

Summary Record
of the Negotiations on Development Cooperation
between the Government of the Republic of South Africa
and the Government of the Federal Republic of Germany
held in Pretoria on 5-8 November 2018

Introduction

Negotiations on development cooperation between the Government of the Republic of South Africa and the Government of the Federal Republic of Germany were held in Pretoria between 5-8 November 2018. The delegation of the Republic of South Africa was headed by Mr Robin Toli, Chief Director, International Development Cooperation (IDC) at the National Treasury. The delegation of the Federal Republic of Germany was headed by Mr Günter Nooke, Personal Representative of the German Chancellor for Africa, Commissioner for Africa at the Federal Ministry for Economic Cooperation and Development (BMZ). The delegations are listed as Annexes 2 and 3.

Within the German government, the Federal Ministry for Economic Cooperation and Development (BMZ) is responsible for development cooperation. The BMZ is therefore the political point of contact for all Financial Cooperation and Technical Cooperation projects and programmes and all other projects and programmes mentioned in this document, unless specified otherwise. The exceptions are programmes mentioned in Section 3.6.1. for which the Federal Ministry for Economic Affairs and Energy (BMWi) is responsible; programmes mentioned in Section 3.6.2., for which the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) is responsible; and programmes mentioned in Section 3.6.3., for which the Federal Ministry of Food and Agriculture (BMEL) is responsible.

The negotiations took place in an open atmosphere of constructive cooperation. Based on the results of the preparatory consultations held on 5-9 March 2018, the delegations reached an agreement on the allocation of the funds available. The results of the negotiations are recorded below.



1. General context for development cooperation and political dialogue

The general context for development cooperation and political dialogue was addressed in the opening statements of the two heads of delegation. The individual German and South African statements are attached as Annex 4 and 5.

The German delegation emphasised that the implementation of the **2030 Agenda for Sustainable Development** played a pivotal role in the development debate and was a priority for all countries. Reducing poverty and inequality and achieving sustainable development within planetary limits are fundamental challenges that need to be tackled jointly by all countries on the basis of a new universal agenda.

The 2030 Agenda for Sustainable Development serves as guidance for Germany's development cooperation. The German side also drew attention to the need to successfully implement the 2030 Agenda within a new global partnership entailing responsibilities for all countries. The German side would welcome the continuation of a strategic dialogue and continued exchange on this topic.

The South African Delegation reiterated the importance of alignment to the National Development Plan – Vision 2030 which resonates with the African Agenda 2030. The country is nearing its five-year Medium Term Strategic Framework (MTSF) cycle (2014-2019) and will soon evaluate and reflect on the progress, challenges and opportunities towards achieving improved developmental outcomes. South Africa will also participate in the first voluntary reporting on the Sustainable Development Goals (SDGs) in 2019, and work towards this report – Voluntary National Report (VNR) is underway.

Both sides underlined that the **Paris Agreement of December 2015** represents a landmark agreement on climate change. The Paris Agreement, together with 2030 Agenda for Sustainable Development and its Sustainable Development Goals, constitutes the new global agenda for sustainable development. A core task ahead for all countries lies in implementing their climate goals (Nationally Determined Contributions, NDCs), and in integrating these goals and commitments into national-level planning processes, investment plans and policies.

Furthermore, South Africa and Germany are founding members of the **NDC Partnership** (NDCP). Based on partner country requests, the NDC Partnership facilitates information sharing among partners and supports coordination between country stakeholders, development partners and institutional partners in NDC implementation. Equally important, the Partnership aims to bring the climate and sustainable development agendas together, translating their synergies into practice.



Within its capacity as a present co-chair of the Partnership, Germany is encouraging South Africa to participate actively in global exchanges, such as the NDCP forum on the margins of relevant meetings, and to contribute with its experiences and ideas. Furthermore, Germany encourages South Africa, considering the NDCP as a platform, to discuss national needs for the NDC implementation.

In 2017, during Germany's tenure as **G20** Presidency, South Africa as one of the permanent co-chairs of the G20 Development Working Group gave valuable support to the German chair and the Hamburg commitments. Germany especially appreciates the efforts of South Africa in advocating strongly for the G20 Partnership with Africa in the G20 Africa Advisory Group, which is jointly chaired by South Africa and Germany.

The German delegation referred to the **Marshall Plan with Africa**, which forms the strategic basis for Germany's development cooperation with Africa. The purpose of the Marshall Plan is to support Germany's African partner countries in implementing the development visions and reform goals of the African Union's Agenda 2063. In order to achieve the objectives of the Agenda 2063 in an effective and sustainable manner, cooperation arrangements are needed in which mutual commitments are made and under which both sides do their share, which includes providing increased financial resources of their own. Closer economic cooperation can create job opportunities and improve the long-term prospects for young people. However, sustainable progress can only be made if partner countries demonstrate a high degree of ownership, especially with regard to improving the investment environment and vocational education systems.

The German side drew attention to its goal of also using this approach as a basis for jointly redesigning the relations between the European Union (EU) and Africa by 2020. The German side is, likewise, willing to engage in closer cooperation in international fora and processes that may help foster the implementation of the common reform goals based on the Agenda 2063.

Both sides agreed to strive to make **globalisation and global trade relations** fair and sustainable. Global value chains must be made sustainable not just in economic but also in social and ecological terms. The German side underlined that the International Labour Organisation's (ILO's) core labour standards, the OECD Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights, among others, are essential sources of guidance for this work.

The German side underlined that the **private sector** is the driving force for sustainable development. Enterprises create jobs and incomes. The German side highlighted that through the taxes they pay, they help enable the government to discharge its functions and stated that economic development can only be successful and help create a

prosperous society if there is a conducive environment for investment and if growth is inclusive. This requires a general framework in which adequate labour, social and environmental standards can be guaranteed, and in which government institutions, the private sector and civil society – especially in the form of free trade unions – can operate independently of each other. The German side is willing to support the Government of South Africa in its efforts to foster economic development, and to help reconcile economic, environmental and social needs, as envisaged in the 2030 Agenda. This includes support for efforts to improve the environment for investment, and outreach to German and European enterprises and their chambers and associations.

The South African President, Mr Cyril Ramaphosa concluded an Investment Summit in October which emphasized that economic growth and job creation remain core to the national agenda. A number of private sector partnerships pledged increased investment over the medium to longer term. The President further acknowledged that policy uncertainty detracts from private sector investments, however work with the World Bank is underway to address challenges pertaining to the ease of doing business, and to formulate a new foreign direct investment strategy for the country. The South African side will ensure that future support is aligned to this strategy. Both sides agree that **education and training**, and access to these opportunities, are vital to a country's economic, environment and social sustainable development and to a peaceful society. Education is an investment in the future and essential in enabling people to find jobs and earn a living. The dialogue in the field of TVET will be used to explore the possibilities for cooperation.

The German side elucidated that compassion is the common thread uniting all religions of the world and religions are advocates for the poor and the vulnerable, for the sick and the marginalised. The German side stated that Religions pursue goals that are key objectives of the 2030 Agenda: peace, justice and the integrity of creation. In many places, religious communities are important elements of society and often contribute to sustainable development in a vast variety of ways. To this end, the German side underlined the potential offered by religious communities. The German side is willing to support a dialogue among religious communities, and between religious communities and government institutions and civil society, in their capacity as active partners for sustainable social and environmental development.

2. Dialogue on priority areas of bilateral development cooperation; commitments

2.1. Financial commitments and reprogrammed funds

The total volume of bilateral Technical and Financial Cooperation since cooperation began in 1994 amounts €1.5 billion. The Government of the Federal Republic of Germany undertakes to provide the Government of the Republic of South Africa with a new amount of up to € 152,6 million for bilateral Technical and Financial Cooperation. This comprises up to € 123 million for Financial Cooperation projects/programmes and up to € 29.6 million for Technical Cooperation projects/programmes.

The German delegation also highlighted the additional financial commitments via note verbale in 2017 and 2018: up to € 100 million were committed for the Financial Cooperation project "Climate smart urban mobility, eThekweni Metropolitan Municipality" and € 1 million for the Technical Cooperation programme "Violence and Crime Prevention Programme".

Thus the total volume of funding available for bilateral Technical and Financial Cooperation Programmes in 2017 and 2018 amounts to up to € 263.6 million.

In addition, up to € 15 million from commitments made in 2012 will be reprogrammed (of which up to € 15 million under Financial Cooperation).

Moreover, KfW has provided a promotional loan in November 2016 to the Landbank of up to ZAR 900 million for the financing of small- and medium-sized agricultural enterprises in South Africa. In addition to that, KfW has provided a promotional loan of up to € 25 million to the DBSA for the refinancing of airport infrastructure development in Madagascar. Both loans are partially guaranteed by the German Government.

The following commitment was cancelled in the government negotiations 2018 due to changed framework conditions: "Renewable Energy in the South Africa Power Pool (SAPP), Phase IV (loan of up to € 80 million, committed in 2012). Both sides agreed that € 10 million of the commitment will be reprogrammed to partially finance the new programme "Renewable Energy for South African Municipalities (RESAM)".

Furthermore, both sides agreed that € 5 million committed in 2012 as a grant for "Safety Promotion through Urban Upgrading – Helenvale, Phase II" will be reprogrammed due to changed framework conditions to partially finance the new programme RESAM.

The total volume of funding available for Technical and Financial Cooperation projects and programmes thus totals up to € 167.6 million. A table showing the commitments and reprogrammed funds is attached as Annex 1.

2.2. Priority area Green Economy

Both sides confirmed their commitment to continuing cooperation in the Green Economy focal area with its strong focus on climate change mitigation in the energy sector¹ and adaptation initiatives² and equally strong links to job creation in the green economy. South African-German Development Cooperation in the Green Economy focal area, the South African-German Energy Partnership, and the International Climate Initiative are closely interlinked and coordinated. The South African partner reiterated the importance for implementation of programmes in this sector to be coordinated by the relevant stakeholders, including the National Treasury.

The overarching goal in the Green Economy focal area is to support South Africa's transition to an environmentally sustainable, low-carbon climate resilient economy (LCCR). The cooperation is aligned to South Africa's Nationally Determined Contribution (NDC) as agreed upon by the United Nations Framework Convention on Climate Change (UNFCCC).

Germany is aware of the significant challenges facing the energy sector and appreciates the good cooperation with its South African partners from all spheres of government and the private sector. Germany appreciates that the changes in the energy sector, largely driven by profound global changes in technologies, are receiving attention from all South African stakeholders. Germany welcomes the new reform dynamic and in particular the progress and consultative approach related to the adoption of a new **Integrated Resource Plan (IRP)**; the draft IRP published in August re-launched a facts based discussion on the future of the energy sector and defines a framework for the further discussion of priorities. The draft IRP contains many starting points to further broaden the scope of bilateral cooperation in the energy sector.

Germany welcomes recent developments regarding the **implementation of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)**, in particular the signing of outstanding Power Purchase Agreements (PPA's)

¹ The energy sector is the main focus of the BMZ-funded programmes.

