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REGIONAL DEVELOPMENT COOPERATION STRATEGY (RDCS)

OCTOBER 2020 – OCTOBER 2025

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ACRONYMS

AfrEA	African Evaluation Association
AFR	Africa Bureau
AOR	Agreement Officer Representatives
AIDS	Acquired Immunodeficiency Syndrome
AM	Activity Manager
ANC	Antenatal Care
ARISA	Advancing Rights in Southern Africa
ART	Antiretroviral Therapy
ASP	Alternative Service Provider
AU	African Union
BAU	Business as Usual
BHA	Office the Bureau for Humanitarian Assistance
C-TIP	Counter-Trafficking in Persons
CCMDD	Central Chronic Medication Dispensing and Distribution
CCNPSC	Cooperating Country National
CDC	Centre for Disease Control
CGPU	Child and Gender Protection Unit
CLA	Collaborating, Learning and Adapting
CLEAR	Centers for Learning on Evaluation and Results
COMESA	Common Market for Eastern and Southern Africa
COP	Country Operational Plan
COR	Contracting Officer Representatives
COVID-19	Corona Virus Disease 2019
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CWC	Combating Wildlife Crime
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DCHA	Democracy, Conflict, and Humanitarian Assistance
DDI	Bureau for Development, Democracy, and Innovation
DFID	Department for International Development
DHS+	Democratic Health Survey Plus
DIB	Development Impact Bond
DMD	Deputy Mission Director
RDO	Regional Development Objective

DOJ	Department of Justice
DREAMS	Determined, Resilient, Empowered, AIDS-free, Mentored, and Safe
DRG	Democracy and Governance
DSD	Department of Social Development
ECD	Early childhood development
EU	European Union
FSR	Financing Self-Reliance
G2G	Government to Government
GBV	Gender-based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GH-PSM	Global Health Procurement Supply and Management
GHSC-PSM	Global Health Supply Chain for Procurement and Supply Management
GIS	Geographic Information System
GIZ	German Society for International Cooperation
GoA	Government of Angola
GoB	Government of Botswana
GoE	Government of Eswatini
GoL	Government of Lesotho
GoN	Government of Namibia
GoSA	Government of South Africa
HFA	Health for All
HIV	Human Immunodeficiency Virus
IAA	Interagency Agreement
ICASS	International Cooperative Administrative Support Services
ICS	Integrated Country Strategy
ICT	Information and Telecommunications Technology
IDIQ	Indefinite Delivery Indefinite Quantity
IIAG	Ibrahim Index of African Governance
ILO	International Labor Organization
ILOSTAT	International Labor Organization Department of Statistics
IP	Implementing Partner
IPPs	Independent Power Producers
IR	Intermediate Result
ITCZ	Intertropical Convergence Zone
J2SR	Journey to Self-Reliance
KAZA	Kavango-Zambezi
LPC	Limited Presence Country

M&E	Monitoring and Evaluation
M2M	Mothers2Mothers
M-DIVE	Malaria Data Integration and Visualization
MELs	Monitoring, Evaluation and Learning Plans
MEO	Mission Environmental Officer
MJHR	Ministry of Justice and Human Rights (Angola)
MOH	Ministry of Health
NAPA	National Adaptation Plan of Action
NCCAS	National Climate Change Adaptation Strategy
NCCRP	National Climate Change Response Policy
NDCS	National Determined Contributions
NDOH	National Department of Health
NDP	National Development Plan
NHI	National Health Insurance
NICTIP	National Intersectoral Committee on Trafficking in Persons
NMCP	National Malaria Control Program
NPA	National Prosecuting Authority
NPC	Non-Presence Country
NPI	New Partnership Initiative
NSP	National Strategic Plan
O2P	Operational Optimization Platform
NUP	New and Underutilized Partners
OAA	Office of Acquisition and Assistance
ODA	Official Development Assistance
OE	Operational Expense
OOF	Other Official Flows
OU	Operating Unit
PACOTIP	Prevention and Combating of Trafficking in Persons
PAD	Project Appraisal Document
PEPFAR	President's Emergency Plans for AIDS Relief
PFM	Public Finance Management
PLHIV	People living with Human Immunodeficiency Virus
PMI	President's Malaria Initiative
PMTCT	Prevention of mother-to-child HIV transmission
PPR	Performance Plan and Report
PSE	Private Sector Engagement
PSC	Personal Services Contractor

PTA	Parent Teacher Associations
RDCS	Regional Development Cooperation Strategy
RDO	Regional Development Objective
REED	Regional Environment, Education and Democracy
REGO	Regional Office
REXO	Regional Executive Office
RF	Results Framework
RFMO	Regional Financial Management Office
RHAP	Regional HIV/AIDS Program
RHO	Regional Health Office
RIDMP	Regional Infrastructural Development Masterplan
RIG	Regional Inspector General
RISDP	Regional Indicative Strategic Development Plan
RISE II	Reducing Infections through Support and Education
RLO	Resident Legal Officer
ROAA	Regional Office of Acquisition and Assistance
ROL	Rule of Law
RPPDO	Regional Program and Project Development Office
RDR	Refining the Relationship
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAMEA	South African Monitoring and Evaluation Association
SAPS	South African Police Service
SBCC	Social Behavior Change and Communication
SBU	Separate but Unclassified
SDG	Sustainable Development Goal
SIB	Social Impact Bond
SIPO	Strategic Indicative Plan of the Organ
S/GAC	State Department's Office of the Global AIDS Coordinator
SODVA	Sexual Offences and Domestic Violence Act
SRLA	Self-Reliance Learning Agenda
STI	Sexually Transmitted Infections
TB	Tuberculosis
TCN	Third Country National
TIP	Trafficking in People
TTL	Technical Team Lead
TVET	Technical and Vocational Education and Training

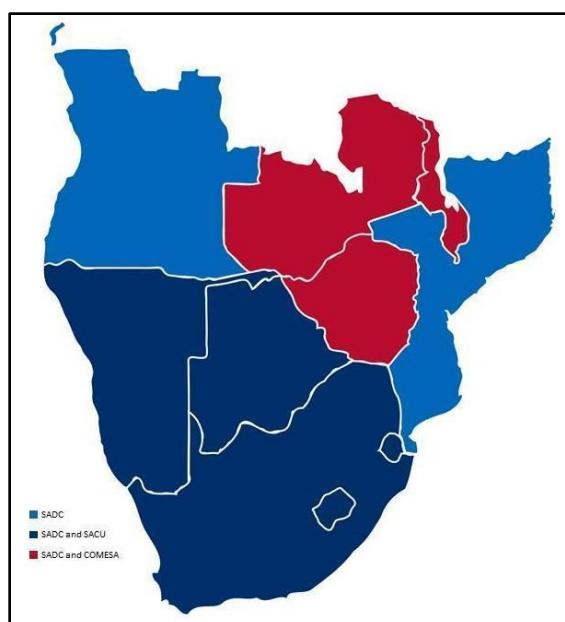
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
URTC	Ubunye Regional Training Center
U.S.	United States
USAID	United States Agency for International Development
USAID/SA	United States Agency for International Development/Southern Africa
USDH	United States Direct Hire
WASH	Water Sanitation and Hygiene
WHO	World Health Organization
YOLO	You Only Live Once

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EXECUTIVE SUMMARY

United States Agency for International Development/Southern Africa's (USAID/SA) strategic goal over the next five years (October 2020- September 2025) is to advance the region toward becoming more integrated, prosperous, and ultimately self-reliant. This goal can only be achieved when the needs of both women and men in the region are addressed. The Regional Development Cooperation Strategy (RDCCS) is unlike previous USAID/SA strategies and integrates what was traditionally South Africa's Country Development Cooperation Strategy. The strategy also exclusively focuses on driving self-reliance through strategically allocating its resources and partnering with three main stakeholders: the private sector, governments, and citizens to catalyze inclusive economic growth, strengthen governance, and advance the resilience of people and systems. Through this regional and partnership-based approach in programming, USAID/SA will contribute to the Journey to Self-Reliance (J2SR) of the individual countries that make up the region.



Southern African Countries

The USAID/SA strategy covers eleven countries in the Southern African region of Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Zambia and Zimbabwe. The regional landscape is complex with countries often belonging to more than one economic community or organization. All the countries in the region are members of the Southern African Development Community (SADC). Botswana, Eswatini, Lesotho, Namibia and South Africa are also members of the Southern African Customs Union (SACU), while Malawi, Zambia and Zimbabwe are also members of the Common Market for Eastern and Southern Africa (COMESA). This adds to the complexity of fostering inclusive economic growth and addressing the remaining development challenges in Southern Africa. It also provides an opportunity to align USAID/SA's

projects and activities to the development priorities of the host country governments and the regional economic communities and/or organizations to which the different countries belong.

Countries in the region share high levels of unemployment, poverty, and inequality. There are also extraordinary differences in terms of economic size, population, resource potential, economic infrastructure, human capital, political environment, and official languages. The main regional challenges to sustainable regional economic integration and dynamic growth include fiscal challenges, high levels of government debt, poverty, unemployment, gender and income inequality, poor education quality, over-dependence on commodities, and a lack of private sector participation and investment. There is also a lack of economic diversification as most countries rely on commodities (copper, oil, diamonds, gold) for industrial production, exposing them to commodity price shocks.

Significant development challenges remain to address the triple challenges of unemployment, poverty, and income inequality in the region. These challenges have a gendered dimension that cannot be ignored. An analysis of the socio-cultural and economic situation of the region shows that gender inequalities persist in every sector. Generally, women and girls face challenges in accessing legal rights, education, health and economic resources, amongst others. Despite efforts that have been made by

countries in the region to improve their situation, there are several specific technical, socio-cultural and economic constraints that account for this situation. These include, but are not limited to: increased incidences of gender-based violence (GBV) at all levels; disparities in educational attainments and in formal wage employment between women and men; and disparities in access, benefit, opportunities and control over resources such as land, housing, water, credit, technology, extension services and other productive sectors such as mining.

Youth share a disproportionately large percentage of unemployment in the region, and if not addressed could lead to an increase in protests, civil unrest and political instability. The large percentage of youth in Southern Africa could also be a dividend, if catalyzed to productively contribute to economic growth.

Table1: Regional unemployment, poverty and income inequality.

Country	Unemployment Rate ¹	Poverty Rate ²	Income Inequality Coefficient ³
Angola	6.9%	47.6%	51.3
Botswana	18.2%	16.1%	53.3
Eswatini	22.1%	42%	54.6
Lesotho	23.4%	61.3%	44.9
Madagascar	1.8%	77.6%	42.6
Malawi	5.7%	71.7%	44.7
Mozambique	3.2%	62.9%	54
Namibia	20.3%	13.4%	59.1
South Africa	28.2%	18.9%	63 (highest in the world)
Zambia	11.4%	57.5%	57.1
Zimbabwe	5%	21.4%	44.3

¹ International Labour Organization (ILO), ILOSTAT database. Unemployment, total (% of total labor force) (modelled ILO estimate) - Sub-Saharan Africa.

² World Bank, Development Research Group. Poverty headcount ratio at \$1.90 a day (2011 Purchasing Power Parity (PPP)) (% of population).

³ World Bank, Development Research Group. Gini index (World Bank estimate) - Sub-Saharan Africa.

The regional landscape analysis which is based on an aggregation of the individual J2SR Country Roadmaps in the region, further underlines some of the specific challenges that compound regional unemployment, poverty and inequality.

It is clear from the regional landscape analysis that there is a need to strengthen civil society across the region to drive transparency and government accountability, combined with building capacity to coherently implement policies. Education quality across the region is very poor and needs to be addressed as a long-term driver of economic growth and innovation. Government and tax system effectiveness remains a challenge to growth and development, as well as the capacity of the regional economies to grow inclusively and at the rates required for development.

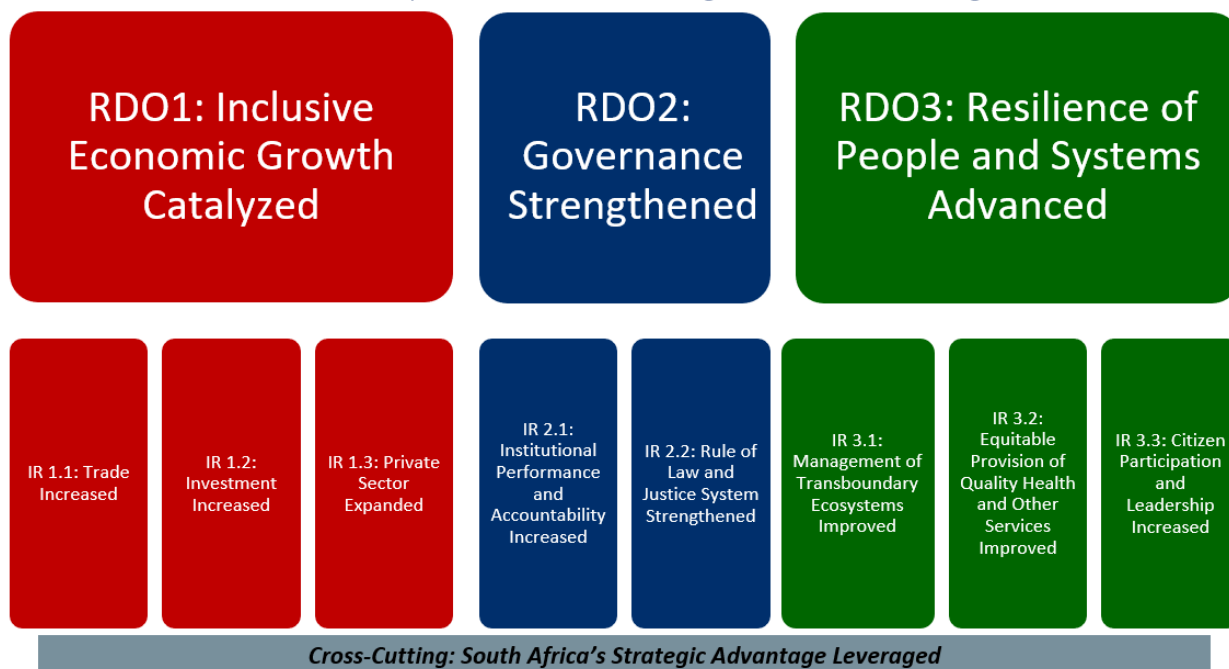
South Africa is the nexus for most of the region's trade, manufacturing, finance, and education. There is a high degree of market concentration in South Africa and regional economies are deeply and critically linked to South Africa. As an upper middle-income country, South Africa still faces significant challenges, but is also the most developed country in the region. Leveraging South Africa's advanced level of development as a catalyst for regional growth and development remains fundamental.

