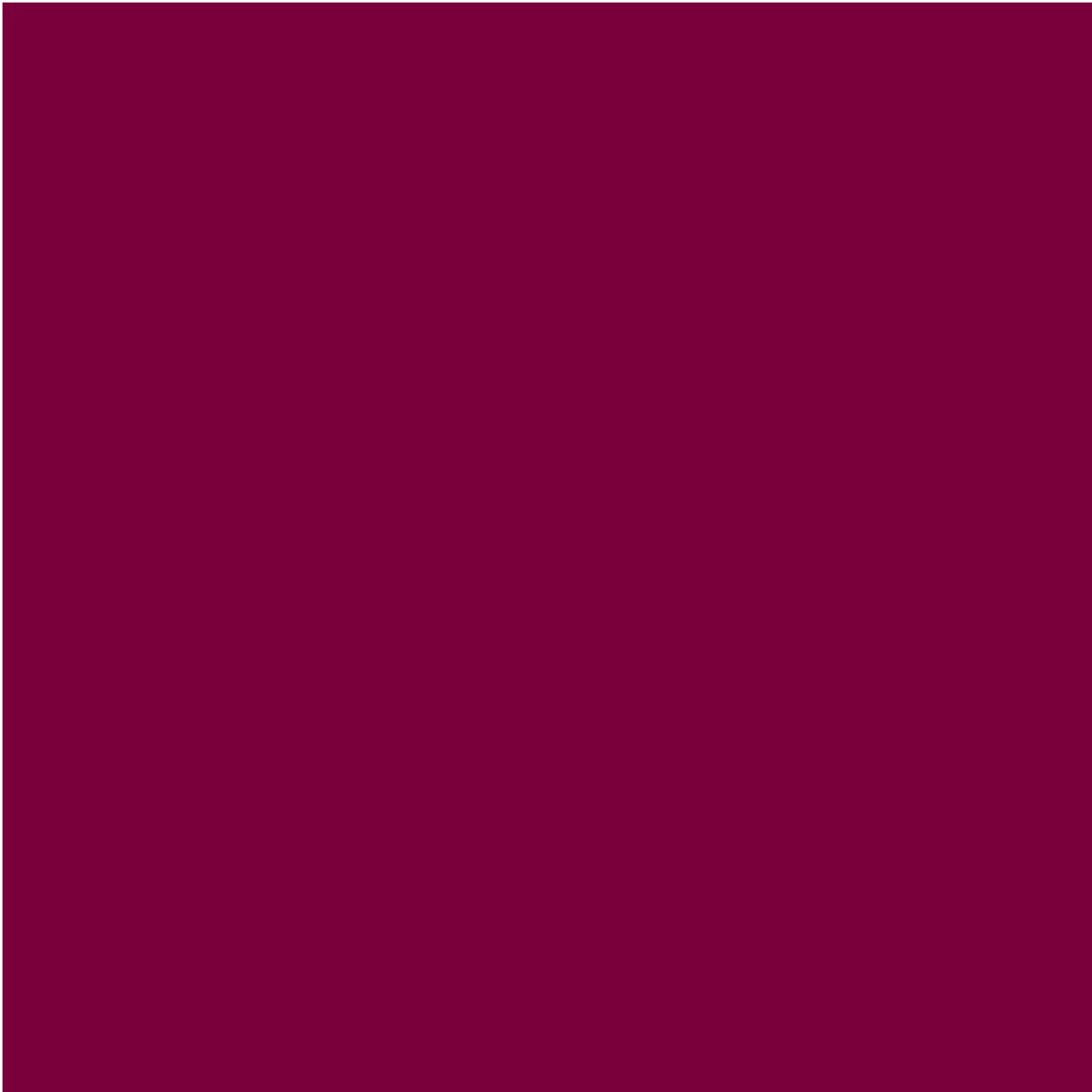


South Africa



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1. Recent political and economic developments

1.1 The political scene

2006 was a somewhat turbulent year in South African domestic politics. Much focus was given to the ongoing and intensified debate on the succession of Thabo Mbeki as president of the African National Congress (ANC) and, in 2009, of the country. In accordance with what is popularly dubbed the ANC tradition, no one is as yet formally contesting the election. Speculations about candidates and their possible policy agendas nevertheless dominated the media during the year.