² Adaptation initiatives are included, inter alia, in the programmes funded by BMU.

and the announcement of a new renewable Energy Bid window with a volume of 1,800 MW by the end of this year. These have been important steps to restore investor confidence in the sector and shape a reliable long-term development pathway for renewable energies. In this context, Germany underlined the importance of clarity regarding the future of the small Independent Power Producer (IPP) bid windows, including the closing of the two Small Projects Independent Power Producers Procurement Programme (SPIPPP) bid windows (2 x 50MWs) that are still outstanding.

Germany highlighted the role of **small-scale embedded generation** below 1 MW (SSEG), and in particular rooftop PV which can play an important role in the future energy mix and have a significant impact in terms of job creation and local content. To this end, Germany emphasized that the adoption of the regulatory environment remains essential to tap in the full potential of the dynamic development. This includes questions related to the licensing, regulatory rules and registration of SSEG.

Germany appreciates the ongoing corporate governance restoration process and focus on compliance of **Eskom** and it is acknowledged that the financial situation of Eskom remains challenging. In this regard, Germany welcomes the review of the business model for Eskom. Germany further wishes to express support for the initiative of the South African government to study potential transition paths for the electricity sector with the objective of preparing a broader market reform. Germany has agreed to provide funding from a dedicated Study and Expert Fund to support South Africa in facilitating informed decisions within the sector.

With respect to the acceleration and technology driven transition of the energy sector towards greater decentralized generation, Germany referred to the major challenges for the **municipal energy utilities**. At the SALGA Energy Summit held in March 2018, a broad range of challenges were identified which require a firm political commitment and significant resources in order to develop sustainable strategies.

2.2.1. Financial Cooperation

Renewable Energy for South African Municipalities (RESAM)

New programme; new commitment: up to € 3 million FC Grant; reprogrammed: up to € 5 million "Safety Promotion through Urban Upgrading – Helenvale, Phase II" from 2012 commitment; reprogrammed: up to € 10 million from "Renewable Energy in the South Africa Power Pool (SAPP), Phase IV" from the 2012 commitment.

With the ultimate objective of improving accesses to services and service quality as well as integrating renewable energy power into the municipal distribution network, the new

commitment of up to € 18 million will be used to support municipalities in implementing their ambitious targets for the promotion of Renewable Energy power generation through investments into the modernisation of the electricity network. The programme will be closely coordinated with the respective Technical Cooperation programmes (Section 2.2.2) to support the transition of the energy sector in South Africa. The financing agreement needs to be signed before 31 December 2019. After that, the grant funding will no longer be available.

Climate Initiative for Urban Waste Water Management in South Africa, Johannesburg

New programme; new commitment: up to € 100 million (FC interest-subsidized loan) as part of the German commitments under the NDC Partnership

The purpose of the FC loan to the City of Johannesburg will be to finance investments in the refurbishment and expansion of several wastewater treatment plants with the goal to increase energy efficiency and reduce greenhouse gas emissions in the wastewater treatment process. Increasing treatment capacities to match current and future demand will help to better control the highly potent greenhouse gas methane in the wastewater treatment process. The project will also improve the availability of treated wastewater for re-use and address the sustainability of water consumption patterns and water losses in the system. The commitment of up to € 100 million FC loan is subject to approval by the relevant Ministries within the German Government.

Small IPP Support Programme

Ongoing programme; new commitment: up to € 8 million FC grant

Germany makes a commitment of a further grant of € 8 million to the Facility of Renewable Small Transactions (FIRST), the investment fund anchored by the FC to provide funding to small renewable energy projects. The objective of this grant is to promote the growth of FIRST by leveraging further funding from commercial funders. The German side stressed again the importance of the continuation of the SPIPPPP in view of the high unemployment rate and the low economic growth in South Africa. It underlined the significance of a clear statement on the future of the SPIPPPP and the related regulatory framework in terms of licensing requirements, the prevalence of net metering and the role of municipalities in the purchase of power from renewable energy sources.

Promoting innovation in procurement of renewable energy and preparation of regional transmission projects – IPP Office Support

Ongoing programme

Based on the joint appraisal of the grant support in July 2018 both sides confirmed their joint intention to sign the Financing Agreement before the end of 2018. Germany underlined the need of clarity regarding the further institutional set-up of the IPP Office or the procurement function for future power projects and the future of the current Memorandum of Agreement (this expires in April 2019) in this regard.

Green Goal - Non-Motorised Transport Programme in South Africa

Ongoing programme

The Green Goal - Non-Motorised Transport Programme in South Africa contributes to sustainable, energy efficient and safe transport strategies in South African cities. Both sides took note of the recent progress in signing Framework Memorandums of Understanding with participating municipalities. Infrastructure Development interventions will be undertaken in the City of Johannesburg and Polokwane Local Municipality. The infrastructure interventions will entail expanding on developments undertaken during Phase 1 of the programme and aims to make a significant impact on the uptake of NMT in these Cities. Progress is noted in terms of the infrastructure component including great emphasis on advocacy and legislation in the NMT sector. Advocacy interventions will include workshops and conferences, bicycle distribution schemes, whilst the legislative workstream will comprise of the drafting of a generic municipal bylaw which can be domesticated by each municipality who wishes to adopt this legislation to their respective needs.

Climate Smart Urban Mobility, eThekweni Metropolitan Municipality

Ongoing programme

The German side appreciates the South African policies and efforts to improve urban public transport as this will significantly contribute to reduced GHG emissions, pro-poor economic and social development as well as to climate change mitigation. It has therefore recently committed a development loan to *eThekweni Metropolitan Municipality* to co-finance investment measures required for the implementation of its *Integrated Rapid Public Transport Network*. Both sides committed to finalize all necessary preparations to ensure the signing of the loan in the first half of 2019. Moreover, both sides emphasized

the importance of continuous fund allocation from national and local level to provide the required subsidies for public transport operations.

South African Facility for Green Growth (SAFGG)

Ongoing programme

The German side remains committed to fund SAFGG according to the Agreement between the Government of the Federal Republic of Germany and the Government of the Republic of South Africa concerning Financial Corporation in 2016. The German side reemphasized the agreement of both sides during the Government Negotiations in November 2016 concerning the swift signing of the financing agreement between IDC and KfW.

2.2.2. Technical Cooperation

South African German Energy Programme (SAGEN)

Ongoing programme; new commitment: up to € 3 million (TC grant)

Germany welcomes the renewed support of the South African government to promote renewable energy and energy efficiency. The SAGEN Programme is supporting South African efforts to promote renewable energy and energy efficiency in close cooperation with both public and private partners at the national, provincial and municipal level. Both sides acknowledged this broad-based cooperation with a diversified range of partners as a valuable contribution to the development of the energy sector and agreed to continue the cooperation through SAGEN. To this end, the German government will make available additional funds of up to € 3 million to extend the current phase of SAGEN. The additional support will be provided to a diversified range of partners from all spheres of government as well as the private sector.

Grid and System Integration of Variable Renewables

New programme; new commitment: up to € 7 million (TC Grant)

In recognition of the scale of the challenges arising from the medium- to long-term transformation of the South African energy sector, Germany makes available funds to strengthen individual and institutional capacities to manage this change. The funds shall be used to enhance capacities both at national and municipal level. Improved know-how regarding technical, regulatory and sector management issues will enable South African partners to better address the challenges of integrating increasing shares of variable renewables into the South Africa power system. The Department of Energy, Eskom, municipalities and the South African Local Government Association (SALGA) will be core

partners for the implementation. Furthermore, cooperation with the private sector is envisaged to promote technology innovation in areas relevant for the change.

The German side commits funds of up to € 7 million for this support. The additional programme will be closely aligned with the ongoing activities under the South African German Energy Programme (SAGEN) and the FC programme Renewable Energy for South African Municipalities (RESAM) (Section 2.2.1.). A detailed planning of the additional programme is envisaged in the first half of 2019.

2.3. Priority Area HIV Prevention

The overall aim of South African-German Cooperation in the focal area of HIV Prevention is to contribute to the reduction of new HIV infections in South Africa. South Africa reiterated its commitment to the UNAIDS Roadmap 2020 as expressed by then Deputy President Cyril Ramaphosa in his speech for World AIDS Day in 2017, as well as being reflected in the National Strategic Plan for HIV, TB and STIs 2017-2022. Against this background, both sides welcomed the overall reduction in HIV incidence of 44% between 2012 and 2017 and the progress made towards the UNAIDS 90-90-90 targets. However, challenges remain as HIV incidence still remains high, including in adolescent girls and young women (AGYW) and with regards to still high levels of untested youth and men. The Fifth South African National HIV Prevalence, Incidence, Behaviour and Communication Survey 2017 shows that while the HIV incidence in AGYW is declining, the estimated 1300 new infections every week in this cohort, together with the increase in the percent of boys younger than 15 experiencing early sexual debut and flat consistent condom use, are major cause of concern. This means that there is a need to refocus on prevention, in particular on structural and behavior change.

Considering this, Germany would like to encourage a further joint exchange at political and implementation level to successfully steer the ongoing South African-German projects in the HIV sector.

Germany appreciates the efforts of the Departments of Health, Basic Education and Social Development to improve their cooperation to successfully implement the Integrated School Health Programme and the further support from the three involved Departments in this regard to ensure sustainability of this focus on schools and learners. Germany is dedicated to assist in strengthening the institutional interdepartmental structures at the provincial and district level in order to ensure better preconditions for the implementation of national strategies, like the Integrated School Health Programme.



Germany reiterates its appreciation for the funding modality achieved with the Global Fund and its Country Coordinating Mechanism which strengthens the programme in the Eastern Cape. Germany recommended further support from the National Department of Health to ensure the continuation of this modality in future Global Fund allocation rounds.

2.3.1. Financial Cooperation

Multisectoral HIV/Aids prevention in the Eastern Cape

Ongoing programme; new commitment: up to € 4 million

The South African and German sides welcomed the continued successful implementation of the Multisectoral HIV Prevention Programme - "Bumb'ingomso" (Phase I) in the Eastern Cape and look forward to the timely start of Phase II. Both sides consider it an important pillar of the national "She Conquers" campaign and the German side encouraged the South African partners to continue its steering and coordinating role for the Project. Based on the above, Germany makes an additional commitment of up to € 4 million, in order to consolidate the Programme further and expand critical prevention activities to young men. Both sides agreed that the geographical focus of the Programme shall remain unchanged and that the DG Murray Trust (DGMT) will be the recipient of the financial contribution.

Support to the Activate! Leadership Programme

Ongoing programme

The German side welcomed that the concerns on the delayed signing of Project agreements raised at the last consultations have been resolved by the South African government and a revised partner arrangement was agreed and formalized for the Project. Germany appreciated the support from the DG Murray Trust (DGMT) and the pre-funding that was provided in the meantime to avoid an interruption of Project activities. Whereas the DGMT has now been designated the Recipient of the FC funding, Germany encouraged the National Department of Health to continue to play a steering role for the Project, which they agreed to, and involve DGMT and Activators pro-actively in national campaigns and activities.