While countries in the region typically have a strong respect for religious freedoms, USAID/SA will coordinate with the relevant U.S. Embassies on the Executive Order on Advancing International Religious Freedom. USAID/SA already has a diverse partner landscape including many faith-based organizations and consistent with the New Partnership Initiative will continue to pursue avenues for engaging more local organizations.

Regional challenges need to be addressed through a regional approach and programming that drive inclusive economic growth. In order to achieve the goal of an integrated, prosperous, and ultimately self-reliant region the strategy focuses on catalyzing inclusive economic growth, strengthening governance and advancing the resilience of people and systems in the region, and to leverage South Africa's strategic advantage to compound development gains. The RDCS allows USAID/SA to address last-mile challenges in South Africa as a transition country, whilst simultaneously tackling regional issues that strengthen inclusive growth.

USAID/SA Results Framework

Vision/Goal: A Prosperous, Self-reliant, and Integrated Southern Africa Region



REGIONAL CONTEXT

While substantial progress has been made regarding certain aspects of the J2SR, the Southern Africa region continues to experience serious challenges. Taken together, South Africa (66 percent) and Angola (14 percent) represent 80 percent of the region's Gross Domestic Product (GDP), which highlights the dramatic differences between countries. In purely economic terms, low private sector growth is made worse by the lack of diversified economies, labor market challenges, and high unemployment resulting in sluggish regional economic growth. The economic impacts from the 2020 Coronavirus disease–2019 (COVID-19) pandemic will reduce growth in Southern Africa by an estimated -6.2 GDP reduction in 2020 with an estimated 2.9 percent growth recovery in 2021. The COVID-19 related economic impacts will likely erase the economic and income gains of the past ten years. Experience from previous epidemics suggest that COVID-19 will impact groups who are most vulnerable and amplify any existing inequalities across countries, communities, households and individuals. Economic growth has been slow and is a combination of low commodity prices from drops in demand from the retail and industrial sectors, poor business enabling environments, depressed retail, devastated tourism and associated natural resource conservation efforts, fractured global supply chains, low or ineffective public spending for investment or education, high levels of corruption, and poor regional integration. As governments face significant drops in revenue and large increases in spending on health care and social assistance, debt sustainability and sovereign debt crises loom within the next five years. All challenges will limit the region's ability to finance its own self-reliance.

The social development sector similarly faces challenges as the region continues to be the epicenter of the global Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) epidemic with an estimated 14.9 million people who are HIV positive. High levels of cross-border migration also require a region wide approach to health in Southern Africa, particularly when combatting transmittable diseases such as HIV and TB. Gender inequality is still a strong driver of the HIV/AIDS epidemic: 59

percent of new infections in Southern Africa are women, but 53 percent of AIDS related deaths are men. Young women 15 to 24 years old are only 10 percent of the total population, but 26 percent of new HIV infections. The PEPFAR programs in the region have increasingly focused on adolescents girls as the rate of infection is generally three times higher than that of adolescent boys. Without a healthy workforce, long-lasting economic growth can not be sustained. Reproductive health and access to family planning also reveal wide gaps in the region. The SADC Sexual and Reproductive Health and Rights (SRHR) Strategy highlights that 24 percent of all pregnancies in Southern Africa end in abortion. Unsafe abortions contribute an estimated 10 to 13 percent of maternal mortality. There are only two SADC countries in which abortion is available on demand in the first trimester (South Africa and Mozambique). Abortion is available under certain circumstances in all SADC countries, with varying degrees of restriction. Maternal mortality across most of SADC is unacceptably high and declining too slowly to meet the SDG target.

At least one in three women in the region have experienced GBV in their lifetime. Emotional abuse, the most prevalent form of GBV, is the type of GBV least likely to be reported to the police. Sexual and physical abuse are grossly under-reported. Over the past decade considerable progress has been made in passing progressive laws to address GBV. Of the 15 SADC countries, 13 have sexual assault legislation and 12 on domestic violence. All SADC countries now have National Action Plans to End GBV.

Trafficking in Persons (TIP) is a crime of global magnitude and affects the Southern Africa region in a multitude of ways. SADC citizens face a myriad of vulnerabilities that make them susceptible to trafficking, such as endemic poverty, minimal access to health and education, gender inequality, unemployment and a general lack of opportunities. South Africa is a primary destination for trafficked persons in the Southern Africa region and within Africa at large. It is also an origin and transit country for trafficking towards Europe and North America. It is important to note that there is a dearth of information on the crime in the region which in turn hampers a regional response to the crime. Within the SADC region, all substantive Member States are parties to the United Nations Convention against Transnational Organised Crime (UNTOC) and the TIP Protocol and while some countries have enacted legislation addressing TIP, implementation is irregular and uncoordinated.

The region has also been particularly hard hit by recurrent climate-induced hazards that include droughts, floods, and the spread of deadly communicable disease. The threat of these hazards is exacerbated by poorly planned land use, misuse of essential natural resources including inefficient water usage and contamination, prolific waste and energy mismanagement, and persistent wildlife crime and trafficking. Women and girls constitute the majority of those impacted by the effects of climate change and environmental degradation, yet they remain less likely to have access to environmental resources. The region's vast stock of natural resources represents an important revenue generation stream. Protection of this stock is vital to ensuring that the region's people are healthy and safe from disease, and for the region's most important export industries: agriculture and mining. These resources are also essential to the success of the domestic tourism and services industries, which together employ millions of people across the region.⁴

Across the region, middle-income countries all score well for commitment and capacity. However, the low and middle-income countries score relatively poorly for education quality. Apart from Botswana, all have relatively high poverty rates. Poverty is especially high in Malawi, Madagascar, and Mozambique. Even before the COVID-19 pandemic, the region struggled with high official unemployment rates ranging from ten to 30 percent of the labor force and these rates are much higher for the youth. The business environment affects commitment in Angola, Madagascar, Mozambique, and Zimbabwe, while the

⁴ USAID/Southern Africa Tropical Forestry and Biodiversity Assessment, August 2017.

capacity of the economy (GDP per capita, Information and Telecommunications Technology (ICT), and export sophistication) is limited in Angola, Eswatini, Lesotho, Namibia, Madagascar, Malawi, Mozambique, Zambia, and Zimbabwe.

Several countries in the region rely on relatively narrow extractive export sectors. These include petroleum and gas (Angola, Mozambique), copper and cobalt (Zambia, Namibia), gold, diamonds, and platinum (Botswana, Namibia, and South Africa, Zimbabwe), textiles (Lesotho), and agricultural exports (Eswatini, Malawi, Mozambique, South Africa, and Zimbabwe). All countries in the region rank in the bottom half of the world for export sophistication and complexity. For example, Angola ranks 131 of 133 countries for export complexity due to its strong reliance on oil exports. Furthermore, only Namibia and Zambia have been able to increase their export complexity according to their J2SR roadmaps. If the region remains reliant on a narrow band of industries, especially commodities, this may amplify economic shocks on the domestic markets and impair economic resilience. The region primarily exports commodities and raw goods to China, India, and Europe for processing, and then imports finished goods back.

Based on Country Economic Reviews in Madagascar, Mozambique, South Africa and Zambia, common binding constraints are weak competitiveness from poor business-enabling environments and high barriers to entry.

Southern Africa remains a highly inequitable place economically, with large gaps both between countries and within them in terms of income. These inequalities exacerbate gender disparities through the imposition of resource constraints, reinforcement of gendered stereotypes and discrimination in employment, and imposition of barriers to equitable labor force participation. Three issues which affect women disproportionately in the region are barriers to informal cross-border trading, barriers for female entrepreneurs, and constraints in the agriculture sector, both at the subsistence and commercial level.

Outside of the formal labor market, many women engage in entrepreneurial activity, either as their main source or a supplementary form of income. Female entrepreneurs face many additional barriers due to gender norms, however; access to credit, financial literacy, and formal property ownership are some of the most cited issues. In SADC, 77 percent of the population rely on the agriculture sector for income and employment, most of them women. Land rights and ownership titles are guaranteed by statutory law in most countries, but women are often barred from owning their land by customary laws or inheritance practices. Without recognition of their land ownership, many female farmers cannot secure credit or extension services such as improved seedstock or fertilizer.

Another widespread and often gendered issue for the Southern Africa region is youth unemployment. Pre-COVID-19, the World Bank estimated that 50 percent of youth in sub-Saharan African will be unemployed or economically inactive by 2025. South Africa's youth unemployment rate exceeds 55 percent and in Zimbabwe it is as high as 80-90 percent. Youth disengagement contributes to potential political instability in the region. With conditions such as low economic growth, high poverty, low government transparency and accountability, high inequality, and low economic diversification and resilience, engaging youth needs to remain a high priority.

As a result of low growth and inconsistent government fiscal policies, several countries in the region face fiscal distress, namely: Angola, Lesotho, Malawi, Mozambique, Zimbabwe, and Zambia. Now, due to the drop in commodity prices and the economic repercussions of the pandemic, the rest of the region is facing fiscal crises including South Africa whose debt to GDP ratio is forecast to increase to 85 percent by the end of 2020. With drops in foreign and domestic investment, reduced revenue collection, and rising

unemployment, fiscal pressures may increase in the near term. As such, service delivery, including for health care, education, and poverty alleviation, may face additional constraints.

Multilateral and bilateral development agencies and financial institutions have projects and offices based in South Africa. Most donors work as strategic partners with the government of South Africa (GoSA) to provide technical assistance and capacity building. The African Development Bank funds technical assistance and capacity building activities in core skills required for effective implementation of the Public Finance Management (PFM) legislation and procedures through the Development Bank of Southern Africa (DBSA). The European Union (EU) supports peace, security and regional stability, regional economic integration (including SADC and COMESA support), regional natural resource management with a focus on the SADC Regional Agriculture Policy, institutional capacity building (including public financial management). The German Society for International Cooperation (GIZ) works on environment and climate change, economic development and employment, and democracy and governance (with some USAID support). The United Kingdom's Department for International Development (DFID) ended bilateral assistance in 2015, but through the Ministry of Foreign Affairs maintains a regional office in South Africa and supports partnership programs which work with South African institutions to strengthen their development role in Africa, in areas including tax capacity building, tackling climate change, and service delivery monitoring. Regional development projects including trade and environment leverage South Africa's predominant role in the region and regional organizations such as SADC. These priorities align well with USAID's, and while there is some technical cooperation, there are more opportunities to leverage.

SADC is arguably the most important regional organization in Southern Africa and is recognized by the African Union (AU) as a regional economic community. The main objectives of SADC are to achieve development, peace and security, and economic growth, to alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through regional integration built on democratic principles and equitable and sustainable development. The aspirations of Southern Africa are clearly spelled out in the Declaration and Treaty that established the shared community of SADC. These aspirations are a united, prosperous, and integrated region.

SADC has a long history of collaborating with bilateral and multilateral donors to facilitate the mobilization of resources for the attainment of SADC's regional integration and poverty reduction priorities. These partnerships assist SADC to deliver specifically on the implementation of the region's two key strategies: The Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan of the Organ (SIPO). SADC remains a key regional organization that aligns with the goals and regional development objectives of the RDCS, and USAID/SA will continue to engage and work with SADC on all regional projects where there is alignment between the goals and objectives of both organizations.

STRATEGIC APPROACH

The purpose of foreign assistance is to end the need for it to exist, and USAID/SA's innovative strategic approach of a **combined country and regional strategy** with three integrated Regional Development Objectives (RDOs) is structured to contribute to exactly this. The approach aligns and reinforces USAID's Policy Framework, the J2SR, the United States' National Security Strategy, and the Department of State and USAID's Joint Strategic Plan by countering instability that threatens U.S. interests, and by laying the foundation for, and accelerating, sustainable development, which opens new markets and supports U.S. prosperity and security.

Strategic Choices: Under the new strategy, USAID/SA is making several strategic choices. The first is to have an integrated regional and country strategy, with integrated RDOs that are all necessary to drive regional growth and integration as a catalyst for self-reliance. This decision will ensure that USAID/SA can make strategic programming choices based on resources and the various countries' level of self-reliance. The second is to focus on partnering with three main stakeholders, specifically the private sector, governments, and citizens, to increase commitment and capacity in each of the partner countries in the region. The third is to leverage South Africa's strategic advantage across each of the sectors in which USAID works, to help achieve a strategic transition within South Africa over the lifetime of the strategy. As the Mission realigns its efforts over the course of the next five years, significant changes must be made. The COVID-19 pandemic has highlighted the need for strong local partners who can mobilize to face emerging challenges and the need to consider the gendered impacts that have emerged in this health emergency.

