



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA



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of the Federal Republic of Germany
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MEDIA STATEMENT

Government negotiations between South Africa and Germany: New commitments for digital transformation and mobilising private capital

Government negotiations on South African-German development cooperation took place from 5 to 8 November in Pretoria. The South African delegation was led by Mr Robin Toli, Chief Director in the National Treasury: International Development Cooperation unit. The German delegation was headed by Mr Günter Nooke, the German Chancellor's personal representative for Africa at the German Ministry for Economic Cooperation and Development (BMZ).

As a result of the negotiations, Germany funded an additional 253.6 million Euro in 2017/2018, bringing its overall commitments to a total of 1.5 billion Euro bilateral programme support since 1994.

The key focus areas that will continue to benefit from the bilateral commitment are renewable energy and climate protection, good governance and local development, skills development, and combating HIV & AIDS.

During negotiations, Mr. Toli reiterated President Ramaphosa's "Thuma Mina" campaign which require all South Africans and our partners to contribute positively to the upliftment and growth of the country. Mr Toli further acknowledged the long-standing partnership with Germany and requested that both partners consider how we structure the mix of German technical support and concessionary finance to support improved economic collaboration.

Mr Nooke welcomed the South African government's renewed emphasis on economic growth, vocational education and training, as well as fighting corruption. By focusing on these areas, South Africa is pursuing the same objectives that uphold Germany's Marshall Plan with Africa. The new commitments will also enhance Germany's aims to follow the Plan's common agenda and offers the opportunity to test innovative approaches.

The existing bilateral TVET & Skills Development cooperation programme which falls under the skills development focus area will also benefit from the bilateral commitment. This is with the aim to improve and increase digitalization skills necessary for the era of the 4th industrial revolution.

In addition, pilot projects to minimise the risk of private investment in renewable energies will be further expanded. Loan financing will also be made available to South



African cities in order to improve energy efficiency and water resources management in light of the increasing drought risk in the country.

Development cooperation is a central component of the partnership with South Africa as the single G20 partner in Africa. The importance of this relationship between South Africa and Germany goes beyond bilateral cooperation. Once again, the regional significance became clear during last week's G20 Africa summit in Berlin where South African President Cyril Ramaphosa co-chaired the African Advisory Group alongside the German Chancellor Angela Merkel.

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