HIV/Aids Prevention, Phase I +II

Ongoing programme

Germany welcomed the continued good level of implementation of the mobile HIV Testing Service (HTS) Programme component. Both sides stressed the importance to effectively manage the service providers and coordinate the HIV testing and counselling activities with other donors and public initiatives in Mpumalanga and Eastern Cape. The Peer

Education (Activate!) component and the Conditional Rewards Programme (iloveLife) component have been concluded in 2017. An evaluation study on the iloveLife Programme is currently being conducted. The re-allocation of residual funds from the CRP component to the HTS component was agreed between the parties. Both sides agreed to formalize the re-allocation via an addendum to the Financing Agreement.

Voluntary Counselling and Testing (VCT) II

Ongoing programme

The German side expressed its appreciation for the successful implementation and closeout of the Programme in October 2018, including the clinic extensions and the HIV Testing Services (HTS) franchise system that involved private health providers. With regards to the sustainability of the investment made, Germany requested NDOH to vigorously ensure that maintenance of the clinics including their extensions is ensured and maintenance shortcomings identified at selected clinics in the Northern Cape are addressed. Germany further requested that the community based HTS, successfully delivered by NGOs under the Project franchise, is sustained by supporting the NGOs to access funding from the NDOH NGO unit. With regards to the further integration of General Practitioners (GPs) within national initiatives, both sides agreed that lessons learnt from the Project will be used to inform similar government pilots and to explore the possibility of supplying GPs with test kits for free HTS going forward.

Orphans and Vulnerable Children and Youth (OVCY) I-III

Ongoing programme

Germany welcomed the completion of most Community Care Centers (CCCs) and the successive handovers to NPOs for delivery of services under Phase I and II. Both sides regret the construction delays at the 3 sites in Limpopo. The German side expressed its deep concern on the continued delays in the signing of addenda to the service level agreements with some of the NPOs occupying completed CCCs, the lack of clear management structures and maintenance provisions for the CCCs in operation as well as the assignment of service providers for the remaining capacity building trainings. Germany requested DSD to vigorously finalize all steps to ensure the sustainable operation of the centers. As the Project approaches its end, both sides agreed that the solution agreed upon during the meeting held between DSD and KfW on 26th September 2018 for the implementation of remaining capacity building trainings needs to be fast-tracked.

Both sides welcomed the start of Phase III preparation by SANAC secretariat and DSD, including the result of the respective site selection mission. The German side emphasized

the importance of the agreed comprehensive approach reflected in a broad set of foreseen services to be provided in the frame of the programme.

Both sides agreed that after finalization of Phases I and II any remaining funds shall be transferred to Phase III.

2.3.2. Technical Cooperation

Multisectoral HIV Prevention in South Africa (MHIVP)

Ongoing programme; new commitment: up to € 3 million

The South African-German Multisectoral HIV Prevention (MHIVP) Programme supports the improvement of structural and institutional preconditions for the implementation of national policies, like the Integrated School Health Programme and fosters stronger interdepartmental cooperation between the Departments of Health, Basic Education and Social Development.

The German Government commits to an additional financial contribution of up to € 3 million between 01/2021 and 06/2023 to implement the programme's consolidation phase; thereby strengthening capacities of South African partners, providing further technical advice and financial support to the South African Government in order to prepare the national rollout and sustainable implementation of the Integrated School Health Programme.

2.4. Priority area TVET and Skills Development

The Department of Higher Education and Training (DHET) expressed its appreciation towards Germany's continuous support for South Africa's education transformation project, particularly in the TVET sector through the Dual System Pilot Project (DSPP) which aims to produce a pool of artisans in order to reduce South Africa's dependence on imported skills. Significant progress has been made in implementing the DSPP, Germany's ongoing inputs and support is important for innovation. Germany congratulated the South African government on the progress made with regard to current TVET reforms, in particular the introduction of the occupational programmes with its dual approach and the establishment of the Centres of Specialisation which is an important step towards a more demand-driven and industry-orientated TVET system. Germany also acknowledged the piloting of the Preparatory Learning Programme (PLP), aiming to better prepare youth for TVET colleges.



Both sides confirmed their cooperation in the focal area as it is highly relevant to address the high levels of unemployment, particular among the youth and resolved to further pursue forging partnerships between public and private sector. Germany encouraged sufficient flexibility within the bureaucratic and regulating South African environment to allow for innovative pilot projects to further develop the TVET & Skills Development sector in South Africa.

During the government consultations in March 2018 there was agreement that the digital transformation will impact the TVET and Skills Development sector. In this context the German side welcomed the increasing focus by the South African government on digitalisation and skills.

Both sides emphasized the need to develop a mechanism for the medium to long term funding of German supported South African (pilot) projects beyond its seed funding, including the DSPP and lecturer development centers.

2.4.1. Financial Cooperation

Promotion of Technical and Vocational Education and Training

Ongoing programme; new commitment: up to € 8 million; commitments up to date: up to € 8.25 million.

Both the German and South African side re-confirmed their commitment to the Project. Germany welcomed the result of the site selection mission, which was conducted by DHET early 2018. However, Germany expressed its highest concern on the slow progress in planning of the Project and signing of funding agreements. It stressed the importance of dedicated human resources at both sides to effectively plan and implement the Project. A feasible draft concept to cover the running costs and ensure the maintenance of the training centers remains a precondition for the start of the Project.

Based on the phased-approach agreed during Project appraisal, Germany intends to make an additional commitment of € 8 million to expand the Project towards additional, pre-selected occupational fields and/or Project sites.

2.4.2. Technical Cooperation

Digital Skills 4 Jobs and Income

New programme; new commitment: up to € 9.6 million

Based on experiences gained in many partner countries and the EU, Germany is increasingly seeing the convergence of digitalisation, the Green Economy and economic inclusivity. To this end, Germany intends a commitment of up to € 9.6 million to

complement the existing bilateral TVET & Skills Development cooperation with South Africa with an overarching initiative in the context of an increasingly digitalized world.

Skills Development for a Green Economy (SD4GE)

Ongoing programme

Germany welcomed the coordinated continuation of cooperation in the focal area of Technical and Vocational Training (TVET) and Skills Development, as it is crucial for addressing the high levels of unemployment, in particular among the youth. To this end, the German government will make funds of around up to € 2.8 million available for SD4GE II which are residual from SD4GE I, S4GJ II, BESD.

2.5. Priority area Governance and Public Administration

The overall objective for cooperation in this focal area is to contribute to an effective, efficient and citizen-oriented system of public service delivery, which is the basis of safe, sustainable and stable development in South Africa and the region.

Both partners acknowledged the extensive support under this focal area. This includes support to local government service delivery through targeted provincial and municipal support, and complementary support to national programmes/projects, as well as initiatives to build safer communities. All these programmes provide numerous opportunities for replication through good practice and knowledge sharing.

2.5.1. Financial Cooperation

Safety Promotion through Urban Upgrading – Helenvale

Ongoing programme

The project provides security related infrastructure, social and economic services to improve the safety and quality of life of the local population. Severe implementation delays constraint success and is now a real threat to its continuation. Against this backdrop, both sides appreciate recent progress and the new concept submitted by the Nelson Mandela Bay Municipality. Based on the new concept both sides agreed to implement and finalize the remaining project activities during the course of 2019.

It was further agreed that funds that had been already allocated in 2012 for a second project phase (up to € 5 million) will be reprogrammed to support the new “Renewable Energy for South African Municipalities (RESAM)” programme (section 2.2.1.).

Safety Promotion through Urban Upgrading – Mamelodi East

Ongoing programme

The German side appreciates the commitment of the management of the City of Tshwane to implement the SPUU project as an important measure for crime prevention and socio-economic development. It has been agreed that the City will have to finalise all pending issues to avoid further delays in project implementation (i.e. establishment of Disposition Fund and Project Management Unit) before the end of November 2018.

2.5.2. Technical Cooperation

Governance Support Programme II (GSP II)

Ongoing programme; new commitment: up to € 4 million

Both sides discussed the GSP II implementation status including the remaining challenges of some partner municipalities and the mitigation efforts the programme partners undertake to ensure successful implementation. The programme partners are committed to support the upscaling of achievements to other provinces and/ or country-wide, using the programme steering structures for driving and guiding implementation.

The remaining funds from GSP I were transferred to GSP II. Furthermore, the German Government commits an additional contribution of up to € 4 million to deepen support to the following areas within the mandate of the GSP II: further institutionalising of improved intergovernmental long-term planning; improving financial management capacity and capability for municipalities to enable them taking up and properly manage grant allocations and own revenue; to increase their access to alternative funding, from the private sector and Development Finance Institutions; refinement and implementation of an integrated district approach for improved regional and urban planning, coordination, development; the provision of basic services and improvement of district governance within the intergovernmental powers and functions framework; support to oversight and accountability mechanisms on all levels of government; and introduce innovations and resilience in supported municipalities.

Violence and Crime Prevention Programme II (VCP II)

Ongoing Programme, new commitment: up to € 3 million

Both sides confirmed their commitment to the Violence and Crime Prevention Programme. Germany welcomed the commitment of the South African government to implement the 2016 White Paper on Safety and Security, and to establishing a National Safety, Crime

and Violence Prevention Centre, as envisaged in the White Paper, as a key mechanism for coordinating and supporting implementation. The importance of nominating a national political champion to lead the implementation of the White Paper on Safety and Security across all spheres and sectors of government and society, and to drive the establishment of the National Centre was recognized by both sides.

The South African delegation noted and appreciated the provision of an additional €1 million committed in August 2018 to secure the continuation of VCP II programme, which extends the implementation period to June 2019. Germany committed to further assisting in the development of the necessary system capacities for implementation of the White Paper; set-up of the National Centre through VCP II and III; and encouraged the South African side to commit the necessary resources to realise the White Paper implementation and the establishment of the Centre. To this end, the German government will make available additional funds of up to € 3 million as new funds for VCP III for a period of approximately 2 years, starting in mid-2019.

2.6. Cooperation outside the priority areas

The purpose of the Study and Expert Fund (SEF) is to finance the preparation of projects, of development advisors, integrated experts and human capacity development measures as well as studies and smaller projects of Technical Cooperation agreed upon by both governments. Currently there are approximately up to € 1.37 million available in the SEF from past commitments, which have not yet been earmarked for individual measures.

Residual funds of the previous Study and Expert Fund will be transferred to the ongoing SEF for further use. Residual funds from the project tri-lateral cooperation amounting to € 598.000 shall be reprogrammed to the ongoing SEF.

3. Other instruments and contributions available as part of German development cooperation

3.1. Regional and Global Cooperation

The German side informed about the following regional and global programmes which are an important part of the German Development Cooperation in South Africa in order to enhance the cooperation on the continent and/or within a global context.

Both delegations agreed that activities within these programmes with a direct or indirect connection to South Africa will be supported. The provisions of the Bilateral Agreement between the governments of South Africa and Germany regarding Technical Cooperation

dated 11th of September 1995 shall apply accordingly to activities of regional/global technical programmes/projects of the German Development Cooperation in South Africa.

