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State Secretariat for Economic Affairs SECO

COOPERATION
PROGRAMME

South Africa

Cooperation Programme 2021–2024



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Editorial

With this Cooperation Programme 2021–2024, the Swiss State Secretariat for Economic Affairs SECO pledges to support South Africa move towards a competitive economy for sustainable growth.



The second-largest African economy still faces decisive economic challenges including high poverty and unemployment rates. SECO promotes economic growth and sustainable prosperity. Therefore, SECO's development cooperation programme aims to further strengthen the economic resilience of South Africa.



In line with the United Nation's (UN) 2030 Agenda for Sustainable Development and Switzerland's new Strategy for International Cooperation 2021–2024, SECO takes a three-pronged approach: It considers South Africa's development priorities, Switzerland's perspective on South Africa and the added value that Switzerland can offer with this partnership. These criteria define the two strategic priorities of Switzerland's Cooperation Programme 2021–2024 that are outlined on the following pages.

Taking into account the lessons learned and building on the results achieved in the 2017–2020 cycle, the Cooperation Programme 2021–2024 defines the strategic framework for the future activities of SECO over the next four years. SECO aims to remain a responsible and reliable development partner. This requires persistence during challenging times and support in mitigating risks and seizing opportunities when they arise. We count on the ownership and leadership of our South African partners to achieve lasting reforms and results. We are confident that we can positively contribute to South Africa's development agenda with the present programme and we look forward to continuing our partnership with South Africa going ahead.

Marie-Gabrielle Ineichen-Fleisch
State Secretary, Director of SECO

Raymund Furrer
Ambassador, Head of Economic Cooperation and Development SECO

Towards a competitive economy for sustainable growth

For the period of 2021–2024, Switzerland and South Africa will strive to further deepen their economic development cooperation in order to support a competitive economy that will enable sustainable growth. The cooperation will focus on promoting a more viable and resource-efficient private sector and reliable economic framework conditions, which will in turn contribute to the creation of investment opportunities, valuable skills, better jobs, and economic and climate resilience.

SECOs thematic priorities for South Africa



Promoting a viable and resource-efficient private sector



Supporting the establishment of favourable economic framework conditions to attract business and investments



Country context

More than 25 years after a largely peaceful transition that brought an end to Apartheid, South Africa remains a lively and functioning democracy. Strong democratic institutions, an independent judiciary, critical and free media, and an engaged citizenry are the greatest achievements since the founding elections of 1994. South Africa has made significant strides towards increasing access to basic education and school nutrition, primary healthcare, establishing a large free basic services programme, and broadened social protection through grants.

South Africa is the second largest economy on the continent with a developed infrastructure in its large urban centres, a solid financial sector, excellent academic institutions and a resource-rich environment. The country has a diversified economy with many sectors, such as financial services, tourism, energy, mining and agriculture, playing a prominent role in the economy of neighbouring countries as well.

The country, however, faces an extraordinary set of challenges. During the last decade, South Africa has seen consistent low growth, an increasing dependence on the informal sector and a weakening of institutions.

1 Beneficiation of locally available ingredients can help to reduce high levels of unemployment and poverty. For instance, Marula fruit is used to produce essential oils and products in the food and cosmetic sectors.

2 Effective public transport systems contribute to bridging the spatial divide between places of work and residence.

3 Increased urbanisation in South Africa's major cities puts pressure on municipalities to improve service delivery.

4 Vocational training is one of the measures which can contribute to addressing the high unemployment rate in the country.



The legacy of the Apartheid-era spatial planning is still hampering the competitiveness of urban areas and is further exacerbated by climate vulnerability. Moreover, the fiscal position is deteriorating as a result of weakening revenue collection, rising public debt and the precarious finances of state-owned enterprises (SOE). Municipalities are recording worsening audit outcomes. Rising corruption in various areas has compelled the government to take action by strengthening its oversight and law enforcement institutions. South Africa has also been the centre of regional migrants looking for economic opportunities. Their integration has been challenging and occasionally led to social unrest.