Chosen Priorities: The numerous development challenges still facing the region, as well as the realities of the COVID-19 pandemic, have intensified the need to address existing vulnerabilities such as access to quality health care, basic education, and employment, particularly for women and youth as highlighted in the J2SR Landscape Analysis. The devastating effects of poverty, discrimination and lack of opportunity affect women in multiple ways, not just their income levels. Women have fewer economic rights, and lower access to economic opportunities and resources, including land and credit facilities. They are vastly under-represented in many occupations, especially in professions such as science and technology. Women, whether formally employed or not, also shoulder the burden of unpaid activities such as caring for family members. Economically strengthening women, who account for more than half of the population in the region, is not only a means to spur economic growth, but it is also a matter of advancing human rights. Strengthening democratic governance and accountability is critical across the region to solidify democratic gains and combat corruption. In many sectors, statutory laws are ignored or not enforced, either due to prevailing social beliefs or a lack of resources and those most affected are women and vulnerable populations. As the 2017 USAID/SA Tropical Forestry and Biodiversity Assessment points out, factors such as climate change, weak governance, and resource overexploitation have underscored the nexus of natural resource management, health, sustainable land use, and economic development and the importance of integrated systems approaches to address the dynamic relationships between these sectors and the need for resilient support networks.

Strategic Alignment: The USAID/SA RDCS aligns with Goals 2 and 3 of the State-USAID Joint Strategic Plan (i.e. "Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation" and "Promote American Leadership through Balanced Engagement"). It also aligns with Executive Order 13677 on Climate Resilient International Development which requires the integration of climate-resilient considerations into all of USAID's work.

Leveraging the Catalytic Role of South Africa: South Africa is the only country in the region designated by USAID/Washington for strategic transition. With advanced levels of commitment and capacity to plan, manage, and resource its own development, there are numerous opportunities for South Africa to leverage its strategic advantage to assist countries in the region with achieving greater regional growth and integration. USAID's J2SR Policy Framework rightly requires that the relationship between the U.S. and designated strategic transition countries must mature over time, from a donor-recipient dynamic to one of enduring economic, diplomatic, and security partnership. South Africa's importance in the region can not be understated, it is a driver of regional economic growth and stability, the most significant trading partner in Southern Africa, and the largest trading partner of the U.S. in Africa. Applying the results framework to South Africa as a strategic transition country will enable USAID/SA to further expand access to finance, mobilize South African private capital for local and regional development,

deepen regional and international trade relationships, and leverage South Africa's technology and human capital to drive innovation and growth. This approach will require a different model of partnership with the GoSA, the private sector, and other stakeholders, as well as the use of innovative and nimble implementing mechanisms and leveraging of USAID's convening power. It is critically important to acknowledge, however, that South Africa faces serious impediments itself to economic growth and is faced with the triple challenge of high levels of unemployment, poverty, and inequality of which women are disproportionately affected. Conditions of unemployment, poverty and inequality are fertile breeding ground for violence, in particular violence against women. A multi-pronged approach is arguably required to address violence against women such that South Africa remains on track as a strategic transition country. The integrated RDOs and IRs provide for these issues to be addressed in an integrated manner, involving economic, social, infrastructural, legal and attitudinal interventions, as well as the mainstreaming of gender considerations in both public and private sector programs in order to leverage development gains and decrease the risk of economic backsliding.

Use of Resources to Build Financial Self-Reliance: Financial Self-Reliance (FSR) is a cornerstone of the J2SR. It is critical to adopt a holistic approach to assessing the range of interrelated and interconnected elements that contribute to a country's ability to transparently and inclusively resource its own development. USAID/SA's will work across sectors to move away from traditional Domestic Resource Mobilization (DRM) approaches that have centered on public revenues, to one that targets and advances the spectrum of public and private resources. USAID/SA will strategically build the capacity of countries in the region, across development sectors, to mobilize, plan and invest resources that drive sustainable development. Increasing trade and investment, will drive economic growth and increase financial resources available for development.

Engaging the Private Sector: Private Sector Engagement (PSE) is a means to an end. USAID/SA will engage and partner with the private sector in all areas to improve development results. PSE is not a development objective or IR: it is the means through which we achieve those results. The private sector is central to the successful execution of the RDCS, not only as the main driver of economic growth and employment in the region, but also as a partner in development. USAID/SA will significantly increase its engagement with the private sector across all sectors and ensure that there is strategic alignment between USAID development objectives and the objectives of the private sector. This will lead to development programs that are co-created by the private sector, and as a result are more scalable and sustainable as resources are shared and leveraged.

Regional Partnerships: Southern African host country governments and intergovernmental organizations have always been and will continue to be key development partners. USAID/SA engages with host country governments, intergovernmental organizations and other development actors across all development sectors and at various levels to ensure that there is strategic alignment and buy-in. This enables USAID/SA to define and redefine the USG's relationship within the region.

South Africa, as a strategic transition country, forms a core pillar and an enabler across the RDOs. Leveraging South Africa's private financial resources, advanced and sophisticated financial systems and infrastructure, and vibrant private sector is critical to achieving regional development results. At the same time, it allows USAID/SA to evolve its relationship with South Africa from a traditional donor-recipient to one supporting long-term economic, diplomatic, and security partnership. This will require USAID/SA to play a convening and connecting role within South Africa to mobilize U.S. Government agencies, the private sector, and government to bolster trade and investment, and expand the private sector. The impact of leveraging South Africa's financial resources and expertise will be mutually beneficial.

G2G funding is already happening in South Africa in the health sector, where USAID/SA has been very active for a number of years. To expand on these successes and to begin “transitioning” USAID’s relationship into other sectors, USAID/SA and the GoSA have signed two G2G agreements. These agreements are with the Department of Basic Education (DBE) and the Department of Social Development (DSD). The purpose of the activity with DBE is to provide support to the national DBE to align and consolidate the Life Orientation Conditional Grant to better support the implementation mandates of the National Policy on HIV, Sexually Transmitted Infections (STIs) and TB. The purpose of the activity with DSD is to strengthen DSD’s capacity to scale-up the implementation of primary prevention of sexual violence and HIV activities among 10 to 18 year-olds, link them to the 95-95-95⁵ clinical cascade and reduce incidence of HIV and AIDS through social behavior change and communication programs (SBCC). Furthermore, USAID/SA will continue direct funding for G2G and to local indigenous partners, which currently make up most of the health funding. By partnering directly on G2G and with local institutions and building their capacity to implement locally-led solutions, USAID/SA will maximize the potential impact of USAID resources by shifting accountability and ownership to local stakeholders.

South Africa has several areas of strategic advantage as it relates to the areas of civil society and media and child health. USAID/SA will continue to develop South Africa’s civil society organizations, including in the media space, in order to serve as a potential resource on how to combat closing space, bring attention to corruption, and strengthen the voice of people and communities whose livelihoods are potentially threatened due to poor access to and quality of services provided.

Other U.S. Government Actors: USAID/Southern Africa works in close coordination with its interagency partners in the region to align its strategic approach with ongoing programming. In particular, the Mission coordinates on a daily basis with the U.S. Department of State on the President’s Emergency Plans for AIDS Relief (PEPFAR) across the region, as well as with the U.S. Center for Disease Control (CDC) on health programming (e.g. TB, malaria, HIV/AIDS, COVID-19, etc.). The Mission also liaises regularly with the U.S. Department of State, U.S. Department of Commerce, U.S. Trade Representative’s Office, U.S. Department of Agriculture, the Foreign Agricultural Service, U.S. Small Business Administration, U.S. Trade Development Agency, U.S. International Development Finance Corporation, and the Export Import Bank often through the Shared Prosperity Working Group chaired by the Political-Economic Section of U.S. Embassy/Pretoria.

Donor Coordination: At the technical level, USAID coordinates with other donors through forums and working groups in coordination with SADC. Throughout the region, USAID participates actively in country-level donor working groups in environment, energy, health, democracy and governance, and education, among others. To address climate risks affecting USAID programming, USAID/SA will coordinate with donors to join resources to build resilience in the programs supported.

RESULTS FRAMEWORK NARRATIVE

RDCS Goal and Narrative: Under the new integrated strategy, USAID/SA’s five-year (2020-2025) strategic goal is to help the region advance toward becoming more integrated, prosperous, and self-reliant. USAID will achieve this by partnering with three main stakeholders: the private sector, governments, and citizens to catalyze inclusive economic growth, strengthen governance, and advance the resilience of people and systems.

⁵ 95-95-95 for treatment is defined as 95% of people living with HIV know their HIV status; 95% of people who know their status on treatment; and 95% of people on treatment with suppressed viral loads.

The purpose of foreign assistance is to end the need for it to exist, and USAID/SA's innovative strategic approach of a combined country and regional strategy with three integrated RDOs is structured to achieve exactly this. The strategic approach necessitates partnering with the private sector, local governments, and civil society and redefining relationships based on complex and varied regional characteristics. The three RDOs work in an integrated fashion and will enable USAID/SA to harmonize investments in sustainable growth, inclusion, and democracy which will ultimately enhance capacity and increase commitment of the countries in the region.

Cross-sectoral integration is fundamental. The Policy Framework states: "Technical specialties and program areas allow useful divisions of labor within USAID, but they do not reflect the real world. It is impossible, for example, to separate children's education from their health and nutrition, their parents' livelihoods, norms around the equality of girls' and boys' schooling, or the government's administrative effectiveness." For economic competitiveness and sustainable regional economic integration to grow, the enabling environment and access to quality infrastructure must be improved, trade and investment increased, and the private sector mobilized for inclusive development. In particular, the under-utilization of the private sector to drive growth remains a huge opportunity; under the new strategy, USAID/SA will reorient its approach to strategically engage and partner with the private sector.

RDO 1: Inclusive Economic Growth Catalyzed

Development Hypothesis: An increase in trade and investment, coupled with the expansion of the private sector, will act as a catalyst for inclusive economic growth in the region. Inclusive economic growth is a prerequisite for an integrated, prosperous, and self-reliant Southern Africa.

Southern African countries continue to be challenged by high levels of poverty, unemployment (specifically youth unemployment), and inequality. Without strong and inclusive economic growth that meaningfully addresses poverty, unemployment, and inequality, self-reliance will be all but impossible to achieve. Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. Regional economic growth has been sluggish, falling from 4 percent in 2010 to about 1.2 percent in 2018, with projected growth of around 2.2 percent in 2019 and 2.8 percent in 2020. These figures can be adjusted downwards significantly as a result of the yet unknown economic impact of COVID-19. Even if regional economic growth stays at the projected levels, it is not nearly high enough to achieve sustainable and inclusive development results. The regional development hypothesis is based on the premise that increasing inclusive economic growth is a prerequisite for the development and self-reliance of countries in the region.

USAID/SA will catalyze inclusive economic growth through increasing trade, increasing investment, and expanding the private sector to ensure equal participation by all in economic growth and production. Trade, investment, and private sector expansion are inherently regional issues that need to be addressed at a regional level and at a regional scale, through regional programming. Increased trade and investment and an expanded private sector stand as three of the strongest direct levers to address the systemic development challenges and inequality faced in Southern Africa and are crucial for self-reliance. Globally, the private sector provides around 90 percent of employment (formal and informal) in developing countries and this is similar in Southern Africa. Private sector businesses strengthen national and regional tax revenues which enable the public sector to set up basic and necessary infrastructure. In addition, the private sector also provides two thirds of total investment and three quarters of total credit to African country economies. Increased private sector trade and investment also grows the volume of foreign currency coming into markets which strengthens growth and solidifies economies against unexpected shocks. Increased private sector engagement with U.S.-based businesses also strengthen countries' abilities to diversify their trade and development partners. In taking a gender-empowering approach, USAID/SA is well-positioned to play a pivotal role in increasing women's

decision-making power and representation in trade, investment, and private sector growth. Doing so will ensure women are not just the recipients of programs and services, but agents of design, delivery, and accountability in Southern Africa's economic growth.

Increasing trade and investment and expanding the private sector are also high on the agenda of regional organizations such as SADC and other bilateral and multilateral donors that align their official development assistance to regional priorities. Through increasing regional trade, investment, and expanding the private sector, USAID/SA will provide the region with alternative and sustainable models of financing. Furthermore, as inclusive economic growth is catalyzed and the economies of countries in the region start growing as a result, there will be a direct positive impact on the ability of these countries to finance their own self-reliance.

Private Sector Engagement: PSE is a means to an end. USAID/SA will engage and partner with the private sector in all areas to improve development results. PSE is not a development objective or IR: it is the means through which we achieve those results and the private sector is at the very core of RDO1. Moreover, as PSE expands to increase its role not just as a producer of economic growth, but as a meaningful contributor to responding to development challenges in the region such as poverty alleviation, income inequality, sustainable natural resource management, and human rights protections, USAID/SA will continue to seek out opportunities to leverage ongoing efforts to transform PSE from just focusing on Corporate Social Responsibility (CSR) to include reforming entire business models, and ensuring that businesses actually address development challenges across sectors. Examples include the efforts of the Global Labor Program in Lesotho where major clothing brands like Levi's and Children's Place have partnered with labor unions, women's rights organizations, and Taiwanese-owned manufacturing companies to force a change in culture with respect to GBV within the workplace. This example extended beyond CSR and sought to sustain a permanent change by ensuring the safety and long-term wellness of staff within the workplace, while fighting income inequality and gender discrimination. This approach strengthens a country's path to J2SR as the achievement of development goals becomes a shared responsibility with the private sector. While core PEPFAR programming has a focus on buttressing the public sector to deliver HIV services, engaging the private sector to deliver innovative health services and serve hard-to-reach populations is of paramount importance to the South Africa Mission. South Africa has been a leader in recognizing that one-size-fits all health services become a barrier to best serving individual needs, pioneering Differentiated Service Delivery⁶ models that utilize the private sector to deliver client-centered services. One prominent example is the Central Chronic Medication Dispensing and Distribution (CCMDD) model, which uses private sector logistics companies to dispense chronic medicines (including HIV and TB medication) outside of public health facilities at alternate pickup points. Over the course of the RDCS strategy, the emergence of South Africa's National Health Insurance (NHI) legal and implementation framework could reshape the health sector. USAID is uniquely positioned to assist GoSA to strengthen NHI financing and management mechanisms that tap underutilized capacity in the private health sector to significantly broaden access to quality health services in the country.