3.1.1. Cooperation with the Southern African Development Community (SADC)

The German Development Cooperation with SADC focuses on: 1) Regional economic integration, 2) Transboundary water management, 3) Transboundary protection and use of natural resources/Resilience to climate change – here: South Africa is explicitly involved in Transfrontier Conservation Areas (TFCAs) through anti-poaching and the development of tourism and biodiversity economy. Strengthening national-regional linkages and support in the fields of peace-building, security and good governance within the region were agreed as other areas of cooperation.

3.2. Cooperation with the African Union

The German side informed about its significant support to the African Union, which is also of benefit to South Africa as Member State of the African Union. This includes capacity development to the South Africa based NEPAD Planning and Coordinating Agency (NPCA) in support of its transformation to the African Union Development Agency (AUDA). The AU-German support programmes are aligned to the aspirations of the AU's Agenda 2063 and contribute to Continental Frameworks and AU Flagship Programmes.

The AU-German support programmes with linkages to South Africa include:

3.2.1. Comprehensive Africa Agriculture Development Programme (CAADP)

The support to the Comprehensive Africa Agriculture Development Programme strengthens the NPCA and the African Union Commission (AUC) with technical expertise and advisory services to coordinate the implementation of CAADP on country level. The support is covering issues such as policy advice, climate change adaptation in agriculture and risk management. Agricultural vocational training is implemented in 12 partner countries, amongst them also South Africa. Main cooperation partner in South Africa is the Department of Agriculture, Fisheries and Forestry.

3.2.2. Skills Initiative for Africa (SIFA)

The Skills Initiative for Africa increases social and economic perspectives for young women and men in Africa. It is implemented by the AUC and the NEPAD Agency with support and financing from Germany through GIZ and KfW. The Skills Initiative follows a

competitive, innovative and private sector oriented approach, in which public and private institutions propose their projects to a special funding facility. The winning proposals receive grant funding. Furthermore, the Initiative promotes knowledge exchange for better demand-oriented skills development in Africa with strong involvement of the private sector. However, Germany expressed its concern about challenges in the implementation phase of the project due to pending legal issues around necessary privileges and exemptions.

3.2.3. Programme for Infrastructure Development in Africa (PIDA)

The PIDA Support Programme provides technical advisory and support to the AUC and the NPCA in the promotion of regional infrastructure development under the framework of PIDA. The support is currently covering services to prepare the second PIDA Action Plan, technical advisory for early project preparation and the promotion of private sector involvement in infrastructure investments.

3.2.4. African-German Youth Initiative (AGYI)

The African-German Youth Initiative is a multi-lateral initiative of the German Government and the AUC aimed at enhancing youth engagement structures and mobility between African countries and Germany in the context of education for sustainable development. The intention is to contribute to the development of essential competencies and skills in young people from African countries and from Germany in view of a "global citizenship". South Africa has been selected as one of the pilot countries, besides Benin and Tanzania.

Under the umbrella of the AGYI, technical advice and support is provided to the South African implementing organisation Wildlife and Environment Society of South Africa (WESSA) as well as the South African government in view of strengthening the quality and quantity of South African-German youth exchange. It is envisaged to sign a Joint Declaration of Intent between the BMZ and DPME to strengthen the efforts of the project in South Africa.

3.2.5. Strengthening Capacities for Land Governance in Africa (SLGA)

The SLGA programme supports the AU to implement its agenda on land by strengthening human and institutional capacities for realizing sustainable land policies. SLGA is implemented on a continental, regional and national level in cooperation with the African Land Policy Center (ALPC) and the World Bank. SLGA also supports the NPCA in implementing its Land Governance Program with a focus on mainstreaming land issues into national agricultural investment plans.

3.2.6 African Forest Landscapes Restoration Initiative (AFR100)

AFR100 is an Africa-wide initiative to bring 100 million hectares of degraded forests and land under restoration by 2030. 27 countries have voluntarily pledged more than 110 million hectares for restoration at the end of September 2018.

NPCA acts as the Secretariat of the Initiative. BMZ provides support, through GIZ, to NPCA for information and knowledge management, liaison with partner countries, and monitoring of restoration progress.

3.2.7 Global Initiative on Innovative Employment Services for Youth (You Match II)

The second phase of the “Global Initiative on Innovative Employment Services for Youth” (YouMatch II) financed by BMZ will closely cooperate with the “Skills Initiative for Africa” (SIFA) Programme in the field of the promotion of employment services for youth on the African continent. A team member from YouMatch will be based at NPCA together with the SIFA team.

3.3. Cooperation with the Private Sector

The German Technical Cooperation supports regional/global programmes with one common agenda: cooperating with the private sector. All these programmes respond to the South African Government’s development goals of creating jobs, an inclusive economy, improving water security, building an innovative bio trade sector as well as implementing collaborative partnerships.

The programmes in cooperation with the private sector with activities in South Africa include:

3.3.1. Employment for Sustainable Development in Africa (E4D)

The aim of the regional Employment for Sustainable Development in Africa programme is to cooperate with business, civil society and public sector partners to create decent jobs, while raising income for employees and improving working conditions. The programme’s target beneficiaries are primarily poorer population groups, including women and youth. The regional programme develops, negotiates and implements partnerships with the private sector that promote employment, income and improved working conditions. The budget for partnerships in South Africa will be up to € 3.6 million for the project period (2015-2020). The political partner for E4D is the Department for Trade and Industry DTI.

3.3.2. International Water Stewardship Programme (IWaSP) in South Africa

The South African component of the International Water Stewardship Programme supports the establishment of innovative partnerships among government, business and civil society with the goal of increased water security and support to regional learning throughout the SADC region as well as within the IWaSP network. The programme is jointly funded by BMZ and DFID. In addition to concrete partnerships, IWaSP is supporting the Strategic Water Partners Network, a multi-sectoral network, addressing some of South Africa's biggest water risks. IWaSP also works with the South African Department of Water and Sanitation (DWS) in fulfilling their mandate, in terms of resource protection and water services delivery. Furthermore, IWaSP South Africa partners with the South African Water Research Commission as well as numerous local municipalities and catchment management institutions. The IWaSP programme is ending in 2018 and will be succeeded by a new program titled NatuRes (Section 3.3.3.).

3.3.3. Natural Resource Stewardship (NatuReS) Programme

The aim of the Natural Resource Stewardship Programme is to provide solutions for natural resource security through a facilitated partnership approach with public, community and private sector. NatuReS engages in collaborative partnerships that have a clear link to economic and national development priorities in which investments and jobs are both safeguarded and facilitated through a stewardship approach. NatuReS contributes to the implementation of national and sector policies including the NDP, NDCs, and Water/Agriculture sector policies with activities at various levels, including City catchment level, with an emphasis on economic zones, Industrial parks or linked to a specific Value Chain supporting joint stewardship efforts. The political partner is the South African Department of Water and Sanitation (DWS).

3.3.4. DevelopPPP.de

The programme is looking to partner with German and European companies on innovative projects in developing countries and emerging markets, while generating long-term benefits for the local population. Their implementation process includes running four idea competitions a year as well as establishing strategic alliances for larger projects.

3.3.5. Access and Benefit-Sharing Capacity Development Initiative (ABS)

The project aims to create a high-growth jobs-rich and innovative bio trade sector that complies with international and domestic access and benefit-sharing regulations. It is

specifically designed to create permanent and seasonal jobs in bio trade value chains, while substantially boosting the value generated from regional bio trade products. The project will work with selected bio trade value chains and plant species identified based on specific criteria, such as traditional knowledge, ecological sustainability, market demand, potential for value-adding and the participation of communities and small businesses. The project will, therefore, support the achievement of the SDGs and government's key targets, including job creation, empowerment of women and rural development in South Africa and the region. The project is co-funded by the Government of Switzerland with the political partner being the Department of Environmental Affairs (DEA).

3.4. Other regional programmes/projects

The German Development Cooperation supports, among others, the implementation of the following regional programmes/projects with African or South African organizations/ministerial departments:

3.4.1. Good Financial Governance Programme (with ATAF, CABRI, AFROPAC; AFROSAI)

The regional Good Financial Governance (GFG) in Africa Programme promotes the fair, efficient and transparent management of public finances along the budget cycle together with its main partners ATAF (African Tax Administration Forum), CABRI (Collaborative Africa Budget Reform Initiative), AFROPAC (African Organisation of Public Accounts Committees), and AFROSAI (African Organisation of Supreme Audit Institutions).

3.4.2. Prevention of Violence Against Women and Girls (P-VAWG)

The regional Prevention of Violence Against Women and Girls in Southern Africa (South Africa, Lesotho, and Zambia) programme has been launched for the period 01/2018 - 12/2020. The objective of the programme is to strengthen cooperation between governmental, non-governmental and private sector actors to prevent violence against women and girls. This will be done through the promotion and formation of multi-stakeholder initiatives for the joint implementation of selected "flagship projects". In South Africa, these include: a media compact; school-based prevention in selected urban pilot sites in Gauteng and the Eastern Cape; engaging private sector companies in prevention. All flagships will be accompanied by research and lessons learnt will be fed into regional learning formats. Further, the programme will support institutional capacities of actors for coordinated implementation of prevention measures and regional sharing of lessons learned.

3.5. Global Programmes/Projects

Global programmes/projects focus on a concrete topic/approach and implement it in selected countries worldwide. In the following, examples of global projects with activities in South Africa are presented:

3.5.1. Global Alliances for Social Protection II

This global programme intends to use the dialogue and lessons learned between partner countries like South Africa, Mexico, Indonesia and other interested countries as well as regional organizations such as the AU and the Economic Commission for Latin America and Caribbean (CEPAL) to discuss, refine and implement solutions for the organization of social protection systems. The experience gained by South Africa and other partner countries can then be channelled into national and global policy dialogues and implementation measures to establish social protection systems.

3.5.2. Strengthening innovative Approaches between the German Crafts Sector and Partners in the International TVET-Cooperation

The project is centred on the cooperation between the German and South African skilled crafts and trade sector, TVET Institutions and Industry with the aim of strengthening and deepening the contribution towards the development and use of the German skilled crafts and trade sector's competences in the context of International TVET-Cooperation. At the same time, the project will take relevant aspects into considerations such as the TVET offer regarding young women. South Africa would benefit from the dialogue between actors at national and regional level. Moreover, the results accomplished within employment of the younger population will contribute to the reduction of poverty levels country-wide.

3.5.3. C40 Cities Finance Facility

The C40 Cities Finance Facility (CFF) was launched at COP21 in Paris and is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the British Department for Business, Energy and Industrial Strategy (BEIS) as well as the United States Agency for International Development (USAID). It is implemented by the C40 Cities Climate Leadership Group (C40) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Its ultimate goal is to bring urban infrastructure projects from concept stage to bankability, by supporting cities in technically preparing and financially structuring climate relevant investment projects.

