



DEVELOPMENT
CORPORATION
NEWS
ISSUE 04
November | December



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Inside Issue

04

European Union and South African Partnership

05

A partnership for Strengthening women empowerment

& More

GLOBAL AND SOUTH AFRICAN CHALLENGES

GLOBAL AND SOUTH AFRICAN CHALLENGES – SUSTAINABLE DEVELOPMENT GOALS



If the people living in the world were 100 persons

		100
Population living in developing countries (2013)	5,600,000,000	77
People living in extreme poverty	783,000,000	11
People who do not have access to electricity	1,000,000,000	14
Children and adolescents of primary and lower secondary school age worldwide not achieving minimum proficiency in reading and mathematics.	617,000,000	8
People who cannot get sufficient nourishment	815,000,000	11
People who do not have access to safe drinking water	2,100,000,000	29

This means:

7 out of 10 live in developing countries

1 in every 10 live in extreme poverty

1 out of 10 children and adolescents are not achieving minimum proficiency in reading and maths

1 out of 10 are under nourished

3 out of 10 do not have access to safe drinking water

GLOBAL AND SOUTH AFRICAN CHALLENGES – SUSTAINABLE DEVELOPMENT GOALS

continued:

Sustainable Development Goals In South Africa on select indicators – 2017 Baseline Report

SDG 1: End poverty in all its forms everywhere

- **Poverty in South Africa** – There has been an improvement in living conditions. The percentage of population living below the international poverty line decreased from 14% in 2006 to 7.4% by 2015.
- **Social protection in South Africa** – the number of grants increased from just over 16 million in 2013 to 17 million in March 2016. During 2016 29.3 percent was covered by social protection systems. This was a slight increase from 28.9% observed in 2013.
- **Total government expenditure on essential services** Total expenditure on essential services amounted to 20% of the total government budget with half of this amount spent on social protection.

SDG 3 Ensure healthy lives and promote well for all at all ages

- **Maternal mortality ratios** – maternal mortality rates decreased by nearly half from 219 deaths per 100 000 live births in 2010 to 118 deaths per 100 000 live births in 2015
- **Under-five mortality rate** – the number of children who died before reaching their 5th

birthday decreased from about 48 deaths per 1000 live births in 2010 to about 30 deaths per 1000 ;live births in 2015

- **Number of new HIV infections** decreased from 2.2 per 1000 uninfected population during the 2002-2005 period to 1.9 per 1000 uninfected population for the 2008-2012 period

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- **South Africa's economic growth** – an annual downward trend was observed in the annual growth rate of real GDP per capita over the period 2014 to 2016 with an annual growth rate of -1.3% recorded in 2016
- **Unemployment rate by sex (15 years and older)** – the unemployment rate in South Africa increased from 24.9% in 2014 to 26.5% in 2016 with the levels of unemployment being higher amongst women than men during 2016

SDG 9: Build resilient infrastructure, promote sustainable industrialisation and foster innovation

- **Proportion of population**

covered by a mobile network, by 3G and LTE increased

between 2015 and 2016 with significant growth in LTE in particular during this period

- **Number of researchers (in full-time equivalent per million inhabitants)** engaged in new knowledge, products, process methods and systems increased from 788 per million in 2011/12 to 867 per million inhabitants in 2013/14.
- **Research and development expenditure as a percentage of GDP** – the expenditure on research and development as a percentage of GDP decreased from 0.8% in 2009/10 to 0.7% in 2013/14.
- **Manufacturing value added as a percentage of GDP** decreased by half a percentage point between 2012-2016

SDG 10: Reduce inequality within and among countries

- **Household income growth rates of the bottom 40%** – there is a general decline in income growth rates for the bottom 40% and the population at large
- **South Africa Labour share of GDP** remained relatively constant at around 47% between 2014 and 2016.

EUROPEAN UNION AND SOUTH AFRICAN PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT GOALS



“The 2030 Agenda and Addis Ababa Action Agenda stress that in order to achieve Sustainable Development Goals (SDGs) all countries and stakeholders must act together in collaborative partnership encompassing policy and financial means,”

Dr. Arno Schaefer, Head of Development Cooperation at the European Union (EU) Delegation to South Africa in a report entitled: **Implementing the Sustainable Development Goals in South Africa: Challenges and Opportunities.**

Reflecting on the alignment of EU development cooperation to the

SDGs, Dr Schaefer also mentioned that in the future, development cooperation towards South Africa (SA) will be guided by a policy on the New European Consensus on Development. This policy acts as a framework that regulates development cooperation between the EU and more advanced developing countries. It advocates for an aid regime that will prioritize

the implementation of SDGs in advanced developing countries through the use of amongst others:

- **Blending, innovative financial instruments and private sector:** seeks to explore more innovative financial instruments aimed at mobilizing private financing and create a mutually beneficial partnership between EU and

EUROPEAN UNION AND SOUTH AFRICAN PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT GOALS

continued:



- partner countries
- **Technical assistance, scientific cooperation, exchange of knowledge and expertise including institutional partnerships:** aims to establish partnerships with EU institutions by providing partner countries with opportunities relating to training
- **Triangular/trilateral and (bi) regional cooperation:** seeks to build a multilateral alliance that positions the EU as a global actor in the cooperation between regions.

