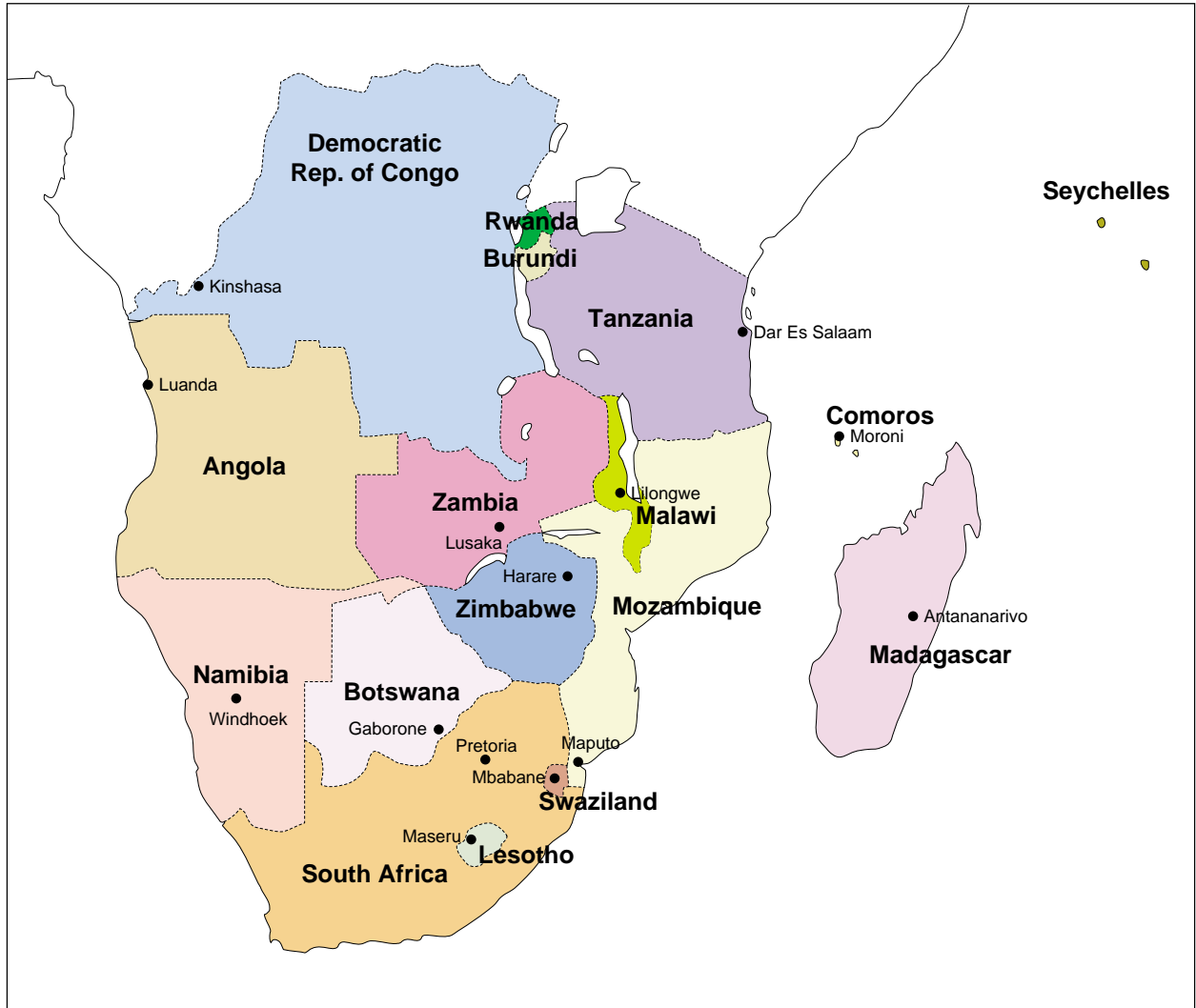
Abbreviations

ABET	Adult Basic Education and Training
AfDB	African Development Bank
AfDF	African Development Fund
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
BLNS	Botswana, Lethoto, Namibia, Swaziland
CAS	Country Assistance Strategy
CDF	Comprehensive Development Framework
CEC	Commission of the European Communities
CEMAC	Communaute Economique et Monetaire en Afrique Centrale
CIMMYT	International Maize and Wheat Improvement Center
CMA	Common Monetary Area
COMESA	Common Market of Eastern and Southern Africa
CONSAS	Constellation of Southern African States
DAC	Development Assistance Committee
DBSA	Development Bank of Southern Africa
DFID	Department for International Development
DRC	Democratic Republic of Congo
EAC	East African Community
EC	European Community
ECA	United Nations Economic Commission for Africa
ECOWAS	Economic Community for West African States
ESAP	Economic Structural Adjustment Program
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GCA	Global Coalition for Africa
GDP	Gross Domestic Product
GNP	Gross National Product
GTZ	Deutsche Gesellschaft fur Technische Zusammenarbeit/ German Agency for Technical Cooperation
HIPCs	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IDA	International Development Association
IDRC	International Development Research Center
IFIC	Institute for International Cooperation
IIA	Internet Initiative for Africa
IMF	International Monetary Fund
IOR-ARC	Indian Ocean Rim Association of Regional Cooperation
ISS	Institute for Security Studies

JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
LLDCs	Least Less Developed Countries
MDC	Maputo Development Corridor
NGO	Non-Governmental Organization
OAU	Organization of African Unity
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OECF	Overseas Economic Cooperation Fund
OOF	Other Official Flows
PFP	Policy Framework Paper
PRGF	Poverty Reduction Growth Facility
PRSP	Poverty Reduction Strategy Paper
PTA	Preferential Trade Area for Eastern and Southern African States
RDP	Reconstruction and Development Programme
REPA	Regional Economic Partnership Agreement
RF	Rodesia Frontline
SACCR	Southern African Centre for Co-operation in Agricultural and Natural Research and Training
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SAPP	Southern African Power Pool
SATCC	Southern African Transport and Communications Commission
SCU	Sectoral Coordination Unit
SDI	Spatial Development Initiatives
SIP	Sector Investment Program
SPA	Strategic Partnership for Africa
SWAp	Sector-Wide Approach process
TICADII	Second Tokyo International Conference of African Development
TRC	Truth and Reconciliation Commission
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNISA	University of South Africa
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VCT	Voluntary Counseling and Testing
ZCCM	Zambia Consolidated Copper Mines Limited
ZCI	Zambia Copper Investments
ZMM-GT	Zambia-Malawi-Mozambique Growth Triangle



Map of the Southern African Region



Part I. Outline of the Study

Chapter 1. Outline of the Study Committee

1. Background of the establishment of the Study Committee

After the end of the Cold War, many African countries are still suffering from increasing poverty. Their economies are even falling behind developing countries in other parts of the world. Although democracy is developing in some African countries, its foundation is still too weak to afford lasting peace and stability.

Under the joint auspices of the United Nations and the Global Coalition for Africa (GCA), Japan convened the TICAD II Meeting, the Second Tokyo International Conference on African Development (TICAD), in order to discuss the issues of African development with African countries and donor agencies. In TICAD II, the Tokyo Agenda for Action (formally, African Development towards the 21st Century: the Tokyo Agenda for Action) was adopted as a guideline for social development and poverty reduction in Africa. Since then, Japan has taken various measures to realise the goals enunciated in the Plan.

In order for Japan's assistance to best contribute to the development of Africa, it is essential for us to understand the ongoing dynamic social and economic changes in Southern Africa caused by South Africa's return to the family of nations. In this context, this Study Committee targeting Southern Africa, especially South Africa (at the core of regional stability and development), Zambia (one of the priority inland countries for assistance), and Mozambique (one of the poorest nations with high development needs devastated by the civil war) was established in June 1999.

In addition, The Japan International Co-operation Agency (JICA) had conducted region-wise or country-wise studies toward Africa, as follows:

- 1) Regional Studies for Japan's Development Assistance
Africa (1989)
Southern Africa (1994)
- 2) Country Studies for Japan's Development Assistance
Kenya (1992)
Tanzania (1996)

Ghana (1994)

Senegal (1994)

- 3) The Issue-wise Study Committee for Japan's Official Development Assistance on the "DAC's New Development Strategy"; Volume III 'Country Studies'

Zimbabwe (1998)

Ghana (1998)

Among these, the Regional Study for Japan's Development Assistance to Southern Africa, established in 1994 (hereinafter referred to as the "Regional Study Committee"), had a mission to analyse and examine Southern Africa as a region. The Regional Study Committee had focused on the importance of South Africa for the future development of the region, and the necessity of support toward South Africa.

2. Objectives and discussion themes of the Study Committee

The main objective of the Study is to formulate Japanese assistance policies and priority areas toward the Southern African Region, South Africa, Mozambique and Zambia based on the future prospects of development directions of the Region and the three countries.

In the course of the Study, the Study Committee analysed the current conditions and issues in the political, economic, and social sectors in Southern African Region and the three countries. The Study Committee also analysed the aid trends by Japan and major international donors. In the conclusion, the Study Committee concluded recommendation for Japan's future assistance toward the Southern African Region and the three countries.

3. Process of the Study

The Study Committee held its first meeting in June 1999. Subsequently, the second to seventh meetings were devoted to the examination of individual countries with

the team divided into the South Africa and Mozambique Sub-committee and the Zambia Sub-committee.

In August 1999, the Committee conducted field surveys in South Africa, Mozambique and Zambia and collected valuable information for the recommendations through exchanging opinions with each government, major donor organizations, NGOs and Japanese aid-related personnel.

At the eighth meeting and after, joint meetings were held to discuss the appropriate assistance toward Southern

African Region based on the discussions in the two sub-committees.

In making the reports, nominated members of the Study Committee wrote the chapters about the present conditions and issues in each sector and about the aid trends. The final recommendations were mainly prepared by Task Force Chief, taking the views of all members of the Study Committee into account.

Chapter 2. Characteristics of the Study Committee

1. Organization and Characteristics of the Study Committee

In order to give consideration to each of the three countries of South Africa, Mozambique and Zambia as well as South Africa, members of experienced scholars and professional personnel were divided into two sub-committees: the South Africa & Mozambique sub-committee and the Zambia sub-committee. Some of the members belong to both.

As well as members specialised in political, economic or social fields, each section has members in charge of country-specific subjects—urban problems for the South Africa & Mozambique sub-committee, and mining and manufacturing industries for the Zambia sub-committee.

Each member joined the discussions at each study committee, and wrote the chapter in charge for the section of analyzing the current conditions and issues of each volume.

In addition, the Task Force teams that corresponds to each Study Committee member were set up. The Task Force Chief mainly drafted the recommendations of each volume I to IV, and other members, prepared the data and informations to support the analysis by the Study Committee member. Such data and informations are compiled as Appendix-data to attach the main reports.

toward Zambia are similarly compiled with basic current analysis and frameworks for Japan's future assistance for each country.

2. Composition of the Study Reports

The study reports consists of eleven volumes including four volumes in English.

Among them, the main reports are Volume I to IV. Volume I introduces the outline of the Study Committee, current conditions and frameworks for Japan's future assistance toward Southern Africa. Volume II toward South Africa, Volume III toward Mozambique, and Volume IV

Part II. Understanding Current Conditions in Southern Africa

Katsumi HIRANO(Institute of Developing Economics–JETRO)

Introduction

The aim of Part II is to explain, as background information for the national volumes, the regional situation where South Africa, Mozambique and Zambia are closely tied to each other. Regional economic forces and international politics impacting within the region, which are difficult to handle in separate analyses of each country, will be discussed here.

‘Southern Africa’ has been given a special meaning so far. Southern Africa in the 1980s was the scene of conflict between the former South Africa in its strategy to maintain Apartheid and the movement against Apartheid regime, and had quite clear local characteristics. The presidency of Nelson Mandela, however, brought the old paradigm to a close. A new era is now being opened and, accordingly, the local framework of Southern Africa is changing. The epicentre of this change is the new South Africa with the political and economic influence beyond its borders. This trend, which appeared in early 1990s, is the focus for many discussions about the situation in this region. Mozambique and Zambia are countries on the front line, subject to the greatest influence from South Africa. Therefore, it is not enough to observe these countries individually, but it is necessary to view them in the context of rapidly changing regional situation.

Since democratisation and the removal of international sanctions, South Africa has taken an active part in both political and economical spheres. Not confined to Southern Africa, its global activity covers the whole African continent, reaches as far as Asia and Latin America, and even includes the restoration of relations with Europe, North America and Australia. The regional framework of ‘Southern Africa,’ which has been defined by relations with South Africa and therefore limited to the countries surrounding South Africa, will lose its meaning gradually as the framework is expanding and spreading. This can be called ‘Southern Africanisation’ of the whole of Africa.

Now that the Apartheid problem in Southern Africa has been settled, it may also safely be said that the special quality of ‘Southern Africa’ itself has disappeared. It is possible to forecast even more boldly that in the interna-

tional relations in Africa there will remain only a bundle of bilateral relations between South Africa and other African countries. In fact, this is already becoming true in the private-sector economy.

On the other hand, the former Front Line States(mentioned below) set free from the joint struggle against Apartheid, are also losing the ‘Southern African’ solidarity in the sense of being in the neighbourhood of South Africa. In the process of adjusting themselves to the newly arising international relations in Africa, some nations faced conflict of interests and became hostile, and others lost shared concerns.

Southern Africa was once weighed down by the peculiar local environment and was characterised by a consequent solidarity. But with the liberation of South Africa, this era is now over. This can be characterised as the end of the anti-colonisation struggle on the African Continent. Will ‘Southern Africa’ dissolve into Africa as a whole and be nothing but a geological entity? Or, will a new framework create a new character for Southern Africa?

The latter is likely to be the case. As a matter of course, the ‘new framework’ and the ‘new character’ are different from the image of Southern Africa in the 1980s. The ultimate aim of this paper is to define such difference and the new ‘Southern Africa,’ if its outline cannot yet be determined. I believe this is an important consideration, because if we see the present three countries of South Africa, Mozambique and Zambia using the old vision of Southern Africa, we may be misled into an inappropriate development assistance policy, based on outdated diplomatic policies toward Africa.

The explicit themes of ‘Abolition of Apartheid’ and ‘Economic independence of surrounding countries(from South Africa)’ do not exist here any more. Instead, there are totally new local trends not seen in Africa before, in a totally new context. We must understand this fundamental change before we can determine our diplomatic policies and derive development assistance plans toward Africa in the new era.

Let me review the actual state of Southern Africa.

There was a close economic bond across the borders within this region, which formed what can be called 'a local economic zone.' This is evident in the railway network: it is almost the only region in the African continent that is covered with a well-developed railway network¹. But what certainly differentiated this region from other parts of Africa was the fact that the hegemony of South Africa was firmly established. In fact, it would have been more accurate to call the region under the hegemony of South Africa 'Southern Africa,' even if the level of each country's relationship is different. Southern Africa has been unique because of the existence of a matchless power in Africa, and this gave rise to an asymmetric, vertical polar structure of economic relationships, not an equal, horizontal structure. The polar structure has already started expanding beyond the old framework of Southern Africa to extend throughout the continent, triggered by the democratisation of South Africa.

Countries in Southern Africa are quite widely diverse. While, on the one hand, South Africa has a population of 40 million and Mozambique more than 15 million, there are small nations such as Lesotho with less than 2 million inhabitants and Swaziland with less than 1 million. Looking at their economy, Zimbabwe has a relatively stable industrial structure and produces a variety of goods, while countries such as Zambia, Botswana and Angola have mono-culture economy depending on specific mineral resources. Lesotho has no particular industry, and its economy relies solely on remittance from its people working in South Africa countries. Some countries in this region are blessed with relatively high incomes, but others such as Mozambique suffer from the lowest GNP per capita in the world. In political terms, too, Botswana has maintained a multi-party system, but Angola has never been free from war since its independence. The region even has national peculiarities such as the enclave of Lesotho and Swaziland. .

Why have such diverse countries with different economic power and scale formed one economic zone? What is the hegemony of South Africa that has enabled such a distorted economic zone? To know the answers, let us review the historical details up to the conditions established in the 1980s.

¹ In the beginning of the 20th century, Britain's investment in South Africa was the largest of any nation and second only to its investment in India. In 1913, Southern Africa had the second longest railroad in the Third World behind India, and far longer than the network in China.

Chapter 1. Historical Formation of Southern Africa

We start the main volume with the history of Southern Africa, not only because we need to review how the 1980s' model of regional composition was formed, but also because it is worthwhile examining here the regional history which seems to have been contorted by the view of white South Africa. We cannot capture the violent character of the 1980s' model without clearly understanding the regional history leading to such a model. The violent nature can be defined as a reaction against the collapse of the regional economic structure in Southern Africa that had been accomplished in the 1960s.

1. Formation of groups of emirates

There had been cattle-raising ethnic groups in Southern Africa long before Christ, and their cattleraising and gathering economy was quite stable. Agriculture filtered into this region over a long time, and in the third century at the latest, people were involved in agriculture with ironware in the wide area including Natal. Around the tenth century, a city-state with iron culture was formed halfway up the Limpopo River (around the present borders of Botswana, Zimbabwe and South Africa). The people participated in the trade on the Indian Ocean, and their culture blossomed into the Great Zimbabwe².

By the sixteenth century, right before the encounter with Europe, in most areas with sufficient rainfall, states had been founded based on a mixed economy of agriculture and cattleraising. Among them were the Monomotapa Kingdom (present northern Zimbabwe), whose people traded in gold with Portuguese, the first to enter this region, and the Ngola Kingdom (present Angola), which made a connection with the Portuguese through the slave trade. In the area between the coastline and the Drakensberg Escarpment fringing the eastern border of South Africa, groups of emirates of the Ngni ethnic group who spoke Bantu languages were formed. They are the progenitors of the present black population of South Africa. Southern Ngni became Xhosa, and northern Ngni became Zulu. Most of these emirates remained until the late nineteenth century.

From the end of the fifteenth century, European ships visited this region searching for an eastward route to India, but the Portuguese, who took the initiative in the Age of Exploration, could not secure their base in South Africa because of the strong currents off the coast of South Africa. The settlements of the Portuguese never went further south than Mozambique and Angola.

2. Settlement of the whites

The Dutch were the first Europeans to settle on the Cape. In the seventeenth century, the Netherlands was a great commercial state contending for mastery with Britain. After Jan van Riebeeck reached this region in 1652, the Cape Peninsula appeared in European history as a supply depot on the trade route to the Indian Ocean managed by the Dutch East India Company. Using labour brought from the Malay Peninsula, Dutch settlers expanded their domain by forming a slave society. In the process, the Khoisan, a native cattle-raising and gathering ethnic group, suffered a heavy blow from smallpox brought by the Dutch. Some of them were driven to dry lands in the north, while others were absorbed into the colonial society as slaves. The word "coloured," which is used only in South Africa as a racial classification, refers both to descendants of emancipated slaves in urban areas including Malay and Khoisan, and to the Khoisan people who live in isolated districts³.

In 1652 when van Riebeeck first founded Cape Town, the First Anglo-Dutch War began. At that time the mastery in Europe was shifting from Holland to Britain. After defeating the Dutch, Britain started contending for mastery with France. In 1795, during the Anglo-French War, the Cape Colony was occupied by the British, who were fearful of France entering the region. What Britain got was an old-fashioned colony which had no towns except Cape Town and half of whose population were slaves. Around the colony, groups of settlers half independent from Dutch rule scattered and there were constant skirmishes with the black emirates.

After a while, planned settlements from Britain started with the first group known as the "Settlement of 1820." They formed a separate society without mixing with Dutch settlers. British systems started to be introduced,

² The name of the state, Zimbabwe, which means 'a stone house,' derived from a huge ruin.

³ This word is sometimes translated as 'mixed,' which is wrong.

English became the official language, and slavery was abolished. Dutch settlers (they called themselves 'Afrikaner' later) resisted British domination, and started a group migration with many slaves in the 1830s. This is what is called the "Great Trek."

3. Convulsion of Mfekane

While the white settlers' society was breaking up into the earlier Dutch settlers and the British settlers, black society was also experiencing a tremendous change.

For Southern Africa, the first half of the nineteenth century was the era of internecine civil war. When the population pressure and the consequent troubles about land ownership caused the extreme tension between emirates, King Shaka appeared in the Zulu ethnic groups. He made the Zulu Kingdom a powerful military state. After unifying the northern Natal in 1818, the King embarked upon aggressive wars against surrounding emirates. This is the beginning of the era called "Mfekane"⁴—inland communities being destroyed, many groups pushed out by the Zulu Kingdom scattering far and wide to found new states. These large-scale migrations exerted an influence as far as Zimbabwe, Zambia, Malawi and Tanzania. For example, a party of the Ngni entered into the present southern Zimbabwe and established the Ndebele Kingdom, occupying a territory of the old Monomotapa Kingdom. Another party formed the Gaza Kingdom (present southern Mozambique) and other new conquering kingdoms appeared in the present Zambia and Malawi.

The Great Trek of the Afrikaners started in the middle of this era of war. Inland plains that the Afrikaners viewed as ownerless were temporarily vacant due to the Mfekane and the exodus of refugees. The former history of the Afrikaners described this era as a history of difficulties for Afrikaner pioneers who struggled against brutal black people. But in reality, all the people living in this region, regardless of race, shared the same difficulties. In the continuous battles of the white and the black, many communities disappeared and many people were killed or became refugees driven out from their land. At the same time, however, a new era was being prepared.

Natal, which was the main battlefield between Zulu and Afrikaner, in the end came under British rule. A party of the Sotho ethnic group gathered in an impregnable mountainous area, but because of the heavy pressure from Or-

ange Free State founded by Afrikaners, they asked Britain for help so that they could survive by becoming willingly an English colony (Basutoland, the present Lesotho). Occupation of this area meant that Britain had taken possession of the water resources of South Africa. The Orange River, running from mountains in Lesotho and joining with the Vaal River, provides more than 20% of surface water in South Africa.

There was another Afrikaner state, the Republic of South Africa (commonly called Transvaal) on the north of Orange Free State. Between the Republic and Natal Colony was Swaziland, which escaped from the invasion of the Zulu by keeping good relations with both Transvaal and Natal. It can be said that Swaziland maintained its independence on the balancing point of all the powers. Later, however, Britain absorbed Swaziland so that they could prevent Transvaal from reaching the ocean. The Tswana ethnic groups, who were located on the east of Transvaal and in a life-or-death situation due to the territorial expansion of Transvaal, also asked for Britain's protection. The Cape Colony government included Tswana as a part of English territory (Bechuanaland, or the present Botswana) for fear that Transvaal should form a relationship with German Namibia.

In this way, in the latter half of the nineteenth century, basic boundaries had been established: there were two Afrikaner republics (Republic of Transvaal and Orange Free State), two British colonies (Cape and Natal), and three British protectorates (Swaziland, Basutoland and Bechuanaland). This is the prototype of the present map. If there had been no opposition between Afrikaners and Britain, that is, if there had been a single opposition between a suzerain and a local society as seen in other African nations, countries such as Botswana, Lesotho and Swaziland would not have existed as independent states. Although they were born from the convulsion of Mfekane, these three nations are a geopolitical product of the antagonism between Afrikaners and the British Empire. That is the reason such small nations now exist uniquely in Southern Africa. When the British Empire collapsed, these small nations lost one of their props, and were forced to depend heavily on South Africa.

In this period, Indian contract workers began to be introduced in order to supply Natal colony with an agricultural labour force. Their settlement added even another racial element to South Africa, and the population of In-

Note 4 It means 'kick out' or 'destruction' in Zulu language.

dians in Natal grew to become more than that of the whites.

4. Discovery of diamond and gold, and imperialism

In spite of the intense social change in Southern Africa, not many changes occurred in the relation to the world economy. That is, the Cape Colony still continued exporting wool to Britain, and imported various consumption goods. However, a decisive turning point arrived when diamonds were found at Kimberley in 1867 and gold-bearing ore in the Transvaal in 1886.

These veins with huge reserves attracted massive immigration and investment from all over the world. Mining cities, Kimberley and Johannesburg, appeared and grew rapidly. A railway network to connect these cities with ports was constructed. In a few years, South Africa was elevated to become an integral part of the world economy.

This situation stimulated imperialism, which was changing the foreign policy of Europe toward the end of the nineteenth century. The Berlin Conference(1884-85) presided over the division of Africa by European powers, but left a blank the centre of Southern Africa, north of the Limpopo River, which were hard to access. The Prime Minister of Cape Colony, Cecil Rhodes, embarked on the acquisition of the territorial rights in central Southern Africa. He was looking for new gold veins in the north of the Limpopo River. In 1889, Great Britain gave Rhodes special permission to govern and develop the area north of the Republic of Transvaal. Rhodes accordingly founded the British South Africa Company, and started a northward settlement through Bechuanaland. As a result, British Rhodesia(present day Zimbabwe) was created north of the Transvaal, and the Ndebele Kingdom was destroyed. Rhodesia continued expanding to the north. The British South Africa Company promoted railway construction to connect the Beira Port in central Mozambique with Salisbury(the present Harare) in 1899.

Meanwhile, Portugal had lost out in the struggle for territorial rights in central Southern Africa, and failed to link the colonies of Angola and Mozambique. The “generation of 1891” were inspired by the ‘humiliation’ and succeeded in overthrowing the government and the new revolutionary government ‘modernised’ its colony administration. Portuguese Africa had been on the verge of bankruptcy due to the loss of income from the slave trade. In its place, forced cultivation of coffee in Angola and cotton in

Mozambique started.

In Britain, Joseph Chamberlain became the Colonial Secretary under the third Salisbury Cabinet(1895-1902) , and appointed Alfred Milner as High Commissioner for South Africa. These two were largely responsible for the subsequent shape of imperialism in southern Africa from that time. Milner’s provoking intervention urged Afrikaners to think an outbreak of war inevitable, and consequently they attacked Cape and Natal Colonies. This was the beginning of the South African War(commonly called the “Boer War”, 1899-1902) which lasted for two-and-a-half years. The Afrikaner’s forces, obviously inferior, fought well, making Britain eventually mobilise more than 450,000 soldiers. The British adopted a scorched-earth policy, which killed thousands of Afrikaner women and children and black people. John Hobson wrote his famous book “Imperialism” based on his experience as a war correspondent in the Boer War. Winston Churchill was also a correspondent, and became famous for his escape from an Afrikaner prison, which led to his entering the political world.

What Britain obtained from this war was something totally different from Milner’s first intention. Although Afrikaners surrendered and their two republics were absorbed into the British Empire, the anti-imperialism power led by the Afrikaner Party won the following election, subsequently establishing the Union of South Africa in 1910. At the time of establishment, this Union already had a legal mechanism that would result in the future formation of a Afrikaner racial government and promote the policy of Apartheid. All that mainland Britain could do was to exclude the three protectorates from the Union. This exclusion from the Union of South Africa had both benefits and drawbacks, leading later to those countries forming the Southern African Development Co-ordination Conference(mentioned later)

5. Establishment of Apartheid

During the period from the establishment of the Union of South Africa to World War II, South Africa was, for the most part, led by Jan Smuts. Smuts was an Afrikaner born in the Cape, a graduate from Oxford University, and a former State Attorney of the Republic of Transvaal. During the Boer War, he was a commander of the commandos. In the World War I, he joined the war cabinet of the British Empire, and participated in the foundation of the League of Nations. After the World War II, he took part

in the drafting of the United Nations Charter. While he did work hard for the reconstruction and development of the South African economy by promoting harmonisation policies with Britain, Smuts also effected many laws for racial segregation. In short, this was the preparatory period for the coming Apartheid era.

Mohandas Gandhi, a lawyer in Durban, was active in the opposition to Smuts and in the movement to protect the rights of Indian residents in South Africa. The man who would later spearhead the independence of India as Mahatma Gandhi, developed his doctrine of civil disobedience originally in South Africa.

Smuts, however, could not decide on a clear policy regarding racial problems and had no reliable successor. Ultimately, he lost the election in 1948 to the National Party who pursued Afrikaner nationalism and the policy of Apartheid, or "separateness". From then on, South Africa plummeted straight into the Apartheid system.

6. "White Africa"

Southern Africa was called "White Africa" until the 1970s. This is because the whole area was subject to the government of white settlers.

The National Party acquired exclusive power in South Africa. They were steadily building the Apartheid system while rigorously clamping down on black liberation movements. Based on the vast earnings from the export of mining products, and supported by a cheap black labour force, the South African economy continued to grow, and its industrial structure became advanced. The people of Lesotho, even though not subject to Apartheid, were enclosed within a mountainous area without any arable land to live on, and had no way of making a living except by working for South African mines away from home. This migrant working form took root also in Mozambique and Malawi, and became a character of Southern Africa, along with Apartheid-related work away from home within South Africa.

To the north of the Union of South Africa, there was another development. Copper mining in Northern Rhodesia (the present Zambia) was regularised, and the manufacturing industry in Southern Rhodesia grew remarkably. In 1953, the Federation of Rhodesia and Nyasaland (commonly called the "Central African Federation") was established. The Federation developed as a separate economic entity from the Union of South Africa. On the Zambezi River running through the centre of the Federation, the

Kariba Dam and hydroelectric power plant complex were constructed, which supported the development of heavy industry. Southern Rhodesia was the industrial centre of the Federation, and Northern Rhodesia was a source of funds to the south through its copper exports. Nyasaland (present-day Malawi) functioned as a labour source to both Rhodesias. Apart from South Africa, only Zimbabwe could become independent as a self-supporting national economy because it had succeeded the Southern Rhodesian economy. Zambia, on the contrary, was subordinated both by South Africa and by Rhodesia, because Northern Rhodesia had relied on South African capital for the development of copper mining.

Portuguese Africa could be maintained with the existence of these two federal states on its border. Portugal had earned part of its revenue by providing labour force from Mozambique for the Transvaal, and 40% of its colonial revenue was provided by the railroad and harbour service. Portugal had an agreement with the Union of South Africa to handle half of Transvaal's freight through Lourenço Marques (the present Maputo) Port in Mozambique. Most of the freight from and to Rhodesia used the Beira Port, another Mozambique port. In Angola, the other Southern African Portuguese territory, diamond mining began in the 1920s. The Benguela Railroad was built with British capital to carry the diamonds in Angola and the copper in Northern Rhodesia and the Belgian Congo. Oil drilling began in the 1950s, which was referred to as the "Golden 1950s." However, the suzerain states of Angola and Mozambique remained backward. Their financial management heavily depended on the Union of South Africa and the Central Africa Federation. Social capital investment never grew, a domestic transportation network remained undeveloped, and education for the people was never developed.

A prototype regional economy in Southern Africa thus developed, with the two core federal states and their dependent, Portuguese Africa. However, this apparently stable economic structure was only a "white framework" built on the sacrifice of a vast number of black people. The black liberation movement, of course, would challenge this. The history of Southern Africa from this time revolved around the ongoing process of breaking up this economic prototype.

After its complete suppression at the beginning of the twentieth century, the black liberation struggle heated up again soon after the end of World War II. The Sharpeville massacre in 1960 led to the creation of the Republic of

South Africa, and the consequent exclusion from the British Commonwealth. Zambia and Malawi also became independent in 1964. The white government of Rhodesia rejected the transfer of its authority, and declared independence in spite of British opposition, becoming the Republic of Rhodesia. As the sixties drew on, Botswana(1966) , Lesotho(1966)and Swaziland(1968)became independent one after another. In the process, Britain completely lost control of Southern Africa.

The economy of Rhodesia, which no longer had the basis of the Central African Federation, became isolated internationally and dependent increasingly on neighbouring South Africa. The relation between Zambia and Rhodesia became tense—the borderline was closed temporally, triggering the construction of the Tazara Railway with the assistance of China. Malawi, conversely, adopted an appeasement approach toward South Africa and Rhodesia, and constructed the Nacala Railway with the assistance of South Africa.

The white governments of South Africa and Rhodesia, and the two Portuguese colonies had a military agreement to co-operate to repel national liberation organizations in their territory. However, Portugal was exhausted after sending 150,000 troops and spending half of its national budget, precipitating a coup d'état in 1974 to unseat the dictatorship, and independence for Mozambique and Angola. The black government of Mozambique provided a good supply base for Rhodesian liberation organizations⁵, which added oil to the fire in Rhodesia.

When the United States started mediating, South Africa gave up the struggle to uphold the white administration in Rhodesia. Consequently, Apartheid as a regional bloc disappeared, and the white South African government became isolated. Despite the violent struggle to maintain its existence, as seen in the military intervention in the Angolan Civil War, the current of the time was headed toward the end of Apartheid. In 1976, the Soweto riots occurred.

Meanwhile, the other countries of Southern Africa, which used to be connected with each other in a regional economic system, were divided and at a loss for the way forward and the route to take to achieve economic independence. Otherwise, the new black states faced bitter subordination to Apartheid South Africa.

⁵ After its independence, Mozambique closed the border to Rhodesia, expecting the cost of as much as 10% of GNP, and provided a base to the guerrilla band(ZANLA)of Zimbabwe African National Union(ZANU). Mozambique National Resistance(RENAMO) , an anti-government organization, which caused the Mozambique Civil War, was in fact founded by the Rhodesian forces in order to attack ZANLA in the rear. RENAMO was backed up by South Africa after Zimbabwe's independence.

Chapter 2. Southern Africa in the 1980s

Not only for Southern Africa, but for Africa as a whole, the 1980s was an era of distress. As structural adjustment policies spread throughout African countries, the macro-economies of which had lost balance due to the Oil Crisis, old methods of state management had to be radically changed. System fatigue became obvious in Southern Africa, especially in Zambia, but at the same time, the dying Apartheid system made a last but violent attack.

1. The CONSAS (Constellation of Southern African States) Plan

Due to the independence of Portuguese Africa and of Zimbabwe (1980), South Africa had no choice but give up its buffer state reinforcement policy, which was a policy to maintain white power in the region by supporting fellow white-dominated nations. Instead, South Africa chose "Total Strategy", a strategy intended to mobilise all national forces, not only military power but economic, political and information power, in order to prevent the influence of "communism" from spreading into Southern Africa. The final goal of the strategy was the establishment of a community of "moderate liberal" nations. This was the Constellation of Southern African States (CONSAS).

CONSAS was planned as a new regional coexistence bloc to succeed "White Africa." The catchphrases in South African diplomacy changed from 'race' to 'anti-communism.' The intention of CONSAS was to form a satellite state group under South African hegemony, which included the Homelands⁶ and the surrounding countries at the same level, and to elicit the approval of international society to South Africa as the regional power.

Based on this Total Strategy, South Africa adopted a carrot and stick approach toward the surrounding countries. On one hand, it increased funds distribution to the members of Southern African Customs Union (SACU), and founded the Development Bank of Southern Africa (DBSA) as a financial organ for CONSAS. On the other hand, it used destabilising manoeuvres against Angola and Mozambique, which were advocating Marxism-Leninism. Regional transportation routes in these countries were repeatedly destroyed⁷, so that inland countries could not conduct trade without passing through South Africa. Such

a situation was created intentionally. The rate of transportation dependency on South Africa in the mid 80s was as high as 100% for Lesotho, 95% for Malawi, 85% for Zimbabwe, 70% for Swaziland, and 55% for Zambia.

The manoeuvre aimed at the banishment of African National Congress (ANC), the current ruling party of South Africa, from the Southern African Region, and targeted fugitive members of ANC. As a result, countries such as Zimbabwe, Zambia and Botswana were affected. In this way, while posing a military threat, South Africa proposed a mutual nonaggression agreement to surrounding countries, and required the deportation of ANC members. A mutual nonaggression agreement between South Africa and Mozambique was signed in 1984 (commonly called the "Nkomati Accord"). It signalled the capitulation of Mozambique, the main target of unstabilising manoeuvres, and the triumph of the Total Strategy for South Africa.