The former deputy president of South Africa, Jacob Zuma, was cleared of rape charges and the corruption case against him was struck off the roll of the court without being properly tried. This left him as the supposedly preferred name for some representatives of the communist party (SACP), the trade unions (COSATU) and the ANC Youth League. At the same time, the two alliance partners continued to criticise the government, and President Mbeki in particular, for abandoning the poor and focusing on a few and wealthy black business leaders.

Meanwhile, the ANC emerged stronger than expected out of the local elections held in March. The government continued to pursue its ambitious programmes on increased (and universal) access to housing, electricity, water, sanitation, education and other basic social services.

The opposition parties are still comparatively weak, and some still argue that the free media and the vibrant civil society are equally important for the promotion of accountability, transparency and policy alternatives. The one big exception is Cape Town, where the March elections brought the Democratic Alliance into power, although dependent on a fragile cooperation with numerous small parties.

South Africa continues to be an important actor in promoting international peace and security on the African continent, but also at the global level. South Africa's election as a non-permanent member of the United Nations Security Council and its active membership in the African Union and the South African Development Community confirm the country's growing engagement in international politics in its broadest sense.

During 2006, South Africa continued to contribute personnel, funding, mediation and political commitment to a number of peace processes and missions in countries such as the DR Congo, Sudan, Burundi and Cote d'Ivoire. Closer bilateral relations have been forged with China, as well as with India and Brazil within the IBSA cooperation. The develop-

ment of a strategic partnership between South Africa and the European Union has been initiated alongside existing regular discussions on development, trade, international peace and security and other issues of common interest. In addition, South Africa continues to be a key player in international trade negotiations.

All in all, the expanding role of South Africa as a key stakeholder in peace and security in Africa has provided an important platform for the exploration of future cooperation in the African region.

1.2 The economy

The South African economy is currently enjoying the longest sustained period of economic growth since the Second World War. GDP growth for 2006 is estimated at 4.9%. This was underpinned by robust growth in the financial sector, continued strength in wholesale and retail trade, and double-digit growth in construction.

The current account deficit for the third quarter of 2006 was 5.2% and is expected to be around 5% of GDP for the whole year. A continuing strong demand for consumer and capital goods and for crude oil have led to a widening trade deficit. At the beginning of June the South African Reserve Bank raised the repo rate from 7 to 7.5%. That reflected the bank's fears that the economy was overheating, and that the annual inflation target of 3–6 percent was at risk.

The interest rate was raised another three times during the second half of the year, finally reaching 9%. The last three hikes were largely a response to high energy prices and the risk posed by continuing strong credit growth, rising imports and the impact of a weaker rand. Although inflation increased steadily during 2006 to an average 4.6%, it is still under control and at levels last seen in the 1960s. The reason for the increase is mainly the surge in food prices and the higher costs of imported goods. The rand was one of the most volatile emerging-market currencies during the year. It fell to a low of R7.84 to 1 USD in October. It then picked up in the final two months to reach a year average of R6.76 to 1 USD.

The British, Italian and Swedish business chambers and business associations have concluded a joint survey on the business environment in South Africa. The survey shows that most foreign companies think the economic and business climate has improved significantly since the last survey in 2004. However, they expressed deep concern when it came to crime, violence, corruption and skills shortages.