Financing Self Reliance: FSR is a cornerstone of the J2SR. It is critical to adopt a holistic approach to assessing the range of interrelated and interconnected elements that contribute to a country's ability to transparently and inclusively resource its own development. A quick assessment of the J2SR Regional Landscape Analysis illustrates that countries in the region perform relatively poorly in governmental capacity, and specifically in government and tax system effectiveness. By increasing trade and investment, and expanding the private sector, RDO1 contributes significantly towards FSR by moving

⁶ <http://www.differentiatedcare.org/>

away from traditional Domestic Resource Mobilization (DRM) approaches that have centered on public revenues, to one that targets and advances the spectrum of public and private resources. This enables countries in the region to more effectively finance their own social and economic development through: (1) contributing to systems that mobilize, allocate, and spend public resources effectively, efficiently, equitably, and with accountability; (2) improving the enabling environment that allows the private sector and domestic philanthropy to grow and thrive; and (3) developing liquid, diverse, and well-regulated financial markets that support growth and development.

Redefining the Relationship (RDR): Southern African host country governments and intergovernmental organizations are key stakeholders within the larger market system of trade, investment, and expanding the private sector. As key stakeholders, USAID/SA will also look to the public sector to mobilize resources efficiently to unlock capital for development and blend financial resources with development resources.

RDO Regional Rationale: Regional integration remains an economic and political priority for Southern African countries, as evidenced in their adoption and implementation of many regional integration programs both at continental and regional levels. RDO1 seeks to catalyze inclusive economic growth through trade, investment and expanding the private sector which forms the foundation of the regional integration agenda and are inherently regional issues that need to be addressed at a regional level, at a regional scale, and through regional programming.

Accelerating Commitment and Capacity: RDO1 accelerates and advances the levels of commitment and capacity across the region at multiple levels. Activities focusing on increasing trade, investment and expanding the private sector will not only build the capacity of local and intraregional organizations, governments and the private sector to increase trade and investment across the region it will also systematically address enabling environment within which trade and investment takes place leading to long term sustainability of the system. Identifying and resolving these enabling environment constraints, whether access to finance, limited infrastructure, high costs of trade, policy barriers, border clearance challenges etc. will further will further enable scalable growth by ensuring that all businesses and investments focusing on these opportunities can grow more quickly and more viably, not just those with targeted investment support. Commitment and capacity will further be strengthened through forming partnerships with local stakeholders such as business associations, private sector bodies, investor bodies and business support networks to strengthen the overall private sector ecosystem. This will ensure that local actors are able to own and drive trade and investment related activities.

Link to SA Bilateral Programming: Ongoing bilateral economic growth activities will continue to contribute to RDO1. It is envisioned however that South Africa, as the most advanced economy in the region, will contribute significantly towards increasing regional trade and investment and expanding the private sector. The size and diversification of South Africa's private sector positions it well as a lever for extended regional trade and investment. Extending South Africa's engagement in regional trade and investment will also expand the resources to use for long-term growth, helping to achieve the objectives of self-reliance of countries in the region as outlined in the J2SR. RDO1 will actively seek to partner with South Africa, and seek out opportunities for truly mutually beneficial regional trade and investment. For example, a stepwise approach (with e.g., gradual removal of protective measures as competitiveness improves) will achieve trade that is not only bigger and more free (fewer monetary and non-monetary barriers) but importantly, reciprocal and equitable, which will help the region as a whole to grow, rather than just change/redistribute flows. Building stronger partnerships between partners in South Africa and other Southern African geographies will be vital for this success to instill the trust and mutual engagement needed for RDO1.

Donor Coordination: There are numerous trade, investment and private sector activities being implemented by donors both at a regional level and a bilateral level within Southern Africa. Where feasible USAID/SA will ensure that projects and activities that contribute to RDO1 does not duplicate what other donors are already doing, and where donors have a comparative advantage USAID/SA will explore innovative ways of partnering and supplementing with those donors. As mentioned earlier donor coordination is important, especially considering USAID/SA's limited resources. To this end, USAID/SA will over the course of this strategy, form or join, sector specific donor coordination forums.

Regional Risks and Assumptions

Risks:

- Changes in U.S. Government policy;
- USAID has overestimated its convening capacity;
- External economic shocks, such as the current global COVID-19 pandemic, severely damages the economies in the region and countries struggle with recovery for a prolonged time period.

Assumptions:

- Regional economies are resilient enough to swiftly recover from the impact of COVID-19 and does not enter a long period of recession;
- Regional integration, trade and investment remains a top priority for SADC and countries in the region;
- The current U.S. policies and emphasis on market-based development, private sector engagement and mutually beneficial trade and investment does not change;
- The private sector has an appetite for engaging in development related issues beyond traditional Corporate Social Investment (CSI) and CSR strategies.

Learning Agenda: RDO1 will seek to develop a knowledge base on what approaches to increasing trade, investment and expanding the private sector work best in a regional setting. The learning agenda will also seek to answer specific questions on the effectiveness of increasing trade, investment, and expanding the private sector as a catalyst for inclusive growth. More broadly, the learning agenda will contribute to the broader learning agenda of the Agency on PSE effectiveness and contribute to the body of evidence and best practice for improved PSE programming among USAID and other development actors. Illustrative learning questions include:

- What evidence supports that increasing trade contributes to inclusive economic growth?
- What is USAID's role in mobilizing private capital? What approaches are most efficient?
- What is the correlation between increasing investment and improved development results?
- What is the correlation between structuring innovative and blended finance models and private sector expansion?

IR 1.1: Trade Increased: Trade contributes to sustainable economic growth, job creation, productivity gains, higher incomes, improved health outcomes, greater food security, women's empowerment, better governance, and many other development objectives. A large body of empirical evidence demonstrates that increasing trade stimulates investment, increases productivity, and generates significantly higher revenues and incomes for firms and workers connected to international or regional value chains. Promoting regional economic growth through trade also has economic and strategic benefits for the U.S., including increasing market access and opportunities for U.S. companies in Southern Africa.

The informal cross-border trade sector provides unique opportunities to improve women's equal participation in economic growth, production, and trade in the region. Women make up 70 percent of all informal traders taking part in informal cross-border trade in SADC. The economic activity of these women accounted for over \$17.6 billion⁷ and enabled important regional linkages that promote economic interdependence and regional food security. However, the disproportionately high role that women play in informal trade means that they are disproportionately impacted by the challenges that the sector faces overall. Informal traders can end up paying more in border fees to clear goods compared to larger traders which reduces their profitability, potential for scale and economic growth. In trade, women are also more susceptible to sexual or financial extortion from officials. This compromises their safety and ease of doing business. These challenges arise from not only a largely male dominated customs and border system but in the general lack of awareness from female traders of the policies and rights that are guaranteed.

Along with increased trade are risks related to increased pollution, natural habitat fragmentation, and carbon production.⁸ To mitigate these risks and increase trade, USAID/SA will focus on implementing responsible trade agreements, facilitating trade flows, and enhancing economic responsiveness of businesses to take advantage of trade opportunities and protect the region's natural resources. USAID/SA will facilitate intra-regional trade and two-way trade between the U.S. and Southern Africa in sectors where there are strong market opportunities with high levels of innovation, productivity, competitiveness, collaboration (including industry concentration). Sector social inclusivity (such as gender and youth), business practices that are built on environmental sustainability, and strong value-chain linkages as well as the feasibility and sustainability of impact, will drive the identification of target sectors.

USAID/SA will prioritize the identification of the product-market combinations (macro-economic opportunities) across Southern Africa with high potential for growth and impact. A systems approach will be used to identify the binding constraints which limit their growth and/or hinder their development impact, which can be opportunity-specific or related to the overall ecosystem. This approach will surface more, and better, macro-economic opportunities for trade; will more clearly identify and support the potential for development impact of these opportunities; and will also highlight the additional work and investment needed to increase viability. Identifying and resolving the binding constraints for high-potential macro-economic opportunities, whether access to finance, limiting infrastructure, high costs of trade, policy barriers, border clearance challenges or others, will further enable scalable growth by ensuring that *all* businesses and investments focusing on these opportunities can grow more quickly and more viably, not just those with targeted investment support.

Achieving scalable and sustainable growth requires a supportive ecosystem that both creates and actively implements supportive trade policies, laws, and regulations. USAID/SA will address the challenges linked to specific trade policies, regulations, and behaviors by increasing alignment and implementation particularly. USAID/SA will aim to drive new ecosystem innovations such as additional financing platforms (e.g., Development Impact Bonds (DIB)s and Social Impact Bonds (SIBs)), particularly for onward and second-stage financing, and de-risking models (e.g. credit guarantees and blended finance options) which will increase the likelihood of successful trade and also generate new and innovative growth in the wider private sector. Collectively, USAID/SA will leverage South Africa's

⁷ United Nations Conference on Trade and Development (UNCTAD), "Borderline: Women in informal cross-border trade in Malawi, the United Republic of Tanzania, and Zambia", 2019

⁸ USAID Southern Africa Tropical Forestry and Biodiversity Assessment, November 2017

relative strength and economic stability as a catalyst for strengthening the enabling environment of other Southern African countries.

Agriculture production remains central to poverty reduction, economic growth, and food and nutrition security in Southern Africa, despite it being a water-scarce region. Agriculture provides a livelihood including subsistence, employment, and income and wealth creation for over 60 percent of the region's 250 million people, and contributes eight percent of the region's GDP, or over 28 percent when all middle-income countries are excluded. Most smallholder farmers in the region are women who produce crops which have enormous potential for increased trade between African countries and within global markets. Within SADC countries, women contribute more than 60 percent to total food production and provide the largest labor force in the agriculture sector. As such, the agriculture sector and women's roles in agriculture will remain a priority and since it is predicted that by 2050 the region will have 20 percent less rainfall to replenish its surface and subsurface stocks, increased attention and support for water resource management is necessary. In addition, there is a growing interest by the private sector in the region, to invest in agriculture. These emerging agricultural entrepreneurial interests can be harnessed to advance regional harmonization and reform efforts to reduce poverty and hunger in the region through accelerated agricultural value chain development. The agricultural sector is one of the highest contributors of Greenhouse Gases (GHG) in the region. Therefore, programs implemented under this IR must consider ways of reducing GHG emissions. Climate risks will affect the agricultural sector and therefore may thwart efforts to increase trade of agricultural products. To address climate risks, USAID will partner with private companies and donors to assist the sector to be more climate resilient, partner with firms that practice sustainable agricultural methods, ensure that trading partners have the capacity and systems in place to mitigate logistical challenges due to climate-related crises, and encourage climate resiliency of firms that will be supported under this IR.

IR1.2: Investment Increased: The importance of investment for economic growth can not be overstated. Investment leads to productivity improvements, which in turn leads to economic growth. Investment in infrastructure (e.g. water and sanitation) enables the private sector to use technology to expand productive activities. Investment in education and human capital produces a more skilled and productive labor force. Investment in health enables a healthier labor force which leads to increased productivity. Identifying gender-empowering growth sectors and opportunities (e.g., trade corridors) should include a prioritization based on the direct and indirect empowerment for women. Directly, opportunities for women should prioritize both increases *and* diversification of jobs, along with data and evidence on what sectors may inherently further aggravate gender inequalities. This should start with a clear identification and prioritization of female dominant sectors or value chains. This will allow activities to direct resources and growth to existing opportunities where women currently capture the greatest value. Investing in and growing these opportunities will increase women's direct participation, expertise, and agency in the given sector. Opportunity prioritization should also identify and support sectors that stand to benefit women equally, if not greater. Some sectors inherently favor men over women, and vice versa, which can lead to greater gender disparities as investment and growth occur. In addition to this, some women don't necessarily benefit from sector diversification. For instance, investing in agricultural processing may greatly help regional economic growth, but could do so through the disproportionate exclusion of women, who often do not take part in businesses or production at the higher end of the agricultural value chains. Indirect benefits for women from sector growth—such as increased access to nutrition, health, financial independence, and others, should also be examined and supported.

Moreover, investment enables businesses to expand and grow, creating employment opportunities and generating products and services, all of which have a multiplier effect in the value chain. In terms of

volume, foreign and local private investment has far outpaced traditional development assistance, which is steadily decreasing. There is an estimated global financing gap of between \$2.5 - \$3 trillion a year to reach the Sustainable Development Goals (SDGs), while the gross world product is estimated at \$80 trillion, and global gross private sector financial assets are estimated at \$200 trillion. For development, it is crucial that the capital that is available is leveraged and channeled more effectively towards inclusive growth and addressing various development challenges. To this end, USAID/SA will focus on increasing investment between Southern African countries, and from sources external to the region, especially the U.S., to drive regional growth and development. USAID/SA will leverage its financial resources efficiently and effectively to attract additional investment across numerous sectors including agriculture, education, water and sanitation, environment, and energy. To mitigate the impacts of climate change, USAID/SA will encourage climate resiliency to be built into investment portfolios supported through its programs.

USAID/SA will prioritize the identification of the product-market combinations (macro-economic opportunities) across Southern Africa with high potential for growth and impact. A systems approach will be used to identify the binding constraints which limit their growth and/or hinder their development impact, which can be opportunity-specific or related to the overall ecosystem. This approach will surface more, and better, macro-economic opportunities for investment, will more clearly identify and support the potential for the development impact of these opportunities, and will also highlight the additional work and investment needed to increase viability. Identifying and resolving the binding constraints for high-potential macro-economic opportunities, whether access to finance, limiting infrastructure, high costs of trade, policy barriers, border clearance challenges or others, will further enable scalable growth by ensuring that all businesses and investments focusing on these opportunities can grow more quickly and more viably, not just those with targeted investment support.

Achieving scalable and sustainable growth requires a supportive ecosystem that both creates and actively implements supportive investment policies, laws, and regulations. USAID/SA will address the challenges linked to specific trade policies, regulations, and behaviors particularly by increasing alignment and implementation. USAID/SA will drive new ecosystem innovations such as additional financing platforms (e.g., DIBs and SIBs), particularly for onward and second-stage financing, and de-risking models (e.g., credit guarantees and blended finance options) which will increase the likelihood of successful trade and also generate new and innovative growth in the wider private sector. Collectively, USAID/SA will leverage South Africa's relative strength and economic stability as a catalyst for strengthening the enabling environment of other Southern African countries.

USAID/SA will also focus on converting identified opportunities within a pipeline into successfully completed transactions. Successfully closing deals often requires transactional support. Transactional support is particularly effective if opportunities fall into new or challenging environments for investors. In these situations, investors are inclined to back out should the upfront transactional work be overly complex or require a greater deal of effort than usual or anticipated. Providing additional support in the form of transaction facilitation support, feasibility analyses, and due diligence investigations can often be a "make or break" to help carry proposed trade and investment opportunities through to successful closing. Activities that apply individual de-risking instruments developed in previous phases will further increase the likelihood of successful transaction completion.

IR.1.3: Private Sector Expanded: It is generally acknowledged that a robust and vibrant private sector is necessary for effective and sustained growth. A growing private sector is a major source of wealth, job creation, dynamism, competitiveness, and knowledge diffusion, all of which lead to long-term growth. The private sector is an essential partner in advancing the process of women's economic empowerment. Strengthened by greater trade and investment and gender-empowerment support, greater private

sector engagement can result in step-change for women by adopting business practices that include and support women as workers, consumers, producers and suppliers. This is most notably true when the private sector directs its many assets, such as in-house expertise and financial resources, into sectors that disproportionately employ and empower women. USAID/SA will strategically consult, strategize, collaborate, and implement with the private sector for greater scale, sustainability, and effectiveness of development outcomes. Doing so will directly increase women’s employment opportunities and will indirectly increase opportunities for women to strengthen and diversify their presence along critical commodity value chains—particularly through female-owned SMEs. Building stronger and more patient and long-term partnerships with governments, civil society, NGOs and international institutions will further extend the scale and impact of gender-forward investment and will deepen levels of trust between the private sector and women across Southern Africa.

This will enable USAID/SA to leverage private sector expertise, innovation, and resources across sectors in Southern Africa to build country-level capacity for self-reliance. USAID/SA will partner with the private sector to improve development outcomes including health, economic growth, education, water and sanitation, environment, and democracy, human rights, and governance. Partnerships can and will take various forms and do not necessarily have to be formalized. It is critical that USAID/SA provide assistance to expand and grow the private sector, specifically innovative businesses which produce public or social goods and services efficiently and are inclusive in nature. Emphasis on inclusion is critical since at least seven countries in the region fall within the top 10 most unequal countries in the world in 2019, according to the World Bank, with South Africa at number one. Expansion of the private sector must take into consideration the needs and priorities of marginalized and under-represented groups, the rights of workers, and mitigate opportunities for TIP and GBV in the workplace. Expansion should be targeted; identifying those sectors with the greatest probability to contribute towards poverty alleviation, which includes prioritizing women and youth.

USAID/SA will create partnerships that identify the greatest comparative advantages of each partner and leverage these for success and development results. For instance, macro-economic opportunities will require a mapping of the partners best aligned to supporting the resolution of binding constraints, which will enable USAID/SA to direct the support of partner organizations to drive the growth of products, markets, and pathways with the greatest economic and development potential. Stronger partnerships will also build stronger ecosystems: activities will aim to build the relationships and trust needed among countries, organizations, industry leaders, and others to ensure collaborative regional growth. Partnerships can include connections between industry groups (e.g., investors in South Africa and U.S.), community organizations and implementing partners, USAID bilateral Missions, and others. This will develop USAID/SA’s strengths as a platform-based partner that supports the entrance and expansion of needed private sector partners into Southern Africa. Partnerships should advance goals of inclusivity, particularly through labor empowerment programs (e.g. through USAID’s Global Labor Program and other development-specific alliances). Sector agnostic partnerships will lead to the creation of more innovative businesses and the expansion of the business environment, all of which support a stronger private sector. Supporting partnerships further advances the goals of “commitment” as specified in the J2SR strategy which relies on trust and social capital as key tenets of success.

RDO 2: Governance Strengthened

Development Hypothesis: If institutional performance and accountability is increased and the rule of law and justice systems are strengthened, overall governance throughout the region will be improved. Strong, well-functioning governance structures are a prerequisite for an integrated, prosperous, and self-reliant Southern Africa.

It is essential that governments are accountable and responsive to their citizens, transparent in their reporting on the use of public resources and in decision making, and willing to create opportunities for participation in policy and service delivery. Good governance must include transparent processes, decisions, and outcomes that sustain natural resources, alleviate poverty, and improve quality of life for everyone. These processes, decisions, and outcomes have a huge impact on ways in which women and men lead their lives, on the rules they are expected to abide by, and on the structures that determine where and how they work and live. They also shape how public resources are allocated and whether services take account of both women's and men's needs and interests. Yet women are often excluded from decision-making, from the household to the highest levels of government and beyond to the global level. Governance processes - emphasizing accountability, transparency, responsiveness and inclusiveness - should be a means to social transformation.

GBV and other forms of intimate partner violence (IPV) are prevalent in Southern Africa. The Violence Against Women (VAW) Baseline Studies⁹ in the 6 SADC countries¹⁰ indicated "Prevalence for Lifetime Experience of GBV" a range of 50 percent to 86 percent for five out of the six participating countries. "Prevalence for IPV Lifetime Experience" ranged from 49 percent to 69 percent for the same five out of six participating member countries. Estimates for "Lifetime Experiencing of Rape by Non-Partners" ranged from 4 percent to 29 percent for the 5 member countries. GBV causes are multiple with many contributing factors that can be traced back to harmful cultural and traditional practices, gender inequalities and discrimination in all aspects of life (social, economic, religious and political) and entrenched institutional arrangements that are patriarchal. These are often manifested through unequal power relations between women and men, low status of women in society; gender biased socialization, beliefs and attitudes as well as gender norms that support male superiority and entitlements. Furthermore, GBV is reinforced by laws, policies and administrative procedures that do not adequately incorporate the specific needs; experiences and aspirations of women and men in a gender equitable manner. Women's economic dependence on men continues to heighten women's vulnerability to GBV.

Private Sector Engagement (PSE): In developing and developed countries alike, women face obstacles to starting and managing a business, to accessing finance, to earning equal pay for equal work, and to owning land or other assets. Many countries maintain laws and regulations that advantage men while discriminating against women. Gender efforts should revolve around the importance of leveraging the private sector to ensure that reform goes beyond policy statements and creates real economic benefits for women and men. USAID/SA will develop an approach to gender equity that focuses on expanding market opportunities, enabling private initiative, and developing dynamic economies.

Another example includes USAID/SA's work partnering with private sector entities to address GBV not only within corporate structures, but also leveraging USAID's voice and convening power to advocate for broader societal changes. Finally, USAID/SA will seek opportunities to leverage the private sector's

⁹ SADC Gender Protocol Barometer, 2016

¹⁰ Botswana, Lesotho, Mauritius, South Africa, Zambia, Zimbabwe

unique position as an influencer to amplify civil society's call to reduce corruption, which will contribute towards reducing the trust deficit between people, the government, and the private sector.

Financing Self Reliance (FSR): To deliver quality essential services, Southern African governments must spend their resources in a transparent and accountable manner. To that end, efforts to FSR can not and should not stop at merely generating revenue but must create platforms for greater transparency and citizen engagement so that resources meet demand. With growing demands for fiscal transparency and open governments, there has been significant progress in making information on budget decision-making available and therefore promoting greater citizen-state accountability. However, there is still a need for more inclusive and meaningful participation, particularly when it comes to how public resources are allocated. Very often, government ministries are unable to monitor the adequacy of public spending in relation to gender equality. Some of the reasons include the lack of 1) capacity to conduct gender analysis, 2) monitoring systems and 3) adequate sex disaggregated data.

In addition, programs in the region should be developed through co-creation with government partners in order to generate local buy-in at the onset and ensure that the impact is sustained to support the J2SR.

Redefining the Relationship (RDR): USAID/SA's relationships with governments throughout the region have always been and will continue to be that of partners in addressing development challenges and ensuring government systems remain transparent and accountable. However, as USAID/SA redefines its relationship over the next five years, greater focus will be spent on facilitating networks and linkages across the region to promote peer-to-peer learning and knowledge sharing. Bringing in outside solutions to challenges which are unique to Southern Africa is not always the appropriate solution. Strengthening the ability of each country to serve as technical experts to others within the region on specific matters (as outlined in the J2SR Landscape Analysis) will reduce the necessity for USAID assistance in the long-term. For example, Eswatini's recently passed public assembly law is considered by leading human rights advocacy groups to be one of the friendliest to civil society in the region. Promoting this as a model law for other countries to follow by leveraging USAID/SA's convening ability to increase these types of South-South partnerships and learning could prove very powerful.

RDO Regional Rationale: Recognizing that political priorities affect more than one country, it becomes necessary to consider the ways in which regional approaches to addressing governance issues influence bilateral good governance efforts and vice versa. For example, SADC develops policies intended to align the region's position on critical issues such as wildlife trafficking or cybersecurity. These issues are not solely a country-specific concern with no larger implication beyond the geo-political borders created but are also of regional concern. Therefore, it becomes necessary to consider how regional efforts, like the agreed upon SADC model law on cybersecurity, could have country-specific implications in terms of how those laws are interpreted or even mis-interpreted and carried out at the bilateral level. Trafficking, whether of people or wildlife, is a transboundary challenge, and therefore the response to mitigating it must be regional in nature. A bilateral approach will only limit the potential impact as it is a category of organized crime that permeates every country in the region. Illicit trade seeks the weakest governance structures to exploit, thus a solely bilateral approach limits the overall effectiveness of one's efforts.

Accelerating Commitment and Capacity: By working through a regional lens, each targeted country's efforts along the commitment and capacity continuum of the J2SR will be amplified because the strategic approaches applied acknowledge the influencing power of shared regional learning on good governance issues, which are often particularly politically sensitive. RDO2 will advance levels of regional commitment and capacity by emphasizing South-South learning, which does not focus solely on the solutions of the global North, but identifying those good governance practices within the region that are considered best fit as it recognizes the unique regional context of Southern Africa. This will be

demonstrated in such regional programming as judicial and magistrate seminars that bring these individuals together throughout the region on transboundary topics such as environmental law in order to ensure there is increased commitment and capacity to adjudicate based on the domestic, regional and international laws that have been codified in constitutions across SADC.

Link to SA Bilateral Programming: South Africa is a major pull factor for many people not only in the region, but throughout the African continent. As noted earlier, South Africa has advanced levels of commitment and capacity to plan, manage, and resource its own development to leverage its strategic advantage to assist countries in the region thus achieving greater regional growth, integration and stability. Therefore, it becomes critical to strengthen the good governance structures within South Africa in order to ensure that its economic growth is not at the expense of the most vulnerable seeking refuge or those considered economic migrants. This, in turn, will increase South Africa's level of resilience against potential shocks to its systems as it minimizes the dissatisfaction between and among its citizens and residents with the government by increasing the quality of service delivery, which in turn improves trust in the social contract.

Donor Coordination: RDO2 efforts will leverage ongoing programming within the region implemented by other donors, such as GIZ, EU, DFID, World Bank, etc. Where a specific donor has the comparative advantage or the critical access needed to support transformational change, then USAID/SA will work to support those efforts through co-investments rather than creating a parallel system. This has been the case with respect to an ongoing partnership in South Africa with GIZ intended to improve transparency and accountability by strengthening public financial management practices. Donor coordination and co-investment in addressing good governance also helps to cement the importance of such ideals as judicial independence being a public good to debunk narratives around domestic interference.

Regional Risks and Assumptions

Risks:

- Changes in U.S. Government policy;
- USAID has overestimated its convening capacity;
- External economic shocks, such as the current global COVID-19 pandemic, severely damages the economies in the region and countries struggle with recovery for a prolonged time period;
- Rates of GBV worsen and continue to disproportionately affect women.

Assumptions:

- Policy changes are developed and implemented;
- Regional political stability;
- Most governments/countries in the region are willing to work with South Africa;
- Governments have sustainable budgets and do not severely reduce public spending;
- Commonly shared values around democratic governance across the region;
- Engaging men and boys as allies, advocates, role models, change agents, partners, and survivors in policy and culturally appropriate program development, implementation, and evaluation is important in prevention and mitigation of GBV.

Learning Agenda: RDO2 will seek to develop a knowledge base on what types of programming related to good governance effectively lead to increased accountability and responsiveness to citizens in a regional setting. The learning agenda will also seek to answer specific questions on best practices for incentivizing transparency of public resources and decision making, and the creation of opportunities for

citizen participation in improving policy and community service delivery. Illustrative learning questions include:

- Is there a link between governance and “inclusive” development? ROL may not necessarily help the disenfranchised if the rules are all focused on helping those at the top stay there. What can be done to ensure that the rights of all are respected and implemented fairly?
- How can programming designed to foster self-reliance at the national level encourage regional level integration?
- How can we foster capacity and commitment of actors at the local and national levels for efficient service delivery?
- To what extent is democratic governance promoting open, efficient and consistent participation of women on all levels of policy-making?

IR 2.1: Institutional Performance and Accountability Increased: Essential to the function of any system of governance is the ability and will of institutions to act in the service of the citizenry. Governance systems frame the relationship between state and citizens, and as such, reflect societal power dynamics. They determine the parameters of citizen engagement and voice in the decisions that affect their lives which is linked to their access to services, resources, and demands for accountability. Most definitions of good governance do not make explicit reference to gender equality and the assumption is that governance systems are gender neutral. From a gender and human rights perspective, good governance should be measured by its contribution to advancing human rights principles and achieving gender equality and women’s empowerment.