2. The Southern African Customs Union (SACU)

CONSAS was considered realisable due to the existence of the Southern African Customs Union (SACU). SACU had its origins in the customs union between the Cape Colony and Orange Free State in 1889. The customs union incorporated Basutoland and Bechuanaland, and Swaziland after the Boer War. It was reorganised into SACU after the establishment of the Union of South Africa by the agreement of the Union government and Great Britain. The SACU agreement was revised after the independence of the three territories (1966) amended in 1976 to continue to this time. In 1990, Namibia, which became independent from South Africa, joined SACU.

SACU is also a common monetary area. The unified currency system in the colonial era continued after South

⁶ This means residential areas by 'ethnic group' set in South Africa. The National Party regime classified the black population (75% of the total population) into 10 'ethnic groups' and made them belong to each homeland. By this the government intended to deprive the blacks of their South African nationality, and to consolidate the dominance of the white majority on the mainland. This was referred to as the Grand Apartheid Policy. Although four homelands became 'independent,' no country apart from South Africa recognised their sovereignty.

⁷ Anti-government guerrillas in various countries as well as South African forces and secret agents were used for the destabilisation manoeuvres.

Africa became a republic and issued its own currency, the rand (1961). In 1974, the Rand Monetary Area Agreement was signed, the name later being changed to the Common Monetary Area (CMA) in 1986. Although CMA member countries have issued their own currency since 1974, each currency is linked equally to the rand, and the South African Reserve Bank functions as the central bank. While Botswana is not a member of CMA, Namibia joined CMA and SACU at the same time after its independence.

SACU is a perfect customs union with no internal tariffs and common external tariffs. Not only does it have a common currency, but it secures also the freedom of internal capital transfers. This is the strongest regional economic structure in Africa. In reality, SACU is an outlying ring of the South African economy, and is maintained by South African products and South African capital.

3. The Southern African Development Co-ordination Conference (SADCC)

After the withdrawal of Portugal in 1975—the colonial power who arrived first in Africa but was the last to withdraw—Rhodesia became the next frontline of liberation movement. With the aim of solidly supporting the Zimbabwe liberation struggle, the Frontline States Alliance (Tanzania, Zambia, Botswana and Mozambique) was founded⁸. Though Tanzania is not geographically in Southern Africa, the conflict on the Rhodesian issue made the late President Nyerere, immediately after independence, sever diplomatic relations with Britain, which used to its suzerain and its largest source of assistance. Nyerere was the chairman of co-ordinating committee for Liberation Movement of the Organization of African Unity (OAU). He provided a base in Tanzania to the ANC outlawed in 1960. He also functioned as a chairman of the Frontline States Summit until his retirement.

When South Africa began to conduct its Total Strategy, the Frontline countries started to discuss the establishment of a regional economic structure equivalent to the CONSAS plan. After an initial preparatory meeting in 1979, the Lusaka Declaration “Southern Africa: Toward Economic Liberation” was adopted at the Lusaka Summit Conference in 1980. This is the origin of the Southern

African Development Co-ordination Conference (SADCC). The Conference was attended by Malawi, Lesotho, Swaziland, as well as Frontline countries, and Zimbabwe whose independence was soon to be won.

Late President Khama of Botswana was instrumental in leading the establishment of SADCC. Located next to the Kalahari Desert, Botswana was a poor country at the time of independence in 1966, without any particular industry except stock raising, depending largely on the financial support from Britain. However, after the successive discoveries of copper and nickel deposits and diamond deposits, the country started to grow rapidly. In the process of growth, Botswana suffered the ignominy of economic growth supported by South African capital despite a goal of economic independence. While supporting black liberation, its relations with South Africa had to be considered. Botswana was forced to juggle its diplomatic policy with very tight constraints.

Nevertheless, Botswana achieved economic independence, and succeeded in getting out of the Rand Monetary Area. The next objective of President Khama was to reduce its dependency on South Africa in the fields of communications and transportation, and this objective was taken up by SADCC after the death of Khama in 1980. In this context, the SADCC headquarters was situated in Botswana, which functioned as a chair state until the reorganization of SADCC into the Southern African Development Community (mentioned below) and the installation of Nelson Mandela.

In 1979, when discussions about the establishment of SADCC started, the Rhodesia issue was nearing the end. The conflict between South Africa and the Frontline states about the form of independence for Zimbabwe was also coming to a conclusion. South Africa was manoeuvring to realise the CONSAS plan by establishing a moderate government in Zimbabwe⁹. For Botswana, which was a member of the Frontline State Alliance and in SACU, the realisation of CONSAS was a grave menace to the identity of the state.

SADCC was not only an economic co-operation organization, but a politically motivated antithesis to CONSAS and the destabilising manoeuvres of South Africa. It was born in the conflict between South Africa and the Frontline states, and played a part in the Southern African lib-

⁸ Due to its civil war for independence, the establishment of the Angolan government was delayed. Angola joined in 1976.

⁹ The political party that South Africa and the United States supported lost the general election of Zimbabwe in 1980. Instead, the present President Mugabe, who had been regarded as a doctrinaire Marxist, won.

eration struggle.

The main elements of the Lusaka Declaration were as follows:

- 1) The economic hegemony of South Africa is significantly obstructing the development of Southern African countries.
- 2) SADCC countries must unite to achieve their economic liberation.
- 3) The first priority for SADCC is the reconstruction of transportation networks, because South Africa's monopoly on transportation routes reinforces its regional domination.
- 4) SADCC will have annual meetings with donor countries to seek their assistance for SADCC's objectives.

SADCC is not an organization established according to international treaty. It is not entrusted with any authority (with some exceptions) by the member governments, and cannot conduct direct negotiations with donor countries. The existence of SADCC depends on the voluntary will of the countries that agree with the Lusaka Declaration.

Therefore, SADCC did not have its own budget or bureaucracy at the time of its establishment. Each member country was assigned a sector to take charge of, and supervised SADCC development projects concerning the sector in the whole region. The country had to devote its own money and manpower in selecting and co-ordinating the projects. Because such system confused both member countries and donor countries, the Summit in 1981 developed the structure consisting of the Summit of Heads of State or Government, Council of Ministers, Commissions, Standing Committee of Officials and the Secretariat. But the basic system of SADCC remained the same: the central role is still in the hands of the Sectoral Co-ordination Unit in the member government in charge¹⁰.

This organizational simplicity of SADCC is highly ap-

preciated by some people in comparison with other existing regional partnership organizations in Africa. Its project-oriented goals, especially in transportation infrastructure, is clear, and regional politics has no room to intervene and no operational costs are necessary. SADCC won the admiration as a good example of "functional integration" with a tight target on visible results. On the negative side, however, SADCC is not a useful vehicle for regional integration due to its decentralised nature, and is far away from the integration Programme of the whole Africa, because the Preferential Trade Area for Eastern and Southern African States (PTA) was established in the same period.

SADCC succeeded in gaining the support of donor countries. As seen in the list of projects and their costs presented in the annual meeting with donors, about 85% of the total costs of SADCC projects was foreign currency assumed to be financed by ODA input came from ODA foreign currency assistance, and almost a half of it was secured. The transportation and communications sector dominated more than a half, or 80% in some years, of total expenditure. The main project of the sector was the Beira Corridor¹¹ rehabilitation program.

Although assistance to SADCC projects had to take different procedures from those in ordinary assistance because the Conference had no substance in terms of international law, its objectives, an escape from South African hegemony, was significant enough in the Southern African situation at that time to gather the active support of the U.S. and European countries. Major donor countries prepared a separate budget for SADCC, even if the assistance for SADCC is a bilateral assistance in form¹². Because SADCC projects were selected in the context of Southern African conditions and the violent nature of Apartheid, any support to such projects was a very effective signal of the donor's political commitment for the anti-Apartheid

¹⁰ Therefore, when a supporting country wishes to support a project in 'A' country, it is requested to consult with 'B' country in charge of the project's sector. However, 'B' country has no entrusted authority over the project, and the whole authority over the assisting procedure still belongs to 'A' country.

¹¹ The Beira port was the main trade port of the Central African Federation, which had railways, roads and pipelines. The port declined due to the closure of the Rhodesian border by Mozambique, and after the independence of Zimbabwe it was targeted by the destabilisation manoeuvres of South Africa. Zimbabwe dispatched an army to protect the route, which became a factor of Zimbabwe's financial failure.

¹² The EC exchanged a 'Memorandum of Understanding' with the SADCC secretariat, so that the EC could negotiate with the Office about some issues. Scandinavian countries set up a separate account for SADCC, and exchanged a 'Joint Declaration on Expanded of Economic and Cultural Co-operation between the Nordic Countries and SADCC Member States.' The United States assigned an officer in charge of SADCC at the USAID Zimbabwe Office. Canada designated SADCC as a 'Category 1 Programming Unit'. Britain, who had set regional budgets separate from bilateral ODA budgets, gave SADCC a separate line. SADCC was given the status of UN observer, and the Secretary-general presented an annual report at the General Assembly about the co-operative relationship between UN agencies and SADCC.

cause.

On the other hand, dependence on such assistance became excessive. Due to the simple structure and decentralised nature of the SADCC, its work was supported by the efforts of the supporting side. Some donors assigned personnel to supplement SADCC's weakness, and others gave technical assistance. They got gradually involved in the internal process such as identifying, designing and monitoring projects. In this sense, SADCC owed its development to the efforts of donors. The Beira Corridor Rehabilitation Program was a typical example in which the donor countries took the initiative of various informal meetings as well as annual donors' meetings. SADCC could succeed because it relied on donors even for operational functions. This is the reason why I cannot totally agree with the opinion that SADCC should be a model of regional partnership in Africa.

4. The Preferential Trade Area for Eastern and Southern African States (PTA)

The Preferential Trade Area for Eastern and Southern African States (PTA) founded in 1981, had a completely different *raison d'être* and objective from the SADCC. Its conceptual basis was in the United Nations Economic Commission for Africa (ECA) plan made in the 1960s. The Commission took up the idea of African economic integration from the rising Pan-Africanism after the establishment of the OAU¹³, and had a unique idea for a regional economic bloc. The idea was to divide the African continent into four blocs—Northern, Western, Central and South-eastern—to put a regional partnership organization in each bloc for the creation of a common market, and to integrate all the blocs into one integrated economic unit covering the whole of Africa. ECA combined Eastern and Southern Africa into one bloc, because Southern Africa under white rule was a place of liberation struggle rather than development and was regarded as 'Future Africa.' The process of the birth of SADCC explains that the over-

lapping of PTA and SADCC originated in the OAU. That is, the biggest mission of OAU was to support national liberation struggles; consequently, Nyerere, who was the chairman of the Co-ordinating Committee for Liberation Movement in Africa of the OAU, became the chairman of Frontline States Alliance, which begat the SADCC.

In 1965, ECA proposed the idea of the Western Africa Economic Community and the Eastern Africa Economic Community. Although the idea of Western Community was checked by the breakout of the Biafran War (1967)¹⁴, the one for Eastern Africa proceeded to a provisional agreement (1966). In 1967, however, Kenya, Tanzania and Uganda formed the East African Community (EAC), as a successor of the comprehensive regional structure built in the colonial era. Since Ethiopia, Somalia, Congo, Burundi, and Zambia wished to join the EAC, the enlargement of the EAC was thought to be the most realisable regional partnership scheme in South-eastern Africa.

However, serious internal opposition caused the dissolution of EAC in 1977, and the initial agreement to establish PTA was formed in 1978. In the Lusaka Summit in 1981, nine countries (Comoro, Djibouti, Ethiopia, Kenya, Malawi, Mauritius, Somalia, Uganda and Zambia) signed the PTA treaty, and membership continued to grow.

As its name suggests, the aim of the PTA was the promotion of trade through tariff reduction within the area. It had a classic principle that the organization should grow from a customs union, to a common market and to an economic community, according to which PTA was reorganised into the Common Market for Eastern and Southern African States (mentioned below). The PTA treaty was the fruit of the zeal and foresight for regional integration shown in ECA, which made Lagos Plan of Action for the Economic Development of Africa 1980-2000¹⁵ during the same period. PTA was comprehensive and consummate as a scheme. It included a detailed tariff reduction schedule so that all products could receive preferential treatment by 1993. The Trade and Development Bank in Nairobi and the Clearing House in Harare,

¹³ 'Orthodox' Pan-Africanism, whose final destination was an African continental government, lost against the realist party. Consequently, the Organization of African Unity (OAU), a loose union of nations on the basis of the sovereignty and borders of each member country, was established. Although ECA was founded in 1958 as a substructure of the UN Economic and Social Council and the UN General Assembly, it functioned as an OAU economic agency. Even after the decline of Pan-Africanism, it played a part in the promotion of regional co-operation in Africa.

¹⁴ After the end of the Biafran War, this concept was realised in the Economic Community of West African States (ECOWAS), led by Nigeria.

¹⁵ A comprehensive plan for reconstruction of the African economy, adopted at the OAU Special Summit in 1980. The plan aimed to establish an African economic community by the year 2000. Overwhelmed by the Structural Adjustment Programme from 1980, however, the plan could not produce any result. The only fruit, if any, was PTA.

as well as the Secretariat in Lusaka, were established. The treaty also had a road improvement plan and an airway plan in order to improve the infrastructure for regional trade.

The problem was that these plans had no effectiveness in reality. Many member countries did not fulfil their pledge of tariff reduction, and did not use the Clearing House. No progress was made in the establishment of a common external tariff. Worse, the proportion of internal trade did not grow, but rather decreased¹⁶. Kenya and Zimbabwe represented 70% of the internal trade, which meant the trade structure was the same as the one in the colonial era. It was ultimately impossible to create mutual trade in an area as large as Ethiopia to Zimbabwe without any historical economic relations depending on the tariff reduction incentive alone. Because tariff reduction is a financial question of life and death for developing countries relying on revenue from indirect taxes, it is natural that the PTA agreement could not be ratified in many countries. The ECA plan did not have much chance of success.

Southern Africa in the 1980s was characterised by the clear antagonism of Apartheid South Africa and the Front-line states. This framework gave rise to SADCC and other regional development plans, towards the aim of extrication from the hegemony of South Africa. In a sense, SADCC was a revival of the former regional economic network, but without South Africa. South Africa tried to interrupt the efforts of SADCC, and to realise a unipolar structure in Southern Africa based on its mastery. Of course, the wishes on both sides were not realistic nor appropriate. The issue of Apartheid had to be solved first.

¹⁶ The ratio of internal exports was 7.8% in 1981, but 5.3% in 1989. The total ratio of internal trade to total trade including imports and exports in 1991 was as low as 4.6%.

Chapter 3. Collapse of Apartheid and Southern Africa

Apartheid, called “a crime against humanity,” had been an affront to the international community for a long time before the De Klerk Administration elected in 1989 decided to abolish it. After several years of negotiation for democratisation, Mandela’s ANC won the general election in 1994. White South Africa was reborn as Democratic South Africa. The liberation struggle on the African continent was over. Africa was set free from the spell of “non-Africa,” and thereafter, international relations within Africa has borne the largest importance.

1. The Southern African Development Community (SADC) and the Common Market for Eastern and Southern African States (COMESA)

In 1992 when the democratisation of South Africa became definite, SADCC decided to reorganise itself into the Southern African Development Community (SADC), which actually started the following year. In expectation of the participation of the new South Africa, SADC set a novel vision of Southern Africa as a common market with the free transfer of production factors¹⁷. The protocol on trade, signed in 1996, declared the realisation of a free intra-trade system within eight years¹⁸.

The Gaborone Meeting welcomed South Africa as a member immediately after the inauguration of President Mandela, who took office as Chairman of SADC in 1996. Mauritius joined in 1995, and the Democratic Republic of Congo and Seychelles in 1997, by which the present membership was complete. The economic scale of SADC became six times as large as that of SADCC, and the largest regional organization in Africa, although 80% was due to the size of South Africa’s economy.

In 1994, PTA was also reorganised into the Common Market for Eastern and Southern African States (COMESA). Advancing the tariff barrier reduction Programme of PTA, COMESA set the objective of realising internal free trade by forming a customs union by the year 2000. However, COMESA failed to convince the new South Africa to join it, and because of that Lesotho and Mozambique withdrew. With the joining of Egypt in 1998, COMESA’s membership comprised the following 21 countries: Angola, Burundi, Comoros, Djibouti, DRC, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan,

Swaziland, Tanzania¹⁹, Uganda, Zambia and Zimbabwe.

With the reentry of the new South Africa into African society, both SADCC and PTA, which should have had different backgrounds and concepts, were reorganised into SADC and COMESA, respectively, but retained the same objective of the establishment of a common market through internal free trade. Ten countries belong to both (Angola, DRC, Malawi, Mauritius, Namibia, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe), out of which six countries are in Southern Africa. Both SADC and COMESA aim to be SACU, and the only difference is their area. This situation tells us that the era of liberation struggle ended with the democratisation of South Africa, that the mission of the OAU Co-ordinating Committee for Liberation Movement in Africa and the Frontline states was completed, and that ECA’s plan for economic integration in Africa set forty years ago has become totally out of date.

In 1992, COMESA proposed the unification of the two organizations, but SADC rejected the proposal. COMESA, without the presence of South Africa, suffered stagnation; however, the new leadership of Egypt is now opening a new era. Focusing on the communications sector, Egypt seems to be pursuing the market of mobile and computer networks, to make the most of the large area of COMESA. On the background of this, there is the rapid popularisation of cellular phones on the African continent where the telephone line network is difficult, and South Africa-based companies are going to monopolise the market. Egypt, which was expected to be the leading power of Northern Africa, is now targeting Eastern and Southern Africa beyond regional boundaries. This means the failure of the ECA regional plan and the northward shift of COMESA. It even suggests future conflict between South Africa and Egypt for supremacy in the Eastern African

¹⁷ Beside economic integration, the Community defined the future image of Southern Africa by democracy and good governance, the rule of law and the security of human rights, eradication of poverty, and peace and security.

¹⁸ Only four countries—Botswana, Mauritius, Tanzania and Zimbabwe—have ratified so far.

¹⁹ Tanzania has intimated its intention to withdraw from COMESA.

market. The old regional view does not hold sway any longer in Africa, and a new vision of an African regional framework needs to be set in the context of the international trend toward a "strategy of regionalism" to survive globalisation.

2. Changes in economic relations between South Africa and African countries

2-1 Trade

The attached table shows the comparison between South Africa's exports to African countries in 1990, when the democratisation negotiations started, with those in 1996, five years later. While exports to the SACU zone, a stable traditional market for South African products, increased by 73%, exports to countries outside of SACU increased fivefold. The proportion to total exports is 14%, exceeding exports to within the SACU zone. As well as Southern African countries such as Zimbabwe, Mozambique, Zambia, Angola and Malawi, Zaire (the present Democratic Republic of Congo), Kenya, Mauritius and Tanzania have become good markets for South African products, whose exports are expanding to all over the African continent.

South Africa's trade within Africa is characterised by a massive trade surplus. Comparing exports with import in 1996, it is clear that South African trade with Africa is one sided, as it imports very little from countries which are not involved in South Africa's production system within SACU. In other words, South Africa compensates for its trade deficit with industrialised countries by running a surplus within Africa. The African market is indispensable for the South African economy, but at the same time, dependency on South African products is increasing not only for the surrounding countries, but for all African countries. Although the internal trade of SADC looks to be going better than other regional organizations in Africa, in reality it is just a part of the general trend above-mentioned, and not related to SADC itself.

2-2 Investment

South African companies are very active in overseas investment in various countries and sectors. According to BusinessMap²⁰, a private research company in South Africa, the accumulated amount of foreign direct investment (FDI) between 1994 and 1998 was 15 billion dollars, with projects in Britain and Australia being significant. Of the total, 26 % goes to the SADC zone, 42% to other African countries and 18% to EU²¹, which means that direct investment to SADC countries is only a quarter of the total. Obviously, the South African economy extends far beyond the regional framework of Southern Africa.

The cases gathering the most attention in the SADC zone are the Maputo Development Corridor (MDC) in Mozambique and the privatisation and the purchase of the mining rights of Zambia Consolidated Copper Mines (ZCCM)

The total amount of FDI in 1997, the year when South African investment was most active in recent years, was 2.27 billion dollars²², 60% of which went to Mozambique (1.38 billion dollars)²³. Mozambique gathers by far the most amount of FDI in SADC countries. The total inflow, including that from South Africa, amounted to 2.9 billion dollars²⁴, when Mozambique's GNP is only 1.7 billion dollars²⁵. This exceptional relative scale of FDI is the secret of the rapid growth of the poorest country in Southern Africa. For example, MDC is a comprehensive development project covering the area from Gauteng Province in South Africa to Maputo in Mozambique. The plan includes not only projects to improve the transportation infrastructure such as railway and roads, but also tourism projects and agricultural and industrial projects. Surprisingly, the whole plan is being undertaken by the private sector without any governmental investment. Besides MDC, South African companies are interested in mining and electric power projects in central Mozambique.

Compared with Mozambique, Zambia receives less FDI, but it is noteworthy. The privatisation of ZCCM, which was a government monopoly in Zambia's copper

²⁰ It is very hard to know the investment amounts, especially for countries such as Mozambique whose statistical system is underdeveloped. The figures here are from BusinessMap, an agency who seems to have most information on the private sector in South Africa.

²¹ BusinessMap(1999b) p.72 .

²² South African Reserve Bank(1999)

²³ BusinessMap(1999b)p.61.

²⁴ World Bank(1999)Appendix, Table 1.

²⁵ BusinessMap(1999b)p.60.

Table 1 Export and Trade Surplus of South Africa with African Countries

(Rand, millions)

	1990	1996	Change(%)	Trade surplus in 1996
Total export(surplus)	60,928	126,027	107%	10,566
SACU countries				
Namibia	2,840	5,022	77%	3,572
Botswana	3,343	4,339	30%	2,258
Swaziland	1,714	4,008	134%	1,784
Lesotho	1,540	2,958	92%	2,539
Subtotal	9,437	16,327	73%	10,153
(Proportion to total exports)	15%	13%	-	-
Other African countries				
Zimbabwe	1,100	5,388	390%	4,211
Mozambique	467	2,377	409%	2,302
Zambia	513	1,801	251%	1,628
Angola	51	1,524	2,888%	1,263
Malawi	424	962	127%	667
Zaire	489	961	97%	481
Kenya	10	953	9,430%	830
Mauritius	312	924	196%	908
Tanzania	22	552	2409%	531
Ghana		255	-	240
Madagascar	52	193	271%	187
Nigeria		180	-	142
Seychelles	45	163	262%	160
Uganda	2	104	5,100%	102
Cote d'Ivoire		99	-	-30
Comoro	22	90	309%	90
Sudan		78	-	74
Mali		73	-	24
Congo	6	68	1,033%	65
Ethiopia		66	-	65
Cameroon		37	-	9
Gabon	8	36	350%	14
Liberia		28	-	27
Togo		26	-	-48
Senegal		21	-	19
Rwanda	0.4	14	3,400%	14
Burundi		10	-	10
Guinea		9	-	9
Benin		7	-	-26
Mauritania		7	-	7
Equatorial Guinea		6	-	6
Gambia		5	-	5
Sao Tome and Principe		4	-	4
Cape Verde		4	-	4
Chad		2	-	-13
Niger		1	-	-10
Djibouti		1	-	1
Subtotal	3,523	17,029	383%	13,972
(Proportion to total exports)	6%	14%	-	-
Total	12,960	33,356	157%	24,125
(Proportion to total exports)	21%	26%	-	-

Source: Department of Trade and Industry(1996), Esterhuysen, P.(1994)Table 25. About SACU countries, from EIU(various issues)

industry, will determine the future of the Zambian economy from a variety of perspectives. But this most important Programme has been delayed in spite of other relatively smooth privatisation projects in Zambia. At the end of 1999, the sales negotiations on major mining areas²⁶ finally reached the basic agreement. The purchaser is Zambia Copper Investments (ZCI), a subsidiary company of Anglo-American Co., who will pay 9 million dollars and invest at least 200 million dollars or up to 500 million dollars depending on the copper market within the first three years²⁷. If this agreement goes smoothly, the privatisation of ZCCM will be finalised.

The cases of Mozambique and Zambia are very suggestive when we forecast the future regional economy in Africa. MDC was originally one of the eight Spatial Development Initiatives (SDI), development plans made and managed by South Africa, and it has nothing to do with the sector co-ordination of SADC or the donors' meeting. We can see from this that when South Africa's economy expands into other countries beyond its borders, a lot of private capital is devoted to the country from South Africa. It is historically natural for South Africa to invest in Mozambique as a part of the self-rebuilding after democratization because one of the former props of regional economy was between Transvaal and Lourenço Marques (the present Maputo).

The ZCCM case is different from MDC in terms of 'new regional framework,' the theme of this chapter. That is because the ZCCM case would make the same progress even if Zambia were not in Southern Africa, and because a similar case could happen in Western Africa, or Northern Africa or even on other continents. Although ZCCM will decide the future of the Zambian economy, it is only a business decision of one private company, and has nothing to do with the nationality of the company or the South African economy itself²⁸. This difference between MDC and ZCCM can be seen in the difference of the amounts of investment.

3. Changes of the regional framework in Africa

Just as the Congo War in 1960 restricted international relations in Africa then and after, the present "New Congo

War" has had a huge impact on Africa.

The conflict between ethnic Tutsis and Hutus caused the Rwandan genocide to cross the border with the refugee problem into Zaire, and gave rise to political change there. There was active intervention of surrounding countries, especially Uganda, who was pulling the strings. They reinforced a small anti-governmental organization born in the corner of East Zaire, made it advance to the capital and realised the establishment of Laurent Kabila's Democratic Republic of Congo (DRC). This was the first case since the establishment of OAU in Africa that one country directed a shift of political power in another country. It was sensational enough to gather the attention of an international community with bitter experience of handling conflicts in Africa. The United States appreciated the political change in Zaire and the leadership of Uganda as a good model of self-sufficient conflict-control capability in Africa.

Zaire did not belong to any regional groups in the era of the Mobutu regime and the country was the base of Western interests. After becoming the DRC, it maintained close relations with the Great Lakes region countries that supported the political change to the DRC. But later, surprisingly, DRC joined SADC. At that point of time, the framework of 'Central Africa' planned by ECA disappeared altogether, and the Communauté Economique et Monétaire en Afrique Centrale (CEMAC) was left only in the CFA Franc area, the ultimate outcome of which is not yet known.

3-1 Integrated Electric Power Network Plan

The participation of DRC in SADC was at South Africa's insistence. South Africa wanted Zaire's participation in SADC from 1994 because of the electricity supply situation in South Africa, which has no major surface water resources.

The Eskom Electric Power Public Co-operation of South Africa is planning the purchase of electricity using an international power grid network. Eskom had difficulty purchasing crude oil under economic sanctions during Apartheid era, and now it has placed under review its nuclear power policy. Although thermal power generation can accommodate domestic demand at this point, new

²⁶ The Konkola mining area and the Nchanga mining area.

²⁷ BusinessMap (1999a).

²⁸ ZCCM privatisation negotiations are between the Zambian Ministry of Finance and ZCI, and has nothing to do with the South African government or other South African companies.

plants will not be built because of environmental problems. Figure 1 shows the regional power grid network now used by Eskom and its intended network. The cable connecting the Cabora Bassa Power Plant in central Mozambique has already been restored, and so has the multi-connection to the Kariba Power Plant on the border of Zimbabwe and Zambia. The plan even has Tanzania and Uganda in the vision to cover Africa south of the equator, but the final destination is the Congo River in DRC. By devoting the funds raised by issuing bonds, Eskom intends to enlarge the Inga Power Plant, which is located on the mouth of the Congo River, which has the continent's largest generation potential, and to make the plant the core of the international power network covering all nations south of DRC.

The Eskom Corporation is one of the biggest power companies in the world, has an advanced technology in long-distance transmission, and takes pride in having the world's lowest generation costs. As it has a high credit rating in the international financial market, the Eskom actively promotes business with a strong interest in the privatisation plans of the electricity sector in African countries. All the major investment projects in Mozambique, such as a aluminium smelting plant, a steel plant and titanium smelting plant, have been developed on the basis of power supplied by Eskom, which established the Mozambique Transmission Company(Motraco)for this purpose. When all these three plants are constructed, Mozambique will be the third largest power consuming country in SADC, after South Africa and Zimbabwe. The negotiations on the power supply and prices in each country has already begun on the table of the Southern African Power Pool(SAPP)established in 1995.

As the power network expands, Africa south of the equator will share a common characteristic as a region because they need to maintain the power transmission network and to constantly co-ordinate power distribution. Putting one of their power generation or transmission facilities in danger by some conflict will threaten the whole region. South Africa expects SADC to have such a co-ordinating function, and that is why South Africa insisted on the membership of DRC in spite of oppositions within SADC.

3-2 "New Frontline"

The Kabila regime established in 1997 was unstable. The party broke up, the relations with countries in the Great Lakes region suddenly turned for the worse, and the

"New Congo War" entered a second phase. This time, Uganda and Rwanda supported the anti-Kabila party, and Zimbabwe, Angola and Namibia supported the Kabila regime, with both sides sending troops into DRC. Now the Great Lakes countries and Southern African countries are in military conflict in DRC territory, which is forming a "New Frontline" situation.

The New Congo War exposed the conflict within SADC, too. Although Kabila asked for the support of SADC, South Africa insisted on peace mediation, and relations between South Africa and Zimbabwe became strained. Even before the outbreak of the New Congo War, President Robert Mugabe of Zimbabwe was opposed to President Mandela. The former was Chairman of Organ on Politics, Defense and Security established in 1996 to succeed the function of old Frontline, and the latter was Chairman of SADC.

As the SADC expands, the areas that used to be outside the scope of Southern Africa give rise to conflicts within SADC. Therefore, when observing the current trends of SADC and evaluating its power, it is not enough to look at the old framework of Southern Africa.

The attitude of the international community to the African conflicts is to give indirect support so that Africa can acquire the ability to solve conflicts by themselves. The DRC issue is expected to be solved in the nation or in the region. As SADC does not have this capability, its *raison d'être* would be suspected. Now Africa has lost the common enemy of 'non Africa,' and must manage international relations and conflicts within Africa. Unfortunately, Africa has not obtained the ability or structure to do this yet. Without the international principle of anti-Apartheid, Southern Africa as a community is not yet cohesive enough to face critical regional problems.

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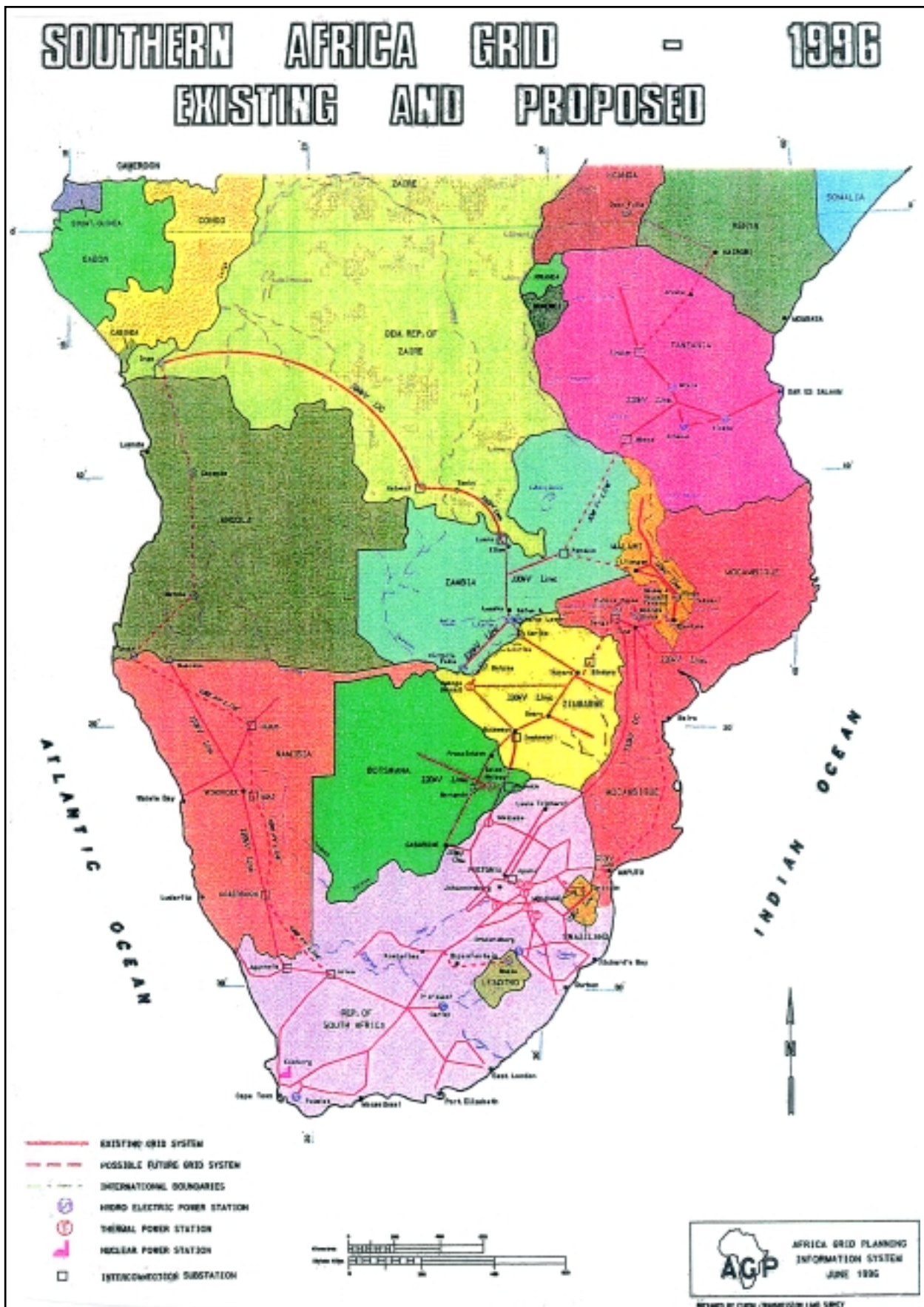
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Fig 1. Regional Electric Power Network in Southern Africa



Source: Africa Grid Planning Information System(1996)

Chapter 4. New Regional Framework and Some Considerations

The Southern Africa of the 1980s no longer exists. There are now countries that have different relations with South Africa and different interests regarding the new 'regional' issues from the north. The Angolan Civil War without the intervention of Apartheid South Africa is just one typical African conflict in this respect. The poverty in many countries without the destabilisation manoeuvres is just African poverty in general. The old regional characteristic of Southern Africa no longer applies. If people are suffering from the same problems as in other regions, the same support must be provided. It is no longer necessary to make recommendation applied only to Southern Africa.

However, the space left after the extinction of the former Southern African framework is not the same as Western Africa or Eastern Africa. This becomes obvious when we look at Mozambique. How can the economy of this poorest nation in Africa grow by double-digit figure? This "miracle of Mozambique," which would not have happened if the nation were not in Southern Africa, explains the new characteristic of this region.

Expressing the new regional characteristic briefly, Apartheid was to the 1980s what the new South Africa is to the present. The existence of this regional power with its matchless economy and active investment has given rise to unique economic phenomena in this region, which have never been seen before in this group of the poorest countries. Old regional frameworks have lost their *raison d'être*, and the whole of Africa is now undergoing readjustment.