The EU and SA partnership also seeks to support the development of the private sector and promote inclusive economic growth

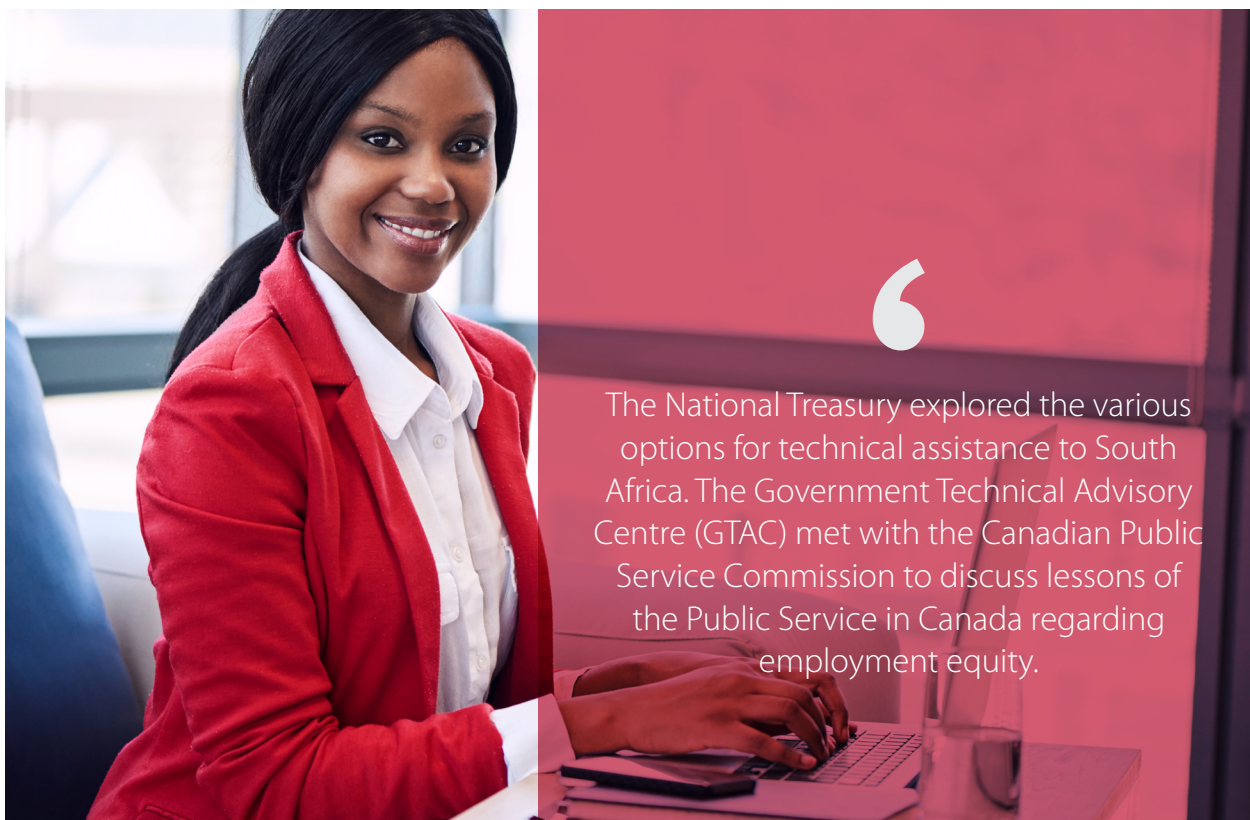
by identifying Small Medium Enterprises in South Africa (SMEs) that can partner with European companies in pioneering innovative solutions in the green economy, biotechnology, nanotechnology, communication technology and industrial engineering.

The EU has also committed to using development cooperation resources to support technical assistance to South Africa primarily through bilateral projects that are geared towards exchanging knowledge and technical expertise. Technical agreements will also forge partnerships between European and SA institutions. They will also guarantee that technical assistance is provided by practitioners from

partner institutions instead of independent consultants specializing in development cooperation.