In South Africa, the CFF supports eThekweni Municipality on a climate change adaptation project. Jointly with the city, the CFF is developing a business model for city-wide roll-out of an ecosystem-based adaptation project that will ultimately reduce eThekweni's vulnerability to climate change, particularly flooding.

3.5.4 Global Project on Cultural and Creative Industries

Following a private sector development approach, the project seeks to support present and future professionals of the cultural and creative industry (CCI) to build a career for themselves and others. One of the project goals is to improve entrepreneurial skills by introducing support structures to individuals and the industry. Moreover, the project envisages to assist in the elaboration of CCI-representation and networking. Among others, vulnerable population groups will benefit from the approach. All activities are of pilot nature. Main cooperation partner is the Goethe-Institute.

3.6. Other Contributions as part of the German Development Cooperation

3.6.1. Energy Partnership (with funding from BMWi)

The Energy Partnership is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Federal Ministry for Economic Affairs and Energy (BMWi). Building on the on-going very successful cooperation programmes and dialogue between South Africa and Germany the Energy Partnership serves as a platform for mutual exchange on governmental level on effective and efficient national energy policies towards a low-carbon energy future.

It further enhances the bilateral dialogue and practical cooperation in the energy sector between both countries. Private actors are invited to join the dialogue and contribute their experience and expertise. The German delegation informed that the Federal Ministry for Economic Affairs and Economy (BMWi) will continue to provide up to € 2 million to support the secretariat of the Partnership and fund some selected activities in the period 2019-2022. This support will be implemented by GIZ.

3.6.2. International Climate Initiative (IKI with funding from the BMU)

The German government created a special instrument, the International Climate Initiative (IKI), funded by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), in order to strengthen cooperation with developing and transition countries for the mitigation of and adaptation to climate change and the preservation of

biodiversity. As part of its International Climate Initiative, the BMU is funding selected projects in partner countries which contribute to the mitigation of climate change, adaptation to the impacts of climate change, the conservation and sustainable use of natural carbon sinks /REDD+ or processes under the Convention on Biological Diversity (CBD). The projects are in line with the strategies and policies of the partner countries and support i.a. the implementation of the Nationally Determined Contributions (NDCs). The IKI has been part of bilateral cooperation with the South African government since 2008. South Africa has been and will remain one of the focus countries of the initiative. The IKI has contributed more than € 53 million in bilateral projects to support the South African climate activities. The flagship project of the bilateral cooperation is the Climate Support Programme (CSP) implemented by GIZ which entered into its third phase in 2017 and will last until March 2020. A new bilateral IKI call will be launched before the end of 2018.

The German Government and other European Partners have established the NAMA Facility, funded by the BMU together with the UK Department of Business, Energy and Industrial Strategy (BEIS), the Danish Ministry of Energy, Utilities and Climate Change (EFKM) and the European Commission, to support developing countries and emerging economies in ambitious actions to mitigate greenhouse gas emissions. The NAMA Facility has earmarked up to € 20 million for the support of the project “Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP)” in South Africa (08/2018-05/2023) and is implemented by the GIZ. The German side will equally like to inform about upcoming as well as ongoing regional and global projects with South African participation (see Annex 6). In this regard, we will like to inform the South African side that they will receive an information letter from the BMU about an upcoming appraisal mission concerning the following regional project: “Catalyzing private financing for climate impact in Africa” (see Annex 6 for more details).

3.6.3. Technical dialogue on agricultural finance topics of land management (with funding from the BMEL)

A new dialogue project will assist the South African Land Bank in the development of recommendations for agrarian finance related technical aspects of land management. The Land Bank will be assisted in elaborating recommendations to land reform and land management authorities for improved agricultural land availability in the South African context. The focus is on land management issues relevant to agricultural finance, such as the design of lease systems and leases. To promote the implementation of the recommendations, institutional co-operation between the Land Bank and other relevant actors in land management and land reform will be supported.

The German delegation informed that the Federal Ministry of Food and Agriculture (BMEL) will provide up to € 450,000 to support the project in a 1.5-year period in 2019 – 2020.

4. Other instruments

4.1. EU and Multilateral Cooperation

The German delegation pointed out that in addition to the aforementioned bilateral and regional activities, Germany also supports the Republic of South Africa through the European Union (a share of approximately 19 per cent of the funding/budget of the EU especially for the Development Cooperation Instrument) and multilateral programs. 2014-2020 an amount of € 268 million of the DCI budget is earmarked for South Africa. The German government channels about one third of its total resources available for development cooperation through the European Union, multilateral organisations such as the World Bank and the African Development Bank as well as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

4.2. Non-governmental organisations and foundations

The German government also supports the Republic of South Africa via non-governmental programmes. The funds made available to the Republic of South Africa from the BMZ's budget via programmes implemented or started between November 2016 and November 2018 by church organizations amounted to approximately € 36,311 million, by NGOs € 5,4 million in 2017 and by political foundations € 15,896 million.

Both sides welcome the contributions of the German government to NGOs, German political foundations and German social capacity-building agencies. The latter include the Bremen Overseas Research & Development Association (BORDA), Caritas Germany (DCV), the Social and Development Aid of the Kolping Society e.V. (SEK), the Institute for International Cooperation of the German Adult Education Association (Deutscher Volkshochschul-Verband e.V., DVV International), the Education Centre of the Confederation of German Trade Unions (DGB), and the German Cooperative and Raiffeisen Confederation (DGRV), OXFAM Deutschland e.V., medico international e.V., Internationaler Ländlicher Entwicklungsdienst e.V. (ILD), OXFAM Deutschland e.V., Solidaritätsdienst International e.V. (SODI), Global Nature Fund (GNF), Yabonga - Kinder, HIV & Aids in Südafrika e.V., Weltfriedensdienst e.V., BE YOUR OWN HERO e.V.. The German side appreciates the commitment of the Government of the Republic of South

Africa to maintaining the formal conditions (such as visas) for the work of NGOs, German political foundations and German social capacity-building agencies.

4.3. Senior Expert Service

SES (Senior Expert Service) is a programme that is receiving funds from the BMZ. The SES seconds highly qualified young in-service or retired experts to short term missions, mainly in the areas of management, vocational and other technical training in the framework of the South African German cooperation. Target groups are NGOs, small and medium-sized enterprises, educational institutions and municipalities. SES plans to accomplished 17 assignments in South Africa in 2018 in various sectors.

4.4. KfW promotional loans

As a way of complementing the existing set of financing instruments used in Financial Cooperation, mentioned above, KfW may conduct, on behalf of the BMZ, other projects/programmes that merit support from a development point of view. These are conducted by KfW in its own name, on its own account and at its own risk, using KfW funding. Given the nature of the projects/programmes to be financed, South Africa acknowledges the need to make available at the appropriate time sufficient amounts of freely convertible currency to fully service the debt towards KfW (transfer of foreign exchange) and will make all efforts to comply with this obligation promptly at all times. In this matter, South Africa assures KfW that it will put it on a footing at least equal to the multilateral financing institutions.

KfW concluded a contract for a promotional loan between 15 November 2016 and 7 November 2018.

Borrower	Purpose	Amount
Landbank	Fostering the expansion of credit supply to small and medium-sized enterprises (SMEs) in the agriculture sector of South Africa	ZAR 900 million

In addition, KfW concluded a contract for a promotional loan with the South African partner DBSA for infrastructure development in Madagascar.

Borrower	Purpose	Amount
DBSA	Refinancing DBSA Ravinala Airports	€ 25 million

4.5. Deutsche Investitions- und Entwicklungsgesellschaft (DEG)

DEG, Deutsche Investitions- und Entwicklungsgesellschaft mbH ("DEG"), on behalf of the BMZ, is a 100% subsidiary of KfW and one of Europe's largest development finance institutions, mandated to develop, finance and advise private sector enterprises in Emerging Markets, with a particular focus on Africa.

DEG currently provides more than 20 private sector enterprises in South Africa with more than € 200 million of long term debt and equity funding. Indirectly more than 40 private companies in South Africa and the region benefit from DEG funding. DEG has been involved in supporting the South African renewable energy programme since its inception in 2011 and successfully participated directly and indirectly in seven of the renewable IPPs including Wind, PV and CSP solar energy technology. In addition, at present DEG conducts 6 publicly funded projects in South Africa.

5. Declarations and final clauses

5.1. Provisos for project/programme implementation

Both delegations agree that all the contributions envisaged by the German side and recorded in the present document can only be made when

- the Government of the Federal Republic of Germany has taken a positive decision once project/programme appraisals have been carried out by KfW, GIZ and/or any other organisation commissioned with implementing the project or programme,
- overall financing for the project/programme has been secured,
- the agreements under international law to be concluded (intergovernmental agreements and project/programme agreements), the financing and loan agreements and the implementation agreements with KfW/GIZ and, if applicable, any other implementing organisations have entered into force. Both delegations underline their intention to rapidly conclude the agreements under international law. Both agree that they will carry out all necessary processes without delay.

5.2. Terms for Financial Cooperation

New Financial Cooperation commitments shall be made available at the following terms:

- up to € 100 million as a loan for the programme mentioned in para 2.2.1 "Climate Initiative for Urban Waste Water Management in South Africa, Johannesburg"

- up to € 48 million including € 15 million from reprogrammed funds as a financial contribution for the programmes mentioned in paras 2.2.1, 2.3.1, 2.4.1 and 2.5.1, provided that it can be ascertained that the programmes in question are concerned with environmental protection, social infrastructure, self-help oriented poverty reduction activities, measures to improve the social status of women or a credit guarantee fund for small and medium-sized enterprises and therefore meet the special prerequisites for support in the form of a financial contribution.

5.3. Preparation of Financial Cooperation projects and programmes

Both sides agree that in order to prepare and support the Financial Cooperation projects and programmes agreed upon during the present government negotiations, they shall conduct studies, produce expert opinions and deploy experts as the need arises. Such activities shall be coordinated between KfW and the relevant line authority. The funds for such efforts shall be made available by the Government of the Federal Republic of Germany in addition to the bilateral Financial Cooperation commitments mentioned. Both sides shall report on the implementation and outcome of such activities at the next government consultations and/or negotiations.

5.4. Sunset and project/programme replacement clause; residual funds

The German side draws particular attention to the fact that the commitments made under Financial Cooperation and Technical Cooperation will lapse if within four years of the year in which the commitment was made no implementation arrangement, i.e. in the case of Financial Cooperation a loan or financing agreement and in the case of Technical Cooperation an implementation agreement, has been concluded. Thus, commitments made during the 2018 negotiations are subject to a **31 December 2022** deadline (excluding the commitment for RESAM (see 2.2.1) which has the deadline 31 December 2019).

The programme "Climate Initiative for Urban Waste Water Management in South Africa, Johannesburg" (cf. para 2.2.1.) cannot be replaced by others.

5.5. Anti-corruption statement; transparency

Both delegations agree that their cooperation projects and programmes shall be selected and designed according to development criteria.