If we wish to support regional partnership, we must define what kind of co-operation form is appropriate for each country, and where we can find the regional framework for which our support is applicable.

1. Comprehensive approach is important in Southern Africa

We should not forget the fact that the development of a regional economy mentioned so far has been conducted by the private sector. This is clearly seen when we compare the rehabilitation projects of Beira Corridor of SADCC conducted by assistance from donors with the present Maputo Development Corridor (MDC), which has private funds as its driving force. The big flow of money enabled the miracle of Mozambique, and such novel phenomena will be responsible for the future regional development in Southern Africa. We must not hinder this new wave and energy that has appeared for the first time since the independence of Africa.

For Japan, the wisest thing to do is to concentrate on the creation of an environment in which the new dynamic economic development can be fostered. This is the same kind of development assistance as that done by Japan in Asia. As we learned in Asia, only by strong economic development can the poverty of the developing countries be solved. What is expected from Japan is a "comprehensive approach" in the sense that the government has to conduct its co-operation while constantly watching the trends of the private economy in order not to interrupt them. It is a unique condition to the new 'Southern Africa' that ongoing private economic developments and ODA have to strive for an expansive coexistence with each other.

2. Priority must be given to Country Approaches

In Southern Africa in the 1980s, where surrounding countries had to be protected from the violence of Apartheid, there was a good reason to give a support to projects such as the rehabilitation of Beira Corridor and the construction of the Mazowe Satellite Station. There was significance in co-operating with SADC, which was controlling these projects aimed at economic independence in spite of systematic difficulties. However, now that pure economic principles are activating the regional economy, we have to place our support policies under review.

The Beira Corridor will improve its cost effectiveness only after the economy of Zimbabwe grows to some extent. So will the Nacala Corridor in Malawi. Consequently, the economic growth of Zimbabwe and Malawi is the only prerequisite, because there is no requirement of time to reduce the dependence on South African transportation routes.

Priority must be given to a country-specific approach. If the economic growth in Zimbabwe and Malawi can be promoted by this approach, the transportation demand will increase, and the improvement of transportation routes will advance automatically without the issuance of ODA. In order to improve assistance efficiency, ODA must be focused on what is interrupting the economic growth of the country. A country approach is necessary for this.

For example, after the discovery of a vast coking coal

reserve in Moatize in central Mozambique, a mining project is about to begin at an enterprise level. The project includes the construction of the new Beira Corridor railroad to carry out the coal. To avoid overlapping, ODA should not be used for the old Beira Corridor Plan, but for another purpose. This is a case of the careful consideration required by the “comprehensive approach.”

Of course, the assistance toward SADC also must change. As mentioned above, SADC has completed its historical mission and now has little cohesion. As long as the regional development projects such as MDC are conducted by the private sector under the initiative of South Africa, it is reasonable for assistance policies to think “country approach” first and return to the original bilateral assistance. We should not repeat the heavy dependence on foreign assistance in the era of SADCC. The present SADC has the same quality as COMESA and ECOWAS, and so the same kind of assistance should be given to all these organizations. The new SADC policy of “free trade” will not be achieved by ODA. The relation to SACU, which has already realised free internal trade, must be taken into consideration because it is more realistic to promote the reform and expansion of SACU. Zambian application for the membership of SACU is significant in this sense. The direction of COMESA also needs to be closely monitored as the economic map of Africa is being redrawn. This does not mean withdrawal from SADC, but to treat SADC in the same way as other regional organizations.

The “country approach” is also important in the case of South Africa. Despite its energetic external advancement after the relief from international sanctions, the domestic economy of South Africa is stagnating and undermining public peace, which may have a negative impact on the regional economy. The economic stability of South Africa is essential for the development not only of new ‘Southern Africa,’ but of Africa as a whole. Therefore, Japan should continue assistance toward the solution of domestic problems in South Africa as an important part of Japanese diplomatic policies toward Africa.

3. Efficient use of Regional Public Goods

What is the extent of ‘Southern Africa’? From the viewpoint of this report, it does not matter which country is the northernmost or where the boundary is. Our interest is a qualitative ‘region’ sharing a common regional environment. In that sense, Southern Africa has been a dis-

tinguishable ‘region,’ and now the new ‘Southern Africa’ can be defined as the sphere of the influence of the new South Africa.

The sphere is not immutable. Now that there is no political will to appropriate the region for itself, like the Total Strategy in the 1980s, the new regional framework can vary with the field of South African interest, and with who takes the initiative (the government or the private sector). It also varies with the decision of each country whether it accepts the entry of South African interest. Of course, it is not wrong to define the new Southern Africa as the sphere of Zimbabwe’s interest through the Organ on Politics, Defense and Security. However, because Japan has to judge which approach is the most effective and favourable in its efforts to support Africa as a member of the international community, the definition above seems to be the most convincing.

If Southern Africa is only a geographical entity, the development assistance to this region is a bundle of country assistances. If the region has unique characteristics, even if its nature is changeable, such characteristics must be considered when planning regional assistance. One possibility is the “comprehensive approach.” However, the driving force of regional development is private investment based on profit and costs. Here there is no room for ODA.

It is a ‘happy’ scenario for ODA for Africa if it can recognise its primary duty to assist indirectly and complement the self-supporting economic development of the economy of receiving countries. That is because “Ownership” is the principle of assistance. Unfortunately, however, Africa is different from Asia in its lack of a second row of a flying-geese formation: South Africa is a lone economic power. Even Zimbabwe, which used to be the largest economy in the era of SADCC, is only one-twentieth of South Africa in terms of GNP. In this situation, the existing social and economic infrastructure owned by South Africa must be fully utilised for future regional development.

South Africa has significant social and economic capital: its communications technology, including satellite communications, is the best in the Southern Hemisphere. It has technology and facilities of a global standard in the fields of mining, finance, electricity development, and medicine. Universities, which used to be for whites only have intellectual property and international reputations that African countries can only dream of. If ODA can enable the use and access to this capital as “regional public

goods”, it will be equivalent to regional partnership assistance. Needless to say, policy dialogue with South Africa to confirm its agreement is the first step.

One good example involves the countermeasures against HIV/AIDS. The HIV infection rate is high in Africa and especially high in Southern Africa and South Africa. When considering powerful countermeasures other than prevention, co-operation with South African medicine is indispensable. The foundation of an HIV/AIDS centre in South Africa to be a hub of research exchange with foreign countries seems to be a realistic proposition. That is because, unlike the case for electricity or mining projects, such a foundation is difficult for the private sector.

Another possible proposal is the regular admission of black students to South African universities with the financial support of Japan. Universities in South Africa are being urged to reduce their budgets and at the same time to increase the number of black students. ODA would help make the most of the intellectual property as regional public goods. This is again something the private sector could not do.

Without the improvement of the rural economy, poverty in Zambia, Mozambique or any other African country will not be reduced. Most of the African population are in rural areas. If rural development is ignored, any challenge to poverty, the necessity of which aid organizations throughout the world have agreed on, will not succeed. Aggressive measures for agricultural technological innovation are urgently required.

CIMMYT(International Maize and Wheat Improvement Centre)and ICRISAT(International Crops Research Institute for the Semi-Arid Tropics), which were used to initiate the “Green Revolution” movement, have their Southern African offices in Zimbabwe and Malawi. With assistance from Japan, they will be activated and make the connection to South African local research efforts, and may obtain good results to be used for African small-holders in each country. Such an assistance Programme is

likely to meet with the approval of South Africa, other African countries and regional assistance organizations, because it will provide access to international research institutes and spread the benefits widely.

Land reform is also an important political issue. The South African government is now endeavouring to create rural communities built by the hand of African farmers in order to overcome the legacy of Apartheid. In South Africa and Zimbabwe, the old white administrations compulsorily expropriated the land, and the land resources available to black small-scale farmers is of extremely poor productivity. The lack of a good understanding on the land issue and the necessity of rural land reform in the Mugabe regime of Zimbabwe²⁹ resulted in the recent failure of his policies 20 years after its independence³⁰. Not only agricultural technology, but also knowledge and policy experience in land policies and agricultural land reform, are necessary for the stable development of national economies. The historical experience of Japan and Asian countries in this field will certainly contribute to governments who are pursuing the racial integration and poverty reduction at the same time. Group of these proposals suits the role of SADC, while based on bilateral agreements with South Africa.

SADCC tried to create the same infrastructure in the Frontline as one dominated by South Africa, but SADC should try to make existing South African facilities the public goods of the region. Development efficiency will then increase remarkably. To make South Africa “public” economically and socially must have a positive influence not only on SADC, but also on the desirable reorganization of SACU.

In conclusion, I want to stress the importance of a return to the principle of a “country-specific approach.” In the present Southern Africa, it is the most important to take each country’s situation into account when forming an assistance strategy. If in the process we find any international project necessary to each country’s development, then we should discuss regional assistance. If we do

²⁹ I discussed this issued in Hirano Katsumi, ‘Poverty in Paradox; A View of Agricultural Land Reform in Zimbabwe,’ Ajia Keizai, Vol. 40, No. 9-10, October 1999. The issue is also introduced in JICA, ‘Report of the Issue-wise Study for Japan’s ODA on the DAC New Development Strategy.’ Vol.3, Country Studies. Poverty in Zimbabwe is concentrated in rural areas, and will never be solved without providing black peasants with access to good farmland. But the white agricultural sector represents Zimbabwe’s national wealth and has the best productivity in Africa. As domestic and foreign intellectuals point out, in order to carry out rural land reform without disturbing productivity, a land market must be established to circulate unused land owned by the whites. The problem is that the Zimbabwe Government lacks such a political view.

³⁰ Since the beginning of 2000, group of former liberation soldiers have illegally occupied white farms. The Zimbabwe government is not responding in the appropriate way but is rather tolerating the situation. It can be said that the intention of the government has become illegal.

things in the wrong order, the efficiency of the assistance based on the county approach will be impeded.

An accurate understanding of regional characteristics is necessary when discussing a regional assistance plan. Especially in the new Southern Africa, a new mechanism in which consortiums devote private funds into local development is working to create dynamism of the whole local economy. ODA should not interrupt such mechanism, and this is what a “comprehensive approach” intends. I am proposing the efficient use of South African “regional public goods”, as an example of contribution of ODA through a comprehensive approach.

The present Southern Africa is something totally different from the old Southern Africa. It is also different from other regions in Africa. I expect the planners of assistance policy to pay sufficient attention to these two differences.

Supplement: Regional Cooperation in Southern Africa

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This supplementary chapter gives an additional explanation on the three organizations of SADC, COMESA and SACU. This chapter also explains the outline of bilateral agreements within the region, which are rarely referred to in spite of their importance.

It is necessary to examine bilateral negotiations and agreements in order to have a better understanding of the current status of the regional economic framework in Southern Africa. Despite the ideal of regional partnership, trade friction between Southern African countries is very keen. International economic division has not been established in this region; rather, countries compete with each other in the same kind of industry. This situation is reflected in bilateral economic negotiations better than in regional organizations.

1. Organizations for regional economic co-operation in Southern Africa

There are four organizations for regional economic co-operation in Southern Africa³¹: the Southern African Development Community (SADC), the Common Market of Eastern and Southern Africa (COMESA), the Southern African Customs Union (SACU) and the Common Monetary Area (CMA). Table 2 shows the membership of each organization. All fourteen Southern African countries belong to at least two organizations, and Namibia to

all four organizations.

The democratisation of South Africa in April 1994 and its participation in SADC in August caused the mobilisation of the membership. In August 1995, Mauritius, located in 800 km east of Madagascar, joined SADC. Mauritius, a member of COMESA, needed access to the market of South Africa which was not willing to join COMESA³². Congo and Seychelles joined SADC in 1997, and Madagascar is also reported to want SADC membership. The area of SADC has been expanding far beyond the "Southern Africa" we used to assume.

Table 2 Membership of Regional Organizations in Southern Africa

	Southern African Development Commu- nity (SADC)	Common Market of Eastern and Southern Africa (COMESA ¹)	Southern African Customs Union	(SACU) Common Monetary Area (CMA)
Angola				
Botswana				
Comoros				
DR of the Congo				
Lesotho		2)		
Madagascar				
Malawi				
Mauritius				
Mozambique		2)		
Namibia				
South Africa				
Seychelles				
Swaziland				
Tanzania				
Zambia				
Zimbabwe				

Note 1: The rest of membership of COMESA is Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan and Uganda.

Note 2: Lesotho and Mozambique withdrew from COMESA.

Source: original

³¹ This chapter temporarily defines 'Southern Africa' as the 14 SADC member states plus Madagascar and Comoros.

³² From an interview with an official in the Mauritius government in October 1995.

COMESA was losing its centripetal force due to the absence of South Africa. Mozambique and Lesotho showed a disposition to withdraw in January 1997, and put it into effect later. Their withdrawal made the merger of SADC and COMESA unrealistic. The idea of a merger originated in the proposal of the Preferential Trade Area for Eastern and Southern African States (PTA), the predecessor of COMESA, to the Southern African Development Co-ordination Conference (SADCC), the predecessor to SADC, in December 1992. In July 1999, Tanzania also published its intention to withdraw from COMESA, expressing disapproval of tariff reduction within COMESA.³³

On the other hand, Egypt joined COMESA in 1998. According to M. Husband, Egypt has both economic and political intentions;—to diversify its export market, and to obtain the support of African countries in its efforts to secure a seat on the UN Security Council³⁴.

The membership of SACU and CMA has not changed since the participation of Namibia in 1990. Zambia expressed its wish to join SACU in 1997,³⁵ but President Mbeki of South Africa mentioned the difficulty due to the opposition within SACU, in his meeting with President Chiluba of Zambia in November 1999.

The object of SADC is twofold: the establishment of a common market and taking over the sectoral assistance function from SADCC. As for the former, the Summit in Maseru in 1996 signed a protocol on trade for the establishment of a regional common market in eight years (The hurdles to internal trade will be discussed below).

The key of sectoral assistance is the attraction of investment. SADC has Sectoral Co-ordination Units (SCU) under the Summit and the Ministerial Conference. Each country takes charge of sectors as follows.

Angola:	energy
Botswana:	agricultural investigation, livestock/rinderpest measures
Lesotho:	water, environment/soil protection
Malawi:	inland fishery/forestry/wildlife protection
Mauritius:	tourism
Mozambique:	culture/information, transportation/communications
Namibia:	marine fishery/marine resources
South Africa:	finance/investment
Swaziland:	human resources development
Tanzania:	industry/trade
Zambia:	mining, labour/employment
Zimbabwe:	food/agriculture/natural resources, food security
Congo:	not decided
Seychelles:	not decided

Besides these, the Southern African Transport and Communications Commission (SATCC) founded in Mozambique has a duty to secure and co-ordinate transportation routes to the ocean for inland countries.

Among development projects, many are related to infrastructure such as transportation and communications. Out of 404 projects approved in the 1997/98 fiscal year, 174 projects are related to transportation and communications (80% of the total investment amount), 86 to food/agriculture/natural resource, 42 to energy and 36 to mining.

The improvement of road and railway networks is important in Southern Africa, where inland countries such as Zimbabwe and Zambia need transportation routes to ports. Current active projects such as the “Beira Corridor” connecting the Beira port in Mozambique with Harare in Zimbabwe and Lusaka in Zambia, and the “Maputo Corridor” connecting the Maputo port in Mozambique with Gauteng Province in South Africa.

The SADC initiated the procedure with a protocol to form a common policy framework. In 1995, they signed “the Protocol on Shared Watercourse Systems in the SADC” for the co-operative use of water resources, and a memorandum, the “Southern African Electricity Pool,”

³³ Tanzania signed an agreement on the establishment of East Africa Community with Kenya and Uganda in November 1999.

³⁴ Business Day, August 20, 1998.

³⁵ Zambian Minister of Commerce and Trade Kabindele publicly estimated that participation in SACU would give Zambia a financial benefit of 48 million dollars a year (Inter Press Service, April 17, 1998).

Table 3 Ratification of the SADC Protocol (as of January 1998)

	Water resources	Energy	Drug smuggling control	Transportation/Communication/Weather survey	Trade	Education and Training	Mining
Angola							
Botswana							
Lesotho							
Malawi							
Mauritius							
Mozambique							
Namibia							
South Africa							
Swaziland							
Tanzania							
Zambia							
Zimbabwe							

Source: Business Day, 6 February, 1998.

for the development of power cable network. In 1996, "Protocol on Energy", "Protocol on Transportation, Communications and Meteorology" and "Protocol on Combating Illicit Drug Trafficking" were signed. Those on "Mining," and "Education and Training" were in 1997. However, ratification in each country tends to be delayed (Table 3). Only Botswana has ratified all the protocols. The protocols need ratification of at least two-thirds of member countries to become effective. Positive action of member countries is essential to enable SADC to obtain satisfactory results.

The objective of the establishment of COMESA, reorganised as the PTA, can be summarised into the following six points³⁶:

- 1) sustainable growth of member countries through co-operative, well-balanced development;
- 2) promotion of economic co-operation within the area;
- 3) creation of an attractive environment for investment;
- 4) peace and stability between member countries;
- 5) promotion of co-operation with external organizations; and
- 6) contribution to the realisation of African Economic Community.

The organization of COMESA consists of the Summit, Ministerial Conference, Conference of Central Bank Governors, Conference of Vice-ministers of Relevant

Ministries, the Clearing House, and the Executive Office. It has a related organization, the Trade and Development Bank for Eastern and Southern Africa (commonly called the PTA Bank) which manages the finance of trade and projects.

COMESA has four targets; 1) trade, 2) customs and currency, 3) invitation of investments, and 4) the growth of the private sector, and the first priority is given to the promotion of trade through the reduction of internal tariffs. The published schedule anticipates internal free trade by the end of October 2000, a common external tariff by the year 2004, and monetary union by 2025.

SACU has retained the form developed at the time of the 1969 agreement, except the participation of Namibia after its independence in 1990. The BLNS countries (Botswana, Lesotho, Namibia and Swaziland) in SACU are the major market of South African industrial products, indispensable for the South African economy. However, it is reported that South Africa is reconsidering the existence of SACU itself, because the amount of dividend from its tariff pool to BLNS is too big to overlook.

Table 4 shows the distribution rates of the tariff pool after 1979. The rates in 1969, when the new agreement was signed and a floating system was newly introduced into the decision of the rate, were 0.8% for Botswana, 0.8% for Lesotho and 1.1% for Swaziland. The total of the three countries was 2.6%. The remaining 97.4% went to South Africa. As the amount of external trade of Botswana in-

³⁶ Common Market for Eastern and Southern Africa, pp.3-4.

Table 4 SACU Tariff Pool and Distribution among SACU Member States (1969/70-1992/93)

Year	Amount of tariff pool (Rand in millions)	Distribution rate (%)					
		Botswana	Lesotho	Swaziland	Namibia	BLNS total	South Africa
1969/70	431	0.8	0.8	1.1	-	2.6	97.4
1979/80	2,290	3.9	3.4	3.5	-	10.8	89.2
1980/81	2,246	4.2	3.0	3.6	-	10.8	89.2
1981/82	2,123	3.5	2.2	2.0	-	7.7	92.3
1982/83	2,419	3.3	2.1	3.2	-	8.7	91.3
1983/84	3,168	4.5	3.1	3.4	-	11.0	89.0
1984/85	3,399	4.8	4.0	3.4	-	12.2	87.8
1985/86	3,615	4.8	4.4	3.8	-	13.0	87.0
1986/87	4,118	5.7	3.5	2.9	-	12.1	87.9
1987/88	4,707	6.1	3.4	2.9	-	12.4	87.6
1988/89	6,868	5.3	2.8	2.4	-	10.5	89.4
1989/90	7,675	6.1	3.4	2.4	-	12.0	88.0
1990/91	7,922	8.3	4.5	4.3	8.3	25.4	74.6
1991/92	8,017	12.9	5.3	4.4	9.2	31.8	68.2
1992/93	8,918	15.0	6.1	4.0	8.4	33.6	66.4

Source: Maasdorp, G.(1994), Mayer, N. and Zarenda, H.(1994)

Table 5 Bilateral Agreements on Trade in Southern Africa

	ANG	BOT	LES	MAW	MRI	MOZ	NAM	RSA	SWZ	TAN	ZAM	ZIM
Angola												
Botswana												
Lesotho												
Malawi												
Mauritius												
Mozambique												
Namibia												
South Africa												
Swaziland												
Tanzania												
Zambia												
Zimbabwe												

Note: DR of Congo, Seychelles, Madagascar and Comoros are excluded.

Source: Kabemba, C.K.(1996)

creased, the rate for Botswana increased, and the distribution rate for South Africa in 1992 fell to as low as 66.4%. This is because the rates for BLNS were decided to be bigger than the actual amount of imports for political reasons. The discussion for reorganization, including founding an executive office(Department of Trade and Industry of South Africa executes the function at present)and making a common economic policy, has been conducted since around 1994, but so far there has been no outcome. Furthermore, the Trade, Development and Co-operation Agreement between the EU and South Africa signed in October 1999 is expected to have a significant impact on other SACU countries.

Besides these regional organizations, there are many

and various bilateral agreements on trade within the Southern African region (Table 5). For example, the agreement between Malawi and South Africa provides that the products of Malawi, excluding agricultural products, are exempt from South African customs duty, and the agreement between Mauritius and South Africa that tea from Mauritius is exempt from the South African import surcharge. Zimbabwe has signed the most bilateral agreements on trade with ten countries including member countries of SACU such as Botswana, South Africa, Swaziland and Lesotho. This double structure consisting of the regional organizations with overlapping memberships and the numerous bilateral trade agreements makes the customs system in Southern Africa even more complicated.

Another element of the complexity is the gaps in eco-

Table 6 Key Indexes of Southern African Countries (1998)

Country	Population(in millions)	Area(in thousand sq km)	GDP ¹⁾ (\$m)	GNP per capita(\$)
Angola	12	1,247	6,648	340
Botswana	2	582	5,690	3,600
Comoros	0.5	2.2	196	370
DR of the Congo	48	2,345	6,964	110
Lesotho	2	30	792	570
Madagascar	15	587	3,749	260
Malawi	11	118	1,643	200
Mauritius	1.2	2.0	4,288	3,700
Mozambique	17	802	3,959	210
Namibia	2	824	3,108	1,940
South Africa	41	1,221	116,730	2,880
Seychelles	0.1	0.5	507	6,450
Swaziland	1.0	17	1,384	1,400
Tanzania ²⁾	32	945	7,917	210
Zambia	10	753	3,352	330
Zimbabwe	12	391	5,908	610

Note 1: GNP for Comoros, Mauritius, Seychelles and Swaziland

Note 2: GDP and GNP per capita of Tanzania is for the mainland.

Source: World Bank(2000)

conomic scale and national income standard per capita (Table 6) For example, the GDP of the Seychelles to that of Zimbabwe and South Africa are 1:12, 1:230 respectively. Regarding GNP per capita, however, that of the Seychelles is fifty-nine times as large as that of the Democratic Republic of Congo.

2. Relations between South Africa and surrounding countries

This section refers to the regional policy of South Africa and its bilateral relations with surrounding countries. South Africa is a regional economic power constituting 82% of the GDP of Southern Africa(as of 1995), and its regional policy is extremely important in examining the direction of regional partnership in Southern Africa.

2-1 South Africa's regional policy toward Southern Africa

From its foundation in April 1994, the new administration in South Africa was quite aggressive in diplomatic activities aiming at reentry into international society. In May 1994, South Africa returned to the British Commonwealth of Nations and joined the Organization of African Unity (OAU). The following month, it returned to the United Nations after a 20-year absence, and in August it obtained membership of SADC. South Africa mediated the old

Zaire Civil War and the East Timor issue. This could be called a multidirectional diplomacy.

In economic terms, too, South Africa has promoted negotiation with the EU on the Lomé Convention, the relationship to Asian countries through the Indian Ocean Rim Association for Regional Co-operation(IOR-ARC), bilateral relations with the United States and regional economic co-operation with African countries. This multidirectional policy is called the "Butterfly Strategy" in South Africa.

South Africa repeatedly emphasises the special importance of the Southern African region. For example, "South African Foreign Policy: Discussion Document," issued by South African Department of Foreign Policy in 1996, says, "Relations with SADC countries are the most important, and all diplomatic establishments need to give priority to SADC issues." The same document summarises the policy toward Southern Africa as follows³⁷⁾:

- 1) to regionalise South Africa's Reconstruction and Development Programme(RDP)in order to promote development Programmes for the whole of Southern Africa;
- 2) to recognise the fact that each country in Southern Africa has different needs and agreements;
- 3) to consider, when setting diplomatic objectives, the

³⁷⁾ Department of Foreign Policy(1996)

co-ordinating ability, the promotion of trade and investment, the regional development of and good relations with Southern African countries; and

- 4) to promote inter-regional exchange between the Gulf countries and SADC after consultation among member countries.

Four reasons can be identified as to why South Africa takes great account of its policy toward Southern Africa:

The first is the historical responsibility of South Africa. Its destabilising manoeuvres for the maintenance of Apartheid in the National Party era caused huge human and material damage to surrounding countries. The ANC is indebted to them for their support to the anti-Apartheid movement.

The second is an economic motive. Southern Africa is not only an important market for South African products, but also a potential investment market³⁸. South African mining companies, such as Anglo-American Co., have huge concessions in Southern African countries. They are important in terms of the security of electric power and water and the improvement of road and railway networks.

Third, there is long-simmering discontent due to the fact that South Africa posts a massive trade surplus with all the surrounding countries. They also have a deep-rooted wariness of South African supremacy. Politically, South Africa needs to calm these feelings. In August 1999, the COMESA Executive Office implied the introduction of the retaliatory tax on South Africa³⁹. This was supported by Zimbabwe and Kenya who are criticising South African protectionism.

Forth, the increase of illegal immigrants due to the economic gap causes a serious social problem in South Africa, which suffers high unemployment. Illegal immigrants arrested between January and August 1998 amounted to more than one hundred thousand people⁴⁰. Because South Africa wishes to avoid the free movement of people, the economic development of surrounding countries is essential to reduce the gap.

2-2 Trade friction between South Africa and surrounding countries

As mentioned above, South Africa has bilateral agree-

ments with Zimbabwe, Malawi, Mozambique and Mauritius in Southern Africa. Among them, current attention is fixed on trade between South Africa and Zimbabwe, the two biggest industrial countries in the region. For the last couple of years, the Zimbabwe Government has continued to ask for the revision of their bilateral agreement.

Let us follow the history of this case here so that we can get a better understanding of South Africa's bilateral trade problems.

The conclusion of the bilateral agreement on trade between South Africa and Zimbabwe occurred back in November 1964, when Zimbabwe was Southern Rhodesia. Caustic international hostility to South Africa's Apartheid policy at that time was evident in the resolutions on economic and diplomatic sanctions in the United Nations General Assembly(1962) the resolution against arms export by the United Nations Security Council(1963)and the suspension of the entry to the Tokyo Games by the International Olympic Committee(1964).

In 1953, Southern Rhodesia formed the Federation of Rhodesia and Nyasaland(commonly called the Central African Federation) with two other British colonies, Nyasaland and Northern Rhodesia. The upsurge of African nationalism, however, resulted in the independence of Nyasaland as Malawi(July 1964)and Northern Rhodesia as Zambia(October 1964). The Federation broke up at that time. Southern Rhodesia, however, strengthened its white minority domination through the Rhodesia Frontline led by Prime Minister Smith. In November 1965, a Unilateral Declaration of Independence was issued to Britain.

The trade agreement between South Africa and Southern Rhodesia was concluded in the context of this international isolation. The agreement was part of the strategy to secure their markets, through which they enjoyed a tariff preference with each other on fabric/clothing, foods and tobacco. In reality, however, the agreement meant that South Africa conferred benefits on Southern Rhodesia⁴¹.

³⁸ South African Minister of Trade and Industry Erwin said, "South Africa cannot be an industrial country without economic development of the surrounding countries"(*Business Day*, July 2, 1999).

³⁹ *Business Day*, August 2, 1999.

⁴⁰ *Business Day*, September 30, 1998.

⁴¹ South Africa signed a bilateral trade agreement with Malawi in 1967.

Table 7 Zimbabwe's Trade with South Africa (1981-98)

(US\$ million)

	Exports to SA	Imports from SA	Balance
1981	283	362	-79
1982	190	331	-141
1983	190	257	-67
1984	185	184	1
1985	103	169	-66
1986	130	201	-71
1987	112	217	-105
1988	137	163	-26
1989	138	295	-157
1990	131	361	-230
1991	132	470	-338
1992	171	488	-317
1993	188	447	-259
1994	233	664	-431
1995	266	1,253	-987
1996	275	1,239	-964
1997	293	1,240	-947
1998	334	1,413	-1,079

Note: Figures for 1988 are estimation.

Source: IMF(various issues), World Bank(1997)

The agreement was to be renewed every five years. Surprisingly, the agreement continued through to the 1980s, when Southern Rhodesia became independent as Zimbabwe and participated in the anti-Apartheid movement as one of the Frontline countries. The agreement was renewed in 1982 and partly revised in 1986, reportedly due to pressure from Zimbabwe side for which South Africa is the biggest trade partner. The share of South Africa in the total trade of Zimbabwe was 15 to 21% in the 1980s.

At the end of 1992, Zimbabwe started to ask for the revision of the agreement, especially tariff reductions on the fabric and clothing made in Zimbabwe. South Africa faced conflict. The surrounding countries were calling for the correction of unbalances in trade. However, preference toward Zimbabwe would deprive South Africa of jobs in its clothing industry, which is a labour intensive industry in South Africa employing 130,000 people.

It is presumed that there were three factors in Zimbabwe's requirement.

The first factor was Zimbabwe's massive trade deficit with South Africa. Table 7 shows the trends of Zimbabwe's trade with South Africa, which indicates a rapidly ballooning trade deficit after 1994. Imports from South Africa in 1995 amounted to 1,253 million dollars,

while exports to South Africa in the same year amounted to only 266 million dollars, a trade deficit for Zimbabwe of 987 million dollars. In 1998, Zimbabwe recorded a trade deficit of 562.3 million dollars in total, but more than one billion with South Africa alone⁴².

The second was the increase of the tariff levied on Zimbabwe's fabric and clothing by South Africa. This substantially reduced the preference of the bilateral agreement. As seen in Table 8, textile goods are the most important exports for Zimbabwe, and amounted to 22% (1994) and 14% (1995) of the total exports to South Africa.

The third was the pressure from the fabric/clothing industry. Zimbabwe introduced the Economic Structural Adjustment Programme(ESAP) in 1990, and conducted trade liberalisation measures including a tariff reduction on fabric from 65% to 15% in five years. As a result, the fabric/clothing industry, which lacks international competitiveness, suffered severe deterioration. Even the biggest textile company in the country employing 6,000 people, Cone Textile Co., went bankrupt. The number employed in the industry fell from 50,000 to 28,000 between 1990 and 1994.

In August 1995, the South African government proposed to Zimbabwe the reduction of the tariff rate levied

⁴² IMF(1999)

Table 8 Zimbabwe's Top Trade Items with SACU Countries

		1992	1993	1994	1995	1996
Import from SACU	1	Metals/metal products	Metals/metal products	Machinery/electric appliances	Metals/metal products	Machinery/electric appliances
	2	Machinery/electric appliances	Machinery/electric appliances	Chemicals	Machinery/electric appliances	Metals/metal products
	3	Chemicals	Chemicals	Metals/metal products	Transportation machinery	Chemicals
Export to SACU	1	Foods/drinks/tobacco	Foods/drinks/tobacco	Fabric	Foods/drinks/tobacco	Foods/drinks/tobacco
	2	Fabric	Fabric	Foods/drinks/tobacco	Fabric	Fabric
	3	Metals/metal products	Metals/metal products	Metals/metal products	Metals/metal products	Woods/wood products

Source: Customs & Excise, Republic of South Africa, (various issues)

on textile goods from Zimbabwe down to the level of before December 1992. A negotiator from Department of Trade and Industry said, "South Africa cannot ignore the employment situation in surrounding countries if it is to achieve the stability of regional society." But the keen opposition of South African industry undermined the negotiations. Zimbabwe's ill-feeling toward South Africa reached the limit, and warned of a coming "trade war" in May 1996. The following month negotiations restarted and fortunately they agreed to set up working committees dealing with the tariff on 1)fabric and clothing, 2)agricultural products, 3)minerals and 4)cars.

In August of the same year, agreement was reached that South Africa would give a new preference toward fabric and clothing made in Zimbabwe. According to the agreement, the tariff rates were reduced in September down to 14% for yarn, 19.5% for fabric and 30% for clothing and furthermore, 20% for clothing by the year 2000⁴³. Another agreement on local content requirements was also favourable to Zimbabwe. As a South African officer from the Department of Trade and Industry expressed, these agreements were ones in which "no more concessions could be imagined." South African industry mostly accepted the agreements. Some companies moved their factories to Zimbabwe for the lower labour cost, aiming to reimport Zimbabwe-made products. The Zimbabwe government and industrial circles welcomed this preferential agreement, and domestic stock prices increased.

The next focus was if such preferential treatment could be applied to other industries. At the time, August 1995, South Africa had no intention of the expansion of the preferential treatment⁴⁴. The working committees on agricul-

ture, minerals and cars were set up only to calm the ill-feeling of Zimbabwe. An agreement on agricultural products was finally concluded in August 1997. Now the South African government fears that low-price products will flow in through Zimbabwe, and that other surrounding countries will also seek a tariff reduction.

Actually, the Zambian government required the same tariff reduction for textile products, threatening retaliatory measures. South Africa's exports to Zambia are twelve times as large as imports (1997), and the unbalance continues to expand. Zambia attacked South Africa saying that its export promotion policy using subsidies was damaging the industrial product exports of surrounding countries.

Although Zambia had supported the ANC for a long time as the base of the anti-Apartheid movement, South Africa rejected the request at first, because too many bilateral agreements would harm the regional system in Southern Africa as well as its own industry. But in September 1997, Zambia declared the prohibition of imports of South African flour. South Africa could not help conceding, and the SACU countries agreed to give preference to Zambia in January 1998. Among other SADC countries, such as Tanzania, Malawi and Mauritius, there are moves afoot to secure tariff reduction from South Africa.

2-3 Impact of the Trade, Development and Co-operation Agreement between the EU and South Africa

After three years' negotiation, the EU and South Africa finally signed the Trade, Development and Co-operation Agreement. The agreement covers 95% of EU products

⁴³ The usual tariff rate in 1995 was 32% for yarn, 45% for fabric and 90% for clothing.

⁴⁴ In an interview with the South African Department of Trade and Industry, August 1995.

and 86% of South African products. The shifting term for the tariff removal is 10 years for EU and 12 years for South Africa.

This Agreement has an impact on the surrounding countries in two respects.

The first is a decrease in tariff revenue of SACU. SACU countries except South Africa depend heavily on the dividend from the tariff pool. The proportion to the national revenue in 1995 was 50% in Lesotho and Swaziland, 30% in Namibia and even 16% in Botswana, which was the lowest⁴⁵. South Africa's imports from the EU were 11,656 million dollars, or 43% of total imports in 1998. The South African Foundation estimates that the decrease in tariff revenue of SACU including South Africa will be 420 million dollars a year. Another estimate predicts that the tariff revenue of SACU, which was 14 billion rand in 1997/98, will decrease by up to 3.5 billion rand due to the EU-South African Agreement⁴⁶. Either way, the financial situation of Lesotho and Swaziland, with heavy dependence on the dividend, cannot avoid being severely aggravated.