The government's programme for Broad-Based Black Economic Empowerment (B-BBEE) moved forward during the year. This programme seeks to empower the black population through several channels, including voluntary sector-specific charters that set targets for empowerment indicators such as black ownership, black participation in management, and skills development for black employees. The government takes into account companies' progress towards these targets in its procurement decisions, granting of certain licences and other interactions with the private sector. In December the government adopted codes of good practice that will clarify B-BBEE implementation rules and hopefully reduce the uncertainties for firms and investors. Together with the Swedish Trade Council, the embassy has organised a number of activities, seminars and meetings for the Swedish business community to keep them up-to-date on developments in this area.

One of the main drivers of the economy in the coming years is the 2010 Soccer World Cup in South Africa, which will generate a large number of infrastructure investments.

The economic policy has been, and will continue to be, shaped by the government's medium-term economic programme, the Accelerated and Shared Growth Initiative for South Africa (ASGISA). In March the government launched the Joint Initiative for Priority Skills Acquisition (JIPSA) which is designed to complement ASGISA. The objective of ASGISA is to promote broad-based and sustainable growth with the aim of pushing real GDP growth up to 6% on average after 2009 in order to meet the government's social objectives. It also aims to halve poverty and unemployment by 2014 in line with Millennium Development Goals targets. JIPSA will target skills shortages in key sectors and segments of the labour market and seek to eliminate existing bottlenecks for sustained growth and reduced unemployment. Sweden is currently supporting ASGISA through the new private-sector arrangement between the Department of Trade and Industry (dti) and the Swedish embassy.

1.3 Poverty development

Despite the government's poverty-oriented policies, and the dramatic progress made in improving the lives of the poor since the country's first democratic elections in 1994, South Africa is still struggling with major structural imbalances that prevent all South Africans from prospering from recent societal gains. Poverty and unemployment remain key challenges for large parts of the population, in particular for black communities and especially women and children in these communities.

When taking a closer look at the statistics, the structural imbalances are obvious. So are the major challenges facing South Africa in its objective to create the first African welfare state, inspired by the Swedish model. This welfare state includes previous introductions of child-support and housing grants as well as the government's intentions to introduce a basic income grant for the unemployed and an expanded, poverty-targeted pension system. Despite these efforts, South Africa still has one of the most uneven distributions of income in the world¹. One third of its population lives on less than 2 USD per day.

Although statistics on unemployment showed a positive decline by the end of 2006², it still remained high at 27%, or even 40% if one includes discouraged individuals that are no longer actively seeking employment. It should be noted that unemployment is equally unevenly distributed, where 30% of the majority black population are unemployed, compared to 5% of the white population.

The education system still leaves numerous students without appropriate education. For instance, just 5% of high-school graduates qualify in mathematics and science. In addition, close to one fifth of the adult population is still illiterate.

The high levels of violent crime affect the entire South African society, but even more so the poor people living in townships and informal settlements, due to severe general conditions in combination with higher levels of violent crime and insufficient policing. Although the murder rate went down by 40% between 1994 and 2006, it is still among the highest in the world (18,500 people were murdered in 2005). So are the cases of rape and sexual violence (54,000 registered rape cases in 2005)³, traumatising families and communities.

In the field of land reform, the government has hinted at an acceler-

¹ South Africa's Gini index, measuring inequality of income distribution, is 57.8, which is in parity with the index of Brazil (58.0) and much higher than the one of India (32.5), Human Development Report 2006 (UNDP)

² According to Stats SA figures

³ According to SAPS official crime statistics

ated process to meet the 2008 targets, when all restitution cases should be settled, and 2014, when 30% of total land ownership should be redistributed. However, the government stresses the importance of maintaining strict respect for the constitution and the laws.

Despite the somewhat discouraging statistics presented above, South Africa is well on track to meet the Millennium Development Goals and targets⁴. In fact, some of the MDGs have already been met, partly due to the fact that the government set similar goals already in 1994. As for the remaining goals and targets, the necessary foundation has, according to the UNDP, been firmly put in place for their attainment. The Human Development Index (HDI) for South Africa is 0.65, giving the country a ranking of 121 out of 177 countries with available data. This is the same as Equatorial Guinea and Tajikistan.