The government of the Federal Republic of Germany and the government of South Africa agree upon the following assessment of the negative effects of corruption:

- It undermines good governance.
- It wastes scarce resources and has a far-reaching negative impact on economic and social development.
- It undermines the credibility of, and public support for, development cooperation and compromises the efforts of all those who work to support sustainable development.
- It compromises open and transparent competition on the basis of price and quality.

Both governments intend to cooperate closely in order to ensure transparency, accountability and probity in the use of public resources and eliminate any opportunities which may exist for corrupt practices in their development cooperation.

Transparency and accountability are vital to achieving development results and aid effectiveness as enshrined in international declarations (Paris Declaration, Accra Agenda for Action). Both delegations therefore agree that information on the agreed goals, programmes, activities and results of development spending and on the conditions attached to the disbursement of funds may be published by both sides.

6. Next government negotiations

The next negotiations on development cooperation between the Government of the Republic of South Africa and the Government of the Federal Republic of Germany are scheduled to take place in Germany in 2020.

Done at Pretoria on 08 November 2018

For the Government of the
Republic of South Africa



Robin Toli

(Head of Delegation)

For the Government of
the Federal Republic of Germany



Günter Nooke

(Head of Delegation)

ANNEX 1

Project/programme	FC / TC	BMZ project number	New commitment €	Earlier commitments 2017/ 2018 €	Repro-grammed funds €	Total	Replenish-ment Yes/no	Continuation Yes/no	FC instrument	FC loan conditions
Schwerpunkt Bildung / TVET and Skills Development										
Förderung der beruflichen Bildung II Promotion of Technical and Vocational Education and Training II	FC	2018.6753.0	8 million			8 million	No	No	FC-Grant	
Sub-total FC			8 million			8 million				
Beschäftigungsperspektive in der digitalen Welt Digital Skills 4 Jobs and Income	TC	2018.2132.1	9.6 million			9.6 million	No	No	TC-Grant	
Sub-total TC			9,6 million			9,6 million				
Sub-total			17.6 million			17.6 million				
Schwerpunkt Demokratie, Zivilgesellschaft und öffentliche Verwaltung / Good Governance and Public Administration										
Programm zur Unterstützung der Regierungsführung Governance Support Programme	TC	2016.2178.8	4 million			4 million	No	No	TC Grant	
Violence and Crime Prevention Programme Violence and Crime Prevention Programme	TC	2018.2076.0	3 million	1 million		4 million	No	No	TC Grant	
Sub-total TC			7 million			8 million				
Sub-total			7 million			8 million				

Schwerpunkt Energie / Green Economy															
Erneuerbare Energien für südafrikanische Gemeinden / Renewable Energy for South African Municipalities (RESAM)	FC	2018.6755.5	3 million			15 million	18 million	No	No	No					FC Grant
Klimafreundliche städtische Mobilität eThekweni Metropolitan Municipality (Durban) / Climate smart urban mobility, eThekweni Metropolitan Municipality	FC	2017.6858.9		100 million				No	No	No					Subsidized loan
Klimainitiative städtische Abwasserentsorgung in Südafrika: Johannesburg Climate Initiative Communal Wastewater Disposal in Johannesburg	FC	2018.6814.0	100 million				100 million	No	No	No					Subsidized Loan
Programm Erneuerbare Energien - Small IPP Support Programm, Phase III Programm Erneuerbare Energie- Small IPP Support Programm	FC	2018.6754.8	8 million				8 million	No	No	No					FC-Grant
Sub-total FC				100 million	111 million	15 million	226 million								
Schwerpunktprogramm Klima und Energie - SAGEN Focal Area Programme Climate and Energy - SAGEN	TC	2016.2218.2	3 million				3 million	No	No	No					TC-Grant
Verbesserung der Netz- und Systemintegration variabler erneuerbarer Energien, Südafrika / Grid and System Integration of Variable Renewables	TC	2018.2101.6	7 million				7 million	No	No	No					TC-Grant
Sub-total TC			10 million				10 million								
Sub-total			121 million	100 million	15 million	236 million									

Annex 2

List of South African Delegation

Mr Robin Toli	National Treasury (NT) – Head of Delegation
Ms Nathalie Vereen	National Treasury (NT)
Ms Seema Naran	National Treasury (NT)
Mr Msimelelo Ndlovu	National Treasury (NT)
Mr David Milne	National Treasury (NT)
Mr TV Pillay	National Treasury (NT)
Dr Thato Matshaba	National Department of Health (NDOH)
Ms Nelly Malefetse	National Department of Health (NDOH)
Ms Ruth Pooe	Department of Social Development (DSD)
Ms Sheila Hughes	Department of Cooperative Governance and Traditional Affairs (COGTA)
Mr Josiah Lodi	Department of Cooperative Governance and Traditional Affairs (COGTA)
Ms Bilkis Omar	Civilian Secretariat for Police Service (CSPS)
Mr Raymond Reddy	Department of Public Service and Administration (DPSA)
Ms Gerda Magnus	Department of Higher Education and Training (DHET)
Ms Thobela Dube	Department of Higher Education and Training (DHET)
Mr Molefi Monaedi	Department of Higher Education and Training (DHET)
Ms Mokgadi Modise	Department of Energy (DoE)
Ms Elsa Stradom	Department of Energy (DoE)
Ms Shahkira Parker	Department of Environmental Affairs (DEA)

Annex 3

List of German Delegation

Mr. Günter Nooke	Personal Representative of the German Chancellor for Africa; BMZ Commissioner for Africa, Federal Ministry for Economic Cooperation and Development (BMZ) (Head of Delegation)
Dr. Ruediger Lotz	Deputy Ambassador of the Federal Republic of Germany to South Africa
Mr. Christoph Eichen	Deputy Head of Division, Southern Africa; South Africa, (BMZ)
Mr. Volker Oel	Head of Cooperation German Embassy Pretoria
Ms. Diana Stötzer	Deputy Head of Cooperation German Embassy Pretoria
Ms. Jessica De Bruin	Development Cooperation Division German Embassy Pretoria
Ms. Sarah Röckle	Development Cooperation Division German Embassy Pretoria
Mr. Martin Weiss	Regional Director South Africa, Lesotho & Eswatini, Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) Pretoria
Ms. Martina Roemer	Country Manager South Africa, (GIZ) Eschborn
Ms. Maria Gabriela Pico Gamboa	Portfolio Manager South Africa, (GIZ) Pretoria
Dr. Jan Martin Witte	Director, KfW Office South Africa KfW Bankengruppe Pretoria
Mr. Peter Radloff	Country Manager South Africa, KfW Bankengruppe, Frankfurt
Ms. Sandra Freudenberg	Senior Project Manager, KfW Office South Africa, KfW Bankengruppe Pretoria
Dr. Lisette Andreae	Counsellor, Head of Education, Science and Technology, German Embassy Pretoria
Mr. Alexander Salomon	Counsellor, Head of Economic Affairs, German Embassy Pretoria
Mr. Erik Schneider	Counsellor, Head of Food and Agriculture, German Embassy Pretoria

Annex 4

Opening Statement of Günter Nooke, Personal Representative of the German Chancellor for Africa/ BMZ Commissioner for Africa, Federal Ministry for Economic Cooperation and Development

Dear Mr. Toli, distinguished delegates,

- Thank you for your hospitality and warm welcome in Pretoria. It is an honor and pleasure to be here with you today and to open our 2018 government-to-government negotiations on bilateral South African – German Development Cooperation.
- Exceptionally, this year's negotiations could not be integrated into the framework of the biannual South African – German Bi-National Commission (BNC). However, I would like to stress that the results of our discussions today will feed into the outcomes of the BNC in February next year. They will provide input to several bilateral Joint Committees of the BNC, namely the Joint Committee on Vocational Education and Training and the Joint Committee on Economic Affairs and Energy.
- The close integration into the BNC is a signal of the strength and profoundness of our bilateral relations. It clearly shows the relevance of development cooperation in our overall strategic partnership. It also illustrates the cross cutting character of our cooperation and our common efforts to coordinate our activities within the strategic framework of the BNC.
- Since 1994 after the Apartheid Regime our countries closely cooperate for a prosperous and sustainable future of South Africa and to protect the global public goods. South Africa is also a key partner in our regional cooperation via AU, NEPAD and SADC. Since 1994 Germany has committed almost 2.2 billion Euro ODA to South Africa including 1.5 billion Euro bilateral programme support from the BMZ.
- In this regard, we appreciate the new agenda of President Ramaphosa, which is putting a strong emphasis on sustainable economic development, skills development and the fight against state capture and corruption. Already at the AU-EU-summit in

Abidjan in November 2017 the German Chancellor stated: "Instead of giving development aid we should push economic development." That means especially for our two countries that we focus on the private sector much more than in the past.

- We understand the need to address the issue of uneven distribution and ownership of land in South Africa as well as a new initiative for an effective land reform. We trust that any reform process will fully respect the principles of human rights and the rule of law. However, we are concerned that a discussion on expropriations without compensation might have negative implications on investor's confidence and might impair the economic recovery of South Africa.
- We appreciate, that we are jointly addressing both the global challenges and the domestic development challenges in almost all of our cooperation programmes.
- The 2030 Agenda for Sustainable Development plays a pivotal role in the development debate and as guidance for Germany's development cooperation. There is a need to implement the 2030 Agenda within a new global partnership entailing responsibilities for all countries. We would welcome the continuation of a strategic dialogue and continued exchange on this topic.
- With a view to our common objective to reducing global warming the Paris Agreement of December 2015 represents a landmark agreement. A core task ahead for all countries lies in implementing their climate goals (Nationally Determined Contributions, NDCs), and in integrating these goals and commitments into national-level planning processes, investment plans and policies. Both our countries are founding members of the NDC Partnership (NDCP). Our cooperation in the field of "Green Economy" is part of the German contribution to the implementation of this partnership. We encourage South Africa to participate actively in global exchanges, such as the NDCP forum in the margins of the World Climate Conferences, and to contribute with its experiences and ideas.
- Last week, Germany hosted the G20 Africa Conference in Berlin. We appreciate South Africa's - and namely President Ramaphosa's - valuable support to the German chair and the Hamburg commitments. Germany especially appreciates the efforts of

South Africa in advocating strongly for the G20 Partnership with Africa in the G20 Africa Advisory Group, which is jointly chaired by our countries.

- The so called Marshall Plan with Africa forms the strategic basis for Germany's development cooperation with Africa. The purpose is to support Germany's African partner countries in implementing the development visions and reform goals of the African Union's Agenda 2063. Our bilateral cooperation is well in line with this programmatic framework. In particular, our cooperation in the Green Economy, Governance and TVET focal areas delivers on the objectives of the Agendas 2063 and the Marshall Plan with Africa. They support the economic development of South Africa improve the investment environment and help to create job opportunities and improve the long-term prospects for young people.
- In this regard, we would like to underline that the private sector is the driving force for sustainable development. Enterprises create jobs and incomes as well as the fiscal revenue. The German side is willing to support the Government of South Africa in its efforts to foster economic development within the focus of our joint country strategy.
- However, today our priority is an effective and outcome orientated programme for our bilateral development cooperation in the next two years. I am positive that we will be able to achieve this task in spite of a very full agenda today. We can rely on the excellent preparations that were supported professionally both by your team and by our colleagues at the German Embassy here in Pretoria.