The second is the influence on the Lomé Convention, which is expected to be revised in 2000. ACP countries were watching the EU-South African negotiations with keen interest, because they fear that the agreement may form the foundation of negotiation about a post-Lomé Convention⁴⁷. The EU has proposed to SADC the Regional Economic Partnership Agreement (REPA)⁴⁸ as a succeeding convention. According to Page, S. *et al.*, even if REPA, which divides ACP countries by region, is accepted by SADC, relatively developed countries such as Mauritius, Zimbabwe and Seychelles will be treated separately. SACU countries other than South Africa will have to choose either to join REPA or to accept the same conditions as the EU-South Africa agreement. In either case, the EU-South Africa Agreement will have a vast impact on a SADC that aims at free internal trade.

3. Challenges for regional cooperation

3-1 Intra-trade

Through the 1980s, the PTA tried to reduce the tariff within the area so as to promote intra-trade, to no avail. In

spite of its radical tariff reduction to 212 items by 10 to 70% in 1984, not much improvement was recorded. The proportion of intra-trade to the total trade of PTA member countries was as low as 4.6% in 1991. The PTA Summit in 1993 agreed to start to reduce the tariff on all products gradually from October in the same year, and to remove it completely by the year 2000. COMESA succeeded this agreement, and aims at the liberalisation of intra-trade by the end of October 2000. However, the intra-trade proportion of COMESA countries was still only 6.6% in 1998.

Meanwhile, the SADC Summit in 1996 signed the Protocol on Trade. The Protocol speaks of the gradual removal of tariff and nontariff barriers in eight years and the ultimate establishment of a free trade zone. Article 2 of the 39-article Protocol defines its five objectives⁴⁹:

- 1) to promote the liberalisation of intra-trade of products and service, based on justice, fairness and mutual profit;
- 2) to realise an efficient production system which reflects the relative superiority of member countries;
- 3) to contribute to the improvement of the environment for domestic, adjacent regional and foreign investment;
- 4) to promote the economic development, diversification and industrialisation of the area; and,
- 5) to establish a free trade zone in the area of the SADC.

However, the ratification of the Protocol is being delayed, and only four countries—Mauritius, Zimbabwe, Tanzania and Botswana—had ratified it up to the end of 1998. The point of argument is the rule of origins of fabric and clothing, which is the most competitive field of industry in SADC. The textile industry is usually divided into three processes; 1) fibre, yarn and wool, 2) fabric and 3) clothing. One side insists that products subject to free-trade must include at least two processes done in the area. The other side asserts one process. That is, countries such as South Africa and Zimbabwe, who have both fabric and clothing industries, can reduce imports by adopting the two process rule. But for countries who have only one industry, it will become difficult to import cheap materials from external countries, to add value and to export to

⁴⁵ *Business Day*, January 21, 1998.

⁴⁶ *Business Day*, 20 November 1998, *Business Day*, 14 October 1999.

⁴⁷ Sato, M. (1999) p.51.

⁴⁸ Page, S. *et al.*, (1999) pp. xxiii-xxxi.

⁴⁹ SADC (1996)

Table 9 SADC Intra-trade Records (1997)

(\$ millions)

Export Import	ANG	BOT	DRC	LES	MAW	MRI	MOZ	NAM	SEY	RSA	SWZ	TAN	ZAM	ZIM	Internal exports total	Total exports
Angola										45			0	0	45	4,149
Botswana				-	10			-		-	-	1	5	57	73	-
DR Congo					0					99		1	12	0	112	1,241
Lesotho		-						-		-	-			0	0	-
Malawi		5				3	5			87	0	5	10	6	121	682
Mauritius					3				4	7	0	1	0	12	27	1,616
Mozambique					6					36		1	0	8	51	269
Namibia		-		-						-	-		3	12	15	-
Seychelles							0			1					1	123
South Africa	190	-	200	-	246	258	588	-	42		-	208	471	1,240	3,443	31,211
Swaziland		-		-	5	5		-		-		7	12	11	40	-
Tanzania		2	4		2	1	2			4	0		14	1	30	708
Zambia	1	8	45		55	0	7	7		40	2	13		58	236	1,156
Zimbabwe	15	157	29	3	125	4	97	34	1	293	4	40	71		873	2,526
Internal import total	206	172	278	3	452	271	699	41	47	612	6	277	598	1,405	5,067	
Total Import	2,274	-	1,031	-	801	2,264	1,280	-	296	28,200	-	1,900	1,071	2,663		

Note: Intra-trade among SACU is not mentioned. Because the export amounts of SACU are not mentioned except South Africa, the import amounts of partner countries are substituted for them.

Source: IMF (1998)

other SADC countries. Although negotiations are stalled, President Mbeki expressed in his speech in Parliament in February 2000 that this issue would be resolved within the first half of the year⁵⁰.

The removal of tariff and no-tariff barriers is expected to promote intra-trade. Although the proportion of SADC intra-trade is reported to have increased from 2.6% to 14.5% (1995) due to the joining of South Africa, it is still not high enough⁵¹. Table 9 shows the record of SADC intra-trade in 1997 excluding that of SACU. As for imports, internal imports amounts to more than 50% for Malawi, Mozambique, Zambia and Zimbabwe. Out of the total internal imports of these four countries, the ratio of imports from South Africa is extremely high, 88% in the case of Zimbabwe. The proportion of internal imports for South Africa is only 2.2%. As for exports, Zimbabwe has a high internal export ratio of 34.6%, Zambia of 20.4%, Mozambique of 19.0% and Malawi of 17.7%. South Africa also has a relatively high ratio of 11.0%. Other countries have less than 10%. This means that the intra-trade of SADC is not very active, except for SACU, and that South Africa is an indispensable axis of the area.

One of the reasons of this sluggishness of intra-trade is that exportable items are overlapping among the member

countries. Table 10 is the list of the top three trade items of Southern African countries toward SACU and the amount of each item. As seen in the table, the export items from Southern Africa to SACU are mainly minerals and light industrial products such as fabric and foods. Remarkably, SACU countries including South Africa export a vast amount of food to Mozambique and Angola. This means that SACU has high productivity not only for machinery, electric appliances, chemicals and metals, but also for foods and textiles, and competes with other SADC countries. Although the liberalisation of intra-trade is a key issue for regional partnership, it is doubtful how effective the liberalisation is for the activation of intra-trade.

As seen in the case of the agreement with Zimbabwe, South Africa is trying to calm down the surrounding countries by giving some concessions in bilateral negotiations (mainly preferential treatment). But South Africa has a large trade surplus with SADC countries, and the unbalance may get worse with the removal of tariffs in the area. Therefore, what is expected most is direct investment by South African companies and foreign companies in the surrounding countries.

⁵⁰ Thabo Mbeki, "State of the Nation Address at the Opening of Parliament," February 4, 2000.

⁵¹ Business Day, 4 September 1998.

Table 10 Top Trade Items of Southern African Countries with SACU (1996)

(Rand millions)

	Exports to SACU	Imports from SACU
Southern Africa	(1) Mineral products: 440.3 (2) Textiles: 362.4 (3) Foods/drinks/tobacco: 354.7 Total: 1980.9	(1) Machinery/electric appliances: 2481.4 (2) Chemicals: 1531.2 (3) Transportation machinery: 1396.0 Total: 12052.1
Zimbabwe	(1) Foods/drinks/tobacco: 292.4 (2) Textiles: 137.0 (3) Woods/wood products: 128.1 Total: 1176.9	(1) Machinery/electric appliances: 1144.7 (2) Metals/metal products: 717.5 (3) Chemicals: 715.8 Total: 5388.3
Mozambique	(1) Textiles: 37.1 (2) Animals/animal products: 9.0 (3) Vegetable products: 7.3 Total: 74.9	(1) Mineral products: 527.7 (2) Foods/drinks/tobacco: 374.9 (3) Metals/metal products: 202.1 Total: 2376.7
Zambia	(1) Mineral products: 82.3 (2) Metals/metal products: 32.1 (3) Vegetable products: 21.5 Total: 173.1	(1) Machinery/electric appliances: 427.2 (2) Chemicals: 323.4 (3) Metals/metal products: 197.4 Total: 1800.1
Angola	(1) Mineral products: 258.1 (2) Textiles: 1.6 (3) Metals/metal products: 0.5 Total: 260.7	(1) Machinery/electric appliances: 565.6 (2) Vegetable products: 441.5 (3) Foods/drinks/tobacco: 239.8 Total: 1524.2
Malawi	(1) Textiles: 177.6 (2) Foods/drinks/tobacco: 53.1 (3) Vegetable products: 30.1 Total: 295.3	(1) Chemicals: 191.9 (2) Transportation machinery: 155.9 (3) Machinery/electric appliances: 143.7 Total: 962.0

Source: Made from Republic of South Africa, Customs & Excise (1996)

3-2 Infrastructure-related investment

The development of infrastructure, especially the transportation network, is very important for Southern Africa, which has six inland countries. Table 11 is a summary of the electricity, transportation and communications situation.

Southern Africa has a very high potential for hydroelectric resources, and some countries already have a high ratio of water-power generation. But for the region as a whole, only 1% of potential hydroelectric generation has been utilised, and about 80% of the total generation is from thermal power generation. The main reasons are ineffectiveness due to the shortage of funds and the lack of good maintenance and operation, and the delay of development because of the civil wars in Angola, Mozambique and Congo.

A South African public corporation, Eskom, supplies more than half of electricity consumption on the African continent. The company is aggressively promoting hydroelectric generation projects. The Inga Dam planned at the downstream of the Congo River will have a generation capacity of 35,000MW, enough to supply electricity to

Northern Africa as well as Southern Africa. The restoration and cable improvement are under way at the Kariba Dam (Zambia and Zimbabwe) and the Kabora Bassa Dam (Mozambique) on the Zambesi River. Eskom plans to create a power supply system which covers Central and Southern Africa with South Africa as a centre connecting with the Inga Dam and other power stations.

There are four main railway routes in Southern Africa: 1) the route running northward inland from the major South African ports of Cape Town, Port Elisabeth, Durban and Richard's Bay, 2) the route connecting the Maputo and Beira ports in Mozambique with South Africa and Zimbabwe, 3) the route connecting the Dar es Salaam port in Tanzania with Lusaka in Zambia, and 4) the route connecting the Lobito port in Angola with Lusaka. The railway network is spread to connect major ports with major inland mines and cities. Among them, only the Tazara Railway between Dar es Salaam and Lusaka, built with the assistance of China, was built after the independence of Southern African countries. Other routes have become superannuated, and the improvement of the railway network is an urgent issue.

Table 11 Infrastructure Indexes in Southern Africa (1990-94)

	Electricity			Transportation					Communications	
	Generation capacity (MW)			Railway	Paved roads		Aviation		Harbours	Telephone
	Total	Thermal	Hydro	(km)	(km)	Paved roads (%)	Passenger km (millions)	Cargo ton km (millions)	Handling (100 tons)	No. of circuits (thousands)
Angola	523	199	324	2,900	8,600	12	1,241	42	22,500	75
Botswana	174	174	-	1,100	1,600	14	73	-	inland countries	48
DR Congo	2,584	51	2,533	4,000	2,800	2	384	33	4,000	40
Lesotho	5	2	3	2	570	8	14	-	inland countries	19
Malawi	190	25	165	780	2,400	18	87	1	inland countries	50
Mauritius	313	253	60	-	1,700	91	2,464	81	3,000	75
Mozambique	252	157	95 ²⁾	3,150	4,600	17	465	9	6,000	66
Namibia	360	120	240	2,380	4,100	8	423	2	700	92
South Africa	39,905 ¹⁾	35,945	2,120	21,245	58,000	31	8,413	191	111,500	5,200
Swaziland	51	10	41	370	510	18	45	-	inland countries	25
Tanzania	351	-	351	3,570	3,600	4	284	4	7,000	140
Zambia	1,633	-	1,633	2,190	6,500	18	655	22	inland countries	92
Zimbabwe	1,966	1,300	666	2,745	15,800	19	817	64	inland countries	300

Note 1: Including nuclear generation (1,840 MW)

Note 2: Excluding the Cabora Bassa hydroelectric plant

Source: Toit, J. and Jacob, A.J. (1995)

The demand for road transportation is growing year by year. A considerable part of freight transportation is already by road, but poor road management increases transportation costs. As shown in Table 11, South Africa, Zimbabwe, Angola and Zambia have relatively long distances of paved roads, while the ratio of paved roads in the whole region is generally low.

Since the era of SADCC, SADC has emphasised the improvement of the transportation network within the area. Table 12 shows the fund status of SADC projects by sector in FY1997/98. Planned projects are expected to total 8,054.05 million dollars, but actually only 3,984.1 million, less than a half, has been secured. The fund status of SADC is distinguished by the notably high proportion of foreign funds, mainly assistance from developed countries and international organizations. The proportion of foreign funds to the necessary funds was 88% in 1987-89, also 88% in FY1991/92, and still 86.6% in FY1997/98. It is clear that SADC has kept the characteristics of 'an assistance receiver' since its SADCC era.

Out of 404 projects, 174 are related to transportation and communications, with funds of 6.5 billion dollars (80% of the total funds) towering above all the rest. For fund raising too, those projects amount to 75% of the total. SADC member countries give the first priority to the transportation/communications sector, and so did SADCC. The proportion of the transportation/communications sector in the total necessary funds was 63% in 1987-89, and

66% in FY1991/92.

However, foreign direct investment in Southern Africa is far from sufficient. Table 13 shows foreign direct investment in Southern African countries. Since democratisation in 1994, the receipt of foreign direct investment in South Africa has been restored, and that of Tanzania and Mozambique has grown rapidly. But in the region as a whole, foreign direct investment is still at a low level. Compared with Southeast Asian countries such as Indonesia, Malaysia and Vietnam, the investment amount and the balance are much smaller. Most of such foreign investment in Southern Africa goes to mineral resource development. Southern African countries are making efforts in inviting investment through some organizations. SADC founded a sectoral co-ordination unit (SCU) for the finance/investment sector.

The most promising projects in Southern Africa are the Beira Corridor and the Maputo Corridor. The latter, called the Maputo Development Corridor (MDC), is a joint project of the South Africa and the Mozambique governments. The project covers a huge area Gauteng Province, the commercial and industrial centre of South Africa, including Johannesburg and Pretoria, to Maputo, the capital city of Mozambique. This is the most emphasised project among eight projects in the Spatial Development Initiatives (SDI) which aim at the comprehensive development of potential areas through the improvement of economic infrastructure and the introduction of projects

Table 12 Fund Raising of SADC Projects by Sector (FY1997/98)

(\$ millions)

Sector	Needed funds (%) <A>				Raised funds (Secured funds)	Gap <A-B> (% of not raised)
	No. of projects	Total	Foreign	Domestic		
Foods/Agriculture/ Natural resources	86	618.44	540.25(87.4)	78.19(12.6)	311.56	306.88(49.6)
Agricultural research/training	14	120.44	94.62(78.6)	25.82(21.4)	77.16	43.28(35.9)
Inland fisheries	8	63.26	61.49(97.2)	1.77(2.8)	26.17	37.09(58.6)
Forestry	15	125.94	115.7 (91.9)	10.24(8.1)	46.71	79.23(62.9)
Wildlife	11	94.30	93.30(98.9)	1.00(1.1)	81.99	12.31(13.1)
Food security	11	71.21	66.17(92.9)	5.04(7.1)	22.35	48.86(68.6)
Livestock production & Animal disease control	16	96.27	93.00(96.6)	3.27(3.4)	54.44	41.83(43.5)
Environment & Soil Conservation	6	7.80	6.55(84.0)	1.25(16.0)	2.03	5.77(74.0)
Marine fisheries & resources	8	39.22	9.42(24.0)	29.80(76.0)	0.71	38.51(98.2)
Mining	36	18.51	12.48(67.4)	6.03(32.6)	10.15	8.36(45.2)
Water	3	11.55	9.24(80.0)	2.31(20.0)	9.75	1.80(15.6)
Industry & Trade	19	20.01	15.33(76.6)	4.68(23.4)	10.45	9.56(47.8)
Energy	42	843.60	806.20(95.6)	37.40(4.4)	625.97	217.63(25.8)
Tourism	11	4.96	4.21(84.9)	0.75(15.1)	2.95	2.01(40.5)
Transportation & Communications	174	6,474.4	5,528.1 (85.3)	946.3 (14.6)	2,991.7	3,482.7 (53.8)
Finance & Investment	10	1.92	1.54(80.2)	0.38(19.8)	0.38	1.54(80.2)
Human resources development	16	44.76	44.76(100)	0	16.27	28.49(63.7)
Culture & Information	7	15.90	15.90(100)	0	4.95	10.95(68.9)
Total	404	8,054.05	6,978.01(86.6)	1,076.04(13.4)	3,984.1	4,069.95(50.5)

Note: The 'secured funds' includes both domestic and foreign funds. The 'funds under negotiation' is referred to the fund that will probably be secured.

Source: Made from SADC(1998)

such as manufacturing, agriculture, tourism, etc.

Because the plan will provide access from the biggest industrial complex of Gauteng Province to the nearest port, an extensive economic effect is expected. The first MDC plan had 135 projects related to infrastructure, mining, energy, agriculture and tourism, and expects an investment of approximately five billion dollars and the employment of 80,000 people within the first four years. As of December 1998, the committed projects amounted to four billion dollars, and 12,000 new jobs⁵².

South Africa intends to expand SDI to the Southern Africa region. In July 1998, then vice-President Mbeki gave a lecture at the Development Bank of Southern Africa (DBSA) which is expected to play a major part in infra-

structure development of the region. In the lecture, he mentioned six SDIs under examination: 1)the Lubombo Initiative(South Africa-Swaziland-Mozambique: Aglo Tourism) , 2)Trans-Kalahari(South Africa- Botswana-Namibia) 3) the Beira Development Corridor (Mozambique-Zimbabwe) , 4) the Nacala Corridor (Mozambique-Malawi-Zambia) , 5) Tazara Corridor (Tanzania-Zimbabwe) and 6)the Benguela Corridor(Angola-Democratic Republic of the Congo-Zambia)⁵³. Mbeki also mentioned at the Southern Africa World Economic Forum in July 1999 that the government was preparing a five-year regional development plan. Its main objectives are the development of economic infrastructure, human resources development and entrepreneurial education⁵⁴.

⁵² Development Bank of Southern Africa(1998)

⁵³ Thabo Mbeki, "Infrastructure and Development in Southern Africa"(his speech at Development Bank of Southern Africa on July 31, 1998) The Transportation and Communications Committee(SATCC)of SADC calls the same areas 'the transport corridor' or 'the development corridor.' "In SATCC and other organizations, South African SDI and development corridors are discussed without a clear distinction"(Development Assistance Institute "Transportation Infrastructure Development in Regional Economic Zone," OECF Research Papers No. 34, April 1999, p. 50). However, I think there is a fundamental difference between SADC projects heavily depending on foreign assistance and SDI led by private investment.

⁵⁴ Thabo Mbeki, "Welcome Address at the Southern Africa World Economic Forum," July 4, 1999.

Table 13 Foreign Direct Investment in Southern Africa and Comparison with Southeast Asia

(\$ millions)

	Foreign direct investment position in Southern Africa						FDI Balance	FDI position/ Fixed capital
	1993	1994	1995	1996	1997	1998	1998	1997 (%)
Angola	302	170	472	181	412	396	3,911*	65.6
Botswana	-287	-14	70	71	100	168	1,135	8.8
Comoros	-	-	-	.*	.*	.*	19*	1.4
DR of the Congo	7*	-2*	-22*	25*	-7*	.*	289*	-2.7
Lesotho	15	19	.*	19*	12*	30*	183*	1.7
Madagascar	15	6	10	10	245*	100*	504*	55.2
Malawi	11	9	25	44	22	70	355*	8.9
Mauritius	15	20	19	37	57	13	354*	5.0
Mozambique	32	35	45	73	64	213	551*	6.8
Namibia	55	98	153	129	91	96	1,473	13.3
South Africa	-17	334	993	760	1,705	371	18,716*	7.6
Seychelles	4	15	41	30	44	55	404*	23.2
Swaziland	72	63	52	17	-10	19	426*	6.8
Tanzania	20	50	120	150	158	172	775*	-2.8
Zambia	2*	40	97	117	207	222	1,446*	14.3
Zimbabwe	38	41	118	81	135	444	817*	7.8
Indonesia	2,004	2,109	4,346	6,194	4,673	-356	61,116	7.0
Malaysia	5,006	4,342	4,178	5,078	5,106	3,727*	41,005*	12.2
Philippine	1,238	1,591	1,478	1,517	1,222	1,713	10,133*	6.1
Thailand	1,805	1,364	2,068	2,336	3,733	6,969	19,978*	6.8
Vietnam	1,002	1,500	2,000	2,500	2,950	1,900	12,919	-

Note: *Estimate

Source: UNCTAD(1999)

The success or failure of SDI depends on private companies. South African public corporations have aggressively invested in Southern Africa. The Development Bank of Southern Africa has invested up to one billion rand for infrastructure in 1997. Transnet in the transportation sector, Eskom in electricity, and the Industrial Development Corporation(IDC) are active in investment in Southern Africa. They lead private companies, or operate a joint enterprise in South Africa, but still private companies have a casting vote. Mbeki himself emphasises the importance of co-operation between government and private companies. He sets high estimation on the role of private companies.

3-3 Regional security

Regional co-operation for security is another issue. The maintenance of social order has a historical meaning in this region. The destabilisation manoeuvres by South Africa from the 1970s to the 1980s, the long-lasting civil wars in Angola and Mozambique, and the recent conflict in the Democratic Republic of the Congo, are all bitter experiences.

In order to cope with the post-Cold War international

order, the Organization of African Unity set up the Central Mechanism for Conflict Prevention in 1993. SADC decided to establish the Organ on Politics, Defense and Security, a top-level organization, in June 1996. President Mugabe was elected its first chairman. Its purpose is to maintain peace and security in the area and to promote fair economic development, while respecting the sovereignty and independence of each nation. The organization consists of five sectors of military and defence, crime prevention, security information, diplomatic policy and human rights, including public peace issues in the region such as the smuggling of small arms.

The leadership struggle between Mandela and Mugabe was brought to public notice in 1997. The former is Chairman of SADC(three-year term) and the latter is Chairman of Organ on Politics, Defense and Security (one-year term). Mandela asserted that the Organ is only a part of SADC dealing with security issues, while Mugabe contended that the Organ has an independent authority in terms of politics and security. In the background, reportedly, were the misgivings of Zimbabwe and Mugabe himself about its and his shrinking influence, considering he once played an important part in the anti-

Apartheid movement of SADCC.

This struggle was reflected onto their attitudes toward the Civil War in the Democratic Republic of the Congo, which broke out in August 1998. Zimbabwe, Angola and Namibia sent troops, while South Africa, Mozambique and other countries rejected any military intervention and insisted on a solution by negotiation. In September in the same year, a mutiny occurred in Lesotho. This time, South Africa and Botswana conducted military intervention⁵⁵. These incidents proved that the Organ on Politics, Defense and Security cannot co-ordinate the conflict of interests among SADC.

After the shift of SADC chairmanship from South Africa to Mozambique at the SADC Summit in August 1999, and the confirmation that the Organ is a part of SADC at the SADC Conference of Foreign Ministers and Defense Ministers in October, Mugabe accepted the situation.

Many among the surrounding countries have wariness toward South Africa. This regional power must handle the contradictions between expectation and wariness.

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Part III. Aid Trends

Chapter 1. Japanese Aid Trends Assistance to Southern Africa

(Secretariat)

1. Japanese aid trends to whole Africa

Japan has attempted to increase its development assistance to Africa since the late 1970s. Assistance to African countries in 1989 reached 1,040 million dollars, 15.3% of Japan's total bilateral assistance. However, in 1990 the amount declined to 790 million dollars (11.4%). Both loan assistance and grant aid showed a drop. The drop in loans was due to the heavy debt accumulation of African countries, and the lower level of grant aid was due to the suspension of assistance to politically unstable countries. After 1995, the proportion of assistance to Africa remained around 12% of total bilateral ODA, and in 1998 it was 11.0%, or 950.29 million dollars (Table 1-1)

The characteristic of Japan's assistance to Africa is that much of it is in the form of grant aid. While the average proportion of grant aid in Japan's total bilateral ODA was 30.5% in 1997, in Africa, the grant proportion alone was as much as 67.0% in 1998. Loan assistance is only 12.6% in Africa, while the world average is 23.8%.

2. Japanese aid trends to Southern African Region

Japan's Bilateral ODA to Southern Africa accounted for 30 to 40% of Japan's total ODA to Africa. In 1997 and 1998, the proportion reached around 60%, and the actual amount increased as well (Table 1-2). The main reason for this is the increase in loan assistance to South Africa and some other countries after FY1996.

Loan assistance has been given to many Southern African countries including South Africa, Zambia, Zimbabwe and Botswana. Loan assistance accounted for 35.7% of total assistance in 1998¹.

Southern Africa will continue to be a recipient of yen loans because this region has fewer countries heavily indebted in comparison with other regions in Sub-Saharan Africa, and because recovery from the low point of their economies has been achieved, led by South Africa.

Of course, special attention must be paid to countries and sectors for which the provision of new loans may be difficult. There are some heavily indebted poor countries

Table 1-1 Distribution of Japan's Bilateral ODA to Whole Africa (1989-98)

(Net disbursement basis; \$ million)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Total
Grant aid*	518.59	423.23	480.13	552.39	575.83	702.27	817.44	659.59	519.87	636.38	7,591.85
	49.9%	53.5%	52.8%	64.3%	59.6%	61.4%	61.3%	61.8%	64.8%	67.0%	
Technical cooperation*	113.46	124.89	131.27	136.27	186.77	210.34	245.21	221.26	209.11	193.97	2,389.90
	10.9%	15.8%	14.4%	15.9%	19.3%	18.4%	18.4%	20.7%	26.0%	20.4%	
Total grants	632.05	548.12	611.40	686.66	762.60	912.61	1,062.65	880.84	728.98	830.35	9,981.75
Government loans*	407.59	243.63	298.37	170.15	203.50	231.60	270.28	186.40	73.84	119.93	3,663.19
	39.2%	30.8%	32.8%	19.8%	21.1%	20.2%	20.3%	17.5%	9.2%	12.6%	
Total ODA	1,039.64	791.75	909.77	858.81	966.10	1,144.22	1,332.93	1,067.24	802.82	950.29	13,644.95
Proportion of Japan's total ODA (%)	15.3%	11.4%	10.3%	10.1%	11.8%	11.8%	12.6%	12.8%	12.1%	11.0%	-

Note: Shadowed rows show the proportion of each type of assistance to total ODA for Africa.

Source: Economic Cooperation Bureau, Ministry of Foreign Affairs (1999)

¹ Infrastructure-related assistance was mainly devoted to transportation, communications, and water and sewage systems. Structural adjustment loans to support the balance of payments were also provided from the late 1980s to the mid-1990s.

Table 1-2 Japan's Bilateral ODA Records to Southern Africa (FY1994-1998)

(1) Loan aid

(100 million Yen)

Country	FY1994	FY1995	FY1996	FY1997	FY1998	Total
Angola	-	-	-	-	-	-
Botswana	-	46.85	-	-	-	132.46
Comoros	-	-	-	-	-	-
DR of the Congo	-	-	-	-	-	497.54
Lesotho	-	-	-	-	-	-
Madagascar	-	-	-	-	104.05	411.01
Malawi	-	-	53.76	-	-	341.36
Mauritius	-	-	-	-	45.38	91.34
Mozambique	-	-	-	-	-	40.51
Namibia	-	-	-	-	-	-
South Africa	-	-	78.31	62.30	60.84	201.45
Seychelles	-	-	-	-	-	-
Swaziland	-	-	-	-	-	-
Tanzania	-	-	-	-	-	403.01
Zambia	136.46	-	-	65.19	-	965.43
Zimbabwe	-	52.09	114.51	-	-	380.65
Total for Southern Africa(1)	136.46	98.94	246.58	127.49	210.27	1,346.08
Proportion of total ODA to Southern Africa	29.4%	21.9%	41.1%	23.9%	35.7%	-
Total for Africa(2)	292.46	426.74	453.67	243.16	306.78	8,688.81
(1)(2) (%)	46.7%	23.2%	54.4%	52.4%	68.5%	15.5%

(2) Grant aid

(100 million Yen)

Country	FY1994	FY1995	FY1996	FY1997	FY1998	Total
Angola	6.00	11.48	11.76	22.83	25.26	90.78
Botswana	1.10	1.10	1.59	2.11	3.43	15.19
Comoros	2.50	-	5.69	1.80	1.50	59.89
DR of the Congo	0.69	0.61	0.44	0.08	-	251.31
Lesotho	3.00	9.87	5.28	2.99	0.39	36.12
Madagascar	25.61	36.43	28.50	31.30	16.34	447.33
Malawi	19.39	31.04	24.29	45.10	31.51	320.43
Mauritius	7.14	-	0.10	-	0.49	48.40
Mozambique	47.06	22.00	48.84	35.67	47.96	526.49
Namibia	3.00	3.50	3.00	3.11	0.22	56.66
South Africa	0.89	1.77	2.12	2.94	11.83	36.54
Seychelles	2.01	2.62	-	4.52	-	23.79
Swaziland	3.07	11.16	4.83	12.30	2.10	55.95
Tanzania	50.56	49.94	48.67	75.71	100.97	1,017.23
Zambia	35.88	34.54	33.83	23.18	20.56	741.80
Zimbabwe	39.22	45.26	28.68	32.00	20.17	430.61
Total for Southern Africa(1)	247.12	261.32	247.62	295.64	282.73	4,067.74
Proportion of total ODA to Southern Africa	53.3%	57.7%	41.3%	55.5%	48.0%	-
Total for Africa(2)	654.82	716.39	634.13	792.46	703.60	10,749.94
(1)(2) (%)	37.7%	36.5%	39.0%	37.3%	40.2%	37.8%

(3) Technical cooperation

(100 million Yen)

Country	FY1994	FY1995	FY1996	FY1997	FY1998	Total
Angola	0.06	0.65	1.70	3.08	4.71	10.43
Botswana	1.46	2.45	3.73	3.31	2.76	20.21
Comoros	0.39	0.58	0.16	0.13	0.05	6.99
DR of the Congo	0.19	0.46	0.59	0.04	-	65.44
Lesotho	0.74	0.27	0.28	0.30	0.37	2.79
Madagascar	6.14	6.48	3.22	4.85	6.84	69.51
Malawi	8.50	12.31	14.25	15.35	16.77	169.93
Mauritius	1.13	1.95	5.08	1.98	1.86	36.92
Mozambique	1.71	2.77	3.82	4.28	5.48	24.35
Namibia	1.02	0.56	1.45	2.19	0.72	7.92
South Africa	0.41	2.22	4.08	5.54	4.05	16.47
Seychelles	0.68	0.80	1.07	0.70	0.63	8.63
Swaziland	0.77	0.89	0.86	0.92	0.73	19.11
Tanzania	26.19	27.79	31.20	34.77	21.92	408.55
Zambia	20.97	22.37	20.52	18.08	15.56	298.16
Zimbabwe	10.06	9.91	14.01	14.32	14.14	101.37
Total for Southern Africa(1)	80.42	92.46	106.02	109.84	96.59	1,266.78
Proportion of total ODA to Southern Africa	17.3%	20.4%	17.7%	20.6%	16.4%	-
Total for Africa(2)	196.10	202.80	220.17	236.38	221.11	2984.16
(1)(2) (%)	41.0%	45.6%	48.2%	46.5%	43.7%	42.5%

(4) Total ODA

(100 million Yen)

Country	FY1994	FY1995	FY1996	FY1997	FY1998	Total
Angola	6.06	12.13	13.46	25.91	29.97	101.21
Botswana	2.56	50.40	5.32	5.42	6.19	167.86
Comoros	2.89	0.58	5.85	1.93	1.55	66.88
DR of the Congo	0.88	1.07	1.03	0.12	-	814.29
Lesotho	3.74	10.14	5.56	3.29	0.76	38.91
Madagascar	31.75	42.91	31.72	36.15	127.23	927.85
Malawi	27.89	43.35	92.30	60.45	48.28	831.72
Mauritius	8.27	1.95	5.18	1.98	47.73	176.66
Mozambique	48.77	24.77	52.66	39.95	53.44	591.35
Namibia	4.02	4.06	4.45	5.30	0.94	64.58
South Africa	1.30	3.99	84.51	70.78	76.72	254.46
Seychelles	2.69	3.42	1.07	5.22	0.63	32.42
Swaziland	3.84	12.05	5.69	13.22	2.83	75.06
Tanzania	76.75	77.73	79.87	110.48	122.89	1,828.79
Zambia	193.31	56.91	54.35	106.45	36.12	2,005.39
Zimbabwe	49.28	107.26	157.20	46.32	34.31	912.63
Total for Southern Africa(1)	464.00	452.72	600.22	532.97	589.59	8,890.06
Total for Africa(2)	1,235.76	1,439.56	1,152.62	867.05	1,026.31	14,736.55
(1)(2) (%)	37.55%	31.45%	52.07%	61.47%	57.45%	60.33%

Note 1: The term 'Southern Africa' represents all fourteen countries in this table.

Note 2: 'Fiscal year' is based on the day of the official exchange of documents.

Note 3: 'Amount' is based on that shown in the exchanged documents and includes debt repayment rescheduling.

Note 4: Numbers in the circle indicate the ranking for the whole of Africa.

Note 5: The total amount of ODA is the total of tables(1)(2)and(3)

Note 6: The total for Africa is converted at the rate of 1 US dollar = 108 yen.

Source: prepared from Economic Cooperation Bureau, Ministry of Foreign Affairs(1999)

Table 1-3 Regional Cooperation to Southern Africa

	Name of the project	Fiscal year	Amount	Remarks
1. Assistance to SADC	SADC Centre for Agricultural Assistance and Research(SACAAR)	1995	\$200,000	
	Workshops on the prevention of infectious pneumonia in cattle* and on industrial research and development**	1996	\$200,000	*A specialist who was in charge of a project at the department of veterinary sciences, Zambia University, was dispatched as a lecturer. **A seminar specialist was sent from Japan.
	Workshops on marketing strategies in the tourism sector and on policies to promote small and medium-sized enterprises	1997	\$180,000	
	Workshop on the SADC tourism uni-visa	1998	\$85,000	
	Dispatch of a specialist(programme planning/management and economic advisor)to the SADC Secretariat	1996~	—	
2. Assistance to regional projects	Construction plan for the Chirundu Bridge(between Zambia and Zimbabwe)	1997~	1,478million yen	Development research in 1997, agreement on grant E/N in 1999, and a 'Seminar on bridge engineering' in February 2000
	The Proposed Kazungula Bridge over the Zambezi River(between Botswana and Zambia)	1999~	Unfixed	The project was planned during a 'Workshop on transportation and traffic in Southern Africa'(March 1999)
	Project formulation research for the purpose of identifying broad-based assistance projects(in South Africa, Zambia, Botswana, Zimbabwe, Malawi and Tanzania)	1999	—	.
	The Kalahari Road construction project	1991	3,661million yen	Project to connect Namibia, Botswana, South Africa and Zimbabwe
3. Area-specific seminars for Southern Africa and training in the third countries	(Region specific)			
	'Small enterprises promotion for Southern African countries'	1997~	—	
	'Vegetable and upland crops cultivation techniques'	1999~	—	
	'Promotion of tourism promotion in Southern African region'	1999~	—	
	'Seminar on investment promotion for the Southern African countries'	1999~	—	Joint project with UNIDO
	(Third Country Training)			
	'Training for the promotion of social forestry'(in Kenya)	1995~		
	'Increasing productivity'(in Singapore)	1997~		
	'Agricultural engineering and techniques for developing countries'(in Indonesia)	1998~		
	'Diagnosis, prevention and control of tropical veterinary diseases'	1999~		

Source: JICA internal documents

(HIPC) that are planning to reduce their debt under the HIPC initiative, such as Angola, Zambia, Mozambique and Malawi. Others are semi-developed countries or near this level. There are also countries which place restrictions on sectors that can receive yen loan.