1.4 Recent developments on HIV/AIDS

In a welcome and long-awaited shift, in late 2006 the government started showing considerably less ambiguous leadership in the prevention of and fight against HIV/AIDS. Nevertheless, and as shown below, the pandemic still severely jeopardises the country's development.

During the international AIDS Conference in Toronto in August 2006, the Treatment Action Campaign (TAC) and the AIDS Law Project, which both receive Swedish funding, criticised not only the South African government, but also held the international leadership responsible for South African HIV/AIDS policy. When Kofi Annan, the then UN secretary-general, visited South Africa in early 2006, nothing was said about the South African government's attitude towards HIV/AIDS.

In the midst of this intense debate, the pandemic is still one of the greatest challenges facing the country. At the end of 2006 it was estimated that 5.5 million South African's were infected. Recent figures from civil-society based organisations show that close to 2,000 new HIV infections occur on a daily basis and up to 800–900 people are estimated to be dying of AIDS every day⁵. The ARV roll out was implemented according to plan during 2006, with 281 accredited facilities and about 260,000 people in treatment programmes⁶. However, approximately 700,000 infected people are currently in need of treatment.

During the last few months of 2006, leading NGOs met Deputy President Phumzile Mlambo-Ngcuka to participate in the process of developing South Africa's (national) HIV/AIDS strategic plan for 2007–2011. President Mbeki recently gave Mlambo-Ngcuka the task of coordinating government efforts in this area. The controversial, and internationally criticised, health minister has been ill for several months. In her absence the relationship between the government and civil society has improved. The strategic plan will be presented to Parliament in March 2007.

⁴ According to UNDP official statistics, MDG Country Report 2005.

⁵ This figure is based on TAC's statistics. Medical Research Council estimates that the number of deaths in South Africa caused by HIV/AIDS is somewhat lower, between 600–800 per day.

⁶ According to statistics from the Department of Health.

2. Implementation of the Country Strategy and the Country Plan

2.1 Main objectives and challenges for the implementation of the country strategy 2004–2008

The main objectives, as described in the present country strategy for development cooperation with South Africa 2004–2008, are:

- Transformation of traditional grants-based cooperation into broader cooperation between partners in the two countries, based on mutual interests and benefit; and
- phasing out the current development cooperation portfolio, with the exception of programmes that could potentially result in sustainable partnerships or that contribute to the fight against HIV/AIDS; or
- initiatives that could facilitate or result in cooperation between Sweden and South Africa in other African countries, so-called tripartite cooperation.

The main challenges involved in the above-mentioned transformation, of which some were identified in the 2006 mid-term review⁷ of the country strategy, include:

- The phasing-out process will require a closer and more profound dialogue with South African partners, including the government and non-governmental partners, in order to reach a common understanding of the elements and preconditions involved in this process.
- The phasing out requires substantial human and financial resources. This is necessary to avoid jeopardising achieved results and relations built during previous years of bilateral cooperation.
- There are significant opportunities for deepening broader cooperation in South Africa until and beyond 2008. However, this is a time-critical process with a two – to three-year window of opportunity to make broader cooperation viable.
- It is fundamental that both sides are able to respond to political ambitions, as expressed in the country strategy and by the Bi-National Commission (BNC). There is a momentum to be seized, not least as

⁷ An external mid-term review study was commissioned by the Embassy of Sweden in March 2006, which was undertaken by a joint Swedish-South African team of consultants (Chris Albertyn and Anna Collins-Falk/IPM), which presented its final report to the embassy in June 2006.

Sida and the Swedish government are currently developing a new policy framework for broader cooperation.