I would like to highlight just some of the issues that will be in the spotlight today:

- With the new commitments and programmes which we will be discussing we can build on the strong foundation of our ongoing cooperation programmes. Where appropriate we will reinforce ongoing programmes and expand their scope of work and timeframe. In other cases we pick on new policy trends and debates in South Africa and integrate them into our cooperation framework – just to mention a few: the upcoming debate about energy sector reform and the growing role of municipalities in the energy space; how to adapt to the challenges and chances of the 4th Industrial revolution and so on.

- With our discussions today and with our discussions on the water-energy nexus tomorrow we will also prepare the ground for our future cooperation. Looking ahead on our agenda for next year, we will have to step up the discussions on the future focus of bilateral cooperation post-2020 after the current country strategy (2015-2020) has expired. When we discuss we need to reflect the new political priorities of our two governments in particular those of the incoming South African government after next year's general election. However, it is wise that with the newly proposed TC programme on the digitalization of the education sector we already start to test the waters and adapt to new trends now.
- Together we have to place high priority on accelerating the pipeline and reducing delays in our Financial Cooperation. Programmes we will agree on today are partly funded through financing authorisations³ from past years, which had to be reprogrammed and re-committed to a new purpose. We need to scale up efforts to avoid delays and obstacles in the implementation of commonly agreed programmes. Binding regulations in Germany phase out the options to reprogram committed funds for new purposes. We should avoid that this might result in the loss of funds for our bilateral programmes.
- As an example, the funds, which were re-programed in our negotiations 2016 for the Fiduciary Investment in "Progeny" will lapse this year, since the financial agreements cannot be concluded in time.
- Before I close, I would like to highlight one of the future-oriented new programmes of our cooperation: When our President Dr. Steinmeier is going to visit Cape Town this month (November 2018) he is going to attend the signing ceremony of the loan agreement of the "Climate Initiative for Urban Waste Water Treatment in Cape Town".
 - o Firstly, the programme shows that we are responsive to the needs of South Africa in times of accelerating climate change. With our new programme we

³ Verpflichtungsermächtigungen

make a significant contribution to improve the City of Cape Town's capacities in waste water recycling which could be a model for other municipalities.

- Secondly, we demonstrate that we can support South Africa's municipalities with attractive financial offers in local currency.

On this positive note, I would like to hand back to my co-chair, Robin Toli.

Annex 5

Opening Statement of Robin Toli, Chief Director, International Development Cooperation, The National Treasury

I welcome you and your delegation to South Africa, Pretoria, Mr Nooke. We hope to reciprocate the warm hospitality that your colleagues have always afforded us when in Germany. My team and I look forward to fruitful discussions and as I want to acknowledge the preparatory work invested in convening us this week.

The South African and German partnership has been strategic and constructive, across the focal areas, and we appreciate the energy and responsiveness to ensure our joint ventures are aligned and more focused.

Whilst we remain in a state of transitional democracy, the lack of economic growth and consistent high levels of unemployment require us, with our partners, to work even harder at creating the change we need to turn the tide. The efforts by our current Government to address the social injustices such as gender based violence, creating domestic compacts to stimulate and grow the economy and deal with youth unemployment, can only be realized if we change the way we work within government and in SA.

President Ramaphosa's "Thuma Mina" campaign is requiring all South Africans and our partners to contribute positively to the upliftment and growth of the country. An expansive amount of energy is being invested in discussions and follow-ups with the private sector – may it be for investment, health or social justice support.

We are also nearing the conclusion of the 5year Medium Term Strategic Framework (MTSF) and although we are geared to discuss progress on current programmes and new budgetary commitments and extension, we will have a different discussion with you during the planned Bi-national Commission (BNC) of 2019. The State of the Nation address (SONA) and Budget Speech would have been delivered post February 2019 and our policy priority discussions will certainly shape and inform our future discussions.

Germany remains to work with South Africa in the areas of the green economy; good governance and public administration; supporting the health sector on HIV/Aids prevention; and technical vocational and education training (TVET).

South Africa is undertaking massive pockets of work across the social and governance sectors to combat violence and crimes against women and children, support youth and education. We thank you for the ongoing support through the Victim and Crime Prevention programme (VCP), GSP II, TVET programme interventions and piloting of interesting approaches; and structured support to health focused on HIV/Aids prevention.

On all these focal areas, other donors such as the EU, UK, Global Fund, etc. complements programme areas and investments. We welcome the input and support from Germany within the green economy. We understand that a green economy is not green if it is not inclusive and we better comprehend the interdependence of economic growth and the natural ecosystems, as well as the potential negative impact of economic activities on the environment. We are encouraged by the German support within this area – your focus on greening and renewables allow us to consider options, and enrich the required energy mix we need in South Africa to allow for inclusive growth.

The recent development with the updated 2018 Integrated Resource Plan (IRP) for South Africa released in August 2018, provides policy certainty and a transition for a healthy energy mix. The ongoing investigations and corrective actions in regard to governance within the State Owned Entities (SOEs) has been welcomed domestically and internationally. However, the issue of SOE debt levels and high debt service costs remains unresolved.

We must look at how we strategically make use of a mix of your technical support and concessionary finance. We need better alignment across the sector to allow us to not only fill the financing gap, but the skills and technical gaps we face within our infrastructure sector. It is critically important to look at how we include the private sector within the collaboration. This is complicated, as although we acknowledge we require the private sector, including them does need to comply with both yours and our procurement rules and processes. We need to look at how we do this in manner that complement what each stakeholder do best to address our development challenges, but also to allow for accountability and transparency.

With these opening statements, I trust that we will continue the discussions on a positive note and I look forward to a conclusion which reflect the maturity of this partnership.

Annex 6

Upcoming and ongoing regional and global projects including South Africa financed by the BMU

❖ Upcoming regional projects including South Africa

Clean Captive Installations for Industrial Clients in Sub-Sahara Africa

BMU supports with up to € 3.500.000 for all partner countries (South Africa, Ghana, Kenia, and Nigeria)

Project duration: 01.02.2019 - 01.06.2022

The overall goal is to proof the 2nd generation of RE business models that reduce burden on the grid operator resulting from intermittent RE and creates value for the user of captive RE. The objective is to demonstrate the financial viability of captive RE on commercial sites, raise awareness among industrial players and prepare the ground for technology and business model leapfrogging in countries of the global south. Innovative finance structures can be applied to overcome potential financing bottlenecks. Appropriate sites and interesting industry sector will be identified and companies assisted in the development of concrete projects. ESCO structures could be used to avoid an increase of capital intensity. The performance of successfully implemented sites will be monitored and showcased. Lessons learnt will be shared enabling replication. As such, the project will create a track record and mature the market for the captive installations.

Catalyzing private financing for climate impact in Africa

BMU supports with up to € 20.000.000 for all partner countries (South Africa, Ghana and Kenia)

Project duration: 01.06.2019 - 31.05.2024

The project aims to 1) design and implement financial mechanisms/instruments for mobilizing private financing to local green businesses in target countries; 2) Establish financing mechanisms and climate mitigation and adaptation outcome monitoring, reporting, and verification approaches that can be replicated throughout the region; 3) Build public and private institutions' capacity to mobilize financing for climate change mitigation and adaption businesses. The project will have three main activity windows:

(1) Deploy blended finance and outcome-based concessional funding mechanisms to incentivize private funds for local green businesses.

(2) Build capacity of fund managers and private investors to better understand climate business models and sectors, and deploy appropriate financial instruments for green investments.

(3) Strengthen knowledge and capacity of governments and other actors to attract and sustain private investment in climate change mitigation and adaptation in SSA.

❖ **Ongoing regional project including South African**

Cities Matter: Capacity building in sub-Saharan African megacities for transformational climate change mitigation

BMU supports with up to € 3.665.375 for all partner countries (South Africa, Ethiopia, Ghana, Kenya, Nigeria and Tanzania)

Project duration: 01.03.2017 - 29.02.2020

This project aims to: a) build technical capacity within nine African cities to develop long-term climate action plans, b) develop an innovative, consistent and comprehensive approach to a transformative city low carbon development, c) identify mechanisms to facilitate better national and local integration of climate mitigation activities. A key focus on this project is to embed a C40 City Advisor in cities to act as a focal point for long-term climate action planning, engage internal and external stakeholders, facilitate knowledge transfer across the region, and ensure sustainability after the project duration. A series of in-city workshops will be held for all cities, complemented by regional workshops, to build capacity and enable peer interaction. Tools and resources – underpinned by existing city practices and international GHG and MRV approaches – will be developed in collaboration with the cities. This includes action planning frameworks and a GHG emission projection tool.

❖ **Upcoming global projects including South Africa**

Scaling Up Ambitious Leadership: Learning by Doing for Strong Implementation Coalitions

BMU supports with up to € 3.000.000 for all partner countries (South Africa, Dominican Republic, Lebanon and Mexico)

Project duration: 01.12.2018 - 30.11.2021

The project will create capacity for ambitious NDC revision and implementation, advancing Paris programs, decisions & mechanisms, and the 2018 Facilitative Dialogue

through an innovative methodology coupled with coalition building. Structured engagement between civil society, experts, negotiators, policy makers, partnerships and UN bodies will help participants learn while acting together to deliver climate action projects that develop national plans and advance multilateral rules in line with long-term Paris Agreement goals. Solutions will exploit synergies between a) domestic and international policy, b) mitigation and adaptation, and c) existing projects, building NDC support and negotiation capacity. Participants will gain knowledge with which they support leaders and peers for further action delivering ambitious implementation. Experiences will be shared with project countries, collective experience discussed in multilateral contexts and insights shared across fora and group meetings.

Strengthen national climate policy implementation: Comparative empirical learning & creating linkage to climate finance

BMU supports with up to € 3.847.312 for all partner countries (South Africa, Brazil, Indonesia and India)

Project duration: 01.01.2019 - 31.12.2022

The project will assist NDC implementation with empirical evidence and analysis on: effectiveness of NDC related policies in mobilizing finance for achieving climate targets and market transformation; contribution of climate finance to robust institutional and policy framework for NDC implementation. Annual country specific studies responsive to national policy processes will be combined with an annual cross-country assessment gathering insights and facilitating international learning (CCA). In year one, BR will analyse the land-use sectors' policies for mobilising climate investments, ZAF and IND the RE transition, IDN the governance of NDC policies and how the private sector can enhance financial flows, and the EU, the energy-efficiency policy-finance nexus in the 2020 framework. The first CCA will explore the policy-finance link supporting low-carbon transitions. Workshops will address implications for policy processes and are will be supported by publications, synthesis reports and webinars.