Grant aid, on the other hand, accounted for 48.0 % (in FY1998) which is above average for Japan's world-wide assistance but still low in terms of assistance to the whole of Africa. This is because the income level of some countries in this region is above the standard for grant aid. Although the level of grant aid to Mozambique and Angola are expected to increase, grant aid to the whole of Southern Africa will not increase dramatically.

3. Japanese aid records to Southern African Region

Technical cooperation is expected to be the main focus of Japan's future bilateral ODA to Southern Africa. At the same time, broadly based grant aid with the aim of promoting internal cooperation and widespread impacts needs to be considered, because the requirement is for effective and efficient assistance that takes a comprehensive approach to Southern Africa, considering South Africa as the core.

Table 1-3 shows the provision of Japan assistance in order to support regional cooperation and to have a broad impact in the region. This includes support to the SADC Secretariat, support for regional projects, and region-specific technical training programs for Southern Africa.

Chapter 2. Aid Trends in Major Donor Countries and Multilateral Aid Organizations

1. Outline of development assistance to Southern African Region

As seen in Table 2-1, the amount of ODA by all donors to developing countries has continued to decrease since 1991. While total ODA in 1991 was 61.865 billion dollars, the amount in 1998 was only 50.069 billion dollars. Similarly, ODA to Africa sharply decreased from 24.683 billion dollars in 1991 to 17.291 billion dollars in 1998. The proportion to Africa from total ODA also shrank from 39.9% in 1991 to 34.5% in 1998. This is due to the fact that development funds are being directed away from Africa to former Eastern Europe after the end of the Cold War.

However, when viewing Southern Africa alone, the proportion for this region from total ODA to Africa has tended to increase since 1991, although the overall amount decreased from 5.822 billion dollars in 1991 to 5.048 bil-

lion in 1998. In 1998, it accounted for 29.2% of the total ODA to the whole Africa. Southern Africa has received around 10% of the total ODA since 1991. Hence it is correct to say that ODA to Southern Africa has not been decreasing as sharply as that to the whole of Africa. The main factor contributing to this is the increase in ODA to South Africa, Mozambique and Tanzania since 1996, the impetus for which has been developments led by South Africa since the abolition of Apartheid.

Table 2-2 shows the ODA assistance to Southern Africa provided by international organizations and major DAC donors in 1998. EC and IDA provide 70% of the total assistance from international organizations. Assistance to Mozambique is far higher than that to other countries.

Table 2-1 ODA to Southern African countries (by all the donors) (1991-98)

(net real expenditure; in millions of US dollars)

	1991	1992	1993	1994	1995	1996	1997	1998
Angola	279.7	351.1	298.0	449.7	417.8	473.1	354.6	335.2
Botswana	136.0	113.6	133.5	85.6	90.1	74.6	121.6	106.4
Comoros	64.9	48.6	50.2	38.8	41.7	39.4	27.2	35.3
DR of the Congo	476.2	268.1	178.2	245.5	195.5	165.8	157.3	125.6
Lesotho	126.2	144.3	142.9	116.0	113.5	104.0	91.6	66.2
Madagascar	455.9	361.8	363.1	289.2	301.1	356.7	833.4	494.2
Malawi	524.6	569.8	497.7	466.6	432.3	492.4	345.1	433.7
Mauritius	67.5	45.3	25.9	14.2	23.3	19.5	41.7	39.6
Mozambique	1,072.6	1,470.6	1,187.6	1,199.9	1,064.1	888.0	946.8	1,039.3
Namibia	184.4	143.4	154.7	137.1	191.6	187.9	164.6	180.1
South Africa	-	-	275.3	294.6	385.9	358.1	495.1	512.3
Seychelles	23.0	19.2	19.4	12.9	12.9	18.9	14.9	23.2
Swaziland	53.9	52.6	53.0	55.9	55.5	30.4	26.6	30.4
Tanzania	1,080.7	1,343.1	953.2	965.3	877.1	876.6	944.1	997.8
Zambia	883.3	1,034.8	871.9	718.1	2,033.6	609.5	609.8	348.7
Zimbabwe	393.3	792.6	500.1	560.4	491.5	371.4	335.3	280.0
Total for Southern Africa (1)	5,822.2	6,758.9	5704.7	5,649.8	6,727.5	5,066.3	5,509.7	5,048.0
Total for Africa (2)	24,683.7	24,484.3	21,067.3	23,423.4	21,932.4	19,961.8	17,907.6	17,291.0
ODA to Southern Africa as a proportion of ODA to the whole of Africa (1) (2) (%)	23.6%	27.6%	27.1%	24.1%	30.7%	25.4%	30.8%	29.2%
Total for developing countries (3)	61,865.2	61,436.8	57,061.0	60,648.6	59,610.0	56,372.5	48,144.6	50,069.7
ODA to Africa as a proportion of total ODA to all developing countries (2) (3) (%)	39.9%	39.9%	36.9%	38.6%	36.8%	35.4%	37.2%	34.5%
ODA to Southern Africa as a proportion of total ODA to all developing countries (1) (3) (%)	9.4%	11.0%	10.0%	9.3%	11.3%	9.0%	11.4%	10.1%

Note: 'The whole of Africa' represents the fifty-five countries in 'North Africa' and 'South Africa' as defined in OECD statistics.

Source: OECD (1997) for 1991-93; OECD (2000) for 1994-98.

Table 2-2 ODA of international organizations and major DAC countries to Southern Africa (1998)

(net real expenditure, in million US dollars)

Country	International organizations								Major DAC countries								
	AfDF	EC	IDA	IMF	UNDP	UNHCR	Other multilateral	Multilateral total	Japan	France	USA	Germany	Italy	Sweden	Nether lands	UK	DAC total
Angola	-	65.4	35.8	-	7.6	0.5	11.4	120.7	17.9	7.1	28.8	11.8	11.0	22.5	-	10.6	214.5
Botswana	4.6	29.1	-0.5	-	0.6	0.5	1.6	35.9	34.0	0.7	3.8	14.2	-	3.8	4.6	5.2	73.1
Comoros	-	10.3	2.8	-	1.0	-	2.5	16.6	4.2	13.3	0.0	0.6	-	-	-	0.0	18.6
DR of the Congo	0.1	12.6	-	-	13.8	5.8	11.2	43.5	0.0	9.8	0.1	2.8	1.5	4.2	8.1	13.5	79.7
Lesotho	2.8	12.9	12.5	-	2.5	-	4.2	34.9	-	5.7	2.0	7.4	3.6	0.2	0.4	8.7	32.5
Madagascar	8.5	66.8	64.8	-	4.3	0.0	16.6	161.0	52.0	68.9	30.3	28.7	134.2	-	3.6	0.9	333.1
Malawi	15.0	75.7	119.7	0.7	9.7	1.0	8.3	230.1	47.4	0.6	19.7	25.5	0.6	0.2	4.6	56.7	203.5
Mauritius	0.0	19.8	-0.6	-	0.4	-	1.5	21.1	5.7	8.1	-0.7	0.7	-	-	0.1	1.7	19.6
Mozambique	67.8	84.1	128.4	9.6	14.6	0.8	23.9	329.2	40.6	37.1	70.5	85.2	110.6	31.9	48.5	53.0	712.6
Namibia	3.0	40.7	-	-	0.8	1.0	6.0	51.5	3.0	10.6	13.4	36.1	0.0	12.5	9.7	6.4	128.7
South Africa	-	80.8	-	-	3.7	3.3	3.8	91.6	30.8	36.7	83.0	42.1	1.1	31.1	42.0	54.1	420.7
Seychelles	-0.1	5.3	-	-	0.0	-	0.6	5.8	3.1	-0.2	0.1	0.1	12.8	-	0.7	0.4	17.2
Swaziland	2.7	8.0	-0.3	-	0.7	0.5	2.0	13.6	6.2	-1.8	10.3	-2.3	-0.1	0.1	0.4	4.3	16.8
Tanzania	56.4	43.2	84.7	10.7	13.3	0.7	19.4	228.4	83.4	7.5	29.4	109.9	3.4	59.8	80.3	158.6	769.0
Zambia	13.2	20.5	39.6	-	5.9	2.8	11.2	93.2	33.6	10.4	12.1	50.0	2.3	13.9	22.5	33.4	256.5
Zimbabwe	5.3	21.9	28.2	-	3.2	0.8	5.1	64.5	26.8	-0.8	24.2	15.9	5.4	19.7	28.0	36.7	216.3
Subtotal for Southern Africa(1)	179.3	597.1	515.1	21.0	82.1	17.7	129.3	1,541.6	388.7	213.7	327.0	428.7	286.4	199.9	253.5	444.2	3,512.4
As a proportion of all DAC countries	11.6%	38.7%	33.4%	1.4%	5.3%	1.1%	8.4%	-	11.1%	6.1%	9.3%	12.2%	8.2%	5.7%	7.2%	12.6%	-
Total for Africa(2)	569.3	2,418.3	1,777.8	132.5	255.1	142.0	510.7	5,805.7	1,102.3	2,317.0	1,886.1	1,115.2	447.8	381.5	692.1	840.3	17,567.4
(1)(2)(%)	31.5%	24.7%	29.0%	15.8%	32.2%	12.5%	25.3%	26.6%	35.3%	9.2%	17.3%	38.4%	64.0%	52.4%	36.6%	52.9%	20.0%

Note: 'Africa' represents the fifty-five countries in 'North Africa' and 'South Africa' as defined in OECD statistics.

Source: OECD(2000)

Table 2-3 Amounts of external debt and the status of CDFs and PRSPs in Southern Africa

(in million US dollars)

Country	1980	1991	1992	1993	1994	1995	1996	1997	HIPC Initiative	PRSP	CDF
Angola	-	9,002	10,061	10,575	11,296	11,515	10,541	10,160	-	-	-
Botswana	147	620	612	660	689	703	614	562	-	-	-
Comoros	44	180	188	185	192	204	206	197	-	-	-
DR of the Congo	4,770	10,826	10,964	11,270	12,322	13,241	13,826	12,330	-	-	-
Lesotho	72	448	495	541	620	677	670	660	-	Interim-PRSP expected by the end of 2000	-
Madagascar	1,250	3,908	3,911	3,805	4,097	4,322	4,145	4,105	-	Interim-PRSP expected by the end of 2000	-
Malawi	830	1,665	1,709	1,826	2,025	2,242	2,312	2,206	Policies in process to achieve the Decision Point by the end of 2000	Interim-PRSP expected by the middle of 2000	-
Mauritius	467	1,043	1,051	1,008	1,382	1,756	1,818	2,472	-	-	-
Mozambique	-	4,718	5,130	5,195	5,622	5,726	5,782	5,991	1st Decision Point achieved in May 1998, and 2nd Decision Point in April 2000	Interim-PRSP expected by the middle of 2000	Not a pilot nation, but introduced CDF principles into the choice of development priority sectors
Namibia	-	-	-	-	-	-	-	-	-	-	-
South Africa	-	-	-	-	21,671	25,358	26,050	25,222	-	-	-
Seychelles	84	173	164	157	171	159	148	149	-	-	-
Swaziland	210	245	222	208	220	235	222	368	-	-	-
Tanzania	5,322	6,568	6,690	6,807	7,270	7,447	7,412	7,177	Decision Point achieved in April 2000	Interim-PRSP expected by the middle of 2000	-
Zambia	3,261	7,336	6,972	6,791	6,583	6,859	7,182	6,758	Policies in process to achieve the Decision Point by the end of 2000	Interim-PRSP concluded in May 2000	Not a pilot nation, but introduced CDF principles into the choice of development priority sectors
Zimbabwe	786	3,437	4,071	4,299	4,537	5,053	5,005	4,961	-	Preparing for formulation	-

Source: World Bank(1999a)and Web site of the World Bank.

Box 1. Poverty Reduction Strategy Paper (PRSP) and Comprehensive Development Framework (CDF)

In accordance with the agreement at the IMF and World Bank Joint Development Committee in September 1999, the preparation of a Poverty Reduction Strategy Paper is now in progress in HIPC countries and other countries eligible for IDA loans.

The background to the introduction of the PRSP is the unsatisfactory results of assistance so far. In spite of long term efforts in assistance to developing countries, poverty has not reduced very much. A new framework is needed in order to reduce the heavy burden of debt and to firmly establish a system for more effective poverty reduction.

The President of the World Bank, James Wolfensohn, proposed the concept of the Comprehensive Development Framework (CDF) at the General Meeting of the IMF and World Bank in October 1998, to achieve international development objectives. The basic idea of the CDF is to achieve a balance between improvements in the macro-economy and improvements in structural, social and human aspects is necessary in order to achieve sustainable development with social equity. CDF is a development approach which aims to comprehensively solve various problems that occur in the process of development. Some eligible countries have prepared a matrix that shows priority development issues and the actions of development partners in tackling each of the problems, as a tool to share information and to co-ordinate partners.

The PRSP is an approach to realising a CDF. It is a comprehensive development strategy for the purpose of poverty reduction. In the same way as a CDF, a PRSP must be drawn up on the basis of negotiations with development partners according to the principle of ownership by the recipient government. Major steps in the preparation include: (i) to develop a comprehensive understanding of poverty and its determinants (ii) to choose the mix of public actions that have the highest impact on poverty reduction (iii) to select and track outcome indicators and (iv) monitoring and evaluation and feedback. A PRSP also defines the policies to be adopted as follows: improvement of market access by the poor, the improvement of basic services (education, medicine, etc.), the expansion of opportunities for participation and the assurance of security. Indicators must be chosen in accordance with country-specific conditions, while taking into account international development objectives set by the DAC New Development Strategy.

The PRSP is an element used in determining the application of the HIPC Initiative and IMF's Poverty Reduction and Growth Facility (PRGF). It replaces the Policy Framework Paper (PFP) that the World Bank/IMF once prepared with the recipient countries. The government of each developing country is required to submit an annual report on the status of the PRSP and to review the plan. The PRSP is expected to be totally revised every three years.

From the countries eligible for IDA loans, 72 countries are designated as requiring a PRSP. Many countries are submitting their interim PRSP within the year 2000, and most of them are expected to conclude their final PRSP by the end of 2002.

Sources: IMF and International Development Association (1999), IMF and World Bank (2000), World Bank (1999)

Among the DAC countries, United Kingdom provides 12.6%, which is the highest proportion. Japan is the third largest donor next to Germany. ODA from the DAC countries is provided mainly to Tanzania and Mozambique, followed by South Africa and Malawi.

The accumulation of foreign debt has been a major obstacle to the provision of ODA to Southern Africa. However, as Table 2-3 shows, Mozambique and Tanzania achieve their Decision Point under the HIPC initiative in April 2000. Malawi and Zambia aim to reach the same point within the year 2000. Besides these four countries, Lesotho and Madagascar are preparing a Poverty Reduction Strategic Paper (PRSP), which is a conditionality for the HIPC initiative of the IMF and World Bank.

2. Aid Trends in major donor organizations

2-1 Multilateral aid organizations

(1) World Bank

In order to promote economic growth and poverty reduction in African Region, the World Bank is focussing on social development, human resources development and capacity building in government as well as political stability and peace. The World Bank has decided to provide special support to countries that have the high commitment of reforming. In this, stress is laid on the discussions in the Strategic Partnership for Africa (SPA)² and the Comprehensive Development Framework (CDF).

New types of loans, which were introduced in 1998, are

² The SPA, which was established in 1987, is an informal dialog between donors and each government with the aim of promoting the economic reform of Sub-Saharan African countries that are suffering from heavy debt. At present, 30 Sub-Saharan African countries and 22 donor countries take part in the SPA, which has already disbursed about 1.5 billion dollars. Debt relief by the IDA is also expected for several Sub-Saharan African countries, including Mozambique, through the HIPC Initiative.

Table 2-4 Aid Trends to sub-Saharan Africa by the World Bank

Sector	in 1998		in 1999	
	No. of projects	Approved amount (in million US dollars)	No. of projects	Approved amount (in million US dollars)
Agriculture	97	2,321.0	77	1,863.1
Education	46	1,590.0	47	1,650.7
Electricity/Energy	28	1,686.0	25	1,611.3
Environment	25	390.0	19	360.9
Finance	16	382.0	18	405.4
Industry	7	184.0	4	97.6
Mining	6	69.0	7	84.4
Multi-sector	33	1,966.0	26	1,836.7
Oil/Gas	9	250.0	7	258.7
Population/Health/Nutrition	50	1,494.0	46	1,504.3
Public sector administration	43	1,352.0	39	1,006.1
Social security	33	744.0	34	790.0
Telecommunications	2	87.0	3	98.0
Transportation	50	3,072.0	48	3,121.7
Urban development	30	1,206.0	31	1,219.7
Water supply/Sanitation	28	1,478.0	22	1,220.1
Total	503	18,274.0	453	17,128.7

Source: Web site of the World Bank

now supporting small community-oriented development projects. These include Learning and Innovation Loans (LILs)³ and Adaptable Program Loans(APLs)⁴.

As seen in Table 2-4, the World Bank provided 1.7 billion dollars to 453 projects in the Sub-Saharan Africa⁵ in 1999.

Most of these are loans from the International Development Association for the poorest countries⁶.

Classifying by sector, 77 cases come under agriculture, which account for 17% of the total. Other 48 cases come under transportation, 47 under education, and 46 under population/health/nutrition. Countries receiving the most are Ghana(1.53 billion dollars), Ethiopia(1.38 billion), Tanzania(1.34 billion), Uganda(1.19 billion), Nigeria (1.04 billion)and Mozambique(0.87 billion)in the order named.

(2) European Union (EU)⁷

EU provides development assistance to 71 African countries, Caribbean/Pacific countries(ACP countries) and 20 overseas dependencies. Toward Southern Africa⁸, EU has provided about 4.9 million Euro(about 50 billion yen at the rate of 1 Euro=102 yen)since 1976.

The priority for the EU is cooperation with SADC countries with the aim of promoting regional cooperation. In 1996, EU and SADC signed a Regional Indicative Programme. The Eighth European Development Fund is planning to provide 121 million Euro(about 12.3 billion yen)in the next five years, for the purpose of promoting socio-economic development and improving the living standards in SADC countries. Sectors given priority include infrastructure, trade, services and investment as well as food, agriculture, natural resources, human resources

³ LILs are for small capacity-building projects which are expected to achieve short-term local effects in developing countries. The amount is limited to five million dollars a project.

⁴ APLs are for long-term development projects on which both the World Bank and the government have agreed. After the provision of the first loan, additional loans are determined by a review of achievements.

⁵ The World Bank defines 'Sub-Saharan Africa' as referring to the following 39 countries: Ghana, Uganda, Madagascar, Tanzania, Mozambique, Malawi, Senegal, Ivory Coast, Mali, Zambia, Benin, Guinea, Kenya, Burkina Faso, Ethiopia, Mauritania, Nigeria, Rwanda, Angola, Chad, Zimbabwe, Cameroon, Cape Verde, Niger, Sierra Leone, Lesotho, Mauritius, Togo, Burundi, Comoros, Gambia, Eritrea, Gabon, Djibouti, Central Africa, Sao Tome and Principe, DR Congo, Equatorial Guinea and the Seychelles.

⁶ The conditions to be the subject of IDA provisions are: (i) GNP per capita is not more than 895 dollars, (ii) fund procurement in financial markets is difficult and (iii) economic/social policies for economic growth and poverty reduction are being appropriately carried out.

⁷ <http://www.europa.eu.int/comm/dqs/development>

⁸ EU defines the following 10 countries as Southern Africa: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Box 2. Internet Initiative for Africa (IIA)

UNDP started in 1997 an 'Internet Initiative for Africa' with the aim of establishing an internet infrastructure and capacity building for information access. The seven target countries of this program are Burkina Faso, Ethiopia, Gambia, Mauritania, Namibia, Nigeria and Swaziland.

IIA's objective is to provide information on development problems including poverty eradication, environmental and natural resources management, civil society participation for good governance, support for small and micro-enterprises, trade promotion, empowerment of women and appreciation of cultural diversity. IIA adopts basic strategies of capacity building, participatory development, partnership and sustainability.

Substantially, IIA emphasises the establishment of internet gateways in capital cities, and training and legal systems building for the management capacity of governmental agencies and the private sector. Pilot projects are being planned.

Source: UNDP Web site

development, drug control, HIV/AIDS and reinforcement of the SADC organization.

Additionally, EU has concluded a National Indicative Programme with each country, so that various types of assistance can be provided within a country-specific framework for sustainable development and poverty reduction.

(3) United Nations Development Programme (UNDP)⁹

The assistance projects of UNDP in Africa are targeted at sustainable human development (SHD) for the improvement of governance, poverty and living conditions. For this, UNDP has formed a United Nations Development Assistance Framework (UNDAF) with each individual country.

In the area of regional cooperation, UNDP is carrying out an 'African Economic Community' project to promote economic unity in Africa and a follow-up workshop of TICAD II in cooperation with OAU, ECA, COMESA, ECOWAS and SADC. It is also arranging governance-building workshops under a Special Initiative for Africa (AGF II)¹⁰, a program to cope with various problems in Africa, as a joint effort with other UN agencies.

In 1997, the Internet Initiative for Africa (IIA) (See Box 1) started.

(4) African Development Bank (AfDB) and the African Development Fund (AfdF)

African Development Bank (AfDB) is a regional development bank to assist Regional Member Countries (RMCs) with their economic social development¹¹.

The Bank was established in Abidjan, the capital of Ivory Coast in 1966. The African Development Fund (AfdF), a member of the AfDB Group, deals with low-interest loans for low income countries.

Based on its thirty-year experience, AfDB emphasises the importance of true partnership with recipient countries in long-term, sustainable development in Africa. For this, AfDB acknowledges the importance of collaboration with the World Bank, UN agencies and bilateral aid agencies.

AfDB has identified future focus areas as agricultural and rural development, human resources development, private sector development, governance, economic union and cooperation, and environment and gender issues.

2-2 Bilateral aid organizations

(1) United Kingdom (DFID)

Recognising the even more serious conditions of the poor in Africa than in other part of the world, Department for International Development devoted about 438 million pounds (39.6% of its bilateral assistance budget in 1998-99) to Southern Africa¹².

⁹ <http://www.undp.org/rba/vision/vision.htm>

¹⁰ Besides UNDP, organizations such as FAO, UNESCO, UNICEF and the World Bank participate in this program, dividing into five working groups: water (UNEP as a leading donor), food security (FAO as a leading donor), governance (UNDP as a leading donor), social/human development (UNESCO as a leading donor) and the allocation of resources (WB as a leading donor).

¹¹ Besides 53 RMCs, 24 countries in Europe, North America and other areas participate as Non-Regional member Countries (NRMCS). Japan is an NRMCS.

¹² The definition of 'Sub-Saharan Africa' by DFID is 46 countries (Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central Africa, Comoros, Congo, DR of the Congo, Ivory Coast, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, St. Helena, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe) plus EAC and SADC.

Box 3. "Africa Regional Program" and "Initiative for Southern Africa" of the USAID

'Africa Regional Program' is a complementary regional program to cope with problems which include technical issues or involve several countries. The Program includes (i) intellectual assistance to conduct policies and projects for sustainable development, (ii) capacity building to promote development by Africans themselves, and (iii) promotion of inter-regional activities for economic technical cooperation. About 14 projects are planned for 2000, and most of them are training programs at regional research institutes and universities. In accordance with the six focus areas of USAID, the themes of training are governance promotion, economic management, agricultural technology, environmental management, HIV/AIDS countermeasures, and so on.

The 'Initiative for Southern Africa' intends to assist Southern African countries with their reforms while supporting South Africa to be integrated into regions where economic cooperation is in progress. In the cooperation with SADC, the program has established its base at the Regional Centre for Southern Africa (RCSA) in Gaborone, Botswana. Five projects in the areas of democratisation, economic growth and environment are planned for FY2000.

Source: USAID Web site

Within DFID's expenditure, about 145 million pounds goes to technical assistance, 126 million to program assistance, 54 million for grant aid and 49 million for project/sector assistance.

DFID specifies general issues in Africa such as low economic growth, lack of reliable democratic governance, disputes, the need for a sustainable living environment and HIV/AIDS. For poverty reduction, DFID pursues cooperation with the governments of recipient countries, bilateral assistance organizations, local communities, and regional/sub-regional organizations of African people. For this purpose, DFID has adopted Sector-wide Adjustment Programs, and will continue to utilise this strategy.

(2) United States (USAID)¹³

The focus of diplomatic policies toward Sub-Saharan Africa of the United States Agency for International Development is the integration of this region into the global economy and the measures against threats to multi-national security¹⁴.

It stresses the development of Africa as a trading partner.

USAID defines six priority assistance sectors: economic growth/agricultural development, democratisation/governance, human resources development, population/health/nutrition, environment, humanitarian assistance. Above all, stress is placed on the agricultural sector and democratisation/governance.

It is remarkable that a special budget for assistance to Africa started in 2000, called the Development Fund for

Africa (DFA) It amounted to 513 million dollars in 2000 (among which 337 million dollars is for bilateral assistance, and 176 million dollars for regional assistance). Besides this, USAID has appropriated about 232 million dollars for 'Child Survival and Disease,' 73 million dollars for 'Economic Support Funds,' 134 million dollars for 'P.L.480,' a food assistance programme.

Among USAID's various regional programmes in Africa, the most important in Sub-Saharan Africa are the 'Africa Regional Program' and the 'Initiative for Southern Africa.' Both include many assistance projects which cover several countries in cooperation with international assistance agencies and research agencies.

(3) France

France gives priority to the poorest countries in its international assistance policy. France's focus is on the following five areas: (i) economic independence and participation in the global economy of developing countries, (ii) reinforcement of governmental agencies and democratic foundations, (iii) poverty reduction and the provision of social services, (iv) increase in opportunities to study and for information access, and (v) continuation of regional cooperation and integration.

In accordance with these policies, assistance to Sub-Saharan Africa accounts for as much as 42.21% (12,426 million franc in 1996) of the total overseas assistance by France, far above assistance to countries north of the Sahara (15.56%, 4,581 million francs) and Oceania (14.54%, 4,279 million francs)

¹³ <http://www.usaid.gov/regions/afr/regactiv.html>

¹⁴ USAID defines the following 21 countries as Sub-Saharan Africa: Angola, Benin, DR of the Congo, Eritrea, Ethiopia, Ghana, Guinea, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda and Zimbabwe.

(4) Netherlands (Netherlands Development Assistance: Neda)

In overseas development assistance, Netherlands emphasises poverty reduction, environment, governance and conflict resolution. Five principles have been set up; (i)20% of total assistance should be devoted to basic social services,(ii)4% should be for reproductive health, (iii)1% of GNP should be used for environmental protection,(iv)50 million gilder a year should be used for the protection of tropical rain forests, and(v)at least 0.25% of GNP should be provided for assistance toward LLDCs.

According to distribution by region, assistance toward Africa amounted to 1,253 million guilders(1997), 45.6% of the total. Latin America comes second with 696.726 million(25.3%), and then Asia/Oceania(599.249 million, 21.8%), and Eastern Europe (201.931 million, 7.3%).

(5) Germany (GTZ)

Of the total assistance provided by the German Agency for Technical Cooperation(GTZ), the share and amount of assistance toward Africa¹⁵ decreased from 549.4 million marks(35.9%)in 1997 to 502.5 million(31.9%)in 1998.

In Southern Africa, Rwanda receive the most, 37.8 million marks, followed by Tanzania(28.5 million), Mali (27.4 million), Mozambique(22.9 million)and Malawi (22.4 million).

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¹⁵ These figures are the total assistance for the public sector only.

Part IV. Frameworks for Japan's Future Assistance to Southern African Region¹

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Introduction

In February 1994, on the eve of the birth of the Republic of South Africa after Apartheid, JICA compiled its "Report on the Study Committee on Japan's ODA to Southern African countries." In the Report, the Committee recognised that Southern African Region was "at the stage of consolidating the basis for establishing a new region," and gave top priority to "contribution to the establishment of a new regional economic bloc" as a basic direction for Japan's assistance. The Committee proposed support for economic liberalisation and sectoral development issues, as well as increased support for regional organizations. For regional stabilisation and development, the Committee also placed special emphasis on support for South Africa, the leading power in the region, and continuous support for LLDCs in the region².

It has been more than six years since this report and it is necessary to assess how far Japan's ODA to Southern Africa has progressed. At present, Japan provides training courses targeted at the whole of Southern Africa, constructs bridges through grant aid, and dispatches experts to the SADC office. Moreover, in 1998, following one in 1993, Japan convened the Second Tokyo International Conference of African Development(TICAD II). Through a "The Tokyo Agenda for Action," Japan contributed to establishing an overall framework for cooperation to Africa and development in concrete programmes. In 1999, on the occasion of the inauguration of President Mbeki, Japan announced the second phase of support for South Africa. In order to support the development of these programmes, a JICA office was opened in South Africa in 1997, and an embassy was established in Mozambique in 1999. Thus, regional organizations have been gradually strengthened. Still, it is necessary to overcome many important constraints in order to plan and implement high-quality cooperation.

In Part II "Understanding Current Conditions of Southern Africa" we presented a new regional recognition corresponding to a new regional framework brought about by the reemergence of South Africa. Based on this recognition, we summarises in this paper various frameworks for regional cooperation, viewpoints for a new cooperation policy, the direction of efforts toward the development challenges, examples of concrete plans, and reinforcement of implementation systems, with suggestions for the medium and long term.

Chapter 1. Basic framework for regional cooperation to Southern African Region

1. Regional cooperation to Southern African Region and bilateral cooperation

- *Regional cooperation for Southern Africa is to complement bilateral cooperation corresponding to the individual needs of each country.
 - *Regional cooperation for Southern Africa is more effective than bilateral cooperation for the following two kinds of issues:
 - Efforts toward the cross-border issues
 - Efforts toward issues common to the region utilising regional assets

ODA to Southern Africa should be provided in order to eliminate the underlying problems that have hindered the independent development of each country in the region, just as ODA has been provided in other developing countries³. In this case, it is necessary to provide ODA based on a comprehensive diplomatic policy and an external economic policy covering economic activities in the private sector, while taking into account each country's situation and bilateral relationships(such as "a country-specific approach" and "a comprehensive approach") Bilateral cooperation embodying such policies should be the core of ODA, as mentioned in Part II "Understanding Cur-

¹ Task Chief compiled this part based on the given paper and opinion from each Committee member.

² JICA(1994)pp. iii – iv.

³ The importance of regional cooperation compared with bilateral cooperation varies according to the present state and future trends in interdependence, characteristics, population, and economic size of each country in the region. In the Middle America, Caribbean islands and in oceanic states, for example, regional cooperation has played an important role.

rent Conditions of Southern Africa”.

On the other hand, regional cooperation goes beyond the bilateral cooperation framework, and yet it forms a complementary relationship with bilateral cooperation. The following two issues in Southern Africa require the comparative advantage of regional cooperation, as bilateral cooperation cannot deal with them adequately.

- Efforts toward cross-border issues

Due to the nature of problems and the fact that the process in which potential problems emerge as actual problems extends beyond national borders, it is difficult for each country in the region to deal with such problems separately. Thus, it is desirable to take comprehensive measures utilising a regional cooperation framework. (Problems related to peace and stability in the region, countermeasures against infectious diseases of humans and animals, international river management, corridor development, regional transportation, development of telecommunications infrastructure, problems related to the cross-border movement of goods and people such as immigrants, regional environmental problems, and capacity-building of intra-regional cooperation organizations dealing with these problems.)

- Efforts toward issues common to the region utilising regional “Assets”

In principle, each country should separately deal with problems related to education, vocational training, small and medium enterprises development, promotion of farming, and public sanitation. However, when facilities and resources (including human resources) necessary for the solution of problems are shared within the region or have similar characteristics, it is more effective to utilise excellent resources that a specific country in the region owns as “regional public goods⁴”, rather than to take measures separately using the limited human and physical resources of each country. Through a network of resources in each country, these resources can be utilised flexibly by making the most of

the advantages of each national resource. Thus, it may be possible to deal with problems more effectively and efficiently.

2. Basic Perspectives for a new regional cooperation policy corresponding to new situations

* Changes in the situation in and outside the region, including the collapse of the Cold War structure and the abolition of Apartheid, have brought about tremendous change in Southern African Region.

* Recognition of the new Southern Africa Region corresponding to new situations, and basic viewpoints for a new regional cooperation policy can be summarised in the following five points:

- (1) Disappearance of the past regional framework and contribution to formation of a new framework
- (2) Considerations of the delicate relationship between South Africa and its surrounding countries
- (3) Establishment of a positive complementary relationship with economic activities in the private sector
- (4) Contribution to peace and stabilisation in the region
- (5) Reinforcement of reciprocal relationships with Japan and their development into inter-regional cooperation

This Study Committee conducted an open-minded discussion on regional cohesion, a basic point in the recognition of Southern African Region, from different professional viewpoints, though not all the main points were agreed upon. The views almost reached accord on the following points⁵:

- (a) Recent changes in and outside the region, including the collapse of the Cold War structure and abolition of Apartheid, have brought about considerable changes in the region.
- (b) The disappearance of these two hindrances did not

⁴ In this paper, “regional public goods” are defined by the following two principles. (i) “Public benefit” characterised by the absence of rivalry and exclusion in consumption; and (ii) “Universal benefit,” which means that benefits can be shared with many countries in the region, not limited to a specific country. However, not only pure public goods categorised by non-rivalry and non-exclusion, in a strict sense, but also in-pure common goods that satisfy either condition to a certain degree are included. Potentially, “global public goods” (with universality of benefit on a global scale for future generations) should be included in “universal benefit.” (Reference: “Global Public Goods: International Cooperation in the 21st Century” edited by Inge Kaul, et.al., translated by FASID, 1999, Nippon Keizai Shimbun, Inc., pp. 29-44.)

⁵ The Study Committee reconfirmed that some characteristics of Southern Africa, such as the “non-African presence in Africa” with Southern Africa having a large population of Whites as well as the presence of enclave countries, have remained unchanged. Some members pointed out that these characteristics should be discussed in the new context.

Box 4. The Second Tokyo International Conference on African Development: TICAD II

Japan, the United Nations(UN Office of the Special Coordinator for Africa and the Least Developed Countries [OSCAL] and the United Nations Development Programme [UNDP]), and the Global Coalition for Africa(GCA)jointly held the Second Tokyo International Conference on African Development(TICAD II)in Tokyo, 19-21 October 1998. Eighty countries including 15 heads of state, 40 international organizations and 22 NGOs participated in TICAD II.

At TICAD I(1993), participants confirmed the importance of ownership by each African country of its own development in partnership with donor countries. Based on this somewhat abstract concept, participants in TICAD II pursued action-oriented objectives for economic and social development, poverty reduction, and raising the living standards of African countries. At the conclusion of the conference, the "TICAD II Tokyo Agenda for Action for African Development Towards the 21st Century" was adopted, and the wide range of participants committed themselves to supporting the development of African countries.