Poverty has remained high and the formal unemployment rate has reached 30%, with rates of over 50% among the youth. South Africa has the world's highest inequality rate, with a Gini coefficient of 0.68. In 2020, the coronavirus disease 2019 (COVID-19) has added further financial, economic and social pressure. Several structural challenges remain, such as unequal educational and health outcomes, a persistent skills mismatch between formal educational supply and economic sectors' demand, a difficult investment climate due to policy and regulatory uncertainty, repeated investment rating downgrades, slow or costly processes of doing business, an unreliable electricity supply and large infrastructure backlogs. Dialogue and

negotiations between the government and labour, business and community organisations, through structures such as the National Economic Development and Labour Council (Nedlac), have not always been smooth, especially regarding service delivery and labour matters. The country has not been immune to issues related to climate change. Due to more frequent and severe droughts, water scarcity in certain parts of the country has been acute, while flooding has become more frequent in coastal areas.

There is great expectation on the current administration to turn around the development trajectory of the country, building on the positive achievements thus far, while also dealing with continued high levels of unemployment, inequality and poverty. This calls for a greater emphasis on service delivery, while promoting economic recovery and development in order to improve the general well-being of the country.

Facts about South Africa



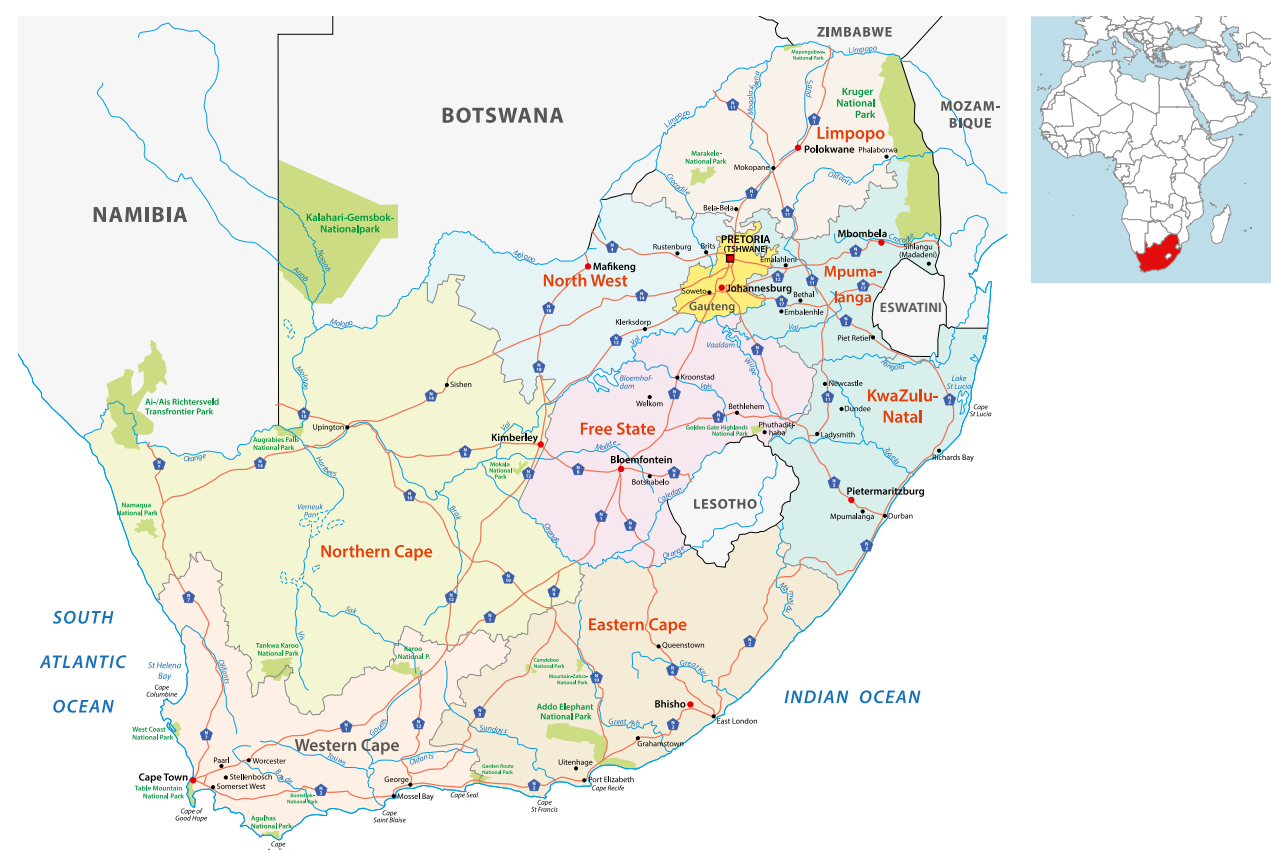
Capitals: Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial)