Under2 Coalition: MRV in developing and newly industrialized countries

BMU supports with up to € 3.499.979 for all partner countries (South Africa, Brazil, India and Mexico - Project already being implemented in Brazil and Mexico)

Project duration: 01.09.2018 - 28.02.2021

The project supports subnational governments in Mexico (Baja California, Yucatán, and Jalisco), India (Chhattisgarh, Telangana), Brazil (Pernambuco) and South Africa (KwaZulu-Natal) to contribute to NDCs by overcoming MRV capacity gaps. The regions

are at different stages in the MRV process, with variable levels of knowledge on GHG inventories, completeness of existing inventories and implementation of systems for the MRV of mitigation actions. The project will thus provide regions with tailored technical assistance to establish sustainable and robust MRV systems. The project will also identify further mitigation opportunities and support their implementation. In-country multi-governance policy and strategy dialogues between national governments, sub-national governments and selected local governments will be organized to promote vertical integration of climate action. The Under2 Coalition network will be leveraged to disseminate lessons learned between states and regions globally.

❖ **Ongoing global projects including South Africa**

Vertically integrated climate protection (VICLIM)

BMU supports with up to € 3.200.000 for all partner countries (South Africa, Brazil, Indonesia and India)

Project duration: 01.08.2016 - 31.07.2020

In many countries climate policy makers do not have sufficient capacities on national and subnational level and exemplary experiences in order to analyze cities' mitigation potentials and to transform it systematically into effective climate efforts. The project thus aims at strengthening capacities of climate relevant decision makers and institutions to include subnational mitigation potential into an ambitious national climate policy. To this end, a) framework conditions for enhancing subnational mitigation efforts in partner countries will be improved, b) existing municipal approaches will be supported/expanded, c) activities building on the experiences of the German National Climate Initiative (NKI) will be developed, and d) international learning processes initiated. Exchange/dialogue events and collaboration with established climate and urban relevant networks ensure the multiplication of knowledge and findings.

Green Economy Transformation in Cooperation with the Partnership for Action on Green Economy (PAGE) – Synergies between Low-carbon Pathways and Sustainable Development Goals (SDG)

BMU supports with up to € 6.000.000 for all partner countries (South Africa, Peru and Uruguay)

Project duration: 01.01.2018 - 31.07.2021

The project aims to strengthen the capacity of key actors in public institutions to implement SDGs and NDCs in a more coherent way with the help of Green Economy

approaches (Outcome). Relevant experience will be communicated at international level and used by other countries in their activities. The project supports existing transformation approaches in the partner countries of Peru, Uruguay, South Africa and key actors involved in the implementation of SDGs and NDCs. It complements the activities of PAGE and other IGE initiatives as well as bilateral projects, in particular in the field of climate change. The project links activities at the national level with global expert and policy networks, and in so doing promotes an exchange of knowledge and transformation partnerships. BMU is supported in assuming a major role in the multilateral and bilateral IGE debate and in positioning Germany as a pioneer and partner.

Technical support in preparation for the 2019 3rd Partnership for Action on Green Economy (PAGE) Ministerial Conference:

In September 2017, the South African Cabinet approved South Africa's hosting of the 2018 PAGE Ministerial Conference which is set to take place in January 2019. An international, high-level event, the conference will bring together PAGE partner countries and UN Agencies to discuss and strategize measures and actions supporting a transition to a low-carbon, resource-efficient economy. By providing a platform for participants to share experience on transformational processes, as well as on challenges and progress, the Conference aims to deepen existing partnerships, create open debate and further the agenda of inclusive and sustainable economies that are driven by fulfilment of the Sustainable Development Goals (SDGs).

In line with this, the GIZ-implemented project, "Green Economy Transformation in cooperation with the Partnership for Action on Green Economy (PAGE) Synergies between low-emission paths and the Sustainable Development Goals (SDGs)" funded by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety's International Climate Initiative (IKI), aims to improve knowledge and capacity relating to green economy approaches and instruments geared towards low-carbon development at the international level and in selected partner countries, including in South Africa.

Specific ongoing support to the PAGE Ministerial Conference in South Africa includes the following:

- Commissioning of four South Africa country concept notes linked to the 4 PAGE Conference core themes
- Hosting round table discussions related to the country concept documents
- Commissioning of a carbon footprint study for the conference and appointment of an Event Greening Expert ensuring a low carbon event

- Appointment of a Communications expert to deliver coverage of the conference including a short video of the conference proceedings – supporting the legacy aspect of the conference.

Future project support will be specified in consultations around the Conference.

World Bank Group's Pollution Management and Environmental Health (PMEH) Multi-Donor Trust Fund

BMU supports with up to € 8.000.000 for all partner countries (South Africa, Egypt, China, Ghana, India, Nigeria and Vietnam)

Project duration: 01.01.2017 - 31.12.2020

The World Bank's Pollution Management and Environmental Health (PMEH) Program aims to reduce the impact of air, land and water pollution on human health and the environment in target countries and cities among low and middle income countries (LMICs). This application supports: (a) PMEH Component 1: Air Quality Management (AQM), which aims at improving local environmental health conditions in cities with high air pollution; and (b) Building synergies between AQM and climate protection (e.g. integrated AQM and GHG mitigation plans that also include mitigation of climate change-related gasses, e.g. methane from solid waste sites). Besides providing core technical support from experienced industrialized countries on PMEH subjects through the program, a key focus will also be to meet a strong demand for South-South Cooperation (SSC) on AQM and climate change mitigation.

Implementing Intended Nationally Determined Contributions (INDCs) and Low Emission Development Strategies (LEDS) through Mobilising Private Investments

BMU supports with up to € 4.992.648 for all partner countries (South Africa, Ethiopia, Bangladesh, Dominican Republic, Kenya, Peru, Philippines and Vietnam)

Project duration: 01.04.2017 - 31.03.2020

The project aims to mobilise private investment for the implementation of Nationally Determined Contributions (NDCs) in its partner countries. It supports public and private actors in the mobilisation of investments from the private sector: in a first step, the sectors will be identified that show the highest potential for private sector mobilisation. In these sectors, climate-friendly investment plans are developed and improved. At the same time, it addresses investment barriers by supporting partner countries in the preparation of favourable political and regulatory frameworks and financial instruments. By decreasing investment risk and improving incentives, the project creates the necessary preconditions

needed to foster private investments into NDC implementation. Through the LEDS Global Partnership, the project moreover provides a platform for the relevant actors to exchange know-how and best practices.

Gender into Urban Climate Change Initiative (GUCCI)

BMU supports with up to € 1.969.870 for all partner countries (South Africa, Indonesia, India and recently – with the project extension – Mexico)

Project duration: 01.11.2015 - 31.12.2020

Gender CC works with a consortium of experienced organizations in India, Indonesia, South Africa and recently Mexico to integrate social and gender issues into urban climate policy. Activities include capacity building for national organizations; training of 'gender and climate change promoters' in the pilot cities; development and application of a method to assess and monitor cities' policies for gender sensitivity, inclusiveness, social and environmental impacts; identify key actions for urban low-carbon and sustainable development; prepare outreach and advocacy strategies addressing local governments; implement pilot actions and campaigns, and develop training materials and an e-learning course. Partners are involved in an intensive joint working and learning process including evaluation and dissemination. In 12 pilot cities, local capacities are built to increase women's participation and introduce concrete recommendations for gender responsive strategies into urban policy. The project duration has been extended until December 2020, the budget augmented, and a further partner country (Mexico) added.

Climate Transparency - National Engagement in seven G20 Emerging Economies

BMU supports with up to € 2.499.979 for all partner countries (South Africa, Argentina, Brazil, China, India, Indonesia and Mexico)

Project duration: 01.03.2018 - 29.02.2020

Climate Transparency brings together the most authoritative climate assessments and expertise of institutions from G20 countries. Jointly, these experts develop a credible, comprehensive and comparable picture on the climate performance of G20 countries - The annual Brown to Green Report includes easy-to-use information on mitigation, vulnerability and finance. Based on the report, the IKI project strives to enhance the knowledge of key actors on G20 climate performance and thus their readiness to push for more ambitious climate action in Argentina, Brazil, China, India, Indonesia, Mexico and South Africa. Workshops, briefings, targeted knowledge products and media work provide

vital information to government representatives – particularly finance experts and ministries – G20 stakeholders, NGOs, think tanks and business.

National Land Monitoring and Information System for a transparent NDC reporting

BMU supports with up to € 3.150.000 for all 22 partner countries including South Africa

Project duration: 01.05.2018 - 30.04.2021

The project supports the reduction of emissions from deforestation (REDD+) in 22 partner countries (including 16 countries from the previous project 13_III_044_Global_M_National forest monitoring). To this end, it promotes the exchange of experience, knowledge transfer and the development of skills with regard to the application of a newly developed and used software tool for forest monitoring in cooperation with Google Outreach through the training of approx. 400 experts. The software extends the monitoring systems of the target countries. In this way, they can improve monitoring of NDC and REDD+ measures and reporting on GHGs and their reduction. Furthermore, the monitoring system provides an important basis for the implementation of all REDD+ instruments (such as the development of reference levels) and the preparation of reports (BURs) to the UNFCCC. Another new software (Earth Map) for land and restoration monitoring is also being developed by the project.

Climate Protection in the Industrial Sector through Solar Process Heat – SOLARPAYBACK

BMU supports with up to € 2.844.921 for all partner countries (South Africa, Brazil, India, and Mexico)

Duration: 01.10.2016 - 30.09.2019

Solar thermal systems provide process heat for industrial processes, possessing the potential to reduce the carbon footprint of textile, food, beverage and chemical industries. The project aims at increasing the use of these systems in Brazil, India, Mexico and South Africa; countries in which the technology is economically viable but information failures, lack of experience and other barriers impede its commercialization. The project partners with local chambers and associations, following a multiplier approach to support policy makers, project developers as well as small and medium-sized enterprises (SMEs) in their understanding of the techno-commercial potential of this technology and its subsequent adoption. The development of business and financing models via energy service companies (ESCOs) and financial institutions as well as reference systems will further

improve the technology's viability. Policy makers will be enabled to enhance the framework for its effective adoption.

Mobilizing the Co-Benefits of Climate Change Mitigation through Capacity Building among Public Policy Institutions

BMU supports with up to € 3.765.000 for all partner countries (South Africa, India, Turkey and Vietnam)

Project duration: 01.03.2017 - 29.02.2020

The project strengthens institutions in the target countries in their ability to advise their ministerial clients on the co-benefits of climate change mitigation, in order to spur ambitious as well as effective INDC implementation. Climate protection measures are largely discussed in the light of "burden sharing" whereas important benefits – such as local value creation, employment, health, water use, energy access and energy security – are frequently overlooked. In collaboration with national knowledge partners, the project elaborates country specific co-benefits of climate policies, with emphasis on the opportunities presented by renewable power generation. The project links these potentials to mitigation strategies and measures in the target countries and enables international mutual learning and capacity building among policymakers, knowledge partners and multipliers on enabling environments to seizing the co-benefits of climate change mitigation.