



# SADC Secretariat's Institutional Reform



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*We have earned this accolade and we intend to demonstrate that we can further build on this success to achieve greater benefits for the SADC region and its people.*

**Dr. Tomás A. Salomão, Executive Secretary, SADC Secretariat**



# A key ambition realised

After several years' intensive work on its institutional development, supported by the EU and by Germany through GIZ, the SADC Secretariat was officially recognised in 2012 as having international standards in accounting, audit, internal controls and procurement. By meeting these standards and achieving this status SADC is now eligible to receive and manage packages of financial assistance using its own internal systems and controls. This kind of arrangement, under Contribution Agreements, enables the EU to provide more direct and flexible financial support to SADC. In addition, the internal controls and monitoring procedures developed by SADC Secretariat will improve its own governance, transparency and accountability, and will result in improved decision-making and management.

## The challenge

Up to 2012 SADC Secretariat was receiving support from International Co-operating Partners through technical projects, using complex donor-led procedures and processes. Technical Assistants managed and monitored these projects, but this usually resulted in a minimum transfer of relevant skills and knowledge. Donor pre-approval for procurement and expenditure was required, which led to delays, inefficiencies, reduced impact and limited sustainability. SADC Secretariat applied the rules and procedures of the European Development Fund, with the following disadvantages:

- SADC ownership of the process was limited, with key decision-making shared with the EU and SADC being unable to apply its own procedures and processes.
- The extent of co-ordination and partnership was limited, resulting in conflicting approaches to planning, implementation and review.
- Planning and managing for results and impact was not effective, due often to a mis-match between the planning and budgeting cycles of the EU and those of SADC.

## The enabling solution

Towards the end of 2009 an independent institutional audit company identified the main issues to be addressed to enable SADC Secretariat to reach international best-practice standards, and in 2010 it identified the roadmap to be followed for SADC Secretariat to secure institutional compliance. It required an urgent and intensive approach by SADC Secretariat staff, for which external technical support and assistance was needed.

Under the EU-funded Capacity- building for Regional Integration project for €12.5 million, and the GIZ €5.89 million programme Strengthening the Reform Agenda and Management Structures of SADC Institutions, critical technical support and policy advice was provided to upgrade and transform the Secretariat's policies, processes and procedures to meet the institutional compliance criteria.



*Critical technical support and policy advice was provided*

# Key enablers of success

The most important enabler of success was the commitment, energy and focus of the SADC Secretariat to ensure that institutional compliance was secured in a concerted manner. This was made possible by the following factors:

- The political will and commitment of SADC Council of Ministers and its approval of 22 contributory policies;
- The leadership and management of SADC Secretariat in driving forward the institutional reform and ensuring maximum efforts and resources;
- The Secretariat Institutional Reforms Co-ordinating Committee as the key management vehicle to co-ordinate the process, achieve the necessary changes, ensure collaboration between the Directorates within the Secretariat, and retain support from the EU and from Germany through GIZ;
- The formation of Technical Working Groups, an innovative means of linking external technical assistance with Secretariat staff to draft and refine key policies and frameworks. This process was enhanced by interactions with specialists in the Member States. Working groups were established for Accounting / External Audit, Human Resources, Internal Audit, IT Development, Planning, Budgeting and Monitoring & Evaluation, Procurement, Resource Mobilisation, Risk Management, and Statistics;
- Continuous EU financial and technical support through the Capacity-building for Regional Integration project enabled SADC Secretariat to develop its own capacity and competence. Staff learned to devise and manage critical financial and internal control policies and frameworks, and they were supported by 11 Technical Advisers. The Capacity-building for Regional Integration project funded 22 Project Officers to fill key support functions, and enabled increased collaboration and integration under the newly established Strategy, Planning, Monitoring and Evaluation process. GIZ supported development of the SADC Secretariat Turnaround Strategy, including the Capacity-Development Framework in 2008, as well as programme management cycle processes focusing on results-based management. GIZ additionally advised on a knowledge management system to develop the Secretariat's institutional memory, policy analysis and aspects of planning, budgeting and monitoring.



# The immediate benefits

The greatest benefit has been the Secretariat's adoption of international best-practices to enhance governance and accountability and contribute to improved efficiency and effectiveness.

The achievement of institutional compliance also enhances SADC Secretariat's corporate image and reputation.

Moving to Contribution Agreements is expected to lead to reduced transaction costs and increased absorption capacity, achieving greater impact and better value.