Official languages: 11

Population size: 58.78 million

Gini index: 68%

Ease of doing business ranking: 84th / 190 (2020)



Main results achieved

Faced with the challenging economic and social context, SECO's economic development cooperation agenda is even more relevant and has been strengthened to deliver the following results:

- SECO, together with its implementing partners, contributed to an improved legal and regulatory framework for doing business and has successfully supported investment climate reforms at the national and subnational levels. Huge improvements in several doing-business indicators have been registered in national government departments and metropolitan municipalities, including ground-breaking work in registering property.

- Urban economic development, infrastructure planning, resilience and spatial integration have been promoted in urban centres. Support included planning and development support for urban regeneration nodes, while a new Budget Facility for Infrastructure will enhance investment financing. The new Integrated Urban Development Grant provides more fiscal power to secondary cities. The piloted transversal management approach helps to break down silos between different municipal departments while long-term financial modelling will now help municipalities to better plan capital investment programmes. A new approach to municipal local economic development was implemented in the KwaZulu-Natal province.

- SECO supported key reforms in the financial sector. This included strengthening the resolution regime of financial institutions and the crisis management system, while establishing a sound deposit insurance system, contributing to financial stability and protecting depositors. More innovative instruments have been developed to strengthen capital markets. A new financial inclusion policy paper was published, while a more comprehensive sustainable finance approach was developed to reduce the financial sector's vulnerability to environmental and social risks.

- SECO contributed to increased resource efficiency, including achieving good results in energy and water savings and greenhouse gas emission reduction through green buildings. Seven municipalities were supported with the procurement and installation of more energy efficient street lighting technologies, which reduced energy consumption.

- Sustainable value chains have been promoted. This has resulted in multiple benefits, including increased access and benefit sharing thanks to greater investment readiness and export capacity of small and medium-sized enterprises in the natural and essential oils sectors. This contributed notably to revenue and employment creation.



Lessons learned

- Strong partnerships are key for SECO to add significant value: This has resulted in investment climate reforms, resource efficiency, sustainable value chains, urban development and improved public investment conditions built on initiatives that foster strong ownership and collaboration between stakeholders.

- The focus on cities as an enabler for sustainable growth also makes it possible to tackle structural impediments to a more equal society and a more competitive economy: Sustainable urban development and climate resilience have become a strong platform for programme delivery in response to climate-related challenges.

- Many skills development programmes have traditionally focused on the educational system (supply side). To achieve tangible results, it is necessary to also include the private sector's needs (demand side) in order to facilitate the transition "from learning to earning".

- There is a need to further improve the approach for implementing projects and to institutionalise results through change management, knowledge management, peer-learning, transversal planning, capacity development as well as measures for stakeholder coordination and engagement. Digitalisation and other innovative approaches enable a more effective project implementation in this regard.



Development cooperation programme



1

South Africa's development priorities

South Africa's development objectives are reflected in the National Development Plan (NDP) and the 2019–2024 Medium-Term Strategic Framework. These strategies are well aligned with the UN's Sustainable Development Goals (SDGs). South Africa's government is committed to delivering results and implementing its priorities, including:

1. Building a capable, ethical and developmental state
2. Transforming the economy and creating jobs
3. Strengthening education, skills and health
4. Consolidating the social wage through reliable and quality basic services
5. Enabling spatial integration, human settlements and local government development (including addressing the challenges brought on by climate change)



2



3



4

1 Infrastructure investment and public service delivery are critical elements to increase economic competitiveness.

2 Making production more resource efficient is a key step towards sustainability. SECO supports the efficient use of water and energy in the agriprocessing sector. Workers at a red meat abattoir facility in Riebeeck West/Western Cape.