- A key issue will be to obtain a common understanding on if, where and how broader cooperation can add value to future cooperation between the two countries.
- The overall level of ambition for broader cooperation, as well as a clear framework for the division of roles and responsibilities on both sides, must be defined.
- Existing mechanisms and instruments for broader cooperation need to be clearly defined and well communicated on both sides. The key principles should be that they are easily accessible and flexible to use.
- There is genuine interest and support from both governments for cooperation between the two countries in the African region, although initial experiences have shown that it will take time, resources, dedication and institutional support to develop this cooperation further.
- Challenges involved in the ongoing support to the fight against HIV/AIDS include internal restructuring on the Swedish side, drawing on the support from the Regional HIV/AIDS Team in Lusaka and finding common ground with the different stakeholders in South Africa, including government and civil society-based organisations.

2.2 Implementation of the Country Plan 2006

2.2.1 Development of country portfolio

Sida's country allocation for South Africa 2006 amounted to 110 MSEK. An additional 30 MSEK was allocated in August and, at the end of the year, total disbursements reached 140 MSEK, or 100% of the total country allocation⁸. The number of contributions have been reduced throughout the year, as part of the ongoing phasing-out process, from approximately 55 to 40 contributions.

2.2.2 Phasing out traditional development cooperation

There are substantial delays in the phasing-out process due to slow implementation capacity in programmes/projects; extensions of on-going agreements (without additional funds); insufficient focus on the closing of projects and programmes. These delays – estimated at approximately 12 months in relation to the country strategy – received full attention from the second half of 2006 and will continue to do so throughout 2007. Some general principles and guidelines for the phasing-out process were elaborated by the embassy in late 2006.

2.2.3 A strategic shift in the HIV/AIDS-programme

According to the country strategy, the support to fighting HIV/AIDS shall continue beyond the strategy period. During 2006, the embassy reviewed the current HIV/AIDS portfolio and – at the same time – initiated a dialogue with the regional HIV/AIDS team in Lusaka on a future handover of the thematic responsibility. This shift will take place in 2008, although the handling of the portfolio will remain the responsibility of the embassy in Pretoria. The financial resources for the support in this area will be drawn from the country allocation until 2008, after which the cooperation will be financed through Sida's regional allocations.

⁸ Due to a repayment of Swedish funds from one of the cooperating partners (due to the termination of activities in the project), the total amount disbursed in 2006 from the country allocation for South Africa reached approximately 130 MSEK.

In 2006, the embassy also decided to increase concentration by reducing the number of contributions and focus on a limited number of key interventions in the area of HIV/AIDS, possibly using South African umbrella organisations and taking opportunity of Joint Financing Arrangements in order to harmonise further.

2.2.4 Development of broader cooperation

The following can be said about the development of broader cooperation initiatives during 2006:

- The framework for a new, broader economic cooperation between Sweden and South Africa was laid in close cooperation with the Swedish Trade Council and the Department of Trade and Industry. The ambition is that the new partnership, aiming to support the South African government's efforts to create employment and skills development, will be initiated in the first half of 2007.
- The embassy has reviewed the possibilities for transforming and further developing existing institutional cooperation arrangements between Swedish and South African public institutions. The aim is to sustain these arrangements beyond the point of grants-based financing with minor support from Sida/the embassy.
- Ongoing bilateral cooperation in the areas of health and culture have reached a point where it is time to evaluate results. The main stakeholders must now decide on the way forward in terms of future institutional arrangements, financing and ownership. Sida and the embassy have jointly proposed external reviews of the programmes to this end.
- SALA-IDA and SALGA have successfully implemented a pilot to locate International Training Programmes (ITPs) for local and municipal development (LODLOG Programme) to South Africa. Two courses were implemented in 2006, with a large number of representatives from several municipalities. Two new courses are being prepared for 2007.
- The North-South Municipality Programme has been further developed and new municipalities were introduced in 2006. Fruitful cooperation between the embassy and Sida headquarters created a platform for future scaling up and replication of this model programme. During the year, the embassy decided to enable country administrative boards (länsstyrelser) and provinces to apply to the programme as well.
- The possible establishment of a labour market forum has been further pursued, and the embassy has facilitated contacts between the Department of Labour and its Swedish counterpart, the Ministry of Industry and Employment. An invitation for a high-level visit from South Africa was issued in May but the visit, which was originally planned for June, had to be postponed to a later date (still to be decided).
- The embassy has engaged in active dialogue with Forum Syd (FS) in terms of possible closer cooperation between FS and South African civil society. This included a study commissioned by FS to explore the feasibility of establishing a bilateral Civil Society Forum, to be developed along the lines of the Swedish-South African Health Forum. The embassy is awaiting the preliminary results of the study, which will be completed during 2007.