Outline of the TICAD II Tokyo Agenda for Action

Theme: Poverty reduction and the effective integration of Africa into the global economy through accelerated economic growth and sustainable development

Basic Principles: "Ownership" and "Partnership"

Approaches:

- (i) Strengthening coordination
- (ii) Regional cooperation and integration
- (iii) South-South cooperation (cooperation between South Asia and South Africa)

Cross-cutting issues:

- (i) Capacity building
- (ii) Gender mainstreaming
- (iii) Environmental management

Priority policies and action plan, including numerical targets:

- (i) Social development such as improvements in education, health and population issues, and special measures for the poor
- (ii) Economic development such as development in the private sector, industry and agriculture, and dealing with external debt
- (iii) Governance, conflict prevention and post-conflict development and rehabilitation and development after conflicts

In this Action Plan, the concepts and contents of the New Development Strategy of the OECD Development Assistance Committee are applied to the development of Africa.

TICAD II prepared "Case List" of more than 370 potential development programmes and projects those are in line with the objective of the "Action Plan" at TICAD II. For its own part, Japan announced a new assistance programme based on the "Action Plan".

Japan's new assistance programme based on the TICAD II Action Plan

- 1)Social development
 - (i) To extend grant aid of 90 billion yen in education, health and water supply over the next five years
 - (ii) To establish centers for Parasitic Disease Control
 - (iii) Polio eradication
- 2)Economic development
 - (i) Establishment of Asia-Africa Investment and Technology Promotion Centre("Hippalos Centre")
 - (ii) Organization of the Asia-Africa Business Forum
 - (iii) Promotion of rice cultivation in Africa
 - (iv) Capacity building in debt management
 - (v) Grant Aid for debt relief
- 3)Basic Foundation for development
 - (i) Support for the UNDP African Governance Forum
 - (ii) Support for anti-personnel clearance in Southern Africa
- 4)South-South cooperation
 - (i) Support for the training of 2000 African in the next five years
 - (ii) Asia-Africa Forum(AAF)
 - (iii) "Trilateral Cooperation among Japan, France and Malaysia" Initiative
- 5)Strengthening Partnership-Bases for African human capacity building
- 6)TICAD II facility

Kokubu(1999)regarded the following three items as the accomplishments of TICAD II: (i)confirmation of a political commitment to the goals and the actions to reach them in each field of development, and the achievement of consensus on the process for coordinating the political commitment;(ii)a commitment to deepen cooperation between Asia and Africa; and(iii)confirmation of a comprehensive approach with the focus on the utilization of private resources. On the other hand, she pointed out that the following four problems need to be solved in future:(i)low political commitment to agricultural development both within African governments and among donor countries, as has been the case so far;(ii)low awareness of the necessity of diversified rural development;(iii)unclear motivations on the African side as to what African countries want to learn from Asian countries; and(iv)the unclear direction of regional co-operation. The task from now on is to collect and analyse the best practices of the implementation of the "Action Plan" and to share the results. We must tackle the task of concretely realising the decisions made at TICAD II.

Reference: the Economic Co-operation Bureau, Ministry of Foreign Affairs(1999) Kokubu, K.(1999)

necessarily support an optimistic view on the future of the region.

- (c) It is necessary to come to a new recognition of the region and adopt regional cooperation policies corresponding to newly emerging situations.

This paper, based on the new recognition of the region summarised in Part II “Understanding Current Conditions”, presents basic viewpoints and analytical axes⁶ that must be included in a regional cooperation policy for Southern Africa.

2-1 Disappearance of the past regional framework and contributions to formation of a new framework

* In the process of formulating a new regional framework in Southern Africa, in order to determine the criteria for a future regional cooperation policy for Southern Africa, it is necessary to ask how far Japan's ODA should be actively involved in its formulation. Moreover, it is desirable to share basic policy not only at Japan's various policy-making levels and implementation levels but with the recipient countries as well.

* It is important to clarify the role of Japan's ODA regarding the position and characteristics of Southern Africa as a sub-region in the future.

The first viewpoint relates to support from Japan's ODA that should be or should not be provided, corresponding to the present situation in Southern Africa. In Southern Africa, a new framework is now being formed, as the major framework that had regulated Southern Africa for years disappeared due to collapse of the Cold War structure and the abolition of Apartheid. The structure in which South Africa and the former Frontline States were in conflict with each other over the Cold War and Apartheid restricted these actors' activities in the region. Accordingly, it also restricted the direction of Japan's regional cooperation policy⁷. In those days, there was not much of a gap between regional recognition and regional policy. In other

words, there was no room for Japan to choose its position toward the Cold War and Apartheid.

However, this framework has now disappeared. In order to determine the criteria for a regional cooperation policy for Southern Africa, it is necessary to view carefully the nature of the framework that is being formed, and consider how Japan can provide more active support to the establishment of a framework among various options. In particular, the importance of sharing a basic recognition with the recipient countries and the parties in charge of providing assistance should be reconfirmed, while critically reviewing the following questions: “What does Japan want Southern Africa to be?” “What kind of relationship does Japan want to create with Southern Africa?” “Why does Japan want such a relationship?”

“Ownership and Partnership,” fostered as Japan's assistance philosophy through DAC's new development strategy and the TICAD process, does not mean that assistance is provided by responding passively to the recipient country's requests just as they are conveyed. Rather, through challenging the recipient's development philosophy and Japan's philosophy in various ways, such as through policy discussions, project planning, and the formulation of projects, cooperation that emphasises the provider will be developed. In terms of the rhetoric of Japan's technical cooperation, a cooperation policy and philosophy concerning “regional development,” in addition to “national development” and “human resources development,” should be adopted mutually by the various ODA policy-making levels and implementation levels, as well as between Japan and the recipient countries.

More specifically, a regional cooperation policy for Southern Africa must encompass the relationship between South Africa and its surrounding countries, various economic activities in the private sector that involve brisk trade across the borders, and a stance on peace and stability in the region. Moreover, the means of establishing a relationship between Japan as a member of Asian countries and Southern Africa is the key. Needless to say, geographical or geopolitical characteristics of the region, and the balance of natural resources, population, and the debt situation cannot be neglected. However, it is not necessarily important to combine these various viewpoints and

⁶ More specifically, “a regional cooperation policy to Southern African Region”, as mentioned in Part II “Understanding Current Conditions”, should be formulated as one inseparable from a comprehensive diplomatic policy and external economic policy as a whole, not limited to the ODA framework. This paper presents only the viewpoints and analytical axes regarding the formulation process of a regional cooperation policy through ODA and the essence of such a policy.

⁷ Typical examples include assistance through ODA to the former Frontline States.

analytical axes and develop an extremely detailed epistemology. What is more important is to share recognition of the essential structure of Southern Africa when developing ODA projects, and to decide how far Japan's ODA should be involved in a proactive way.

The Study Committee actively discussed how Southern Africa will be positioned as a sub-region in the future. This presents an extremely important question, including recognition of the "Southern Africanization" of the whole of Africa⁸.

This Study Committee regards Southern Africa as "a region where South Africa serves as a core within the field of the national interests of South Africa," or "a region with active economic activities through investment by the private sector in South Africa⁹." Some members stated that disappearance of the framework regulating Southern Africa has ultimately eliminated cohesion in the region, and consequently, a cooperation policy for Southern Africa would need to be integrated into a cooperation policy for the whole of Africa in the future¹⁰. On the other hand, some recognised that economic cohesion in the region has been strengthened due to the solution of political problems in South Africa and economic liberalisation.

In either case, it is more important here to ask the following questions: "What stance should Japan take?" and "What is ODA's role?" These questions are meaningful in determining the way Japan's ODA should be provided for Southern Africa where universality is assumed to gradually increase in the future. A new regional cooperation policy for "Southern" Africa should be formulated prior to a cooperation policy for the "whole" of Africa, considering the future regional characteristics of Southern Africa.

2-2 Consideration of the delicate relationship between South Africa and its surrounding countries

* In forming a basic structure in Southern Africa, it is necessary to consider the most appropriate relationship between South Africa and its surrounding countries, as well as effective support for the establishment of such relationships. Based on these considerations, it is necessary to further discuss the direction Japan's ODA should take.

* The following three approaches are assumed to represent regional cooperation with consideration for the delicate relationship between South Africa and its surrounding countries:

- 1) Support for making public goods in the social sector in South Africa into "Regional Public Goods"
- 2) Support for forming an intra-regional network through equal partnership
- 3) Utilization of Japan's established cooperation base when providing this support

The second viewpoint focuses on South Africa as the core in determining the regional characteristics of a future Southern Africa. It asks what kind of relationship is "desirable" for South Africa and its surrounding countries, and what kind of support is effective, when forming the basic structure of the future Southern Africa.

There is no doubt that South Africa is a leading country with overwhelming economic strength, not only in the region but also in the whole African continent. Unlike in Asia, there is no second tier among South Africa's surrounding countries that could play a part in parallel economic development. Given this situation, it must be decided whether support should be provided through ODA aiming to contribute to regional development based on a single polar system centring on South Africa, or support should be provided, though moderately, to encourage the establishment of diversified relationships.

While admitting the value of a single polar system centring on South Africa from the more practical viewpoint of the impact of Japan's ODA on Africa and South-

⁸ See Part II.

⁹ See Part II.

¹⁰ In Africa as a whole, the TICAD process is in progress, and follow-up activities based on the "The Tokyo Agenda for Action" have been implemented steadily. Under such circumstances, priority has been given to the promotion of intra-regional cooperation. However, Japan's policy of assistance according to sub-regions, including Southern Africa, has not necessarily been shared among Japanese aid-related parties.

ern Africa¹¹, further discussion is required as to whether various resources in South Africa should be utilised as “regional public goods” for socio-economic development in the region. Or, while keeping a certain distance from South Africa in the context of regional cooperation, Japan's ODA should be provided to contribute to the establishment of multi-polar, balanced relationships between the countries in the region, by respecting and fostering regional cooperation in each country excluding South Africa.

In particular, in the phases of planning/ designing and implementation/ evaluation of assistance, it is important for those in charge of providing assistance to use common analytical axes, whether it be a single-polar structure(led by South Africa) or a multi-polar structure.

This Study Committee has agreed upon the following three points:

1) Support for making public goods in the social sector in South Africa into “regional public goods”

There are many options for the active use of resources in South Africa as “regional public goods.” In particular, in consideration of the delicate relationship between South Africa and its surrounding countries, intensified support should be provided throughout Southern Africa to utilise resources in areas that the surrounding countries do not feel dominated(such as social sector including health and medical care and education)

2) Support for forming an intra-regional network through equal partnership

In order to contribute to the empowerment of countries besides South Africa, it is necessary to support the establishment of an intra-regional network based on an equal partnership between various resources scattered over the region, while avoiding as much as possible the establishment of a “hub & spokes” structure centring around South Africa.

3) Utilization of Japan's established cooperation bases

For 1) and 2) it is possible to utilise resources that Japan has established as bilateral cooperation bases in each country. In this case, the relationship between these bases should be founded on the above-mentioned equal partnership. In order to maintain the morale of

each base, special treatment according to the length and scale of cooperation that Japan has already provided must be avoided. For the projects involving long experience of cooperation, it is important not to adhere to the initial approach of the projects, but to adopt new approaches corresponding to the needs of the times through cooperation activities between bases. In a word, flexible changes are required.

2-3 Establishment of a positive complementary relationship with economic activities in the private sector

*The nucleus of a regional economy is already supported by private investment and other economic activities in the private sector in South Africa. There is not enough room for ODA to be directly involved. Thus, ODA should function only as a catalyst to reach goals, or should be provided to the social sector where it is difficult for the private sector to get involved.

*When providing ODA to large-scale projects such as the development of regional infrastructure in heavily indebted countries, careful consideration is required. It is desirable to develop the optimum solution from an overview of various options, such as grant aid, yen credit loans, other official flows(OOF) and private flows, and flows through multiple channels, by combining them appropriately. In such a process, technical cooperation plays an important role.

The third viewpoint focuses on the establishment of a positive complementary relationship between ODA and economic activities in the private sector, while avoiding overlap in cooperation.

From the economic aspect, South Africa's private investment is taking the lead in the regional economy. Needless to say, Japan's ODA must avoid overlapping with such economic activities in the private sector. What is important here is the appropriate nature of the complementary relationship. One approach, so-called “pump-priming” support, is to provide support more closely related to economic activities in the private sector in order to prepare the environment so that economic entities of the private sector may carry out their activities more

¹¹ In 1997, the amount of ODA received by SADC member countries(14 countries)including South Africa accounted for 8.5% of the total GNP of these countries, while Japan's bilateral ODA to South Africa accounted for 0.6% of the country's GNP, only one fourteenth of the above figure.

smoothly. The other approach is to provide support for other areas left behind in economic activities in the private sector. In other words, there are two options for ODA that is aimed at poverty reduction – whether to put the emphasis on economic growth, development of key industries, and the development of economic infrastructures, or to focus on support for the social sector to satisfy the demand for basic livelihoods¹².

In development projects with a clear economic benefit, such as the Spatial Development Initiatives (SDI) and the Maputo Development Corridor (MDC), capital in South Africa is being actively invested, led by private capital including BOT (build-operate-transfer) projects. Except for hinterland development projects, it is difficult to find room for ODA to be effectively involved¹³.

On the other hand, the necessity of public intervention including ODA has been suggested for the projects, such as the Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) Initiative led by UNDP, in which economic profitability cannot be expected in the near future, and private independent investment has not been active. In fact, UNDP plans to play a role as a catalyst. The problem here is the validity of ODA provisions when economic profitability cannot be verified.

Speaking in generalities, there are two cases as follows:

- (i) There is a probability that ODA provisions (funds, techniques, and accompanying political momentum) result in a transition to development led by the private sector.
- (ii) Though financial profitability is low, economic benefits and social utility are high enough to exceed the opportunity cost of ODA provisions to other areas.

In order to evaluate the validity of ODA provisions, clear insight into the bottlenecks in regional development and comprehensive analysis of project evaluation are indispensable. ODA provisions without this insight and comprehensive analysis will lead to significant loss of not only economic rationality but also economic and social utility that may be obtained in other areas. Attention must be paid to the timing and speed of decision-making re-

garding a complementary relationship with economic activities in the private sector.

Another point to be mentioned here is the method of developing projects, including regional infrastructure projects, in heavily indebted Southern Africa. For example, yen credit loans have been claimed to be effective in the development of wide-area transportation infrastructure, which is an important regional issue. In Southern Africa, as international projects encompass heavily indebted countries and other countries, flexible measures should be discussed. For example, it is necessary to use the Development Bank for Southern Africa (DBSA), which is under consideration, and its investor's (South Africa's) guarantee function, and make the conditions for loans, including yen credit loans, more flexible.

In order to obtain an optimum solution, it is desirable to take an overview of various options, such as grant aid, OOF (particularly, untied loans from JBIC¹⁴), private capital, and capital flows through bilateral and multiple channels, and combine them appropriately. In view of the need to maintain consistency in other ODA provisions, Japan can effectively participate in the joint formulation of projects, from the upstream stage of concept formation, using technical cooperation.

In discussion of these issues, it is possible to use various experiences that Japan has accumulated through the programmes for the Greater Mekong Sub-region in South-east Asia.

¹² In this regard, the Study Committee did not reach a conclusion. Some argued that this approach to the problem itself was not productive, as it was based on the assumption that these two directions were mutually exclusive.

¹³ Yen credit loans are going to be provided to Swaziland for the development of northern roads connected to the current Maputo Corridor.

¹⁴ For example, it has been decided to provide financial assistance to the development of power transmission lines from the Kabora Bassa Dam in Mozambique to South Africa and Swaziland through untied loans from the JBIC, for which the Eskom Electric Power Public corporation in South Africa provided security.

2-4 Contribution to peace and stabilization in the region

*Peace and stability in the region is one of the most important issues in Southern Africa. It is a major prerequisite for regional development and the improvement of welfare. At the same time, it has become an aim of cooperation or a matter to be considered when providing assistance.

*Adopting a viewpoint on peace and stability in the region within Japan's ODA for Southern Africa does not necessarily mean introducing a new methodology that is completely different from conventional forms of cooperation. Rather, it means "reconstructing" conventional cooperation in various fields from the viewpoint of peacebuilding.

The fourth viewpoint is to ask what attitude Japan must (or can) take through ODA to the issue of peace and stability in the region, one of the most fundamental and im-

portant issues in Southern Africa. The collapse of the Cold War structure and the abolition of Apartheid has brought about termination not only of the conflict between East and West in the form of a proxy war, but also to the confrontation between the former Frontline States and the White South African Administration. However, this has not led to peace in the whole region. Rather, the collapse of the conventional framework offered triggers for internal or regional conflicts, taking advantage of the fragile sovereignty of the countries in the region. At the same time, it reduced the incentive for other countries to intervene in the region. Consequently, the region has received less attention. As civil wars in Angola and the Great Lake countries have become chronic without significant support from the international society, countries in the region have been forced to take measures independently through their own efforts.

ODA cannot be indifferent to these circumstances for two reasons. First, peace and stability in the region is indispensable for regional development and the improve-

Box 5. Corridor Development Plans in the South African Region

In the South African region from the 1970s necessity of development, transportation network "corridors" have been needed for inland countries with mineral resources for intra-regional trade, as well as for international trade. The establishment of these corridors is indispensable for the economic development of the countries involved and the argument for such corridors has been made since the 1970s.

During the period when Southern Africa was under the Apartheid regime in particular, the establishment of routes outside South Africa was required for political reasons. As a result, the Beira Corridor between Harare, the capital of Zimbabwe, and Beira Port in Mozambique, and Nacala Corridor between Lilongwe, the capital of Malawi, and Nacala Port in Mozambique have been established since the 1980s.

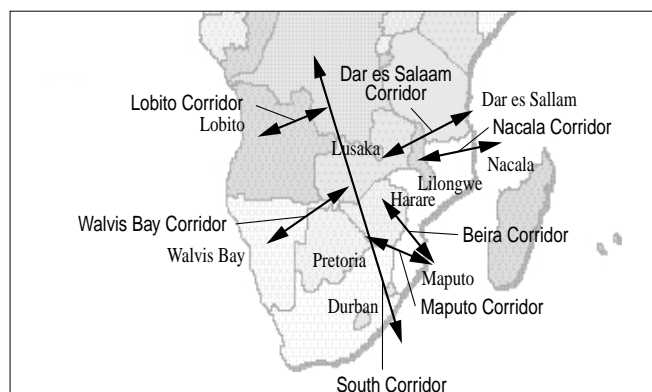
During this period, countries joining SADCC, the predecessor of SADC, promoted transport corridor preparation projects. At present, SADC is being guided by the SADC Protocol on Transport, Communications and Meteorology and is promoting each corridor project.

Among these, the Maputo Corridor development plan has been most actively promoted. The aim of this plan is to establish a transportation network connecting Gauteng Province, a core district for South African industry, to Maputo Port in Mozambique. Investment totalling 700 million dollars has been made covering about 180 projects in this plan such as projects for the rehabilitation of Maputo Port, the construction of toll expressways, and the preparation of railroads.

In addition to the active involvement of the South African and Mozambican governments, the World Bank, private companies in South Africa, and other actors have become involved in the Maputo Corridor Plan. In the implementation, information has been provided through a "Bankable Package", that is, packaged information on projects related to the Maputo Corridor development. Each Bankable Package was prepared by collecting information on transportation infrastructure, industrial parks, potential regional resources and sustainable development. Companies not involved in the plan as well as those involved have received information through these Bankable Packages. Moreover, not only public funds but also private funds have been invested through the introduction of the build-operate-transfer (BOT) method.

Some have pointed out that such flexible implementation has been the key to the success of this plan. It is expected that other corridor development plans will be implemented using the Maputo Plan as a model.

Corridor Plans in the South African Region



Sources: H. Sano and K. Mizuno (2000)

ment of welfare, which is the basic aim of ODA. Without a guarantee of peace and stability, development aims cannot be attained. Second, the fundamental causes of conflicts in the region are deeply related to various problems in regional development, such as poverty and governance. It is assumed that ODA dealing with these problems has positive or negative effects on conflicts regardless of the intentions of the ODA.

The history of Japan's involvement in the African region is extremely short compared with that of other donor countries, including the former suzerains. Direct support for peacebuilding¹⁵, in particular, has been limited due to Japan's scant experience in this field. Direct support for peacebuilding within the ODA framework in general, not limited to this region, has just started. Therefore, human resources and project mechanisms have not been fully developed.

As for indirect contributions to peacebuilding through poverty reduction, Japan's ODA has been provided to contribute to reconstruction from a civil war in Mozambique and support for democracy in South Africa. Japan has also provided support for Zambia that has played an important role as "a stabilising element in the region"¹⁶ though the surrounding countries have been at war one after another. Japan has regarded Zambia as a priority assistance country, thereby indirectly contributing to its peace and stability.

Under these circumstances, judging objectively from the current "distance" between Japan and Southern Africa and the short history that Japan has been involved in the region, acceleration of full direct support for peacebuilding is not so important. What is more important is to continue providing cooperation steadily for the development of economic infrastructure and various social services. Some argue that it is not advisable to engage in a new cooperation policy or cooperation field such as support for peacebuilding.

Some pointed out that contributions through ODA must be very difficult, as various problems related to peace and conflict are deeply rooted in the history and culture of the region. Considering Japan's limited human resources and

knowledge, and recognising the accumulated knowledge of South Africa and its surrounding countries, it is strongly argued that it is important to indicate the attitude that "Japan is learning" through participation in activities contributing to peacebuilding in the region."

To sum up, the first step for Japan's ODA toward "peace and stability" is to actively take a "consideration" of peace and stability in the region within ODA implementation and to gradually strengthen direct support to peacebuilding. This process does not necessarily mean introducing a new method that is completely different from the conventional cooperation. Rather, conventional cooperation in various fields should focus on "reconstruction" from the viewpoint of peacebuilding. Through such an approach, it is possible to have practical discussions in spite of an underdeveloped implementation system in Japan's ODA. Then, if it is possible to implement attractive ideas through careful consideration, direct support for peacebuilding (mentioned later in 2-1-2) should be actively provided.

2-5 Reinforcement of reciprocal relationships with Japan and their development into inter-regional cooperation

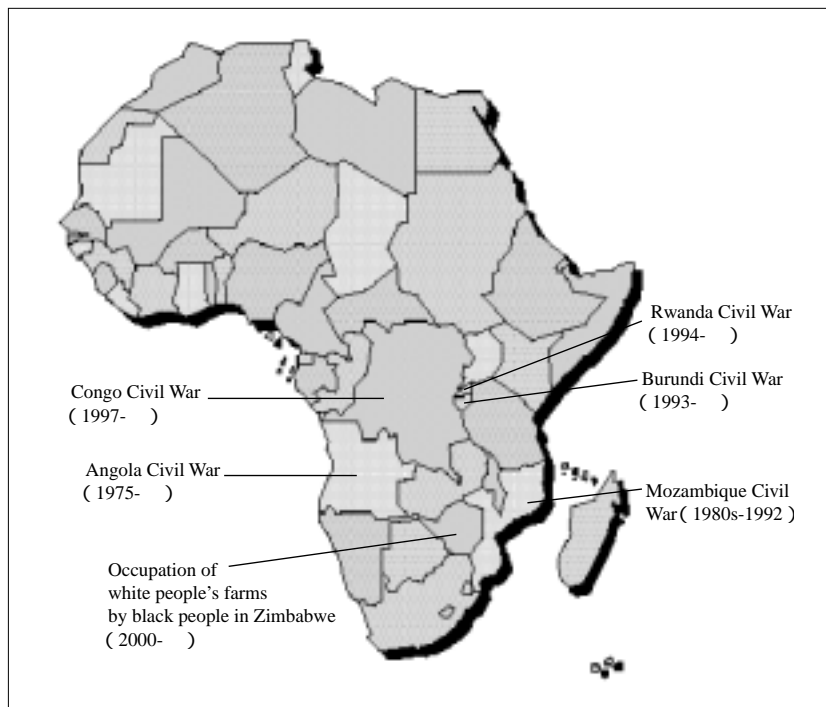
* Reinforcement of reciprocal relationships between Southern Africa and Japan is deeply related to their particularities. Where to place South Africa as a major power in the region in relation to Japan as a member of Asia is particularly important, which may be a criterion for reinforcement of a regional relationship between Asia and Africa.

* As the reinforcement of a regional relationship between Asia and Africa itself is only a means, it requires a philosophy. From a global viewpoint, it may lead to a contribution to international society based on the philosophy of pacifism, for example.

The fifth viewpoint, closely related to the above-mentioned assistance philosophy and viewpoint on peace, is how Japan should reinforce reciprocal relationships with

¹⁵ In the framework of support for peacebuilding through ODA, there is "direct support" and "indirect support" through efforts towards peace. "Direct support" consists of emergency assistance, assistance in reconstruction and development, and assistance for the prevention of conflicts and their recurrence. (See the report of The Issue-wise Study on JICA's Basic Strategy on "Peacebuilding" which is progressing almost at the same time as this study.)

¹⁶ It is not correct to define Zambia as "a stabilising element in the region" just because Zambia did not go to war in spite of unstable conditions in the surrounding countries. However, no one will raise objection to the idea that peace and stability in Zambia has great significance in the region. Located in Southern Africa or the middle of Sub-Saharan Africa, Zambia is bordered by many countries in the region. Thus, there is no doubt that if peace in Zambia is in jeopardy, peace in the whole region will be threatened.

Fig 2. Major Conflicts in Southern Africa

Sources: compiled from the Foreign News Dept., The Mainichi Newspapers (1999)

Southern Africa. This viewpoint is closely related to the problem of how to display Japan's "particularity" when compared to other donor countries and multilateral aid organizations.

We should discuss what to do in order to make the best use of Japan's "particularity" based on the philosophy of Japan's ODA derived from its history, culture, economy, society, and geopolitical position. More specifically, it is how to display Japan's "particularity" in a relationship between Japan and Southern Africa where South Africa serves as a major power, in order to benefit each other more effectively.

In TICAD II, as one of major countries in Asia, Japan proposed various initiatives regarding new possibilities for international cooperation, including the Asia-Africa Investment and Technology Promotion Centre, and the Africa-Asia Business Forum¹⁷. However, if these frameworks only aim at setting their goal of the reinforcement of a regional relationship, their policy philosophy is not sufficient. The most important thing is to regard a regional relationship between Asia and Africa from a global

viewpoint, and to seek possibilities for global development through reinforcement of the regional relationship. For this purpose, one approach is to provide support, in cooperation with both regions, for global issues regarding the environment and population as well as global economic integration, in an "external" context, that is, the expansion of regionalism to counter globalisation. On the other hand, in the "internal" context, that is, developing countervailing power and the creation of buffer zones against external pressures and universalism in a specific economic and social system, another approach is to provide support for cooperation in protecting immature regional economies. Moreover, this approach regards cooperation between Asia and Africa as pursuing a philosophy of the multiple-coexistence of tradition and culture.

In the "external" context, one of the most powerful philosophies is the philosophy of "pacifism," in terms of the particularity of both regions. As previously mentioned, this philosophy is important in terms of a regional cooperation policy. There is a latent common basis¹⁸ for solidarity and cooperation between Southern Africa overcom-

¹⁷ The expectations of the South African Government in relation to Japan are not necessarily the same as those in relation to Western countries, due to Japan's peculiarity, including the fact that historically Japan was recently a developing country. If Japan does not present its own philosophy separate from Western countries and establish frameworks based on this philosophy, Japan's "particular presence" in Asia will be weakened.

¹⁸ Needless to say, it must be noted that South Africa has the foremost army in Africa and a munitions industry, though there is still such a common basis for solidarity and cooperation.

ing the legacy of Apartheid peacefully and Japan groping towards its international contribution based on pacifism over the last 50 years, with “peacebuilding” without armed force as a key concept. If this basis becomes overt through ODA, and both regions display their “particularity” based on their philosophy of “pacifism,” it will not only be a powerful means for Japan to contribute to world peace in the new century, but also serve as an example of valuable “global public goods” in international society.

Judging from the quantity and quality of assistance resources that Japan's ODA can provide to Southern Africa, a considerable amount of effort and thought is required for cooperation for peacebuilding in order for the new philosophy to materialise. On the other hand, peacebuilding efforts themselves can contribute to the reinforcement of a regional relationship between Asia and Africa¹⁹.

Last of all, the following two points should be noted in the argument regarding “transplantation” to Africa of “successful experience” in development in parts of Asia. First, needless to say, there is regional diversity and large differences in the conditions of both regions. Thus, careful consideration will be required. Second, we must recognise that there is not just a one-way approach from Asia to Africa, but also there may actually exist a two-way approach, from Southern Africa to Asia.

¹⁹ In the TICAD process, an idea has been discussed to encourage Southern Africa to participate in the Phnom-Penh International Forum regarding mine disposal. In addition, this Committee suggested that peace resources in Southern Africa should be shared among Asian countries with experience of civil wars, and that South Africa's Truth and Reconciliation Commission(TRC), Tolerance Education, and the capacity for mine disposal should be utilised as “regional public goods” in Southern Africa.

Chapter 2. Efforts toward the major regional issues

The previous section states that regional cooperation is in a complementary relationship with bilateral cooperation, and is superior in the following cases:

- 1)Efforts toward the cross-border issues
- 2)Efforts toward the issues common to the region(e.g. poverty reduction)by utilising “assets” in the region

In this section, according to the above-mentioned definition, the direction of medium- and long-term efforts will be presented, with some “reference examples” of concrete initiatives.

1. Efforts toward the cross-border issues

1-1 Measures to deal with problems accompanying the movement of people and goods

* A framework for regional cooperation has the following two opportunities for effective intervention:

- (1)Contributions to promoting the movement of people and goods, aiming at the optimum distribution of resources and reinforcement of intra-regional interdependence
- (2)Contribution to minimising the negative impacts of the movement of people and goods

In Southern Africa, various axes, such as an axis of “South Africa and its surrounding countries,” an axis of “inland countries and coastal countries,” and an axis of “resource-endowed countries and resource-demanding

countries,” are intertwined, and produce needs for the movement of people and goods. In the flow of economic globalisation, it is important to secure transport routes from inland countries to coastal countries in order to maintain competitiveness, as there are many inland countries in Southern Africa, which is one of its regional characteristics. At the same time, the movement of people and goods has caused new problems in the region.

In this section, themes and approaches of cooperation will be presented according to the following two opportunities for effective intervention by a framework for regional cooperation:

- (a) Contribution to promoting the movement of people and goods, aiming at the optimum distribution of resources and reinforcement of intra-regional interdependence
- (b) Contribution to minimising the negative impacts of the movement of people and goods

Box 6. Transport and Traffic Workshop for the Southern Africa Region

As part of follow-up to TICAD II, JICA and Southern African Transport and Communications Commission (SATCC) of SADC jointly held the “Transport and Traffic Workshop for the Southern Africa Region” at Johannesburg in South Africa, 24-26 February 1999.

This was one of the workshops for intra-regional cooperation in specific fields. In these workshops, recipient countries, donor countries, international organizations and other assistance organizations share their views on the current situation in the region concerned and clarify the main issues in a particular field. Then the workshop conducts research to formulate projects. Subsequently, Japan develops and formulates various related approaches to bilateral co-operation such as development study and grant aid.

In the Southern Africa region, the establishment of transport networks and traffic handling facilities is needed due to (i) the severely restricted immigration process at the border between South Africa and Zimbabwe, (ii) the burden of transport costs that form a high 30-40 % of product prices, and (iii) demand for the establishment of the Southern Africa economic bloc. In response to this, it was decided that a workshop should be held under the theme of “Physical Distribution, Efficiency and Reductions in Cost.”

The participants in the workshop included members of the Ministries of Transport of twelve countries in Southern Africa, donor countries, the Overseas Economic Cooperation Fund(OECF) and JICA. They reported and deliberated on “the rehabilitation and improvement of roads and road transport in the region” and “the rehabilitation and improvement of railroads for a unified transport service”. On the last day, participants concluded the deliberations and discussed “proposed projects and programmes”. In the process of this workshop, JICA and SATCC jointly prepared and adjusted a programme and Three representatives, who are vice-ministers or their equivalent from Southern African countries, presided at the workshop in turns, which illustrates their consideration for ownership by the SADC countries.

1-1-1 Contribution to promoting the movement of people and goods, aiming at optimum distribution of resources and reinforcement of intra-regional interdependence

- Development of an intra-regional transportation and communication infrastructure

If Japan provides support in this field, involvement in the upstream part of the regional development framework is expected, through technical cooperation for the Sectoral Co-ordination Unit (SCU) of the Southern African Development Community (SADC) and the Southern African Transportation and Communications Commission (SATCC). Contributions to the arrangement of transportation and traffic data promoted by the UNDP is also beneficial to the establishment of a basis for discussing appropriate project frameworks corresponding to regional needs.

In an infrastructure development project that requires a large amount of investment, we must avoid overlap with private activities, as stated in the argument concerning wide-area infrastructure development projects. And based on socio-economic benefits to be secured when public capital is invested as pump-priming, opportunity costs equivalent to benefits to be obtained when a large amount of capital is appropriated for other purposes, and the debt position of the borrowing country, careful discussion on the project is required.

- Support for the Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) Initiative led by UNDP

In the Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) Initiative, these three countries are regarded as a triangle of growth. The ZMM-GT Initiative aims to establish a comprehensive development base for cooperation between the government and the private sector, and human resources development for the establishment of a telecommunications centre, trade promotion, and market expansion. Its direction toward establishment of a well-balanced multi-polar structure in Southern Africa is highly regarded. On the other hand, due to uncertainty in investment recovery and sustainability, it cannot be denied that this initiative runs the risk of collapse.

Through the analysis of bottlenecks in economic de-

velopment in each country in the region, it is necessary to discuss how far this initiative can contribute to eliminating these bottlenecks, and what development is required in each country to realise this initiative. In other words, analysis based on both a country-specific approach and a regional approach is required. If the result of analysis shows that the intervention of Japan's ODA, including its "pump-priming" role for private capital, is rational, then positive measures should be discussed.

- Capacity-building for border control and customs clearance

In view of the movement towards a future regional community, these issues have been discussed at SADC. The EU with its considerable experience in border control among member states cannot be ignored. The United States is sounding Japan out about cooperation based on the idea of combining two themes, namely, expeditious customs clearance and HIV/AIDS prevention²¹. Taking into account the trends among other donor countries, Japan must discuss the direction of its cooperation.

- Integrated Electric Power Network Plan

This is a large-scale water resources development project (water supply development), running north to south in the region, from the Democratic Republic of Congo (DRC) to South Africa. The Eskom Electric Power Public Corporation in South Africa is interested in this project. The development of an electric power network not only satisfies the demand for electricity in the region, but also contributes to stabilisation of the region (Southern Africa as well as Sub-Saharan Africa) through reinforcement of intra-regional interdependence. In view of the above-mentioned policy philosophy of peace and stabilisation in the region, it is worth while discussing whether Japan's ODA should participate in this project. However, it is assumed that ODA alone does not work effectively. Therefore, a comprehensive approach that includes OOF and economic activities in the private sector both in Southern Africa and in Japan is required.

²¹ In Southern Africa, customs clearance has not generally been carried out smoothly. It is said that transporters waiting around borders may be a cause of the spread of HIV/AIDS. The idea of the United States is that by promoting smooth customs clearance, HIV/AIDS prevention will also be promoted.

1-1-2 Contribution to minimising the negative impacts of the movement of people and goods

• Promotion of measures against HIV/AIDS

Seminars led by UNDP have been held in the region, and substantial international cooperation as well as bilateral cooperation has been provided. When entering this field, it is necessary to recognise these experiences. From the viewpoint of the “regional public goods” of South Africa, it is effective to promote the utilization of the intellectual resources of South Africa, including its research institutions. The 13th World AIDS Conference was held in South Africa in July 2000, with the attendance of Japanese NGOs. In order to develop projects, Japan should discuss how to support South Africa's initiatives.

In Zambia and Thailand, for example, as a result of taking HIV/AIDS prevention measures at the national level and regional level, the prevalence of HIV/AIDS is dropping²². Japan may provide support for utilising the experience and knowledge that the Zambian Government has accumulated in the process. This approach is worth while discussing. Since 1994, Japan has promoted the Global Issues Initiative (GII) related to the problems of population and HIV/AIDS. As an extension of GII, Japan dispatched researchers to Zimbabwe in 1998 to discuss the possibility of developing projects. Based on the results of research, cooperation for the region should be discussed.

• Support for measures against infectious diseases through vaccination and extermination of parasites in the region

Targeting particularly at children around the border, support should be provided for measures against infectious diseases and extermination of parasites, while promoting co-operative activities with WHO and UNICEF. This support need not necessarily be provided in the form of regional cooperation. Through bilateral cooperation in the region, it is possible to implement projects in a concerted manner.

In the implementation of these projects, sufficient attention should be paid to the following three points:

- (i) To participate in the process of identifying important issues in Southern Africa through close communication with WHO and UNICEF, and try to address the issues actively.
- (ii) To utilise the existing bases for cooperation (on the assumption that the role of each base should not be limited, and each base should be provided with the task and capacity of positioning itself as an information base open to the region)
- (iii) To introduce new information technology (IT) to ensure the rapid and reliable dissemination of information. (A desirable programme is to establish a warning system and reinforce early response systems by networking each base in the region. Japan is expected to take active measures through expeditious discussions on the implementation of effective proposals.)

• Support for the prevention of livestock epidemics and damage by blight and insects

Though the concept of this support is basically similar to the above-mentioned one for measures against infectious diseases, there are some problems peculiar to the prevention of livestock epidemics and damage by blight and insects as follows:

- i) Limitations on the movement of livestock, and the imposition of compulsory measures such as slaughter
- ii) Compensation accompanying the announcement of compulsory measures

In order to deal with these problems, it is necessary to secure a system and a financial basis for guaranteeing administrative justice in the body that imposes compulsory measures. Moreover, it is necessary to eliminate any excessive burden on the countries along the border, and to prevent a “free ride” by other countries in the region²³. Thus, it is important to take regional measures.

As for the prevention of livestock epidemics, knowledge accumulated in South Africa can be utilised. Moreover, the Department of Veterinary Medicine of Zambia University, one of focuses of Japan's technical cooperation, is proceeding with co-operative activities

²² See Chapter 9(Health and Medical Care) of the volume IV: Zambia.

²³ For example, if there are some problems in the livestock industry in Botswana, it is assumed that Botswana pays the expenses for livestock disposal, and the countries along the border, including South Africa, pay the expenses for taking measures against the prevention of livestock epidemics. As the countries in the region will benefit from these measures, rationalisation of cost sharing is required in the region.

Box 7. State of HIV/AIDS in Sub-Saharan Africa

At present, AIDS is the main single cause of death in Sub-Saharan Africa. Approximately 14 million African people had died of AIDS by 1999. At the end of the same year, 34.3 million people were infected with HIV throughout the world, of which 24.5 million were in Sub-Saharan Africa. Moreover, 12.1 million children in the region were assumed to be orphans because their parents had died of AIDS. In addition, 530,000 babies were born infected with HIV in the region in 1998, which represents 90% of the HIV-infected newborns in the world.

Four million people became newly infected with AIDS in Sub-Saharan Africa in 1999. HIV/AIDS is spreading quickly particularly in Southern Africa. The eight countries with the highest rates of infection among people in their reproductive years (15-49 years old, hereafter "adults") are in Southern Africa. More than 10% of adults are infected with HIV in 16 countries of Sub-Saharan Africa and the HIV infection rate in Botswana is as much as 35.8%. (See the table below.) In South Africa, the infection rate increased rapidly from 12.9% in 1997 to 19.9% in 1999. The country has 4.2 million infected people out of a population of 39.6 million, which is the largest proportion of HIV-infected people among the population of any country in the world. Even though prevention campaigns have now started in countries such as South Africa and Zimbabwe, where about 20% of the adults are infected, half of the current 15-year-old males and females (two thirds in Botswana) will die of AIDS. In one particular region of Zimbabwe, half of the pregnant women are HIV-infected, and 20-40% of all pregnant women are estimated to be infected in Botswana, Namibia and Zambia. The primary cause of infant deaths is from AIDS in Zambia and Zimbabwe. More than 30% of teachers in Malawi and Zambia and one fifth of miners in South Africa reported to be HIV positive. In Zambia, one third of the children are expected to become orphans due to the death of their parents from AIDS in 2000 and many of them will become street children.

Only 10% of the potential impact of both HIV infection and the death rate due to AIDS has so far become manifest. In nine African countries where more than 10% of adults are HIV-infected, the life expectancy at birth will be shortened by 17 years by 2010-2015. In addition, death from AIDS will account for 37.1% of all deaths from infectious diseases in 2020, though the proportion was 8.6% in 1990. Future concerns include: (i) the rise in the death rate of babies and infants, (ii) infection spreading among young people, particularly girls, (iii) the spread of infection among people in the prime of their life, (iv) the increase in the number of orphans due to AIDS, and (v) the impact on domestic production and regional economies.

In many cases, countries suffering severely from the impact of AIDS are unable to increase their budget for health. Although HIV-infected patients account for 80% of beds in urban hospitals in Cote d'Ivoire, Zambia and Zimbabwe, treatment for AIDS, which is expensive, is neglected because other diseases requiring urgent treatment take precedence and expenditure on Primary Health Care (PHC) is large. In addition, the GNP will decrease by 8-25% due to the impact of AIDS in Namibia, Kenya and Tanzania.

On the other hand, several case studies have reported that dangerous behavior and other HIV-infection risks have been reduced through (i) Voluntary Counseling and HIV Testing (VCT) (ii) social marketing of condoms, (iii) health education, (iv) early diagnoses and prompt cures for sexually transmitted diseases, (v) the prevention of mother-to-child transmission with the short-term administration of anti-virus medicines, and (vi) prevention of transmission via blood transfusions through thorough blood screening.¹ Effective intervention can control the spread of HIV infection and minimise the impact. In Senegal, all parties involved developed a timely prevention campaign together. As a result, the HIV infection rate for the country is as low as 1.77%. In Thailand and Uganda, prevention programmes were implemented nationwide and locally and the number of people infected with HIV and sexually transmitted diseases decreased substantially.

UNAIDS and donor countries recognised that at least 600 million dollars (2 dollars per year per adult) is needed to prevent HIV in Sub-Saharan Africa. The World Bank considers the following four factors as the hurdles to AIDS prevention: (i) low political commitment to prevent AIDS; (ii) the low priority of anti-AIDS campaigns among assistance issues; (iii) the lack of resources and capacity to tackle AIDS; and (iv) differences in culture and religion. On the one hand, the World Bank will urge the governments of developing countries to take action involving citizens and the private sector. On the other hand, it will place importance on HIV/AIDS when discussing the agenda for Sub-Saharan African development, help build capacity to take action, increase resources to cope with AIDS, adopt multi-sectoral approaches, ask for international approaches, and accumulate knowledge and prevention techniques. USAID will provide assistance equivalent to 100 million dollars in FY2000, including prevention against AIDS, care of the HIV-infected, support for children made orphans due to AIDS, and support for building the capacity of developing countries to implement policies to control AIDS.

Country	HIV/AIDS-infected people(at the end of 1999)					Orphans due to AIDS	Death from AIDS (1999)
	Total number	15-49 years old	Infection rate (15-49 years old) %	15-49 years old (female)	0-14 years old		
Angola	160,000	150,000	2.78	82,000	7,900	98,000	15,000
Botswana	290,000	280,000	35.80	150,000	10,000	66,000	24,000
DR of the Congo	1,100,000	1,100,000	5.07	600,000	53,000	680,000	95,000
Lesotho	240,000	240,000	23.57	130,000	8,200	35,000	16,000
Madagascar	11,000	10,000	0.15	5,800.0	450	2,600	870
Malawi	800,000	760,000	15.96	420,000	40,000	39,000	70,000
Mozambique	1,200,000	1,100,000	13.22	630,000	52,000	310,000	98,000
Namibia	160,000	150,000	19.54	85,000	6,600	67,000	18,000
South Africa	4,200,000	4,100,000	19.94	2,300,000	95,000	420,000	250,000
Swaziland	130,000	120,000	25.25	67,000	3,800	12,000	7,100
Tanzania	1,300,000	1,200,000	8.09	670,000	59,000	1,100,000	140,000
Zambia	870,000	830,000	19.95	450,000	40,000	650,000	99,000
Zimbabwe	1,500,000	1,400,000	25.06	800,000	56,000	900,000	160,000
Southern Africa total/average	920,077	880,000	16.49	491,523	33,227	4,379,600	992,970
Sub-Saharan Africa total/average	24,500,000	23,400,000	8.57	12,900,000	1,000,000	12,100,000	2,200,000
World total/average	34,300,000	33,000,000	1.07	15,700,000	1,300,000	13,200,000	2,800,000

References: UNAIDS (2000), The World Bank, Africa Region (1999), The White House (1999)

¹ JICA's Third country training has been conducted for blood screening in Kenya since FY1999.

with the Department of Veterinary Medicine of Sokoine University in Tanzania and other research institutions. It is worth while to discuss an approach to seeking opportunities, in such a process, to provide regional cooperation.

• Support for the prevention of organised crime and the distribution of drugs and small arms

These problems, directly related to peace and stabilisation in the region, have already been discussed at SADC and other organizations as a priority issue. Japan has not had significant experience in these fields. However, as for the control of drugs, within the ODA framework, Japan has promoted the cultivation of alternative crops to try to solve the problem fundamentally (e.g. buckwheat cultivation in Myanmar). As for the prevention of traffic in small arms, Japan's NGO has participated in the disarmament campaign in Mozambique. Based on such experiences, it is desirable for Japan to look for possibilities to provide cooperation with a broad outlook.

As a result of "Operation Rachel"²⁴ implemented jointly by South Africa and Mozambique, the smuggling of small arms has decreased and security in both countries has improved. It seems practical to provide support for such measures taken in the region that have already accomplished a certain amount.

In addition to the above-mentioned problems, broad-scale environmental problems, such as the conservation of international rivers, preservation of forests and wildlife resources along the border, have possibilities for discussion, though the Study Committee could not obtain enough information this time.

1-2 Support for capacity-building in intra-regional cooperation organizations

* With major upheavals in the region, regional cooperation organizations are no longer static.

* Under these circumstances, the following suggestions are made for Japan's efforts:

- (1)To provide support for regional organizations backed by a regional cooperation policy
- (2)To take measures that consider other regional cooperation organizations besides SADC
- (3)To reinforce catalytic functions in the formulation of regional cooperation programmes
- (4)To reinforce cooperation with regional organizations in Asia

Typical regional organizations in Southern Africa include the South African Development Community (SADC), the Common Market of Eastern and Southern Africa(COMESA), the Southern African Customs Union (SACU), and the Common Monetary Area(CMA). In recent years, along with major upheavals in Southern Africa due to the democratisation in South Africa, the membership and position of intra-regional cooperation organizations have become more fluid. Moreover, relationships with other organizations outside the region have become complicated²⁵. Exchanges between sub-regions, preparations for economic integration throughout the whole of Africa, have become gradually active²⁶. Based on these facts, it can be summarised that intra-regional cooperation organizations have started to gain flexibility, preparing for an age of radical reforms in the near future.

Under these circumstances, the following suggestions are made for Japan's efforts:

²⁴ See Chapter 2(Politics and administration)in Volume II: South Africa.

²⁵ In addition to Part II in this Paper, two papers by visiting researchers at JICA(Kikuo Sakamoto(1999) and Shunji Tabuchi(2000)) contributed greatly to providing suggestions and information on the actual situation.

²⁶ As for the African Economic Community(AEC)Initiative and the United States of Africa Initiative, 48 member states of the Organization of African Unity(OAU)signed the Treaty of AEC Establishment in 1991. Since then, a joint office in OAU, the Economic Commission for Africa(ECA), and the African Development Bank(AfDB)has been established, and regular conferences have been held with the attendance of regional organizations such as SADC. At present, discussions are underway for the realisation of an integration programme by 2034 set as a time limit. Exchanges between sub-regions have continued, for example, between SADC and the Economic Community of Western African States(ECOWAS)(SADC Today vol.3, no.4, February 2000). Though it is too hasty to jump to the conclusion from these movements alone that the AEC Initiative has accelerated towards its realisation. However, these movements showing fluidity in African sub-regions are intriguing phenomena.

1-2-1 To provide support for regional organizations backed by a regional cooperation policy

Needless to say, the significance of support for regional organizations must be clarified in Japan's regional cooperation policy. In the case of continuously providing support for SADC in future, it is desirable to identify the significance of support for TICAD3 and a regional cooperation policy for Southern Africa to be newly formulated.

For example, in order to improve welfare in the social sector and reinforce interdependence in the region through the utilization of various "resources" in South Africa, SADC should be regarded as one of the organizations suitable for these strategic objectives. SADC, as a means to utilise the existing functions and facilities in South Africa and other countries in the region as "regional public goods," must function effectively. For this purpose, support should be provided. If SADC functions in such a way, Japan will provide increased cooperation to SADC, which leads to effective utilization of its limited assistance resources²⁷. It is possible to utilise new information technology (IT) as well.

1-2-2 To take measures by taking into account other regional cooperation organizations besides SADC

So far, Japan's ODA has been provided only to SADC as support for regional organizations in Southern Africa²⁸. From now on, along with unstable situations in and out of the region, Japan must keep a careful watch on other cooperation organizations besides SADC. In particular, support should be provided for the establishment of networks among various organizations. It is desirable to discuss more flexible and mobile measures.

More specifically, the following ideas are suggested:

- *To dispatch human resources to intra-regional organizations besides SADC. (In particular, short-term and repeated dispatch, including dispatch that makes the round of these organizations in a short period, is desirable.)
- *To support networking between organizations, such as SADC, COMESA, and ECOWAS, and other organi-

zations on the continental level, such as OAU. (Support for holding joint seminars, development of infrastructure for networking, dispatch of human resources serving as a catalyst to promote the co-ordination of cooperation.)

1-2-3 To reinforce catalytic functions in the formulation of regional cooperation programmes

In the case of SADC, for example, the Sectoral Coordinating Unit (SCU) established in the ministry of member states co-ordinates project planning. When Japanese policy aims at dynamic development in regional cooperation in Southern Africa, and Japan needs to be effectively involved in cooperation programmes from the upstream planning stage, it is effective to dispatch human resources to the SCU in the sector concerned. This will be an effective means to obtain useful information related to formulation of an assistance policy and excellent projects. As for important sectors, such as transport, communications, and agriculture, there is room for possibilities to dispatch personnel to the transportation/ communications sector, the Maputo Corridor, the Southern African Transport and Communications Commission (SATCC), and the Southern African Centre for Cooperation in Agricultural and Natural Resources Research and Training (SACCAR²⁹), on condition that Japan is prepared to be committed to providing regional cooperation to the said sector.

1-2-4 To promote cooperation between Asia and Africa

In order to reinforce a regional relationship between Asia and Africa, the Asia-Africa Forum has been established in the TICAD process. Some examples will be shown below to give details of this framework.

• Promotion and expansion of the Tokyo Agenda for Action

In order to improve productivity, promote investment and trade, and establish a network between research and development organizations, support will be provided to

²⁷ The European Union, the United States, and Nordic countries have established frameworks and systems, such as the Regional Indicative Programme (RIP), the US/SADC Forum, the USAID Regional Centre for Southern Africa (USAID RCSA), and the Nordic/SADC (C) Initiative, respectively, to promote support for SADC. (Tabuchi (2000), pp. 35-37.)

²⁸ Support for SADC before the democratisation of South Africa is regarded as support for the former Frontline States.

²⁹ Based on the decision at the SADC Cabinet Meeting in 1996, SACCAR was reduced in scale. It seems that SACCAR has been arranged into a co-ordinating unit in the agricultural research sector in Botswana (Sakamoto (1999) p.15.)

Box 8. Asia Africa Investment & Technology Promotions Centre (called the Hippalos Centre)

The then Prime Minister Obuchi announced an initiative to establish an "Africa Investment Information Centre" (tentative name) at the Second Tokyo International Conference on African Development (TICAD II) held in October 1998. The objective of this initiative was to assist in the development of the African private sector through the promotion of trade with Asia and Asian investment in Africa, with a focus on the role of the private sector. To achieve this objective, Japan contributed to the United Nations Industrial Development Organization (UNIDO) and established an Asia-Africa Investment and Technology Promotion Centre (called the Hippalos Centre) in Kuala Lumpur in Malaysia in August 1999. At the time, Japan worked in co-operation with Sybexrink Corp. (in Malaysia) which has achieved good business results in exchanging investment information between developing countries through the Internet.

The activities of this Centre are as follows:

- (i) Providing information through the Internet on the economic situation and investment environment, including the legal systems and workforce, of African countries that want foreign investment, as well as investment opportunities (URL: <http://www.unido-aaitpc.com>),
- (ii) Technological assistance to improve the capacity to attract investment to African countries, and
- (iii) Providing advice to Asian companies that are considering investment in Africa, and arranging visits to African industries for Asian private investors.

reinforce activity bases in Africa, thereby promoting the initiatives proposed in the Tokyo Agenda for Action. As an extension of the Tokyo Agenda for Action, new ideas for regional cooperation will be collected to diversify measures for the reinforcement of regional cooperation.

• Advanced communications network between Asia and Africa

Through support for the Internet Initiative for Africa led by UNDP, Japan will participate in developing a concept with a view to providing development support to the least developed countries in the region. Support will be provided intensively in the fields in which the contribution to economic and social development is expected to be high, including utilization of IT in the promotion of peace education, prevention of conflicts and early warning, and the prevention of epidemics.

• Support for cooperation among regional cooperation organizations

Support will be provided for the establishment and activities of the "ASEAN-SADC Liaison Committee," and the "APEC-SADC Liaison Council," some of which have already been implemented.

1-3 Support for peace and stabilisation in the region

- * When implementing ODA projects in the region, impacts on peace should be assessed from the early stage of programme formulation. Projects should be implemented with consideration for impact assessment on peace. ("Consideration for peacebuilding/ Peace Impact Assessment")
- * Direct contribution to peacebuilding should be promoted by giving priority to the promotion of the initiative on "a basis for development" in TICAD II Tokyo Agenda for Action. It is desirable to expand this initiative with the name or concept of "a special programme for regional peace," for example.
- * It is necessary to discuss the way assistance to the countries in the region should be provided, taking an overview of the situation in the region, in accordance with each country's position, attitude toward peacebuilding, and involvement in conflicts. ("Peace Linkage")

Peace and stabilisation in the region is one of the most important issues in Southern Africa, and is a prerequisite for regional development and improvement of welfare, which regional cooperation as well as ODA cooperation should aim at. Consideration should be paid to peace and stabilisation when providing cooperation assistance.

Here, three points will be mentioned regarding efforts for peacebuilding assumed in the ODA framework.

1-3-1 “Consideration for peacebuilding/ Peace Impact Assessment”

In and around Southern Africa, warfare occurs frequently and constantly. In addition, most other countries and regions where warfare has not occurred do not have sufficient resistance to the threat of warfare. Therefore, prior to the provision of ODA, it is vital to ensure that ODA does not promote unstable conditions or threats to peace in the region.

The concept of the “Consideration for peacebuilding” and “Peace Impact Assessment”³⁰ has not been established in international society, particularly in Japan's ODA³¹. Speaking plainly, the concept aims to ensure that peacebuilding receives a similar consideration to the environment in Environmental Impact Assessment. For the above-mentioned reasons, it is advisable that discussion on the “Consideration for peacebuilding” and “Peace Impact Assessment” should be promoted in Southern Africa, and the concept should be reflected in the process of project implementation.

Impact on regional disparity; impact on disparity between races, social strata, and social groups; contribution to the reinforcement of interdependence and exchange; contribution to the reduction of tensions; distinction between regions at war, post-war regions, and regions as (post-war)buffer zones; disarmament; contribution to reconstruction and development.

The Assessment requires flexibility in accordance with the characteristics and scale of the target projects. Basically, any project should be the target of assessment in some way or another.

More specifically, instead of carrying out Peace Impact Assessment by individual project, it is desirable to carry out “Strategic Peace Assessment”³², focusing on projects that are assumed to make a great contribution to peacebuilding with less negative impacts on peace, and giving priority to such projects for implementation in the process of forming regional cooperation programmes.

Accordingly, with the above-mentioned viewpoint, we can see great possibilities in regional cooperation aimed

at active exchanges in the region. Active involvement in the promotion of human resources exchanges in the region through sharing educational facilities, joint development of key energy sources, and reinforcement of interdependence, will result in contributions to peace and stabilisation in the region.

1-3-2 “Direct contributions to peacebuilding”

TICAD II Tokyo Agenda for Action has proposed various support initiatives, such as the UNDP African Governance Forum, the OAU Mechanism for Conflict Prevention and Solution, and the Office of the United Nations High Commissioner for Refugees(UNHCR). First of all, it is important to steadily implement projects in close cooperation between these initiatives. During the implementation process, cooperation should not only be provided to multilateral cooperation organizations through fund provision, but also by linking it with bilateral technical cooperation, Japan's assistance organizations and staff should “learn” the methodologies and approaches. In this way, the quality of cooperation will be improved.

In the above-mentioned concept, “preparation of a basis for development”, governance and conflict prevention are regarded as activities for the preparation of a basis contributing to “development,” or downstream objectives. On the other hand, by regarding the realisation of “peace” and “development” as equivalent in value, activities, including those contributing to peace in a new initiative to be added in the future, can be integrated into a programme, such as a “Special Programme for Regional Peace,” or “Special Programme for Peace in Southern Africa.” Thus, Japan may take the lead in promoting a new initiative to develop such projects.

In general, the following three issues directly concern peacebuilding: (i) “Contributions to the prevention of conflict and its recurrence,” (ii) “Humanitarian assistance in emergencies,” and (iii) “Support for reconstruction and development.” As each conflict has different causes and situations, adherence to these assistance frameworks will create an intangible gap between each framework³³,

³⁰ General indicators to be considered in “Peace Impact Assessment” include:

³¹ The above-mentioned report “JICA's Basic Strategy on “Peacebuilding”(to be published in 2001) will also refer to the need for “Peace Impact Assessment”.

³² “Strategic Peace Assessment” is to assess positive and negative impacts of the ODA project on stabilisation and peace promotion in the target regional society, in prior to implementation of the said project.

³³ In particular, the necessity of smooth cooperation between “humanitarian assistance in emergencies” and “support for reconstruction and development” has been discussed at the Development Assistance Committee(DAC)under the theme, “Securing Continuum.” For details, see the above-mentioned report on JICA's Basic Policy on “Peacebuilding.”

thereby inviting undesirable results. Therefore, in accordance with each situation, comprehensive measures should be taken with flexibility.

In addition to the initiatives proposed in the Tokyo Agenda for Action, the following cooperation will be provided in this field:

- To accumulate and utilise knowledge on the reconciliation process by the Truth and Reconciliation Commission(TRC)in South Africa and other organizations
- To utilise and spread an educational curriculum, such as tolerance education, in South Africa
- To provide support for research on peacebuilding(e.g. grant to existing research institutions, support for networking, establishment of new research facilities)
- To promote peace education through correspondence courses and knowledge networks centring around South Africa
- To prepare and intensify the police system and legal system for the prevention of organised crime, and the regulation of firearms
- To support peace promotion activities by civilian groups and strengthen support for establishing funds
- To utilise the media(support for programme-making regarding reconciliation and trust-building)
- To provide support for intra-regional cooperation(in particular, for regional cooperation organizations at the sub-regional level³⁴) and support for regional cooperation with Asia

1-3-3 “Peace linkage/ Peacebuilding policy dialogue”

Tentatively, we define “peace linkage³⁵” as “appropriate review of the amount and method of assistance to the countries in the region, in accordance with efforts for peacebuilding in each country and involvement in the conflicts.” In discussing the implementation of “peace linkage,” it is insufficient to look at individual countries. Instead, it is necessary to have Southern Africa as a whole and then evaluate the situation in each country.

If the concept of “peace linkage” is applied to ODA, active support will be provided to a country that makes efforts toward peacebuilding in the region to encourage their further efforts(application of positive linkage). Applicable examples are support packages to the new South Africa where Apartheid was abolished and people are struggling for racial integration and democratisation, and to Mozambique where peace has been attained and people are struggling for reconstruction after the war. It is possible to provide active support to Zambia and other countries surrounding a country at war, which contribute (or can contribute)to preventing expansion of the war, as “regional stabilisation factors.” However, in some cases, these surrounding countries are directly or indirectly involved in the war. Therefore, attention must be paid in providing increased support to these countries, as this may have the contrary effect and make the situation worse.

On the other hand, theoretically, support will be restricted for countries that make no efforts toward peacebuilding or act to increase the threat of conflicts(application of negative linkage). However, the effects are controversial. Rather, to a country that is at war or is seemingly involved in conflicts in some way or another, “promotional linkage³⁶” or a “peacebuilding policy dialogue” should be carried out in cooperation with intra-regional cooperation organizations. In order to settle conflicts and minimise catastrophes due to conflicts, it is important to continuously pursue such a dialogue, taking into account measures within the ODA framework, and to support and encourage a positive direction for support, while considering the possibility of direct support.

Needless to say, it is difficult for Japan with scant experience and personal connections in the region to take the initiative in this field. In view of the need to respect ownership in the region, Japan is required to act with discretion. For the time being, the emphasis should be placed on indirect support for the Central Mechanism for Conflict Prevention of SADC and OAU.

³⁴ In March 2000, the Ministry of Foreign Affairs and the Institute for World Peace jointly held an international symposium on “The Roles of Quasi-Regional Organizations and NGOs in Conflict Prevention in Africa and Peace Initiatives,” which was extremely insightful and substantive. It is expected that active discussions will be held on this theme from the viewpoint of “development assistance” including ODA.

³⁵ In recent years, the terms, “incentive”(to encourage efforts toward democratisation and peacebuilding) and “disincentive”(to ameliorate negative aspects such as tendencies toward suppression of human rights and militarism) are often used.

³⁶ See JICA(1995)pp. 37-38. In this Report, “promotional linkage” was conceptualised and proposed for the first time, in reference to support for “good governance.” This concept requires special attention, as it characterises Japan’s support for non-democratic developing countries.

Box 9. New Development Strategy of the Development Assistance Committee (DAC)

"Shaping the 21st Century: The Contribution of Development Cooperation" (referred to as the DAC New Development Strategy) was adopted at a High Level Meeting of the Development Assistance Committee (DAC) of the OECD in May 1996. In this Strategy, the most important development issue is "to improve the quality of life of all people." The Strategy expounds a development vision supported by three pillars: 1) "social development and improvement of the environment," that is, poverty reduction, social development, the improvement of the sustainability of the environment and restoration of the environment, 2) "economic growth" through participation by developing countries in globalization from a medium- and long-term perspective, and 3) suitable role of governments to support 1) and 2). To clarify this vision, goals were established for the following three items: "economic well-being", "social development", and "the sustainability of the environment and its restoration".

Targets for international development based on the DAC New Development Strategy

- To reduce the number living in extreme poverty to half of the 1990 level by 2015
- To provide universal primary education in all countries by 2015
- To eliminate gender disparity in primary and secondary education by 2005
- To reduce infant mortality rates to one-third of the 1990 level by 2015
- To reduce maternal mortality rates to one-fourth of the 1990 level by 2015
- To provide access to sexual and reproductive health services by 2015
- To establish national sustainable development strategies in all countries by 2005 and reverse the trend towards a decline in environmental resources by 2015

The concept of comprehensive development and assistance is illustrated in the approaches to attain these goals: 1) self-help on the part of developing countries (ownership) and collaboration with industrialized countries in supporting this self-help (partnership), 2) comprehensive approaches mobilizing all levels of government, the private sector and NGOs in promote development, 3) country specific approaches that respond to the situation of the developing countries, and 4) results-oriented approaches.

In November 1996, JICA set up the "Study Committee on the DAC New Development Strategy". In order to implement the DAC New Development Strategy, the Committee deliberated on Japan's policy and the effective and proper approaches to this issue, and finalized several proposals. Basic concepts for the implementation of the DAC New Development Strategy are as follows:

- 1) To respect the ownership of the development process by developing countries, with developing countries placed at the center of the Strategy,
- 2) To emphasize multilateral aid coordination within the global context,
- 3) To support "well-balanced development" as to growth and distribution in developing countries,
- 4) To stress the establishment and reinforcement of "good governance" by developing countries themselves,
- 5) To give importance to approaches appropriate to each country that respond to the national situation,
- 6) To give priority to countries that show their commitment to implement the DAC Strategy,
- 7) To orientate Japan's "assistance implementation system" to the DAC Strategy, especially to prepare a development assistance system that reinforces approaches appropriate to each country and multi-sectoral approaches that aims to alleviate poverty through cross-sectoral aid packages.

2. Efforts toward the issues common to the region (e.g. poverty reduction) by utilising "regional assets"

As mentioned in 1-1, it is more effective to utilise the various excellent resources in a specific country in the region as "regional public goods," than to promote development issues separately using the limited human and physical resources of each country. Moreover, by networking resources in each country to make use of the benefits, support can be provided more effectively and efficiently. In

such a case, regional cooperation is effective.

This Study Committee did not reach complete agreement on the common issues in Southern Africa that must be dealt with as a top priority in the framework of regional cooperation support through ODA. Here, the focus will be placed on the poverty reduction issue, the most important issue in Southern Africa, particularly on support for the poor³⁷. This section mentions the following two issues, while considering a complementary relationship with bilateral assistance dealing with the actual situation in each country.

³⁷ At present, the Poverty Reduction Strategy Paper (PRSP) is being prepared in the countries eligible for IDA loans including heavily-indebted poor countries, based on the decision at the joint development committee held by the IMF and the World Bank in 1999. Judgement on eligibility for IDA loans is made based on the PRSP. In 1996, through the initiative of Japan, the goal of poverty reduction in "the new development strategy" was adopted at the DAC Upper Committee. Along with the movement toward attainment of this goal, poverty reduction has given momentum to the provision of intensive support to the poor, including the absolute poor. (See Part III. "Aid Trends")

2-1 Measures to deal with development issues in the social sector (health and medical care, education, etc.)

* In bilateral cooperation in the region, development of the social sector is regarded as the priority issue from the viewpoint of poverty reduction.

* In providing regional cooperation support, it is effective to utilise bases created through bilateral cooperation, and to promote networking between these bases.

From the viewpoint of poverty reduction, the social sector, such as health and medical care and education, is regarded as a priority issue not only in the LLDCs in the region but also in South Africa. Basically, taking measures in such a field requires careful consideration of the individual situation in each country. At the same time, it is assumed that measures taken by other countries in the region may provide useful knowledge and lessons. While the development of higher education is costly, it is not reasonable, in many cases, to develop educational facilities

separately for each country using valuable public resources in a narrow market for education, as there is no benefit from economies of scale.

In regional cooperation, it is more effective to utilise bases created by past assistance, based on the trends in bilateral assistance to the social sector, while focusing on a complementary relationship with bilateral assistance. Regional cooperation is likely to have an impact on the social sector in the following forms of support:

- Comprehensive programme for child health care

This programme, placing a special focus on children, aims to promote the above-mentioned measures to reduce the prevalence of HIV/AIDS and infectious diseases, including the problems of HIV/AIDS orphans and war orphans. It also aims to promote networking between organizations in South Africa and bases in each country in the region. As other assistance organizations have already taken various measures in this field, it is necessary to avoid competition and overlap with these. The focus should be placed on the development of fa-

Box 10. African Virtual University: AVU

Africa is faced with many problems in education such as reduction of budget for education, especially for higher education, lack of high caliber lecturers, and out-of-date academic programmes that does not match.

The World Bank initially established the African Virtual University (AVU) in Addis Ababa, the capital of Ethiopia, in 1997. The AVU is described as a distance learning programme using satellites and Internet web sites. Live and recorded lectures are provided by satellite video along with texts and data through the Internet.

By the end of June 1998, twelve universities in the English zone of Africa (Ethiopia, Ghana, Kenya, Tanzania, Uganda, Zimbabwe) have been connected with American and European universities by communication networks through AVU since April 1998. Twenty-five universities including ones in the French zone of Africa (Benin, Burkina Faso, Cote d'Ivoire, Mauritania, Niger, Rwanda, Senegal, Togo) had joined the AVU programme. American and European universities that have joined the programme include the University of Massachusetts, New Jersey Institute of Technology, and Galway University in Ireland.

In the pilot phase, students in courses of the science and engineering in African universities attended lectures through videos and lessons using the Internet and e-mail. In the second phase from January 1999, curricula to obtain a bachelors degree were developed. In the third phase, African universities are scheduled to prepare their own programmes. According to the Internet site of the World Bank,¹ about 12,000 students have so far completed semester-long courses. Students have access to over 1000 journals through an on-line digital library. Now, AVU is in the process of transforming from one of the World Bank's project to an independent NPO. The bachelor courses related to computers, IT courses, short-term courses in foreign languages, and MBA courses are planned to be provided in the future.

Okuni (2000)² recognizes merits (potential) of AVU which overcomes time and physical distance and leads to increase the number of students studying science and engineering. He also points out that 1) access to the AVU depends upon condition of the communication system of each country, 2) user fee will be expensive, and 3) the access to the computer and the capability to use them are the basics. In African countries, the spread of IT is far behind other countries in both quality and quantity. As long as education costs and the charges to access to the Internet are high, it is difficult to overcome the gap between Africa and industrialised countries.

¹ <http://www.avu.org/>

² Okuni, A. (2000)

cilities and systems required for information exchange in comprehensive agenda setting (to identify approaches for issues and measures) and networking, through active cooperation with organizations specialised in this field, such as UNICEF. Expansion of the existing funds and establishment of new funds will be discussed.

• Support for the establishment of a “Knowledge Bank” for expansion of basic social services and poverty reduction

For basic social services, such as public sanitation, nutrition improvement, and primary education, this initiative aims to accumulate knowledge and lessons from cooperation projects implemented by various assistance organizations, through higher educational organizations, research institutions, and NGOs, and transfer such knowledge and lessons to the region as a whole. However, it is difficult to systematise this enormous amount of information, and it is unclear how much useful knowledge can be obtained from the measures taken by each country. Accordingly, it becomes difficult to estimate cost effectiveness. Therefore, at the initial stage, it is advisable to create a “core”³⁸ for information collection, serving as an “intra-regional knowledge bank,” without spending too much money on it. For example, by making an inventory of various measures taken by each country according to sub-themes, such as improvement of nutrition in infants and local water supplies, a link between these measures can be made.

• Support for distance education

This initiative aims to:

- (i) utilise the University of South Africa(UNISA)³⁹ that has long been engaged in providing correspondence courses in higher education to the region;
- (ii) improve the facilities of the UNISA(such as the development of learning centres in the region);
- (iii) provide support to students from LLDCs in the region;
- (iv) promote exchanges among teachers in higher education facilities in and out of the region that have been developed through Japanese technical cooperation(Zambia University, Jomo Kenyatta Agricultural Engineering University) and,
- (v) promote cooperation in the mutual recognition of credits and degrees.

For example, through the Adult Basic Education Programme (ABET)⁴⁰ in South Africa and other teacher training curricula in basic education, and preparation of intensive courses for teacher training (including retraining of unqualified teachers), high quality teachers will be trained and retrained. The need for such training is assumed to be high in the region⁴¹.