3 Recycling contributes to a resource preserving circular economy. SECO supports the development of a sustainable recycling industry for e-waste, which allows for an optimal recovery of secondary raw materials and the safe management of hazardous substances. African e-waste recycling center in Kempton Park Midrand/Gauteng.

4 Skilled staff can support businesses and government to increase productivity and growth, which can lead to more employment opportunities. Training of electricians at Dunlop/Johannesburg is one step in this direction.

6. Establishing social cohesion and safe communities and contributing to a better Africa and a better world

However, the capacity to deliver on these objectives remains severely restricted.

The South African government reacted swiftly to the onset of COVID-19 in 2020 in order to gain time and better prepare for a health crisis. However, the pandemic has had a severe impact on the economy and the society. It has affected public and private resource mobilisation, budget priorities, economic recovery interventions, business support and poverty alleviation.

To not only address the immediate impact of COVID-19, but also achieve the country's development objectives, there is a need for the economy to be more resilient and innovative. In order to facilitate economic activity that is conducive to growth and value creation, the government (national, provincial and local), the private sector and individuals depend on better framework conditions for investment, trade, infrastructure, and human resource development. To ensure long-term growth and investment, a shared vision, trust, cooperation and coordination between the government, business, civil society and labour organisations are required.

Switzerland's perspective on South Africa

South Africa is a strategic partner for Switzerland, the country has consistently been one of its most important economic partners on the African continent.

Benefiting from a free-trade agreement (FTA) between the European Free Trade Association (EFTA) and the South African Customs Union (SACU), bilateral relations between the two countries are close, dynamic and wide-ranging, as demonstrated by the bilateral trade volume, which reached CHF 3.5 billion in 2019. While Switzerland primarily exports pharmaceuticals, machinery and electrical equipment to South Africa, it mainly imports precious metals, general metals and agricultural products.

The Federal Department of Foreign Affairs (FDFA) engages with South Africa on issues such as business and human rights, e.g. in the mining and security sectors. A Joint Economic Committee (JEC) was established between the two countries in 2008. It meets on a regular basis and provides a platform for dialogue on various topics of mutual interest, such as investment promotion and protection, free trade and intellectual property.

Thanks to their well-established presence in the country, Swiss companies play a sizeable role in the South African economy. More than 100 of them have subsidiaries or production sites in the country, creating approximately 50,000 jobs. The South African Reserve Bank ranked Switzerland the 12th largest investor in 2018 in terms of foreign direct investment. Aiming to take advantage of this standing and tap into the economic potential offered by the country, the Swiss Business Hub in South Africa assumes an important function in terms of supporting the internationalisation process of Swiss companies. Its exten-

sive network provides an opportunity to bring public and private stakeholders together, especially in terms of the green energy sector, infrastructure projects and digitalisation across all sectors (robotics, blockchain/fintech, artificial intelligence and advanced manufacturing).

Education, research and innovation form another solid pillar of the bilateral relations. In 2007, Switzerland and South Africa concluded an agreement on scientific and technological cooperation. Since then, the joint research programme has supported 61 joint research projects on various topics, and has trained nearly 100 start-ups in the business development skills needed to take science to market. Skills development/vocational training and small and medium-sized enterprises/start-ups are areas where SECO and the Swiss State Secretariat for Education, Research and Innovation (SERI) could possibly deepen their collaboration.

Digitalisation is another important cross-sectoral topic emerging. South Africa – both the government and the private sector – supports the fourth industrial revolution. SECO intends to promote digital approaches through skills development and investments in activities related to climate change, as well as through targeted support in the areas of infrastructure development and public sector governance. SECO's portfolio will be complemented by the Swiss Embassy's ongoing efforts to support South Africa's blockchain development – both at the political level and through SERI and the Swiss Business Hub. This makes it possible to bring

Swiss expertise (Swissness) both to South Africa and the region.