- The embassy hosted a seminar on the implementation of the Swedish Policy for Global Development in Pretoria in March. The seminar gathered Swedish embassy staff from the southern Africa region, Sida headquarters, the Swedish Ministries for Foreign Affairs and Industry and Employment, the Swedish Labour Market Board (AMS) and others.
- In order to keep stakeholders and interested parties better informed about available Swedish instruments and the transformation of the cooperation, the embassy has finalised a communication strategy. In March, the embassy was reinforced with a communications officer financed under Sida's trainee scheme (BAE). Some immediate effects have been the upgrading and actualisation of the embassy's website (www.swedenabroad/pretoria) and the development of an embassy newsletter ("Sweden & South Africa"), as well as intensified efforts in terms of press contacts, media monitoring and internal communications.

2.2.5 Regional and tripartite cooperation

During 2006 the embassy in Pretoria sought to develop a joint framework with South Africa in close collaboration and dialogue with the international donor community, particularly the Nordic countries⁹. A South African policy framework for regional cooperation was drafted in 2006 with the support of the Nordic countries. As a result, the possibilities for a joint Nordic-South African memorandum of understanding was discussed by the end of 2006.

A couple of concrete initiatives that could be labelled tripartite cooperation had been taken on the continent before this process was started. The Swedish Police Service, the South African Police Service and the Rwandan National Police are engaging in an increasingly fruitful cooperation aimed at building institutional capacity and promoting human rights and conflict prevention in Rwanda. Another tripartite arrangement in the region, also co-financed by Sweden and South Africa, is a census project targeting national civil servants in DRC. This was done as part of the preparations for the national elections held in 2006. The above-mentioned contributions will be externally evaluated to determine lasting results and impact for the two recipient countries.

2.2.6 Dialogue issues

The Bi-national Commission (BNC) between Sweden and South Africa will have their next meeting in Stockholm in the latter part of 2007. Preparations were initiated in 2006, including meetings for the thematic working groups, such as peace and security, health and culture. The two governments have expressed an interest in continuing and deepening the dialogue within the BNC, which will maintain a dual chairmanship at the level of deputy prime minister and deputy president. Within the BNC, and other bilateral dialogue fora, the following dialogue issues are in focus with regard to development cooperation:

- Establishing a common understanding for the transformation of ongoing cooperation into broader cooperation based on mutual interests and shared responsibilities.

⁹ The Embassies of Norway, Denmark and Finland in Pretoria. Iceland have also indicated an interest to participate in these talks as from 2007, when the Icelandic Embassy in Pretoria will be opened.

- Identifying national priorities, needs and interest for both Sweden and South Africa and aligning these with existing opportunities and instruments for broader cooperation.
- Defining principles and objectives for regional and tripartite cooperation in order to reach a common understanding on how future joint commitments in the African region can be undertaken.
- Focusing on HIV/AIDS in all relevant aspects of the bilateral dialogue, as well as mainstreaming HIV/AIDS in existing and future contributions in all areas.