Trilateral cooperation will lead SA and the EU to mobilize resources to assist countries in the African continent in the fight against poverty, unemployment and inequality. Trilateral partnerships may also serve as a platform by South Africa to catapult SA domestic experiences of development programmes to neighbouring countries. For example, the EU together with SA could help promote better quality of life in the region by sharing experiences on the implementation of the Primary Health Care Sector Support with Botswana, Lesotho etc.

A PARTNERSHIP FOR STRENGTHENING WOMEN EMPOWERMENT THE SOUTH AFRICA-CANADA ANNUAL CONSULTATION:



The National Treasury explored the various options for technical assistance to South Africa. The Government Technical Advisory Centre (GTAC) met with the Canadian Public Service Commission to discuss lessons of the Public Service in Canada regarding employment equity.

The National Treasury participated in the 12th Annual Bilateral Consultation that was hosted by the government of Canada on 8-9 May 2018. The aims of the programme are to help South Africa overcome the legacy of Apartheid by building inclusive institutions that:

- Improve service delivery, to the poor, vulnerable and especially women, children and youth;
- Build the institutional capacity of the government to promote greater accountability,

- transparency and responsiveness;
- Promote and maintain levels of professionalism and ethics;
- Increase the capacity of municipal, provincial and national authorities to manage public resources in a sustainable manner; and
- Explore opportunities for trilateral cooperation to pursue common objectives.

Canada adopted a new Feminist Assistance Policy framework as part of the efforts of bolstering development cooperation in South Africa.

Canada will work collectively with international organizations such as the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNPF) in implementing projects aligned to their Feminist Policy.

The National Treasury explored the various options for technical assistance to South Africa. The Government Technical Advisory Centre (GTAC) met with the Canadian Public Service Commission to discuss lessons of the Public Service in Canada regarding employment equity.

BUILDING A PARTNERSHIP TO STRENGTHEN CLIMATE CHANGE ADAPTATION: THE FLANDERS- SOUTH AFRICA ANNUAL CONSULTATION



It is also expected that South Africa's transition to a green economy will help to usher in new climate smart approaches that increase inclusiveness, especially in response to the global economic challenges

The National Treasury hosted the Government of Flanders for the annual consultation in Pretoria on 12 October 2018. The Government of Flanders supports development cooperation in South Africa through promoting economic development in the agricultural sector, creating decent work and strengthening climate change adaptation.

The Country Strategy Paper (II) 2012-2016, particularly the Sustainable Smallholder Agriculture, food security and job creation through small enterprise development. In order to boost job creation, the Flanders promoted decent work, skills development, entrepreneurship training and the

development of small businesses for the poor. The programme on Smallholder Agriculture focused on food security increasing income among smallholder and emerging farmers by improving agricultural production and marketing.

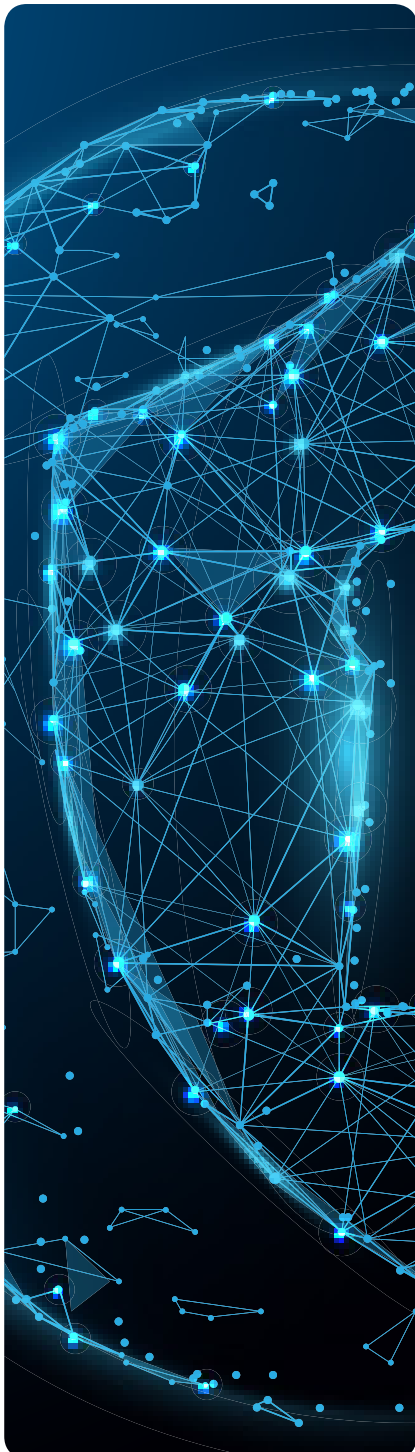
The Country Strategy Paper (CSP) 2017-2021 envisions the integration of climate change adaptation within development processes. It will focus on "testing innovative development solutions that enhance adaptive capacity, improve livelihoods, and reduce the risk of adverse effects from climate-related disasters". The programmes that emanate from the CSP 2017-2021 will strengthen the evidence of climate change adaptation and advance South

Africa's transition to a climate resilient society through:

- Research and development;
- Testing, innovating and learning (piloting/ best practices) and by engaging the government, civil society, private sector, academia, international organizations and local communities; and
- Strengthening climate change adaptation in South Africa

It is also expected that South Africa's transition to a green economy will help to usher in new climate smart approaches that increase inclusiveness, especially in response to the global economic challenges. Furthermore, these climate smart approaches will also accelerate growth and industrialization across Africa.