Several departments and offices, such as the State Secretariat for International Finance (SIF), the Federal Institute of Intellectual Property (IPI), and the Federal Office of the Environment (FOEN), are interested in working together more closely with their South African counterparts. SECO's support lays the groundwork necessary for closer cooperation between South African and Swiss authorities, especially in the areas of the regional and global financial sectors (for instance, South Africa's Twin Peak regulation, taxation issues, etc.), or the environment and climate change (e.g. circular economy, green procurement, green financing, and resource efficiency).

On a multilateral level, Switzerland has a strong interest in supporting the inclusive economic development of South Africa, since its progress and stability are of pivotal importance for the Sub-Saharan region and the entire continent. South Africa assumes a leadership role on the continent through its active political and economic participation in the international community and the global economy. A member of the regional organisation comprised of the five major emerging national economies Brazil, Russia, India, China and South Africa (BRICS) and the Group of Twenty (G20), the country held the chairmanship of the African Union in 2020, where it pushed for the creation of a continental customs union through the African Continental Free Trade Area (AfCFTA), aiming to bring together all 54 African states and cover a market of 1.2 billion people.

Accountability, monitoring and risk management

SECO continuously monitors and evaluates the results achieved and incorporates lessons learned into its operations.

Project evaluations are conducted during or after project implementation. In addition, SECO commissions independent thematic or country portfolio evaluations.

The monitoring of the cooperation programme will be based on the results framework (see page 16/17) along the relevant business lines and impact hypotheses. Accountability reporting is carried out annually.

SECO is dedicated to ensuring comprehensive and rigorous risk management. Based on the Organisation for Economic Cooperation and Development's (OECD) conceptual framework for aid risk analysis, SECO's risk management distinguishes between three levels of risk:

■ **Country risks:** SECO identifies and evaluates the relevant risks in its partner countries as well as the implications for the project portfolio.

■ **Project risks:** Before approval, all projects are screened for development (achievement of objectives), security, fiduciary, financial, environmental and social risks. During project implementation, the identified risks and corresponding mitigation measures are regularly monitored.

■ **Institutional risks:** SECO monitors the risks it faces as an institution and that may compromise the successful implementation of SECO's mandate.

Financial resources

SECO's activities under this programme will be financed through the Swiss framework credit 2021–2024 for economic and trade policy measures within development cooperation.

The final allocation of funds will depend on the identification of suitable programmes and projects, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners in the country. Accordingly, the following information on planned commitments for the four-year period is indicative. This information serves merely as a basis for the forward spending plans that are reviewed each year by the Swiss Parliament. Planned commitments for South Africa 2021–2024:

55
CHF million

South Africa also benefits from regional and global initiatives financed by Switzerland that may not be included in these financial projections.

Working with partners

Switzerland is the fifth-largest bilateral development partner in South Africa. Development partner coordination is carried out through various fora in areas such as skills development, the green economy, public financial management, governance and urban development, with a multitude of partners, including the European Union (EU) and its member states, the UN, the United Kingdom and the United States. Consultations are held between SECO and the National Treasury on an annual basis.

SECO has developed a close relationship with various international partners that include the World Bank Group, the African Development Bank, the French Development Agency (AFD), the German Corporation for International Cooperation (GIZ) and the UN, together with relevant governmental departments and municipalities, further international stakeholders and South African private-sector stakeholders. As a relatively small development partner, SECO depends on strong partnerships.

SECO already collaborates with Swiss government agencies in terms of project implementation for instance with the Institute for Intellectual Property (IPI) and the Swiss Federal Laboratories for Materials Science and Technology (EMPA) and could further promote partnerships and knowledge exchange with Swiss universities and other academic institutions. In addition, other departments and offices, such as SIF and FOEN, have interest in South Africa that could be leveraged by the current programme.





SECO's contribution to gender equality in South Africa

Gender issues are important to South Africa, in particular given the growing reports of gender-based violence. Gender disparities in terms of access and utilisation of socio-economic opportunities are still glaring. Few women are in positions of influence and women lack access to financial services and other resources. There are growing calls for political leaders to address these challenges.

The South African government is pursuing different solutions to close the gender gap and uplift women. There are efforts to address the social aspects of gender inequality, especially gender-based violence and femicide, as well as targeting the economic empowerment of women. To improve women's access to economic opportunities, the government is committed to reaching its target of 40% of the value of public procurement prioritising women-owned businesses.