2.2.7 Towards EU integration in South Africa

The EU, including the EC, EIB and the member states, represent by far the largest donor group in South Africa. The EC itself is the most important donor partner to South Africa. During 2006 the Embassy of Sweden in Pretoria maintained close relations with the EU through its Delegation of the European Commission. A proposal for an EU-SA Joint Country Strategy Paper for the period 2007–2013 was elaborated as a joint initiative by a group of nine member states in close dialogue and cooperation with South Africa's National Treasury. The embassy took part in these preparations. The final proposal for the CSP has been presented in Brussels and is pending a formal decision. Although the joint CSP seeks to harmonise the support from all member states, the CSP is foremost a strategic framework for EC cooperation with and in South Africa.

As Sida is phasing out its traditional development cooperation with South Africa, cooperation and integration with the EC will become increasingly important for Sweden in terms of its future relations with South Africa.

3. Possible changes, new priorities and risks

During the reporting period, the country plan for development cooperation with South Africa was implemented without notable adjustments, changes or new priorities. During the second half of 2006, a comprehensive analysis and plan was developed to focus Sida's and the embassy's future efforts in phasing out projects and programmes, as well as promoting and introducing broader cooperation¹⁰.

In 2006 Sida decided that the Embassy of Sweden in Pretoria should become a hub for Sweden's future efforts to promote broader cooperation in the Southern Africa region. From 2008 the embassy will assume responsibility for broader cooperation with Namibia, in addition to the existing cooperation with South Africa. From 2009 onwards, the embassy will also coordinate broader cooperation in Angola and Botswana. In order to carry out these extended responsibilities, the embassy in Pretoria has been allocated a coordinating resource person, including administrative support, from 2009, when present staff have been phased out.

The changes mentioned above pose many challenges on the embassy and Sida¹¹. They will require increased focus on the phasing out of traditional development contributions during 2007, in order to release capacity and resources for broader cooperation in the region from 2008 and onwards.

¹⁰ See Sida's Operational Plan for the Development Cooperation with South Africa 2007–09.

¹¹ Sida has recently formed a new Division for Broader Cooperation, which will grant support to the embassies and increasingly take over responsibilities for handling the broader cooperation.

4. Sector reviews

4.1 Democratic Governance

The democratic governance portfolio is still the largest sector in the country programme, both in terms of the number of agreements and the size of the budget. Generally speaking, the process of phasing out and transforming programmes and projects into broader cooperation-style partnerships is going according to plan. The sector is nowadays, for practical purposes, divided into three areas: public sector, legal sector and civil society.

Public sector

Most of the cooperation within the public sector is in the form of institutional collaboration between Swedish and South African government institutions. In accordance with the principles for broader cooperation, the programmes are increasingly co-funded by the two partner institutions, and the mutuality aspects have become more pronounced as the partnerships have developed and deepened over the years.

The cooperation between the Swedish Police Service (RPS) and South African Police Services (SAPS) is a good example of these trends. At the beginning of 2006 the embassy decided on a third and final phase of cooperation for the period 2006–2008 with a total budget of 15 MSEK. The Swedish contribution represents about one third of the total project costs, while SAPS is covering the remaining two-thirds of the budget. Collaboration is now taking place within the areas of basic training, labour relations and women's empowerment. The latter is largely focusing on capacity building in SAPS' work to combat violence against women and children. The third phase of cooperation had a somewhat slow start. This could probably be attributed to the change of project management in Sweden in mid-2006.

In this context it should also be mentioned that the bilateral police programme between Sweden and South Africa has been, and continues to be, instrumental for the establishment and running of the tripartite police programme with the Rwandan police. The latter programme is currently developing satisfactory, and it seems clear that the collaborating parties complement each other well in the implementation of the programme.

The institutional collaboration between the South African Revenue Services (SARS) and the Swedish Tax Agency has continued to yield positive results. The cooperation is based on the principles for contract-

financed technical cooperation, including cost-sharing between the parties. At present an extension of the programme during 2007–08, without additional funds, is being deliberated. The embassy is anticipating a proposal from the two tax agencies during the first quarter of 2007. Areas for future cooperation that are currently being explored are, for example, cooperation within the customs area and small business area, exchange programmes for staff within different fields of expertise and various possibilities for regional and/or tripartite cooperation.