Using SADC Secretariat's own procedures and systems will increase capacity-building and skills transfer among Secretariat staff. It will also sustain the institutional memory and business continuity, shifting the focus from achieving compliance to the achievement of better results and improved performance.

The EU has committed €84 million under the EDF10 programme, of which €50 million will be funded through the following Contribution Agreements: Regional Political Co-operation, €18 million; Regional Economic Integration Support, €20million; Project Preparation and Development Facility, €12 million.



## Significance of SADC's new status

The move to Contribution Agreements strengthens the partnership between SADC and the EU, building trust and confidence in the SADC Secretariat's capacity to meet its fiduciary obligations to the EU and to the SADC Member States through its own rules and procedures. Trust is further reinforced by:

Best-practice, transparent and accountable systems in Integrated Strategy, Planning, Monitoring & Evaluation frameworks, supported by the SADC Integrated Management System with improved budgeting processes;

- The Independent Audit Committee, with Member States' involvement;
- Comprehensive procurement systems, with an independent Procurement and Tendering Committee.

SADC is one of the first regional economic communities to secure international recognition under the institutional reform process. This is a source of great pride and honour for SADC, reinforcing the bond between the Secretariat and the Member States on which the Secretariat relies for its mandate and for contributory funding. The Secretariat's new status will enhance relations and co-operation with other regional economic communities in Africa (COMESA, EAC and IOC), particularly as it relates to the Tripartite Alliance. It also builds trust with other International Co-operating Partners, on whom SADC Secretariat depends for contributions to funding key programmes under the regional integration process.

*The impact and sustainability of future programmes will help to secure regional economic growth*



But ultimately the beneficiary of this achievement will be the citizens of SADC, through the enhanced programme design and implementation now made possible using SADC's own procedures. The impact and sustainability of future programmes will help to secure regional economic growth and increased trade between Member States, with the wider African continent, and with the EU and other International Co-operating Partners. These efforts will contribute to poverty reduction, increased economic development, peace and security as well as transboundary co-operation between the Member States and other regional economic communities.

The regional integration process will gain greater momentum as a result of SADC Secretariat's institutional achievement. This will be further enabled with the independent review of the Regional Indicative Strategic Development Plan in 2013 and its subsequent revision, which should result in a more streamlined and prioritised economic integration process. SADC Secretariat has a critical role to play as co-ordinator, service provider, programme manager and think tank for the regional integration process, and it now has the means and the increased capacity to help make that happen.

## Key lessons learned

The institutional reform and compliance process required a special and intensive effort from Secretariat staff with the support of key stakeholders. It demonstrated what may be possible and achievable in the future with the application of a similar concerted effort and commitment.

The previous, project-based approach to International Co-operating Partners' support resulted in significant complexities and external influences on SADC programmes and processes in terms of design, implementation and review. Delays and decommitments could lead to reduced effectiveness and poor value. Sustainability and project outcomes were often sub-optimal and SADC rarely benefited to the extent necessary to achieve meaningful transformation and measurable progress.

The attainment of institutional compliance to standards of good practice and the move to Contribution Agreements will enable SADC to concentrate on applying its own rules and procedures in future programme design, implementation and review.

# Next steps

The process of organisational development and change management continues in SADC Secretariat. With the continued support of the EU and of Germany through GIZ this aims to further improve the capacity of the Secretariat to meet its key mandate as:

- A 'think tank' with the capacity to advise and guide the Member States on the implementation of the SADC Common Agenda;
- The principal regional co-ordinator of policies, strategies and programmes of the regional integration process;
- The provider of support services to facilitate legal, administrative, financial and procurement services to technical Directorates, and to convene annual consultative conferences and meetings of the SADC decision-making structures;
- A professional programme manager, to plan and budget, facilitate the implementation process, monitor prioritised programmes, and report on progress in co-ordination and co-operation with SADC stakeholders.

In 2013-2015 the EU-funded Institutional Capacity Development Programme for €12 million will reinforce the process of maintaining institutional compliance. The programme will also address the key factors of leadership, management and performance management in order to further strengthen SADC Secretariat's institutional capacity. Germany, through the €4 million GIZ programme Strengthening the Reform Agenda and Management Structures of SADC Institutions, will focus in 2013-2016 on strengthening the linkages between SADC Secretariat and the Member States, and support efforts for increased policy dialogue between the regional stakeholders.

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