Given the importance of this topic, SECO contributes to more gender equality in South Africa through gender mainstreaming of its project portfolio. This includes a specific focus on women in business, skills development, infrastructure planning, and sustainable value-chain development. Complementary to this, the Swiss Embassy in South Africa promotes women in leadership in various sectors, in local communities, as well as in the organisation of events.



SECO's contribution to climate change mitigation, adaptation and resource efficiency in South Africa

There is a growing interest and commitment from the government and business for the national agenda on climate change, as this will have a major impact on South Africa and the entire region. However, a transition to a low-carbon economy will be challenging – in particular against the background of the high unemployment rate in the country and the mining sector as one of the largest employers, especially of unskilled workers.

Based on South Africa's commitments in the 2015 Paris Agreement on Climate Change, the government has elaborated a new National Climate Change Adaptation Strategy. It provides a platform upon which national climate change adaptation objectives for the country can be articulated so as to provide overarching guidance to all sectors of the economy. In relation to mitigation, a critical milestone was the establishment of a CO2 tax in 2019. SECO was able to support this process through the Partnership for Market Readiness programme.

In the South African context, resource efficiency is a key concern from a competitiveness, sustainability as well as a climate change mitigation point of view. Therefore, the programme approaches resource efficiency not only as a transversal topic, but also as an integral component of the first thematic priority area. Further, SECO's approach to integrated urban development has a strong focus on increasing cities' resilience so that they can be better equipped to face environmental and climate change challenges, specifically in the water sector.



Thematic priorities

SECO's main goal

The main goal of SECO's Cooperation Programme 2021–2024 is to contribute to a competitive economy for sustainable growth. If SECO supports South Africa in promoting a more viable and resource-efficient private sector and reliable economic framework conditions, then South Africa will ultimately have a more competitive economy based on sustainable growth because investment opportunities, the necessary skills, job creation, and economic and climate resilience will be strengthened.

SECO's contribution to South Africa's development agenda

SECO's contribution will focus on competitiveness because it tackles several key impediments to South Africa's economic growth and job creation. A competitive economy based on sustainable growth will contribute to more equality and less poverty in the long run. South Africa remains a developing country in transition and a long-term approach is needed to increase the competitiveness of the economy with interventions at different levels (government/public, private and individuals). This boosts private and public investment and creates opportunities for its businesses and citizens.

In order to meet its objectives, SECO will focus on promoting a viable and resource-efficient private sector, as well as on establishing favourable economic framework conditions. This prioritisation reflects the understanding that the private sector is a driving force of South Africa's economic transformation.

Improving productivity particularly through efficient use of water and energy among companies is an important step in order to reduce operational costs and mitigate climate change risks.



Thematic priority 1

Promoting a viable and resource-efficient private sector

Enabling the private sector by promoting capable and innovative entrepreneurs will increase economic competitiveness. Improved entrepreneurial capacity and skills development through training geared towards the needs of the labour market and the requirements of digital change will allow for better access to sustainable value chains. The programme will assist the private sector in improving resource efficiency, with a particular focus on water management, cutting costs and creating jobs. SECO will focus on small and medium-sized and micro enterprises (SMME) to take advantage of economic opportunities including green growth. SECO will also support individuals in acquiring much-needed skills and knowledge demanded by the private and public sectors for a more competitive and growing economy. Skilled staff will support businesses and the government in increasing productivity, which in turn will lead to more employment opportunities and contribute to a vibrant, inclusive economy.

Thus, SECO promotes a viable and resource-efficient private sector by

- supporting market-oriented skills,
- addressing climate change/resource efficiency and
- promoting the integration in value chains.