THE ROLE OF DATA INTEGRITY IN STRENGTHENING ACCOUNTABILITY AND TRANSPARENCY IN THE IMPLEMENTATION OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA)



The National Treasury has taken enormous strides in ensuring that transparency and accountability are enforced at every level of engagement with development partners

Reliable data remains an important instrument in ensuring that officials in an organisation are able to exercise effective decision making and provide accurate information to stakeholders.

In the ODA environment, accurate information allows the South African government to provide information on the various partnerships established with the donor community in programmes that address pressing challenges related to poverty, hunger and inequality. Accurate data contributes towards strengthening accountability and it affords the public the opportunity to assess whether public donor funds, particularly those committed by donors, have been used to support programmes that address underdevelopment and enhance the quality of public services delivery.

The National Treasury has taken enormous strides in ensuring that transparency and accountability are enforced at every level of engagement

with development partners. The Chief Directorate: International Development Cooperation (IDC) has established the Development Cooperation Management Information System (DCMIS) to provide accurate, comprehensive and real-time information on ODA programmes in South Africa. The DCMIS is “a database” of projects that are facilitated and coordinated jointly with development partners. In addition, the DCMIS serves to:

- To ensure greater strategic alignment of ODA to South African priorities;
- To provide accurate, comprehensive and real-time information on ODA to South Africa;
- To enhance the reporting on ODA in line with PFMA and MFMA requirements;
- To enhance transparency and accountability in line with Batho Pele principles; and
- To share good practice and innovative models for evidence based policy making.

SOUTH AFRICA/ GERMANY NEGOTIATIONS ON DEVELOPMENT COOPERATION



South African-German government negotiations on development cooperation took place from 5 to 8 November in Pretoria. Germany proposed an additional 253.6 million Euro in 2017/2018 bringing its overall commitments to a total of 1.5 billion Euro bilateral programme since 1994.

The key focus of bilateral cooperation include renewable energy and climate protection, good governance and local development, skills development and combating, HIV and AIDS.

During negotiations, the National Treasury reiterated President Ramaphosa's "Thuma Mina" campaign which requires all South Africans and partners to contribute positively to the upliftment and

growth of the country. Treasury further acknowledged the long standing partnership with Germany and requested that both partners consider how to structure the mix of German technical support and concessionary finance to support improved economic collaboration.

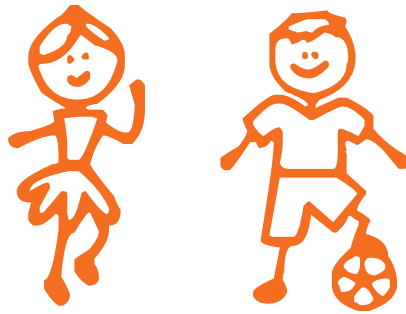
Germany welcomed the South African governments renewed emphasis on economic growth, vocational education and training, as well as fighting corruption. In particular, the existing bilateral Technical Vocational Education and Training (TVET) and Skills Development cooperation programme of the Department of Higher Education and Training will benefit from the bilateral commitment in order to improve and increase digitalisation skills

necessary for the 4th industrial revolution.

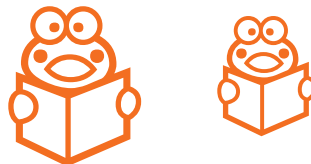
Additionally, pilot projects designed to minimise the risk of private sector investment in renewable energies will be further expanded. Loan financing will also be made available to South African cities to improve energy efficiency and water resource management in light of the increasing drought conditions prevailing within South Africa.

Feedback

We hope our readers find the newsletter both informative and useful. Comments on this newsletter can be sent to jayanthi.basdew@treasury.gov.za. We also urge readers to visit our website on: <http://idc.treasury.gov.za/Pages/default.aspx>.



**MOMMY
AND DADDY**
know the smart way
**TO SAVE FOR
my education**



(012) 315 5888
www.rsaretailbonds.gov.za

RSA 
**RETAIL SAVINGS
BONDS**
It's the smart way to save!



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA