

SADC Secretariat's Institutional Reform

After years of intensive work on its institutional development, SADC was officially recognised in 2012 as having international standards in accounting, audit, internal controls and procurement. This success was made possible through financial support from the European Union. SADC is now eligible to manage EU funds by using its own internal systems and controls. Therefore, the EU can provide direct flexible financial support to SADC.

The challenge

Up to 2012 SADC received financial from donors through technical projects, for which it used complex procedures and processes. Technical Assistants managed and monitored these projects, which resulted in a minimum transfer of relevant skills and knowledge. Donor pre-approval was necessary for procurement and expenditure generating delays and leading to inefficiencies.

The solution

At the end of 2009 an independent audit company identified the main issues for SADC to address to reach international standards. In 2010 it identified the roadmap for SADC to secure institutional compliance. The EU gave €12.5 million for a project called *Capacity-building for Regional Integration (CBRI)*. It offered critical technical support and policy advice to upgrade and transform SADC's policies and procedures to meet the compliance criteria.

The key factors

The biggest factor of success was SADC's commitment to ensure institutional compliance. This was made possible by the political will of SADC Council of Ministers and the leadership of the SADC Secretariat in driving forward the institutional reform and ensuring maximum efforts and resources. *CBRI* funded 22 key support staff and enabled increased collaboration and integration under the newly established process for planning, monitoring and evaluation.

The immediate benefits

The greatest benefit was SADC's adoption of international best-practices to enhance governance and accountability and to improved efficiency and effectiveness. Moving to Contribution Agreements will lead to reduced transaction costs. It will increase absorption capacity, achieving greater impact and better value. Using SADC's own procedures will increase capacity-building, will transfer skills among its staff and will sustain the institutional memory and business continuity, shifting the focus from compliance to results.

The significance of the new status

Contribution Agreements strengthen the partnership between SADC and the EU building trust and confidence in the SADC Secretariat's to meet its fiduciary obligations through its own transparent and accountable rules, monitoring and evaluation. SADC's new status will enhance relations and co-operation with other regional economic communities in Africa. It also builds confidence with international partners for their funding of important programmes under the regional integration process. Ultimately the beneficiary of this achievement will be the citizens of SADC. The impact and sustainability of future programmes will secure regional economic growth and increased intra-SADC trade as well as with African nations and with the EU. These efforts will contribute to poverty reduction, to peace and to security.

The next steps

The process of organisational development and change management in SADC continues with the continued support of the EU. From 2014 to 2016 the EU will fund €12 million through the *Institutional Capacity Development Programme* that will reinforce the process of maintaining institutional compliance. It will address the key factors of leadership and management performance to further strengthen SADC's institutional capacity.