Across the region, institutions (government institutions, in particular) at all levels bemoan the lack of capacity (whether it be material, systematic, or human) that hinders the delivery of quality services. GBV is a human rights violation and all forms of violence against women and girls, discrimination and harmful practices are among key contributing factors to the spread of HIV among women and girls. USAID/SA calls for governments to eliminate gender inequalities and gender-based abuse and violence, increase the capacity of women and adolescent girls to protect themselves from the risk of HIV infection, and ensure that women can exercise their right to have control over, and decide freely and responsibly on matters related to their sexuality. Among the reasons commonly documented for GBV under-reporting are: fear of the perpetrator and more victimization, limited knowledge and skills for effective communication and conflict resolution, economic dependence, unequal power relations, self-blame and accepting responsibility for causing conflict and therefore accepting punishment for it, fear of stigmatization, negative and oppressive cultural and traditional practices and norms - all compounding normalization and tolerance of GBV at different levels - family, the community and institutions. Institutional development is not a sector in and of itself but rather it cuts across all sectors. With that in mind, USAID/SA will continue to engage with various institutions and government bodies that are responsible for the delivery of essential services (like health and education) in order to build their capacity. This will in turn have knock on effects that will improve the economy through a healthier more educated workforce. Technical capacity building is effective only when it is done in concert with an understanding of political will and drivers for reform. USAID/SA will adopt a broader definition of capacity building beyond just the provision of training and materials to build skills. USAID/SA will also include reforming incentives and institutions so that meaningful changes are made and sustained. USAID will advocate to position critical health services, such as those addressing HIV treatment and prevention, to be covered comprehensively under NHI policies. Taking advantage of NHI, USAID will foster opportunities for constructive utilization of South Africa’s private health sector to broaden its impact on improved public health outcomes for the country. USAID will endeavor to make South Africa’s implementation of NHI a model for regional efforts to implement universal health coverage.

The aims of full, fair and effective utilization of the private health sector under NHI closely align with IR1.3: Private Sector Expanded. USAID/SA will address gaps around public financial management in the provision of critical public services and will combat opportunities for money laundering, illicit trade in the region, and the lack of transparency in public sector budgeting. Although much of these improvements require reforms made at the bilateral level, Southern Africa provides a unique opportunity to reinforce South-South learning to identify best fit programming, recognizing that there is not a one-size-fits-all solution.

IR 2.2: Rule of Law (ROL) and Justice System Strengthened: A strong independent justice system is necessary to ensure appropriate checks on other branches of government and to secure the enabling environment so the private sector can flourish and to ensure girls and women can actively and equally participate in society. And while protections for girls and women are often featured in national Constitutions, laws frequently restrict women’s rights and freedoms. Accessible, efficient, and fair justice institutions are critical to ensuring democratic governance across the board for every country in the region. Similarly, ROL embodies the relationship between the state and its citizens in which power, violence, and impunity are constrained. As long as the government is subject to it as well, citizens are equal before the law, human rights are upheld both in legal statutes and their implementation, and citizens have access to efficient dispute resolution to prevent vigilante justice and enable commerce to flourish. USAID/SA will build the capacity of justice institutions by providing training and peer exchanges across the region and ensure that women have equal access to training. For example, USAID/SA will continue to work with judges across the region to increase their skills to adjudicate matters involving environmental crime. Because wildlife trafficking and other environmental crimes are transboundary in nature, training judges in regional cohorts allows for the exchange of ideas during sessions and beyond the life of training activities, thus furthering sustainability. These networks further serve as a resource for justices and magistrates after course completion to continue to provide support when requested in order to strengthen their ability to issue judgments without fear or favor, grounded in their respective constitutions, and adhering to the tenets of the ROL. This is particularly important given the fact that justices review case law throughout the region to inform their adjudication processes, therefore making it critical to provide justices and magistrates with the skills and resources to support sound precedent-setting judgments. USAID/SA will also build on efforts to strengthen regulatory frameworks and ROL to help countries achieve development outcomes across sectors. Faster and more efficient adjudication and increased access to justice will allow citizens to enforce their rights against infringement by the state or powerful private interests. In many cases, the rights being violated are the rights to economic and social resources, such as land, title, permits, and licenses.

RDO 3: Resilience of People and Systems Strengthened

Development Hypothesis: If the management of transboundary ecosystems and the equitable provision of quality health and other services are improved, and citizen participation and leadership are increased, then the resilience of people and systems throughout the region will be strengthened. Strong and resilient people and systems are a prerequisite for an integrated, prosperous, and self-reliant Southern Africa.

The challenges of poverty, inequality, and resource depletion collectively threaten self-reliance and security throughout the Southern African region. Southern Africa faces several simultaneous threats from climate change and environmental degradation, but the burden of these risks often falls more heavily on women and other vulnerable populations than men. Natural disasters exacerbate gender inequalities; adaptation and mitigation strategies that do not account for gender can likewise fail to provide benefits for marginalized populations.

Young people across the region lack many fundamental skills necessary in the job market due to the poor quality of basic education. The population is set to double by 2050, which will exponentially exacerbate scarcity of essential resources like land, water, energy, and food.¹¹ As a response, organized crime, human-wildlife conflict, TIP, and illicit wildlife trade will likely grow throughout the region. In order to combat these myriad challenges, it is essential that the population has the necessary skills, agency, and systems to access meaningful livelihoods and lift themselves out of poverty. Only then will countries be able to withstand internal and external shocks (including climate-induced shocks) that could otherwise destabilize the region.

Biodiversity conservation is in need of wise management, not simply to satisfy international pressures and obligations, but because it is the basis of most rural livelihoods and is the foundation of major new economic sectors that offer the prospect of better, more sustainable lives. Development can not be achieved through dependence on outside resources and must rely on the best use of local resources. Biodiversity is one of these resources and represents a formidable natural asset. USAID/SA is uniquely positioned to contribute to inclusive sustainable development through a regional approach focused on the management of transboundary ecosystems, the provision of quality services, and citizen participation that cannot be addressed solely bilaterally. In order to achieve these outcomes in a sustainable way, it is necessary to understand the unique historical, political, social, and environmental contexts of the countries in the region. Important factors to consider include issues stemming from long histories of colonialism like poverty, disenfranchisement, and violence (e.g. domestic, gender-based, xenophobic), and, in the case of South Africa, apartheid and environmental stressors exacerbated by climate change. In many respects, these lived experiences have made people in the Southern Africa region wary of outside interventions, particularly from foreign donors. USAID/SA will incorporate trauma-informed approaches to gain a better understanding of the communities in which interventions are planned and to build programs with these considerations in mind.

Private Sector Engagement: Close and continuous work with the private sector will be integral to achieving resilience of systems and people both in South Africa and the region. Building on the already vibrant culture of social investment by the private sector, USAID/SA will engage stakeholders in the co-creation process, and where appropriate, trauma-informed approaches, to enhance development impact. Many gaps exist where the private sector could play a larger role whether it be supporting the management of ecosystems and natural resources in the area of service provision, in providing non-state education opportunities, or engaging the population to amplify its voice, and USAID/SA will work to engage relevant stakeholders in these efforts. For example, South Africa's Independent Power Producers (IPPs) have a mandate to invest a portion of their revenues in the socioeconomic development of their surrounding communities. To help them achieve this goal, USAID/SA will partner with IPPs to help deepen the impact of these investments. Regarding service delivery, SADC recognizes that existing public sector budgets are not sufficient to provide all the necessary services. Therefore, USAID/SA will work to increase private sector financing in the provision of these essential services while also supporting an enabling environment that encourages direct private sector participation. On the health front, USAID/SA will continue to work closely with the private sector to maximize the impact of programs to combat infectious diseases. USAID/SA will enhance its engagement with the private sector, including with the mining, agricultural, and pharmaceutical sectors to improve access to prevention, care, and treatment services in limited resource settings. A well-integrated private and public health system will result in greater accessibility and population coverage of health services.

¹¹ USAID/Southern Africa Tropical Forestry and Biodiversity Assessment, November 2017

Financing Self Reliance: By increasing resilience and strengthening systems, a virtuous cycle will be created in which governmental systems will be able to consistently provide high quality and valued services, which will in turn increase the capacity and resilience of individuals. This means that individuals and industries will be better prepared to contribute to strengthening government systems through actions, like paying the full value of their natural resource consumption (i.e. levies for water use) and other municipal taxes. Not only will citizens be more willing and able to engage with a more transparent government, but the government will be driven to be more efficient in delivering services. Moreover, by incorporating a regional lens, USAID's efforts to strengthen South-South learning and knowledge exchanges between communities and civil society will increase the transboundary coordination and collaboration of civil society to address regional development challenges such as natural resources management, trade, and access to basic services. In the Education sector private providers can be more agile than governments in targeting the skills required by industry to address the high levels of youth unemployment in the region. In the health sector, the GoSA funds the vast majority of the HIV and TB response, over 70 percent and 85 percent respectively. Funding for HIV has grown more than the overall health budget over the last nine years, with the GoSA nearly tripling its domestic budget for HIV treatment to more than \$1 billion. USAID/SA will continue engaging with the GoSA, other donors, civil society, and the private sector to mobilize and leverage greater resources for health.

Redefining the Relationship: Governments across the Southern Africa region and intergovernmental organizations are key stakeholders as USAID/SA encourages each country along its J2SR. However, each relationship is different, and the type of development support countries will receive over the next five years reflects the realities of the J2SR Landscape Analysis. A customized approach is envisioned in which USAID/SA will assess the unique context and determine if regional programming is necessary and appropriate. If not, and bilateral engagement makes the most sense, USAID/SA can and will coordinate with the USAID Missions in the region to assist with RDR as appropriate. In South Africa, USAID/SA is working with a variety of different ministries to encourage increased accountability, transparency, and equitable provision of essential services. In the health sector, USAID/SA supports the GoSA's goals of controlling and ending HIV/AIDS and TB. USAID's relationship with the GoSA has shifted over time from mainly direct service delivery to a more technical assistance role as the GoSA has taken greater ownership of its health programs. A key priority of USAID programming is building strong health systems through high-impact technical assistance and above-site interventions. USAID/SA will continue direct funding to local partners, which currently makes up the majority of its health funding. By partnering directly with local institutions to implement locally generated solutions, USAID/SA will maximize the potential impact of USAID resources by shifting accountability and ownership to local stakeholders.

RDO Regional Rationale: Regional programming and technical services are provided to urban and rural populations in order to positively influence country commitment and capacity, depending on the country's unique J2SR landscape. From a sustainability perspective, it is especially critical to focus regionally on natural resource management in order to improve resiliency to common and devastating environmental issues throughout the region, including: increased temperatures, drought, flooding, and the increased spread of communicable diseases, which are a result of a changing climate and poor natural resource management. Moreover, the movement of people within the region in search of better education and job opportunities, safety and stability are significant. This affects the extent to which governments have the capacity, resources and willingness to provide access to equitable and quality public goods and services, which could impact the region's overall stability. It will become necessary to ensure that civil society is equipped with the resources and networks across the region to demand the protection and promotion of rights that have been stated in regional and international frameworks, which have been further codified in constitutions.

Accelerating Commitment and Capacity: The RDO3 approach will advance commitment and capacity across the region because of its inherent focus on strengthening individuals and communities to withstand internal and external shocks to the system. It recognizes that governments have made certain political commitments with respect to minimum standards around the provision and protection of public goods, such as education, the environment, energy and health.

Link to SA Bilateral Programming: As noted earlier, South Africa is a major player in the region, which cannot be overemphasized and should not be under-estimated throughout this strategy, particularly with regard to the region's stability and growth potential. Therefore, bilateral programming is developed with the recognition that strong institutions in South Africa -- in business, civil society and government -- will play a critical role throughout the region and beyond, whether positively or negatively. For example, linking education with the needed skill sets in South Africa to create pathways for employment contributes to a virtuous cycle within the region as it promotes economic growth and stability, which in turn can contribute towards a friendlier environment for foreign direct investments, thus perpetuating a positive outcome. USAID/SA also recognizes that with growth comes impact on the environment and South Africa is the leading contributor towards GHG in the region, which respects no geo-political boundaries and has wide-reaching and long-term implications. Therefore, it will be necessary for bilateral programming to take into consideration ways to work with the South African government, communities, and private sector to reduce GHG.

Donor Coordination: As noted earlier, there are numerous donors actively engaged in similar RDO3 programming across the region. As USAID financial resources are limited, it will leverage those ongoing programs implemented by other donors, such as GIZ, EU, DFID, World Bank, etc. Where a specific donor has the comparative advantage or the critical access needed to support transformational change, then USAID/SA will work to support those efforts through co-investments rather than creating a parallel system. GIZ has a focus on technical and vocational training, a clear synergy with USAID's priorities around youth skills development. The European Union has been providing institutional support to the Department of Basic Education for many years and good coordination ensures that EU and USAID funds complement each other. USAID's Education team also has longstanding partnerships with South African philanthropic organizations like the Zenex Foundation, the DG Murray Trust and ELMA Philanthropies.

Regional Risks and Assumptions

Risks:

- Changes in U.S. Government policy;
- USAID has overestimated its convening capacity;
- External economic shocks, such as the current global COVID-19 pandemic, severely damages the economies in the region and countries struggle with recovery for a prolonged time period.

Assumptions:

- Policy changes are developed and implemented;
- Regional political stability;
- Most governments/countries in the region are willing to work with South Africa;
- Civil society is strong enough to identify and champion social and development issues and effectively engage the private sector;
- Civil society sees value in engaging with the private sector; and
- The private sector has an appetite for engaging in development related issues beyond traditional CSI and CSR strategies.

Learning Agenda: RDO3 will seek to develop a broad knowledge base on how the challenges of poverty, inequality, and resource depletion collectively threaten self-reliance and security throughout the Southern African region. The learning agenda will also seek to answer specific questions on the effectiveness of service provision and citizen participation as it relates to the resilience of communities and societies. Illustrative learning questions include:

- How do poverty, inequality, and resource depletion collectively threaten self-reliance and security in Southern Africa?
- What specific skills do young people lack in order to be successful in the job market? How can the skills mismatch be effectively addressed in both the short and long term?
- How can non-state providers best strengthen the education systems in the region?
- What specific risks does population growth pose for the Southern African region, and how can USAID/SA assist countries to become more prepared to mitigate these effects?
- What is the best way to measure the contributions that universities make to promoting self-reliance through their research, innovation, quality education, training, and community engagement?
- To what extent have countries in the region improved on GBV service provision, access to specialized facilities including places of safety; and comprehensive treatment including PEP, followed by legislation and lastly; coordination, monitoring and evaluation of GBV programs?