South Africa's development priorities

National Development Plan (2013–2030)

- Faster and more inclusive growth
- Building capacities, better governance
- Improving infrastructure and spatial integration
- Sustainable environmental management

Medium-Term Strategic Framework (2019–2024)

- Capable developmental state
- Transforming the economy and creating jobs
- Enabling spatial integration
- Local government development
- Reliable and quality basic services



Thematic priority 2

Supporting the establishment of favourable economic framework conditions to attract business and investments

Reliable framework conditions such as transparent and accountable institutions, balanced economic and fiscal policies, and business- and trade-friendly regulations are necessary in order to leverage the potential of the private sector to promote economic growth. In order to achieve economic growth, South Africa must compete locally and internationally for capital. Therefore, SECO is assisting the public sector to deliver public services and infrastructure efficiently, effectively and sustainably, as well as to develop stable, inclusive, diversified and competitive financial and capital markets – all essential preconditions for a thriving economy. Furthermore, SECO will assist the South African government in fostering a sound business-enabling and investment-friendly environment with transparent, predictable and simple procedures. These incentivise innovation, unlock the potential of SMMEs, and improve the competitiveness of the economy.

Moreover, the programme will focus on supporting the government in addressing the key urbanisation challenge: spatial integration to enhance economic growth. It will take time to reshape South Africa's cities, towns and municipalities, and it will require major reforms and political will. SECO will therefore assist South Africa to continue planning reforms, which are essential for resolving fragmented responsibilities, urban financial planning, infrastructure development and management of public investments across all spheres of government, including SOEs.

Therefore, SECO supports the establishment of favourable economic framework conditions by

- Assisting growth-promoting economic policy,

- fostering an innovation-friendly business environment, and
- strengthening urban development and infrastructure services.

South Africa's development priorities

National Treasury's Economic Policy Paper

- Capable developmental state
- Transforming the economy and creating jobs
- Enabling spatial integration
- Local government development
- Reliable and quality basic services

Integrated Urban Development Framework

- Urban planning and management
- Integrated urban infrastructure
- Inclusive economic development
- Sustainable finance

Presidential initiatives

- on doing business
- on youth employment promotion
- on infrastructure

Results monitoring for South Africa



Thematic priority 1

Promoting a viable and resource-efficient private sector



Thematic priority 2

Supporting the establishment of favourable economic framework conditions to attract business and investments



Theory of change

If SECO supports South Africa to establish a more viable and resource-efficient private sector and favourable economic framework conditions,



then South Africa will ultimately have a more competitive economy based on sustainable growth,



because investment opportunities, the necessary skills, jobs, and economic and climate resilience will be promoted.

Theory of change

If SECO supports South Africa to establish a more viable and resource-efficient private sector and favourable economic framework conditions,



then South Africa will ultimately have a more competitive economy based on sustainable growth,



because investment opportunities, the necessary skills, jobs, and economic and climate resilience will be promoted.

Transversal themes



Gender equality

SECO aims to improve women's opportunities by promoting gender-sensitive economic institutions and public services.



Climate and resource efficiency

SECO supports climate-sensitive public financial management and green public financing solutions. It promotes resource-efficient urban development.



Gender equality

SECO aims to improve women's economic opportunities through gender-relevant incentives for formalisation and by promoting female entrepreneurs.



Climate and resource efficiency

SECO promotes the efficient use of resources in production processes and fosters green financing solutions for the private sector.



Contribution to selected SECO business lines

Market oriented skills

If SECO strengthens the qualification of skilled workers aligned with the needs of the labour market and the requirements of digital change (SDG 4.4),

then companies can find skilled workers and be more innovative and competitive, while women and men, including young people, increase their chance of finding work and earn more (SDG 8.5)

because in the digital age, availability and development of skilled workers is a necessity.



Climate and resource efficiency

If SECO supports the development of institutional capacities in South Africa that facilitate climate-friendly and resource-efficient investments and economic activities,

then this will help to improve the resilience of South Africa and reduce its greenhouse gas emissions as well as its resource dependency so that people and businesses can benefit from more sustainable growth and are better positioned to deal with the effects of climate change and increasing scarcity of resources

because SECO facilitates access to climate-related markets and opportunities by integrating climate change and resource efficiency into policy and capacity building.



Integration in value chains

If SECO provides technical assistance to business support organisations and producers, and

If SECO helps local firms to integrate in international markets,

then the competitiveness of companies and producers is strengthened (SDG 9.3), resource-saving business practices are established (SDG 12.2), and

then they are better integrated into sustainable local, regional and international value chains (SDGs 8.9, 9.3, 12b)

because enterprises/producers meet international quality and market access requirements, and

because they are more productive and competitive.