³⁸ “Creation of a core” here does not necessarily mean construction of new facilities. It is more practical and efficient to utilise the existing bases of technical cooperation, or provide support for capacity-building in the related meetings in SADC to enable them to function as a “core.”

³⁹ UNISA has already started providing correspondence courses not only in the region but also all over the world. The South African Government helps students in the region with their school expenses. Thus, the utilization of a “regional public goods” has become an accomplished fact. Further verification on site is required to decide whether such an initiative can be a target of Japan's cooperation.

⁴⁰ ABET is one of the programmes of basic education for adults. With a view to improving the capacity of adults for social participation, ABET aims to integrate the viewpoints of both education and vocational training to maintain learner incentives.

⁴¹ In Mozambique, for example, provision of teacher training and improvement of teacher quality is urgent. Through grant aid, Japan has co-operated in construction of schools for teachers. In order to efficiently respond to the enormous needs in the region, it is effective to utilise not only a country-specific approach but also a regional approach. For example, through a country-specific approach, primary and secondary educational facilities as well as teacher facilities can be constructed. At the same time, in order to provide a considerable amount of teacher training in the short and medium term, correspondence courses using facilities in the surrounding countries can be expanded through a regional approach. It is worth discussing such a regional approach as a complement to a country-specific approach.

2-2 Support for the sustainable rural livelihoods, increased production of key staples, and local industrial development

* Both sustainable in rural livelihoods and increased production of key staples are important issues in the countries of the region, in order to promote poverty reduction in rural areas. For this purpose, an effective approach is to collect knowledge not only within the framework of bilateral assistance but also in and around the region, and provide regional cooperation support that promotes the utilization of such knowledge.

* When providing support for industrial development and regional development in the framework of regional cooperation, a complementary relationship with bilateral assistance as well as with economic activities in the private sector is a prerequisite.

In order to promote poverty reduction in rural areas in all the countries in the region, support for sustainable rural livelihoods and increased production of key staples, particularly support for small farmers, is an important issue. Through bilateral cooperation, various measures, including participatory rural development, have been taken. Thus, it seems effective to collect knowledge obtained from past measures, and/or knowledge in other regions (the whole of Africa and Asia), and provide regional cooperation support to promote the utilization of such knowledge. This includes dissemination of advanced technologies and research findings in South Africa and Zimbabwe, and measures to identify new possibilities based on traditional local knowledge in the region⁴².

As mentioned previously, industrial development in the region, particularly development of key industries, should be basically entrusted to economic activities in the private sector, and the role of ODA should be limited to that of a complementary one. On the other hand, as for the development and promotion of small- and medium-scale enterprises and small-scale farmers, the independent activities of private capital cannot necessarily be relied on due to the situation in the region. Thus, the need for ODA is rela-

tively high. In Southern Africa, various measures have been taken through bilateral cooperation.

Effective cooperation approaches in this field include sharing and utilization of knowledge in the region, making resources in the region into “public goods,” and networking, as mentioned previously in 2-2-1. With these approaches in mind, the following measures are suggested:

- Special programme for the sustainable development of rural areas

This programme aims to create a network between research institutions, administrative organizations, and assistance groups, with the Southern African Centre for Cooperation in Agricultural and Natural Resources Research and Training (SACCAR)⁴³ as a base. Through the network, examples of success and lessons, including agricultural development and conservation of the rural environment, will be collected and transferred to the region as a whole, in order to provide support for rural communities⁴⁴. The point of this programme is collection and utilization of knowledge on “cross-sectoral” development covering a broad range from the provision of basic social services and knowledge of living, such as in nutrition and sanitation, to income-generating activities.

In the process of transferring accumulated knowledge to the region, it is assumed that facilities for correspondence courses, media, and IT will be utilised, as mentioned previously in 2-2-1.

It is desirable to take an approach to make this programme more concrete in Southern Africa, while promoting the development of a network for the whole of Africa in future.

- Support for the establishment of a network for increased production of key staples

This support aims to promote regional cooperation for the increased production of key staples. As mentioned in Part II “Understanding Current Conditions,” through a network between research institutions in South Africa and the Local Office of International

⁴² Some members in the Study Committee argued that it would be more important to take measures to promote diversity in rural areas and the agricultural situation in the countries of the region, and that knowledge shared in the region might have a limit use in itself.

⁴³ As mentioned previously, based on the decision at the SADC Cabinet Meeting in 1996, the SACCAR was reduced in scale. In addition, the degree of involvement in rural development in fields other than agriculture is unclear. Therefore, it is necessary to confirm the actual situation when deciding whether the SACCAR should serve as a base for this programme.

⁴⁴ For rural development in Mozambique, South Africa provides support.

Maize and Wheat Improvement Centre (CIMMYT) in Zimbabwe and the Local Office of the International Crop Research Institute for the Semi-arid Tropics (ICRISAT) in Malawi, intellectual assets in the region can be utilised effectively. Thus, it aims at the improvement of farming and technological innovation regarding the increased production of key staples in the region.

- Support for strengthening the function of cooperation standards for industrial human resources training in the region

SADC has the Sectoral Coordination Unit on Human Resource Development, and the Regional Accreditation and Certification Programme. This support aims to strengthen the function of cooperation with the adjustment of standards through these committees as a contribution to the promotion of industrial human resources training and vocational training in the region. It is desirable that the private economic sector should take the lead in industrial human resources training and vocational training. Ill-considered involvement of the public sector is likely to invite inefficient resource distribution. Keeping this in mind, the function of SADC focusing on information provision and cooperation standards adjustment should be strengthened.

Various initiatives were proposed in the TICAD process, such as the Asia-Africa Investment and Technology Transfer Promotion Centre, the Africa-Asia Small and Medium-scale Enterprises Network, and tourism development in Southern Africa. In order to realise these initiatives, it is essential to utilise existing resources (especially, an organizational system) in South Africa and in other countries in the region. Utilization of intra-regional cooperation organizations including SADC and the establishment of a network among these organizations are also important.

- Special programme for the conservation and utilization of traditional local knowledge and culture in Southern Africa

This programme aims to support data collection regarding traditional communities, lifestyles, production techniques, research activities, review and utilization of traditional local knowledge, and integration of traditional knowledge with contemporary knowledge. It also aims to collect and utilise examples of successes and lessons from the utilization of traditional community systems and other traditional local knowledge, and to establish research institutes and database as a basis for these activities.

The focus is on traditional local knowledge, in order to aim at “unique indigenous development” in Africa including Southern Africa in the future⁴⁵. Japan's ODA has just started providing support to these activities. In the process of providing steady support, an individual project will be promoted. Moreover, by connecting these efforts, the scale of projects will be enlarged to the sub-regional level. Thus, people in the region can re-confirm their own traditional culture. In this way, this programme will contribute to the search for the future directions of development⁴⁶.

⁴⁵ At Sokoine University in Tanzania, the Regional Development Centre was established through Japan's cooperation, to carry out studies on the collection and utilization of traditional local knowledge including environmentally-friendly traditional farming methods. The objective of these studies is to assist indigenous development by Africans themselves, through the rediscovery and utilization of traditional knowledge in African society.

⁴⁶ Under the Apartheid in South Africa, the traditional rural society seems to have been completely destroyed. Rediscovery of knowledge in traditional societies that may hardly remain is an urgent issue for the creation of a viable rural community in South Africa. By combining various efforts in each country in the region, there is a possibility that tradition in the rural community in South Africa will revive. Actually, in South Africa, Japanese NGOs and other organizations have been engaged in activities to promote rural areas by utilising the traditional farming methods of each area.

Chapter 3. Reinforcement of Implementation systems

In the above-mentioned viewpoints on regional cooperation policies and efforts toward the priority issues in the region, it is necessary, in some way or other, to introduce new methods of implementing projects, pursue additional intellectual values, and carry out planning and implementation of projects with new ideas.

On the other hand, in the implementation systems of Japan's ODA for Southern Africa, a considerable increase in human resources cannot be expected due to the current severe administrative and financial situation.

Based on an awareness of these circumstances, in order to provide high-quality cooperation in the framework of regional cooperation support, there are two approaches as follows:

- (i) Promotion of transfer of decision-making power to the overseas offices and institutional networking of knowledge and experiences
- (ii) Reinforcement of a comprehensive policy dialogue function

These issues matter not only to Southern Africa, but to the whole Japan's ODA. As the issues have been repeatedly discussed in other places, this section gives only an outline.

1. Promotion of aid implementation based on the overseas offices's initiatives and institutional networking of knowledge and experiences

1-1 Establishment of a sound institutional structure with responsibility and authority in overseas offices

* Japan has less experience in providing cooperation to Southern Africa than to ASEAN countries. Therefore, in order to take measures responding to the actual conditions, and to develop high-quality cooperation that will be highly valued by the recipient country, responsibility and authority should be transferred to the overseas offices.

* The transfer of responsibility and authority to the personnel in charge of providing assistance at the local office not only contributes to making project implementation more efficient and expeditious, but also promotes reinforcement of a reliable relationship with the parties concerned in the recipient country and other assistance organizations at the site.

The first key to achieving high-quality cooperation is to reinforce authority and responsibility of the sections and personnel in charge of providing cooperation at the field-level. Japan has less experience in providing cooperation to Southern Africa than to ASEAN countries. Therefore, it is necessary to make efforts to deepen understanding of Japan's situation in the recipient country. Moreover, in order to respond to the actual situation in the region, and to develop quality cooperation that will be highly valued by the recipient country, responsibility and authority must be transferred to the overseas offices more thoroughly than ever.

In addition to grant aid for grass-roots projects that have been implemented in South Africa, "Community Empowerment Program"⁴⁷ and "Development Partnership Program"⁴⁸ in the field of technical cooperation, in particular, require simplified procedures for making inquiries to Japan. It is necessary to increase the following budgets which are to be considered as valuable resources that make it possible for Japan to provide useful knowledge at donor meetings on priority sectors:

- (i) A budget that can be the core of comprehensive projects covering various fields led by initiatives taken at the field-level, such as "integrated human

⁴⁷ This is one of JICA's projects to improve welfare in developing countries, in response to the 'Japan's Initiative for a Caring World' proposed by then Prime Minister Hashimoto at the Lyon Summit Meeting in 1996. To attain the development target (reduction of the poor population by half) in DAC's New Development Strategy, budgets were approved in 1997. This project aims to directly benefit local people, with NGOs at the site (local NGOs, Japanese NGOs, international NGOs) as partners.

⁴⁸ This aims to widely utilise the knowledge and vitality of Japanese NGOs, universities, and local governments, in order to support self-help efforts in developing countries. Budgetary measures were approved in 1999 as a JICA project. There are two types: "public participation" procedures to ask for project plans for the countries designated by JICA; and "official announcements" to invite project trustees, after JICA announces a project plan based on a request from the recipient country.

development programs⁴⁹,” and,

- (ii) A budget which facilitates ideas at the field-level for obtaining information, such as a budget for securing special assistants.

If every detail requires referral back to Japan, a project cannot be implemented efficiently and in time (the situation is not limited to the case of Southern Africa) Moreover, it creates difficulties in establishing a reliable relationship with the parties concerned in the recipient country and other assistance organizations, even though staff in the field make efforts to develop these relationships. Thus, attention must be paid to this situation⁵⁰.

1-2 Flexible utilization of human resources for assistance and networking of aid knowledges and experiences

* In order to enhance the profile of Japanese cooperation in Southern Africa where many donor countries are involved, the quality of personnel dispatched must be high. For this purpose, limited human resources should not be confined to dealing with a certain problem in a specific country. Rather, in order to use these resources more effectively in various countries, the following ideas should be discussed:

- (1) Flexible utilization of human resources in the region
- (2) Designation of personnel in charge of the region
- (3) Reinforcement of support function from Japan and Asia

* As for the wide-area management of security, human resources must be reinforced in view of the need to protect assistance personnel and bolster efforts toward peace and security.

1-2-1 Flexible utilization of human resources for development assistance in the region

For high quality cooperation, including taking the initiative in donor co-ordination, it is essential to secure and employ high quality personnel for development assistance. Under the current severe administrative and financial situation, a considerable increase in the quantity of human resources, including an increase in the number of regular administrative personnel at overseas offices, cannot be expected.

When dealing with a new issue, “peace and stability” in the region, as well as problems common to the region, resources in the region should be utilised as “regional public goods.” Therefore, measures for the reinforcement of a regional relationship are required. Considering that both the objectives and content of assistance to Southern Africa have become increasingly sophisticated and diversified, it is necessary to review conventional measures as well as to take new measures.

South Africa has many high quality human resources both in the government and in the private sector. Therefore, high quality human resources can be obtained from the private sector and other countries. Thus, the level of technical cooperation specialists currently dispatched from Japan have naturally been compared unfavourably to these high quality human resources, which has discouraged the acceptance of specialists from Japan. Under these circumstances, in order to raise the profile of Japanese cooperation, a much higher quality of specialists must be dispatched. In Mozambique, Zambia, and other countries with high dependence on foreign assistance, or in intra-regional cooperation organizations such as SADC, there is keen competition among donor countries. Japan must dispatch personnel that have equivalent capabilities to those from such donor countries and organizations⁵¹.

⁴⁹ At the Denver Summit Meeting in 1997, the necessity of capacity-building for poverty reduction in Sub-Saharan Africa was confirmed. In response, this project was added to the budget in 1998 as one of JICA's projects. In order to deal with problems in multi-sectoral issues like poverty reduction, this project will be comprehensively implemented over several years by combining various projects, from cooperation in development of the central and local administration systems, to cooperation in the promotion of community participation. At present, the project is being implemented only in Ghana. The institutional arrangement is under discussion for implementation in 2001 and after.

⁵⁰ In this regard, some argue that it is difficult to transfer authority to the overseas offices, as there are requests for unifying the form in which ODA operation is handled in each country, so that related operation affairs, including accounting, can be carried out appropriately and fairly. Here, we would like to reconfirm that we must pay more attention to the transfer not only of authority but also responsibility, not just discuss whether or not authority should be transferred.

⁵¹ In this regard, some argue that we need not adhere to the idea of dispatching Japanese experts. When referring to “Japanese visible assistance,” it does not necessarily mean only Japanese personnels' involvement. Rather, it is important that Japan's principle or approach to cooperation can be clearly conveyed to the recipient country. In any case, in order to establish such a principle or approach, it is essential to secure high quality human resources in the framework of Japanese cooperation.

Another key to achieving high quality cooperation is the flexible utilization of human resources for development assistance. In particular, promising personnel and people whose work was highly regarded in past cooperation must be fully involved in a flexible way. For this purpose, it is important to share among countries in the region human resources that were separately allocated to specific countries in the region. For example, when it is impossible for limited human resources and systems in one country to deal with a problem, by utilising human resources and systems in the whole region skilfully, specific or technical aspects of the major priority issues can be covered to some extent. Also, knowledge that cannot be obtained from a concrete project in one country can be obtained from experience in various other countries. Then, through feeding back such knowledge to the original project, it becomes possible to develop cooperation of much higher quality. In the case of the cross border allocation of human resources in the region (an intra-regional transfer system⁵² (tentative name)), it is necessary to increase the number of wide-area project formulation specialists. Depending on the situation, discussions beyond the framework of conventional bilateral cooperation should be held⁵³.

1-2-2 Designation of personnel in charge of the region

In terms of the idea of sharing human resources in the region, specialists and administrative personnel at local offices in the region can be regarded as being in charge of the region in their particular field, and knowledge on regional cooperation support will be deepened. In this case, considerable improvement in the quality of regional coop-

eration can be expected. This applies to the systems in Japan as well. In Japan, it is also beneficial to designate personnel to be in charge of regions, and proceed with the formulation of region-specific cooperation guidelines, which is under consideration at JICA.

1-2-3 Reinforcement of support from Japan and other countries in Asia

It is also necessary to discuss the utilization of human resources from Japan and other regions in a “business trip system⁵⁴” (tentative name) By maintaining a good balance between activities in recipient countries acting as bases for long term assignment and activities in Japan, specialists can then be engaged in activities in the same field in other countries, thus providing a more practical approach. Activities in the same field in various countries will have “synergistic effects⁵⁵,” that is, knowledge in a particular field can be accumulated, and diverse viewpoints can be obtained. Through the accumulation of knowledge in various developing countries, it is expected to provide more appropriate advice corresponding to the needs in a particular country. Moreover, in applying Japan's experience in Asia to Southern Africa, Japan's cooperation is expected to display its particularity.

1-2-4 Reinforcement of the security management and utilization of human resources in the region

In Southern Africa, conflicts occur frequently. Even in countries that are in the process of reconstruction after civil war, security is threatened due to the circulation of an ample supply of small arms. Moreover, South Africa,

⁵² For example, specialists dispatched to the department of veterinary medicine at Zambia University, whose activity base is located at Zambia University, can participate in monitoring and project formulation in the field of stockbreeding in Zambia and other countries in the region. Their knowledge can be presented at donor meetings in Zambia, or in some cases, in other countries in the region. So far, dispatched specialists have been allowed to participate in activities outside of the assigned country only as an exception. However, from now on, dispatched specialists can participate in similar activities in the surrounding countries as a matter of course. From the diversified viewpoints obtained in such activities, cooperation of higher quality will be provided.

⁵³ In this respect, there are other measures such as cooperation between local offices and specialists in the region, and enhancement of information exchange. However, without “responsibility and authority,” it takes more time, and initiative may be discouraged.

⁵⁴ This system, in principle, provides follow-up for a specific issue in Southern Africa through exchanging e-mail or making short term business trips several times a year, even though the activity base may be located in Japan or in other countries outside the region. Therefore, even a person whose activities in Japan limit the possibility of overseas assignment can participate in activities in other countries by making a series of short term trips. This can solve a problem of specialists with long term assignments, that is, the problem of a person who leaves Japan for a long time but who obtains only narrow experience of a particular area. Through organizational reform in January 2000, JICA is expected to reinforce the means of securing human resources for development assistance and deepen its country-specific and region-specific expertise, as well as develop specialist and field specific experience. With such reforms, this system will become practicable.

⁵⁵ For example, a specialist with knowledge in field X of a country A who is partly involved in the same field in countries B, C, and D as a short term specialist, can accumulate knowledge covering all four countries. Moreover, by making a comparison between problems of each country, the particular problems in field X in each country can be identified from more diverse viewpoints.

a major power in the region, the crime record is one of the worst in the world. Under these circumstances, in developing cooperation for Southern Africa, it is important to establish a system with a well-thought out plan, in order to collect full information on changes in security and to prevent unfortunate occurrences. The need for a flexible utilization of human resources specialised in security management is particularly high in the region. Human resources in charge of security management must be reinforced as a top priority, in view of the need for the protection of assistance personnel and reinforcement of efforts toward peace and security.

1-3 Promotion of “Japanese Visible Assistance” through donor co-ordination

* Compatibility between donor co-ordination and “Visible Assistance”

- Sharing information and objectives and differentiation of measures
- Promoting cooperation focusing on Japan's ODA principle

* Displaying Japan's initiatives in priority fields of co-operation (active participation in the planning process; pro-active participation)

1-3-1 Compatibility between donor co-ordination and “Visible Assistance”

The importance of compatibility between donor co-ordination and “visible cooperation” has been recognised among the agencies concerned with development assistance. This problem is not limited to Southern Africa, either. Based on the fact that donor co-ordination has been carried out actively in the priority assistance countries, such as Zambia and Mozambique, the Study Committee has discussed this topic as an important issue common to assistance provided at the field-level in the region. Currently, in Southern Africa, donor meetings are held frequently

according to each sector and development problem, to exchange information on cooperation and discuss a course of cooperation⁵⁶. In this process, Japan's presence is not satisfactory for the scale of cooperation that Japan has been providing.

The Study Committee did not analyse the causes of this in detail. However, based on the results of field survey, this section focuses on the following two viewpoints:

- (i) A basic view on the compatibility between donor co-ordination and “visible cooperation”
- (ii) A strategy and an implementation system of development assistance to achieve active participation in the donor co-ordination process.

Donor co-ordination is carried out at the following three levels:

- (a) Sharing “Information”
- (b) Sharing “Objective and Philosophy”
- (c) Sharing “Measures”

Here, we make a clear distinction between sharing “Information” and “Objective/ Philosophy”, and sharing “Measures”. We propose that we should actively promote the former two, while we should deal with the latter by making the most of Japan's particularity and advantage, considering a complementary relationship with other donors. More specifically, while sharing “Objective/ Philosophy” in the conventional donor co-ordination framework, such as SWAp (Sector wide Approach) in Mozambique and SIP (Sector Investment Program) in Zambia⁵⁷, it is not necessary to keep pace with all means of implementation, such as the Common Basket system⁵⁸ and financial aid. Rather, it is possible to utilise counterpart fund from grant aid, or take an independent approach, including a project type approach, by making the most of Japan's specialities. In this case, provision of unsuitable cooperation

⁵⁶ In Zambia and Mozambique, in particular, donor meetings have been held more frequently than in South Africa. On the other hand, government led meetings have been held in South Africa based on an awareness of its own partnership system, inviting donors according to each development problem.

⁵⁷ Programs, including SWAp and SIP, are formulated according to each sector, and aim at efficient implementation of development projects with consistency between each development sector, since the projects are carried out by many donor countries and assistance organizations as well as by the recipient country itself.

⁵⁸ In this system, each donor does not implement projects separately. In order to cover the demands of sector development, funds are pooled in a common bank account for the implementation of each project. Nordic countries and the United Kingdom have advocated this system. However, the following two issues have been pointed out: (i) It is difficult to secure transparency through an appropriate management of funds when ownership in the recipient country is not fully developed. Accordingly, projects are highly likely to be implemented by a donor with powerful influence; and, (ii) As a result, it becomes difficult for other donors (countries and organizations) to be accountable to the final funders of projects (such as taxpayers)

for the framework that the recipient country and the donor country have established is out of the question. Consideration of the possibility of segmentation or fragmentation of development assistance resources is indispensable. While minimising these adverse effects, it is possible for Japan to provide cooperation in an original way, with understanding and respect for the donor co-ordination framework in a particular sector⁵⁹.

There is a limit to the approach of "Visible Assistance" if it places too much emphasis on Japanese cooperation projects. In the future, donor co-ordination will gain much more importance for improving the effectiveness and efficiency of development assistance as a whole. Thus, in order to promote donor co-ordination and provide "Visible Assistance" in a compatible manner, Japan must contribute to the donor co-ordination process more actively. In other words, it is important for Japan to promote "Assistance with Visible Philosophy," including making efforts toward each sectoral and development issue as well as enhancing its philosophy⁶⁰. From this viewpoint, if Japan has an objection to the donor co-ordination framework, Japan should point out specific problems in the existing framework and present an alternative framework, before implementing Japan's own projects. In this way, Japan can contribute to establishment of a cooperation framework that is more suited to the actual situation in developing countries.

A basic view of the Study Committee on compatibility between donor co-ordination and "visible cooperation" can be summarised in the following two points:

- (i) When carrying out donor co-ordination, "Information" and "Objective/Philosophy" should be shared actively. While paying special attention to the purpose/ philosophy of donor co-ordination, specific "Measures" should be discussed to display Japan's particularity.
- (ii) In the future, it is important to promote the upstream part of donor co-ordination. In other words, through a visible contribution in tackling each sectoral and development issue, and in enhancing its philosophy, "Assistance with Visible Philoso-

phy" should be promoted.

1-3-2 Displaying Japan's initiatives in priority areas of cooperation

In order to realise "visible cooperation," and contribute to the upstream part of donor co-ordination, Japan must make substantial efforts toward improving implementation systems, securing human resources for development assistance and accumulating knowledge. Needless to say, it is impractical to pursue all these efforts toward tackling all development issues in all countries. In addition, Japan's capacity is limited due to its fewer staff at the overseas offices compared to other donors.

Therefore, it is imperative for Japan to narrow down the sectors and development problems that Japan can actively participate in. As mentioned in the section 2-2, in order to take measures efficiently for the priority issues common to the region, human resources for assistance should be utilised selectively and intensively. This will lead to visible improvements.

The priority issues common to the region include social development and rural development for poverty reduction. For these priority issues common to all the countries in Southern Africa, an effective approach is to prepare a regional system of donor co-ordination, in order to share human resources in the region. In this case, the provision of cooperation is expected to focus on diversity in each country. Moreover, in the transportation and communications sector, the regional viewpoint is indispensable for development in each country in the region. For this, too, a regional approach to donor co-ordination is effective.

At present, donor co-ordination is mainly targeted at cooperation for each country in the region. Thus, there has been no discussion of the establishment of a specific mechanism of donor co-ordination when expanding regional cooperation, such as Southern Africa regional cooperation. Assuming that such a situation emerges sooner or later, Japan is strongly urged to properly prepare and reinforce a specific implementation system. So far, intra-regional transportation seminars have been held to provide opportunities for discussing the measures for priority issues from a regional viewpoint. In future, more of such

⁵⁹ This does not mean that the contribution of Japan's development assistance itself contradicts the donor co-ordination framework when providing assistance for the development of facilities for basic services in the social sector, such as health and medical care and education. However, the impact on whole sectors of the financial burden accrued from the construction of facilities and personnel allocation in the recipient country should be fully examined. Regarding initial investment support, it becomes increasingly necessary to minimise such financial burdens in the future, and to increase support for self-help operation on beneficiaries' side.

⁶⁰ Through field survey, the Study Committee received the following comment on Japan's ODA from people in the South African Government and other assistance organizations: "Speaking frankly, we cannot understand what Japan's ODA is really aiming at."

opportunities should be provided.

1-4 Utilization of new information technology (IT)

* New information technology (IT) is very likely to create a major breakthrough in the solution of cross-border issues and regional issues in Southern Africa where the movement of people and goods has many restrictions.

* Accumulation and sharing of knowledge and experiences in and outside the region through IT will complement the current development assistance implementation system. Thus, IT will contribute to significant improvement in the quality of cooperation and the development of more flexible cooperation.

* Though IT is an important means, it is merely one of the means for poverty reduction and achieving other purposes of assistance. Therefore, it is imperative to establish a sound framework for the content of IT, that is, how to utilise IT based on what philosophy and purpose.

1-4-1 New possibilities brought about by the application of IT

The application of new information technology (IT) in developing countries has been discussed at the Okinawa Summit Meeting in 2000, thus attracting attention in recent years. In Southern Africa, IT has major potential when taking the following three measures for regional problems, and is very likely to provide a major breakthrough depending on the initiatives taken.

- (i) In major cities in South Africa, basic networks of IT have already been established. These networks can be extended into other regions through effective use.
- (ii) In Southern Africa, the population is scattered over a vast area, and the transportation infrastructure between inland countries and coastal countries has not been sufficiently developed. Thus, there is great potential demand for the development of a communications infrastructure and utilization of IT.

- (iii) In making efforts toward cross border issues (as mentioned in 2-1) and issues common to the region by utilising regional assets (as mentioned in 2-2) a considerable number of aspects can be dealt with by the movement of information and information sharing, instead of the movement of people and goods.

Measures using IT based on the recognition of its potential are summarised as follows:

- Support for capacity building of organizations in the region (such as SADC) through establishment of an E-Forum and increased support⁶¹ (See 1-2)
- Asia-Africa advanced communications network (See 1-2-4)
- Support for the reinforcement of cooperation among regional cooperation organizations (Support for the reinforcement of cooperation between organizations in Southern Africa and ASEAN, APEC, and other organizations. See 1-2)
- Promotion of peace education through distance learning and knowledge networks centring around South Africa (See 1-3)
- Development of information communications networks for the promotion of policy dialogue (e.g. peacebuilding) (See 1-3)
- Development of information communications networks for establishing an early warning system and taking prompt measures for the prevention of infectious diseases and epidemics (See 1-1-2)
- Development of information communications networks regarding support for distance learning and the establishment of "Knowledge Banks" for child health care, expansion of basic social services, and poverty reduction (See 2-2)
- Development of information communications networks regarding support for the sustainable rural livelihoods, increased production of key staples, and other industrial developments (See 2-2. Promotion of investment between Asia and Africa, and support for networking among small and medium-scale businesses proposed in TICAD II are also included.)

⁶¹ It is also effective to regard an organization in the region as a means of using regional public goods mentioned in 2-1-2, in order to reinforce the connection between the organization and such regional public goods. In addition to that approach, using IT to encourage various actors out of the region including Japan to actively participate in the process is also effective. For this, it is necessary to avoid overlap with existing initiatives, such as the Regional Indicative Programme (RIP) by the EU, the US/ SADC Forum and the USAID Regional Centre for Southern Africa (USAID RCSA) by the U.S., and the Nordic/ SADC Initiatives by the Nordic countries.

1-4-2 Utilization of IT for the reinforcement of development assistance implementation systems and operation function

As mentioned above, IT is highly likely to bring about new developments in future regional cooperation. Though it is not easy to predict the specific achievements that IT will bring about, what is certain is that IT will make it easier to accumulate and share knowledge both in and outside the region, and across the boundaries between the government and the private sector. This will complement the current assistance implementation system, and the quality of cooperation will improve significantly. Thus, cooperation will be developed with more flexibility. Moreover, higher education and research organizations in South Africa utilise IT as actively as Japan does. Therefore, through the establishment of networks between these organizations, it is practical to connect IT through the formulation of a concrete project, while considering the merits and demerits as well as the limits of IT in the region.

1-4-3 Importance of the contents

In order to realise these possibilities, a sound framework for the content of IT (how IT should be utilised based on what philosophy and purpose) is indispensable. IT is merely one of the means for poverty reduction and achieving other purposes of assistance, and has various problems, such as maintenance, upgrading of hardware and software, and the possibility of a brain drain. When discussing the comparative advantage of IT, it is necessary to keep these problems in mind. In particular, attention must be paid to the point that utilization of IT based on a concept without much thought may lead to wasting limited assistance resources and capacity on the recipient side that might be more useful if IT were used in a different way⁶².

- (i) No one has empirical evidence that the utilization of IT will definitely contribute to development in developing countries.
- (ii) At present, it is difficult for many developing countries to achieve self-reliance in IT without continuously obtaining external support.
- (iii) It may lead to the dominance of a particular lan-

guage or culture depending on the method of introduction of IT.

At the Symposium, the Japanese Ministry of Foreign Affairs expressed the basic recognition that IT should be regarded as a "opportunity," and at the same time, the Ministry referred to the potential risks from the introduction of IT. The Ministry pointed out the importance of recognising geographical and historical handicaps as well as diversity in developing countries.

To avoid these risks, it is more practical to provide support for the existing information networks⁶³ that have displayed certain accomplishments than to take completely new measures. In order to expand such information networks, it is necessary to have a concrete framework of support not only for hardware but also for the content of IT. In particular, it is necessary to have a clear idea of who the beneficiaries and what the benefits should be. In order to make the most of the characteristics of IT, a framework should not be firmly set. Rather, it is preferable to take a learning process approach to developing a framework flexibly, depending on the situation. Some examples of basic approaches are given below.

- When actively utilising IT to reinforce assistance implementation systems at the overseas offices, a network should be established in a way the network itself will lead to developing new ideas for concrete projects.
- The philosophy at the time of the introduction of IT should place the top priority on direct benefits to the poor that cannot be provided by the private sector.
- By focusing on a concrete sense of the purpose and the initiative of local people and communities, and fully discussing the content, the content of cooperation will become more specific. (As a means of proceeding with contributions to the improvement of basic social services, and providing support for income generation for small businesses at the community level more effectively and efficiently, which is based on the local needs, the introduction of IT should be regarded as a component of cooperation.)
- The comparative advantage of IT with alternative means should be confirmed. (It must be noted that in

⁶² At the International Symposium on IT and International Cooperation held in July 2000 in Tokyo, Mr. Rovert Valantin (Senior Advisor for the Canadian International Development Research Centre (IDRC)) who has a profound knowledge of the application of IT in developing countries, had the following concerns about the utilization of IT in developing countries:

⁶³ Experimental measures, such as the African Virtual University led by the World Bank, Regional Telecommunications Restructuring Program for Southern Africa by USAID, and Net-Aid by UNDP, have already started.

countries except South Africa, the introduction of IT is highly likely to require long term comprehensive support. In addition, it is necessary that the comparative advantage of IT be still confirmed through consideration on the various risks mentioned above.)

2. Reinforcement of a comprehensive policy dialogue function

* In order to promote effective regional cooperation in Southern Africa, it is necessary to harness Japan's intellectual capacity, and look far ahead to future changes in the situation from a comprehensive viewpoint. Then, a system should be established to constantly consider the relationship between Japan and Southern Africa as well as Japan and Africa as a whole.

* One example is the establishment of a comprehensive forum covering non-ODA activities and the private sector, in cooperation with existing forums, such as the Japan-South Africa Partnership Forum, in order to consider what cooperation Japan could provide to Southern Africa. Moreover, the establishment of a permanent forum, including an E-Forum on the use of IT, should be discussed.

Cooperation with Southern Africa should be provided regardless of the framework of ODA. At the same time, cooperation should be organised through the process of the identification of the role of ODA. In particular, in order to deal with problems common to the region, it is necessary to position ODA among the comprehensive measures ranging from regional diplomatic policy to economic trends in the private sector, as mentioned repeatedly. What is required here is not a mere gathering of knowledge in each field nor "reactive" adaptation to the situation⁶⁴, but dynamic foresight created through comprehensive knowledge, that is, a planning capacity that focuses on the future.

If the Southern African region as a whole, including South Africa, views Japan's ODA as a means of reinforcing a reliable relationship with Japan, Japan should provide cooperation based on a philosophy that embodies Japan's particularity, which cannot be found in other developed countries.

In this regard, the Japan-South Africa Partnership Fo-

rum, established on the occasion of President Mbeki's visit to Japan in 1998, can be valued highly as an endeavour to put this approach into practice. There is a possibility that a dialogue between Southern Africa and Japan will develop based on this Forum.

This paper presents possibilities for development through cooperation based on the philosophy of "pacifism." It is important here to harness Japan's intellectual capacity in order to constantly expand and regenerate such a philosophy and approach. In this regard, it is worth while discussing the establishment of a "comprehensive forum to consider the relationship between Southern Africa and Japan," as a framework for the continuous review of the relationship between Japan and Southern Africa, as well as Japan and the whole Africa from a comprehensive viewpoint, including NGOs, academics, and economic entities in the private sector. Taking into account the maintenance costs of such a framework, an E-Forum using IT may be practical. However, such a forum should not become an objective on its own. Its position and framework should be on an unofficial basis and operate with flexibility. Moreover, it may be necessary to restructure the forum depending on the situation, in cooperation with the existing Japan-South Africa Partnership Forum and the Asia-Africa Forum.

Southern Africa is one of the regions located farthest from Japan and with the least acquaintanceship between the two. In this region, human rights have been widely disregarded and many human lives have been lost throughout its tragic history, including the struggle against Apartheid, proxy wars between East and West, and civil wars. There is an indication that a renewed momentum for development has emerged from the southern tip of Africa, and people are seeking the path to greater independence, though suffering from the legacy of the past. Under these circumstances, however, expansion of the quantity of Japan's ODA is not to be expected and human resources for development assistance are limited. Thus, based on new concepts that are not bound by previous conventions, those in charge of policy making and the implementation of ODA should double the impact of limited assistance resources through their intelligence and enthusiasm, and nurture hope in this region. Moreover, they should make concerted efforts toward steadily establishing a reliable and friendly relationship between Asia and Africa through such a process.

⁶⁴ K. Calder analyses the characteristics of Japanese foreign economic policy as "not proactive but reactive." (Calder, K. (1988))

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