IR 3.1: Management of Transboundary Ecosystems Improved: Healthy ecosystems are the foundation of sustainable development across Southern Africa. They support livelihoods and key economic sectors, including mining, energy, agriculture, fisheries, and nature-based tourism, while buffering against climate shocks and securing natural resources that include water, land, and biodiversity. Wildlife and natural landscapes are important economic assets in the region, contributing substantially to GDP, foreign exchange, and domestic and foreign investment. However, water scarcity, unsustainable land use, and human-wildlife conflict jeopardize the biodiversity and ecosystems of this region. Transnational wildlife crime further undermines regional security and weakens legitimate economies. This illegal trade thrives on weak governance and corruption, undermining efforts to control the criminal behavior linked to wildlife crime. Consequently, when countries lose wildlife and security as a result of the illegal wildlife trade, they also lose the tools essential to strengthening ROL and fighting poverty. Compounding these threats, Southern Africa has low adaptive capacity to climate variability and other environmental shocks and stresses, emphasizing the need to strengthen the resilience of both people and the natural and social systems in which they live. If viable wildlife populations are to be preserved, particularly in the light of an uncertain future climate, biodiversity conservation can not be restricted to protected areas, but must be incorporated as part of sustainable land use even in densely settled areas. To transform the region's resilience to these threats, USAID/SA will continue its work with regional institutions to strengthen transboundary coordination and management of the region's scarce and vulnerable natural resources. USAID/SA will make targeted investments aimed at countering the threats posed by illegal wildlife trade and enhancing broader natural resources security. By combating wildlife trafficking across Southern Africa using a landscape approach, USAID/SA will balance enhanced enforcement with interventions aimed at increasing benefits to communities from wildlife protection. USAID/SA will also strengthen cross-border coordination and collaboration and enhance partnerships with private sector stakeholders.

IR 3.2: Equitable Provision of Quality Health and Other Services Improved: When citizens have equitable access to quality essential services (such as water, sanitation, energy, health and education), they have the capacity to contribute positively to the growth and resilience of their countries. These

essential services can not be looked at in isolation, but rather as the basket of essential services needed to create resilient people and communities. The lack of sufficient, widely accessible, affordable, and reliable services for the majority of the population is widely recognized as one of the biggest obstacles to achieving sustainable poverty reduction in Southern Africa. Furthermore, there is a gender divide in how these essential services are made available and/or accessed. For example, a gender gap in educational attainment and school drop-out rates persists among learners across the region. In South Africa and Lesotho, male children are leaving school at higher rates than girls. In others, barriers to universal enrollment and completion of primary school disproportionately disadvantages female students. Although there are some differences in the level and quality of access to these services across the different countries in the region, the common challenges are more numerous, ranging from weak human and institutional capacity to inadequate financial resources and poor supporting infrastructure. These common challenges are significant enough to justify a regional approach to tackling these issues. This IR contributes directly to key priorities in Southern Africa's regional plans and frameworks developed through SADC as codified in plans such as the Regional Infrastructural Development Masterplan (RIDMP), the SADC Education Protocol, the SADC Gender Protocol, the SADC Health Policy, and the SADC RISDP.

Energy: Access to electricity is extremely uneven in Southern Africa. Only one third of all residents have consistent access to electricity in the region and the World Bank documents inadequate access to energy as the single largest impediment to economic development. Men and women experience energy poverty differently. Furthermore, when men and women have access to electricity, they tend to use it differently. Decision makers cannot make "gender blind" decisions - at the policy, project, or product design level - and assume that men and women will benefit equally. Understanding gender-based differences in energy needs, uses, and access, allows the various stakeholders across the sector to better meet the demands of the population they aim to serve.

Weak regulation, commercially unviable utilities, and limited energy sector planning and procurement capacity are major challenges. Dramatic increases in both supply and access are necessary. To this end, USAID/SA will increase the supply and access to efficiently produced energy services by facilitating procurement and strengthening the enabling environment for private sector energy investment. USAID/SA will promote regional energy sector integration consistent with SADC goals and strategy. This will increase the efficiency with which Southern Africa's abundant, yet unrealized energy potential is harnessed for development and self-reliance. Increased regional integration through the harmonization regional infrastructure development policies will also lead to increased energy trade which will in turn contribute to reduced energy prices and increased economic productivity and higher quality of life for the population. The energy sector is the greatest contributor of GHG in the region, with South Africa as the largest electricity generating country relying heavily on coal to generate electricity. The energy sector is also highly affected by climate change and higher temperatures and reduced rainfall negatively affect hydropower generation in the region. To address climate risks, USAID programming will help reduce GHG emitted by the sector and mitigate the impact of climate on hydropower by supporting programs geared towards diversifying sources of energy in the region.

Water, Sanitation, and Hygiene (WASH): More than 40 percent of the population of Southern Africa lacks access to adequate, safe drinking water, while 60 percent does not have access to adequate sanitation. USAID invests heavily in water resource management in Southern Africa, particularly across the trans-border river management organizations. Gender roles and cultural norms affect the way that women and men manage and use water resources, including macro-level water management and household level water, sanitation, and health. Women and girls in areas without household access to

clean water typically bear the disproportionate burden of fetching water, made more difficult by increasing aridity and water stress.

It is predicted that by 2050, the already water scarce region will have 20 percent less rainfall to replenish its surface and subsurface stocks. National, municipal, and local sanitation planning is underfunded throughout the region. As a result, malfunctioning or absent sanitation infrastructure results in lethal contamination of waterways and water resources. A significant financing gap exists between the total investment required to build and maintain Southern Africa's WASH infrastructure and the funds available from public sources. In South Africa alone, the infrastructure investment gap is projected to exceed \$20 billion by 2030. As a result, waterborne and related diseases continue to affect a large portion of the population, burdening healthcare systems, contributing to malnutrition, and restricting opportunities for economic growth and development. Significant private sector expansion and investment to alleviate these challenges is required. USAID/SA will use an integrated, holistic approach to improve access to, and quality of, water and sanitation service delivery, as well as technical assistance for community water and sanitation systems, increasing capacity in national and regional water governance entities and innovative financing to stimulate increased investment in sustainable water systems. This increased private sector engagement will lead to increased innovative approaches, investment and partnerships for water and sanitation schemes and infrastructure.

Education: Education institutions in the region often fail to provide the majority of students with the fundamental skills they need for higher level learning. In the region, Seychelles, and Mauritius have the highest average foundational reading scores, with Namibia, Zambia and Malawi ranking lowest. South Africa lands somewhere in the middle because poor results from some schools are masked by the results of excellent schools on the other side of the spectrum. Among countries in the region, South Africa has by far the highest difference in reading outcomes between schools, which is an illustration of the structural inequalities inherited from apartheid that still plague the education system (SACMEQ II). Despite the GoSA's large investment in basic education, the country continues to face challenges in providing a quality education in the majority of the country's schools. The system is plagued by poor teaching methods and weak content knowledge, large, multilingual classes, lost teaching time, low accountability, and bullying and violence in schools, including high rates of GBV. Schools that tolerate sexual violence increase the vulnerability of girls to HIV infection and, in regions where the sexual abuse of boys is widespread, boys are also at heightened risk. There is overwhelming evidence that schooling has considerable benefits for girls, including reduced teenage pregnancy, delayed marriage, and reduced child labor. The GoSA considers education to be one of its highest domestic priorities and one of the greatest long-term challenges facing the country, as is evident in the 2013 National Development Plan. Poor education outcomes have resulted in record high youth unemployment of 55 percent. In addition, 3.4 million young people (or 33 percent) are neither working nor enrolled in education. Simultaneously, the labor market has a high skills shortage: in 2018, 32 percent of employers in South Africa reported difficulty filling jobs, substantially higher than the 10 percent reported in 2012. USAID/SA will prioritize locally led quality interventions from pre-primary to tertiary education that will improve the capacity of education institutions and make direct connections between skills development and employment. For example, USAID/SA will work with private sector organizations to provide financing for early childhood learning centers and with industry associations to create pathways to employment through the co-creation of relevant training programs in public technical colleges.

Health: A healthy population is critical to achieving an integrated, prosperous, and self-reliant Southern Africa region. This goal is mirrored in both SADC's strategic health development goal to "accomplish an acceptable standard of health for all citizens and to reach specific targets within the objective of 'health for all' by 2020" as well as the United Nations (UN) Sustainable Development Goal 3 to achieve "good

health and wellbeing for all” by 2030 (to which most countries in the Southern Africa region are signatory). Despite alignment with evidence-based global agreements, sound development policies, and increased investment in health, the region is challenged among others, with poor performance of health systems, inequitable access to health services, low availability of quality of health care, and lack of universal health coverage. These factors continue to hamper the region’s ability to obtain and sustain positive health outcomes for its citizens and vulnerable populations. South Africa has one of the highest HIV/AIDS and TB burdens in the world. The number of people living with HIV (PLHIV) in South Africa is estimated at 7,599,215, of which 63 percent are women. An estimated 38 percent of new HIV infections were among those aged 15–24 years of age, with an incidence three times higher among young women than young men. TB remains the leading cause of death in South Africa. Although deaths associated with TB are decreasing, they are still high in PLHIV. Even though much progress has been made in decreasing new HIV and TB infections and increasing the number of patients on treatment, many challenges remain in providing equitable and quality services. Similar to the HIV/AIDS systems building approach, USAID/SA’s TB program will continue to build the technical and managerial capacity of South Africa’s TB program to reduce the TB burden, focusing on finding the missing TB patients and improving access to quality, patient-centered TB, drug-resistant TB, and TB/HIV care, strengthening TB service delivery platforms and advancing TB research and innovations to achieve improved impact on program implementation. South Africa has made significant investments in combating infectious diseases. Furthermore, while the region’s HIV programming response is detailed in each country’s respective Country Operational Plans, it is important to note that the established PEPFAR platform allows a unique opportunity for countries to leverage gains to fight other infectious diseases, as is evident from the recent COVID-19 outbreak. USAID/SA will continue to work closely with host country governments, development partners, private sector, civil society, and other key stakeholders to ensure that gains in these programs are sustained. As the region advances on its J2SR, the health of its citizens remains a critical part of ensuring sustainability and self-reliance. For Angola, malaria continues to be the dominant health concern. Malaria is the cause of 60 percent of hospitalizations for children under five, which is why the President’s Malaria Initiative (PMI) program is the largest U.S. Government health program in this country. Despite factors contributing to the increase in malaria cases which affects the Government of Angola’s ability to respond (climate change and a prolonged recession), PMI is seeing results. These include a 53 percent decrease in deaths of children under five and an overall 50 percent reduction in mortality from 2016 to 2019. Increased infectious disease transmission is likely to occur as a result of climate change and therefore programs implemented under this IR must include climate adaptation measures.

IR 3.3: Citizen Participation and Leadership Increased: An informed and empowered citizenry is integral to ensuring the resilience of people and systems. It also serves to monitor the government’s ability to adhere to the principles of transparent and accountable governance. Amplifying “voices,” and in particular the voices of marginalized and under-represented populations, will improve equitable service provision and application of the law as well as ensure that the priorities and needs of marginalized groups are not overwhelmed, overlooked, or disregarded by the majority. In South Africa, the legacy of apartheid shows that should a country’s citizens become oppressed, the region will enact policies and civil society networks to advocate for the end of that oppression. This demonstrates that a highly connected and empowered civil society throughout the region can have a significant impact on limiting and mitigating efforts to disenfranchise people and communities. Over the next five years, USAID/SA will focus on reinforcing South-South learning and not just international best practices. For example, at the micro-level, this could include fostering participation of parents in the governance of schools through Parent Teacher Associations (PTAs), promoting citizen participation in addressing violence in schools by promoting social cohesion, providing targeted leadership training for young educators on

emotional intelligence to make them more trauma-informed, working with communities to provide access to water, and ensuring adherence to the principles of free, prior and informed consent for indigenous groups. In health, community-led monitoring will empower PLHIV to participate actively in their own healthcare and hold authorities accountable for providing quality HIV and TB services. At the macro-level this could include well-designed modes of decentralization and, more broadly, various forms of representative decision-making and political oversight. Inclusion of youth in decision-making as well as building their capacity to lead across all sectors will be vital. Support to networks of trained young leaders and institutions that build youth leadership will enable their voices to be represented at various levels. For instance, USAID/SA will expand its health programming for adolescent girls and young women at the highest risk of HIV infection so that they are empowered and surrounded by vital support to protect them from HIV. Empowering citizens and strengthening indigenous populations' abilities to advocate and substantively engage with the government and the private sector will have a transboundary impact. As a result, the region will remain resilient in the face of natural and human-made conflict and the potential for violence and civil unrest will be mitigated.

MONITORING, EVALUATION, AND LEARNING

Collaboration, Learning and Adapting (CLA) is USAID's approach to organizational learning and adaptive management in the program cycle and helps to ensure that programs are coordinated internally and externally, grounded in a strong evidence base, and adapted to remain relevant throughout implementation. This approach allows USAID/SA to listen to, collect, and learn from staff regarding what they know and understand about CLA and Knowledge Management, to identify where good practices currently exist so they can be leveraged (e.g. bi-annual portfolio reviews, annual partners meetings, support from RPPDO's Geographic Information System (GIS) Specialist, etc.), and to identify where they are not yet in place or not being conducted systematically so weaknesses can be mitigated (e.g. disseminating information from site visits). The proposed recommendations will be centered around improving roles and responsibilities, processes, technologies, and information governance within the mission and wider region. This will help inform USAID/SA's efforts to advance as a learning mission, improve its development effectiveness, and achieve the Joint Strategic Plan Goal to improve "knowledge-sharing, collaboration, and data-driven decision-making by leaders and staff."