Contribution to selected SECO business lines

Growth-promoting economic policy

If SECO contributes to the effective, transparent allocation and use of public resources and increasing domestic revenue mobilisation, and

If SECO supports well-regulated and supervised financial markets and contributes to strengthening domestic capital markets,

then South Africa has better-quality public services and a conducive environment for private-sector driven growth

because strong and accountable institutions are better able to fulfil their essential functions and provide reliable and sound macroeconomic conditions (SDG 8.3).



Innovation-friendly business environment

If SECO promotes the simplification of bureaucracy and the consistent application of legal principles (SDG 8.3), and

If SECO is a partner for national and subnational governments in designing and executing an effective regulatory framework for SMEs, and

If SECO supports a business climate that incentivises innovation and investment,

then the competitiveness of enterprises (especially SMMEs) will improve

because they are not hindered by unnecessary bureaucratic barriers, and

because they can invest freed-up resources in the productive core business.



Urban development and infrastructure services

If SECO promotes integrated, resilient, inclusive, and sustainable urban development and planning (SDGs 11.3, 11.a), and the development of public infrastructure (SDG 7.b) for access to reliable public services in these cities, and

If SECO supports increased resource efficiency (SDGs 7.3, 6.4) and greater resilience to climate-related natural disasters (SDGs 11.b, 13.1),

then this will help to create the conditions for sustainable economic growth and broader social prosperity

because cities are planned and managed in a sustainable manner and equal access to affordable and reliable public services and infrastructure will increase, and

because the damage to the population and economy caused by natural disasters will be reduced while at the same time the efficiency of energy and water consumption will increase.



Abbreviations

| | |
|-----------------|---|
| AfCFTA | African Continental Free Trade Area |
| AFD | French Development Agency |
| BRIC | Brazil, Russia, India, China |
| CHF | Swiss franc |
| COVID-19 | Coronavirus disease 2019 |
| EFTA | European Free Trade Association |
| EMPA | Swiss Federal Laboratories for Materials Science and Technology |
| EU | European Union |
| FDFA | Federal Department of Foreign Affairs |
| FOEN | Federal Office of the Environment |
| FTA | Free Trade Agreement |
| G20 | Group of Twenty |
| GIZ | German Corporation for International Cooperation |
| IPI | Federal Institute of Intellectual Property |
| JEC | Joint Economic Committee |
| NDP | National Development Plan |
| Nedlac | National Economic Development and Labour Council |
| OECD | Organisation for Economic Cooperation and Development |
| SACU | South African Customs Union |
| SDGs | Sustainable Development Goals |
| SERI | State Secretariat for Education, Research and Innovation |
| SIF | State Secretariat for International Finance |
| SMME | Small-, and Medium-Sized and Micro Enterprise |
| SOE | State-owned enterprise |
| UN | United Nations |
| USD | United States dollar |

State Secretariat for Economic Affairs SECO – Economic Cooperation and Development

SECO's Economic Cooperation and Development division is responsible for the planning and implementation of economic cooperation and development activities with middle-income developing countries, with countries of Eastern Europe as well as the new Member States of the European Union. It coordinates Switzerland's relations with the World Bank Group, the regional development banks and the economic organisations of the United Nations. SECO is part of the Federal Department of Economic Affairs, Education and Research.

Switzerland's international cooperation efforts as defined in the International Cooperation Strategy 2021–2024 aim to alleviate poverty worldwide, improve respect for human rights, promote democracy and protect the environment. Accordingly, SECO's economic and trade policy measures strive to support sustainable and inclusive growth. The Economic Cooperation and Development division focuses its activities on its specific areas of competences and experience in two target outcomes aligned with the 2030 Agenda for Sustainable Development; 1) Access to markets and opportunities and 2) Income opportunities. Special emphasis is placed on issues related to climate and resource efficiency as well as gender equality.

For detailed information about the orientation of SECO's economic development cooperation, see: www.seco-cooperation.admin.ch/secocoop/en/home.html



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