Each of the programming approaches outlined in the RDO sections are aimed at building and/or accelerating the capacity and commitment of local actors and institutions as they move along their J2SR. By addressing the unique development challenges in each sector in an integrated fashion, USAID/SA will work to foster self-reliance across the region. This will look different for each RDO and the approach will need to be tailored to fit the specific country context. For example, RDO1 will focus on forming partnerships with local stakeholders such as business associations, private sector bodies, investor bodies and business support networks to improve the enabling environment to ultimately increase trade and investment. On the other hand, RDO2 and RDO3 will focus more on engaging with civil society actors and host government officials in an effort to increase citizen participation and oversight to ultimately improve service delivery and governance. RPPDO will also focus on ascertaining whether an integrated programming approach is working at USAID/SA. In order to do that, the Mission will think about identifying appropriate indicators and other approaches for monitoring and evaluating the value added of combined results. Responsibility for data collection and reporting for the RDCS, and its integrated results, will fall across the mission's technical offices with the main POCs as follows: RDO1: Regional Economic Growth Office (REGO); RDO2: Democracy and Governance Team (DRG) in the Regional Environment, Education, and Democracy Office (REED); and RDO3: Regional Environment, Education and Democracy Office (REED) together with the Health Office (HO). Data collection and reporting for results

of both bilateral and regional programs will happen in the Development Information Solution (DIS) online environment and will link each project and activity to the new RDCS Results Framework starting in early 2021.

There are several initiatives that USAID/SA is exploring to address the self-reliance learning agenda (SRLA) and to facilitate regional learning. In particular, USAID/SA is interested in gathering evidence to help answer the following Learning Questions: #1) How can PSE support countries in advancing on the J2SR?; #2) How can USAID apply evolving approaches to FSR in different contexts?; #3) How can different approaches to design, procurement, and management of programs foster self-reliance? What promising partner engagement practices emerge from these approaches? #4) In fostering self-reliance, how can USAID use its influence, knowledge, and convening power to complement projectized support? and #5) How can local, sub-national, national, and regional voices, priorities, and contributions be integrated into how USAID fosters self-reliance? In order to achieve SRLA and regional learning, USAID/SA plans to establish an M&E community of practice, which will draw membership and expertise from different regional institutions, academia, implementing partners and individual consultants (including for example Centers for Learning on Evaluation and Results (CLEAR) and the South African Monitoring and Evaluation Association (SAMEA)). USAID/SA will work with the Anglophone Regional Africa branch, which is housed at Witwatersrand University, in Johannesburg, and will give the Mission access to regional think tanks on monitoring, evaluation, and learning. USAID/SA is an institutional member of SAMEA and by extension, an affiliate member of the African Evaluation Association (AfrEA). USAID/SA will also explore opportunities to build the capacity of existing host government M&E systems where practical.

ANNEX A: REGIONAL OPERATIONS MAP

USAID/SOUTHERN AFRICA Regional Activities & Support Services to USAID Bilateral Missions and Offices															
Country	Regional Programming & Engagement							Technical Support (e.g. Gender, Env. Compliance, Economics, MEL IDIQ, Engineering)	Pooled Support Services					Regional Convening	
	H E A L T H	D R A G	E R G	A G	Edu/ Youth	E N E R G Y	F P		E N V	R F M O	R O A	R L O	R E O		R P D O
USAID Bilateral Missions															
Madagascar		X	X	X	X	X	X	X	X		X				X
Malawi		X	X	X	X	X	X	X	X						X
Mozambique		X	X	X	X	X	X	X	X						X
South Africa	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Zambia		X	X	X	X	X	X	X	X						X
Zimbabwe		X	X	X	X	X	X	X			X				X
Non-Presence or Limited Presence Countries															
Angola	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Botswana	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Eswatini	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Lesotho	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Namibia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

The “Regional Programming and Engagement” columns identify the technical sectors that the RDCS Results Framework supports. These technical sectors and budgetary considerations will drive decision-making on activity and project designs in the countries listed. The countries listed are where activities may be implemented over the life of the RDCS after consultations and concurrence from the bilateral OU. Regional programs require frequent collaboration and convening with bilateral OUs to ensure that programs continue to address transboundary issues and are complementary to bilateral programs. Therefore, there is overlap with the regional program and regional convening column.

The “Technical Support” column identifies a host of services that are provided by USAID/SA. For example, the regional Gender Advisor, regional Economist, regional Environmental Advisor (REA), and Mission Environmental Officer all situated in RPPDO provide analysis on trends impacting the region and are on call to provide technical support both virtual and in person to USAID/SA and the OUs listed. The regional Engineer situated in the regional Executive Office provides technical support on infrastructure-related issues.

The “Pooled Support” columns identify the support offices at USAID/SA. The countries marked are those that receive dedicated support from USAID/SA staff either as primary or secondary Point of Contact (POC) on support services. For example, the regional Legal Officer in USAID/SA serves as the primary Legal Officer for Zimbabwe. In Limited Presence Countries (LPCs), RPPDO does not play a primary role but rather a secondary role supporting the local staff hired to work in the LPC program office.

Furthermore, most support offices also provide support to the independent operating units of Power Africa, Prosper Africa, and RIG, which are physically present in South Africa (but not listed in the table). All three Operating Units have a mandate beyond the countries listed in the table. Moreover, with a Congressional Notification approved, USAID/SA is in the process of placing four USAID positions in the Johannesburg duty station. USAID/SA serves as an ICASS Alternate Service Provider for USG agencies occupying space on the USAID compound in Pretoria; service provision is provided by USAID support offices. In addition, two other USG agencies sublease space from USAID/Namibia requiring some support from REXO in Pretoria.

“Regional Convening” is particularly important for technical offices that are frequently coordinating across countries and for the Agency which invests in learning opportunities. USAID/SA offers an easily accessible location with state of the art facilities, ideal for hosting conferences and training that attract staff from outside the countries listed. As noted above, regional convening overlaps with regional programming and engagement because of the importance coordination and collaboration plays in successful implementation of transboundary programs.

Note that Tanzania will not receive support or technical services from USAID/SA, instead Tanzania will continue to receive regional support and services from the East Africa Regional Mission.

ANNEX B: PEPFAR

USAID/SA serves as an implementing agency of PEPFAR. PEPFAR's commitment to the region is historic and USAID's contributions are integral to the program's success. Likewise, the PEPFAR program is integral to the USAID/SA Mission, and PEPFAR resources reinforce USAID's strong regional platform. Moreover, PEPFAR embodies many of the self-reliance principles that further not only the Agency's J2SR efforts, but also serve as a platform for fighting other infectious diseases, including TB, malaria, and COVID. However, while USAID informs PEPFAR's programmatic approaches, PEPFAR's strategic goals and directives are mandated from the State Department's Office of the Global AIDS Coordinator (S/GAC). In response to new evidence and innovations in addressing the HIV epidemic, S/GAC's programmatic and budget directions change on a yearly basis. Due to the importance of the Southern Africa HIV response, PEPFAR often adjusts its strategy on a quarterly or more frequent basis in the region.

USAID/SA provides management oversight and technical, programmatic and administrative support to five PEPFAR teams around the region. Angola, Namibia, and Botswana are LPCs with USDH Country Representatives and Health Office Directors who are delegated the authorities to manage PEPFAR. USDHs in the LPCs report directly to USAID/SA's Front Office, with the RHO in Pretoria serving as a technical backstop and delivering services on request. For the NPCs of Eswatini and Lesotho, RHO is delegated with programmatic and financial oversight responsibility. The PEPFAR teams in the NPCs are all contractors and USDH oversight of the programs rests in RHO.

South Africa has a high burden of HIV/AIDS. In 2019, there were an estimated 7,599,215 PLHIV, of which more than half (63 percent) were women. While the estimated number of new infections among adults declined by 56 percent from 1999 to 2019, there were still an estimated 194,494 new HIV infections in 2019. Among children, the estimated number of mother-to-child transmissions declined by 87 percent from 2004 to 2019, and 75 percent of those transmissions were estimated to occur during breastfeeding. This decline in incidence and shift of transmission from perinatal to postnatal led to a shift in the age distribution of HIV-infected children, with over half (52 percent) of whom are now 10-14 years of age. South Africa's HIV epidemic is largely driven by heterosexual transmission, with underlying behavioral, socio-cultural, economic, and structural factors influencing HIV transmission risk. These factors include national and regional population mobility and migration; economic and educational status; lack of knowledge of HIV status; alcohol and drug use; early sexual debut; GBV; incomplete coverage of male circumcision; intergenerational sex; multiple and concurrent sexual partners; inconsistent condom use, especially in longer-term relationships and during pregnancy/post-partum; discrimination and stigmatization; and gender dynamics, including unequal power relations between men and women.

USAID is one of two lead implementing agencies for PEPFAR in South Africa with some others supporting PEPFAR as well. Through the PEPFAR program, USAID collaborates with the GoSA and local organizations to prevent new HIV infections, expand treatment coverage, and strengthen the public health system in 27 high-burden districts, while advancing the goals of the SA National Strategic Plan (NSP) for HIV, TB and STIs: 2017 – 2022. The PEPFAR program is guided by S/GAC, where short- and medium-term goals and objectives are set through a collaborative interagency process led by S/GAC. Historically, the PEPFAR program was rolled out across the country as an emergency response which has in recent years adopted the Strategy for Accelerating HIV/AIDS Epidemic Control (2017-2020). To facilitate this transition, PEPFAR supports programs that are aligned to the GoSA's campaign to accelerate HIV epidemic control by putting a total of 6.1 million individuals on antiretroviral therapy

(ART) in the public health system by December 2020. The campaign, known as Operation Phuthuma (or “hurry”), has been implemented under the South African national and provincial departments of health. Because the GoSA provides a significant majority of HIV financing in the country, Operation Phuthuma has a central focus on marshalling the resources of GoSA to enhance management responsibilities of department staff at national, provincial, district, and sub-district levels. For its part, USAID will continue to work with GoSA to accelerate achievements by responding to high-frequency, site-level data to implement immediate, data-driven program improvements that maximize performance on case finding, linkage, and retention. Findings from community-led monitoring will be integrated into this process. Results of Operation Phuthuma to date have demonstrated a dramatic turnaround of HIV patient retention issues that existed at the end of FY 2018. Strengthened coordination between PEPFAR implementing agencies, GoSA, and South African civil society have furthered these improvements.

To bolster and sustain the HIV/AIDS response, USAID has focused on strengthening local capacity through its long history of implementing PEPFAR programs using a spectrum of local partners such as civil society, academic institutions, research organizations, and the private sector. In 2018, PEPFAR instituted a targeted approach to increase investment to local partners and a rapid transition to utilizing indigenous implementing partners. Globally, the PEPFAR aim was to have 25 percent of the funding by the end of FY 2018 go towards local/indigenous partners, 40 percent at the end of FY 2019, and 70 percent by the end of FY 2020. USAID/SA exceeded this target and has programmed approximately 76 percent of the PEPFAR partner funding over the last two COP cycles, which is by far the largest percentage in any PEPFAR country in the world. USAID/SA will continue to prioritize utilization of local partners within the dictates of annual COP guidance.

In 2018, the USAID South Africa PEPFAR program developed a long-term strategy to increase funding to local partners, including to increase its use of G2G awards. USAID/SA and GoSA have signed two G2G agreements. These agreements are with the DBE and the DSD.

While core PEPFAR programming has a focus on buttressing the public sector to deliver HIV services, engaging the private sector to deliver innovative health services and serve hard-to-reach populations is of paramount importance to the South Africa Mission. South Africa has been a leader in recognizing that one-size-fits all health services become a barrier to best serving individual needs, pioneering Differentiated Service Delivery^[1] models that utilize the private sector to deliver client-centered services. One prominent example is the Central Chronic Medication Dispensing and Distribution (CCMDD) model, which uses private sector logistics companies to dispense chronic medicines (including HIV and TB medication) outside of public health facilities at alternate pickup points. Clients who qualify for this service are able to collect their medication from convenient locations, such as retail pharmacies or smart locker locations. USAID/SA continues to pursue opportunities to engage the private sector in the national HIV and TB response for maximum impact, employing the following key strategies: integrating innovative private sector approaches to improve access to life-saving medicine and increase access to treatment; developing marketing campaigns to reach underserved populations; utilizing data and advanced analytics to identify solutions to improve program performance; targeting the uninsured sectors of the South African workforce living with HIV; and linking the private sector to beneficiaries of programs such as Determined, Resilient, Empowered, AIDS-free, Mentored, and Safe (DREAMS) to jobs. USAID will continue partnering with U.S. based and local firms to improve access to HIV prevention, care, and treatment in limited resource settings.

Southern Africa, the epicenter of the HIV pandemic, is also the region at the forefront of the global effort to end AIDS as a public health threat by 2030. Over the course of the RDCS strategy, countries in

the region will reach or surpass the UN’s “95-95-95” goals, which will result in more than 85 percent of PLHIV attaining and maintaining HIV viral suppression. Country by country, patient and client information systems will have matured, providing policymakers and service providers with the individual-level information necessary to ensure that: (1) client-centered HIV services reinforce treatment adherence; and (2) community-focused programming provides effective platforms to keep the region’s children, adolescents, and marginalized communities HIV-free. Private sector expertise and capacity in clinical and laboratory services, logistics and supply chain systems, data analytics, and marketing and demand creation will continue to provide innovations that improve services and bring those services closer to clients. Regional governments will continue to finance a significant share of their national HIV response, particularly human resources and high value commodities, such as ARVs. Beyond HIV, 20 years of PEPFAR health systems investments will provide the foundation to respond to new and emergent public health threats, as evidenced by the region’s COVID-19 response.

[1] <http://www.differentiatedcare.org/>