The institutional collaboration between Statistics South Africa and its Swedish counterpart, SCB, is funded jointly by South Africa, Sweden, the UK and Canada. During the first few months of 2006 it became increasingly clear that Stats SA was planning on fundamentally changing the main project objectives. They were going to abandon the HIV/AIDS project area and reorganise the area of poverty analysis, which was one of the prime objectives for the collaboration, in a major way. One of the results of these changes was that the services of one of the Swedish long-term adviser would no longer be needed. Negotiations during the year led to the embassy deciding to terminate the agreement with South Africa before the activity period expired in December 2007. The exact date for termination is still under negotiation, but it is clear that it will take effect by mid-2007, at the latest. SCB will continue, in a limited way, to work as an implementing partner during the remainder of the project period.

As mentioned in previous reports, the support to the Northern Cape Local Government programme came to a complete end in April 2005. The programme was successful, and for a while the embassy kept the option open of continuing and expanding the support to the HIV/AIDS component of the programme. However, and for a number of reasons, the embassy decided that this would not be the case.

According to plan, the embassy wrapped up the major parts of the cooperation with the Eastern Cape Provincial Administration (ECPA) by December 2006. This included the support to human resource development within the Office of the Premier through Sipu International and support to the Provincial Treasury through the Swedish National Financial Management Authority (ESV). The support to the provincial Department of Education was extended until December 2007 (see education section) and at the end of 2006 the embassy decided to support the HIV/AIDS component of the programme for two more years, 2007–08, with a maximum amount of 11.5 million SEK. The latter project, which is in many respects a highly innovative initiative, includes support to the HIV/AIDS workplace programme of the province, as well as the mainstreaming of HIV/AIDS into the province's human resource policy, planning and practice. If successful, this project has the potential to serve as a best-practice case for other similar institutions.

While the above-mentioned human resource development component of the ECPA programme has by and large successfully achieved its objectives, the financial management component has encountered substantial challenges. At the end of 2006 the embassy commissioned an independent consultant to do an evaluation and lessons-learned exercise of the institutional collaboration between Provincial Treasury and ESV. The report is expected at the beginning of 2007.

Legal Sector

Swedish support to the legal sector is directed to civil-society organisations in the areas of human rights and access to justice through the

Swedish Section of the International Commission of Jurists (ICJ-S) and to the Department of Justice (DoJ).

In terms of the ICJ-S programme, there have been a number of challenges to meet the overall objectives, particularly in relation to the sustainability of the programme beyond Sida's bridge funding.

However, some positive results emanating from the programme include the formation of the Paralegal Steering Committee and the establishment and implementation of pilot "clusters". The clusters have ensured that the paralegal advice offices have merged with other partner organisations to offer legal backup. This has further resulted in the government's Legal Aid Board and some local governments through SALGA (South African Local Government Association) in KwaZulu Natal and Northwest provinces cooperating with the advice offices to sustain the activities of paralegals within the clusters. The programme activities of the ICJ-S agreement have been extended until the end of March 2007 to allow for the finalisation of the remaining sub-projects.

The support to the Department of Justice (DoJ) involves capacity development of magistrates in the field of children and the law for the implementation of a "child-friendly" legislation – the Child Justice Bill. A significant challenge linked to the programme implementation has been the delay by Parliament to pass the Bill since 2002. At the same time, activities such as the One Stop Child Justice Centres provide a useful point where all essential services for the functioning of the child justice system are placed close to each other. Furthermore, part of the Swedish contribution has been re-allocated towards the implementation of the so-called Children's Bill, which provides social security and access to courts by children in need. The programme agreement runs until March 2007.

Civil Society

The support to civil society has, in various ways, been most affected by the ongoing transformation of development cooperation. The support to South African NGOs has not been easily accommodated by the principles of broader transformation. At the same time, the embassy continues to intensify its role as a broker and dialogue partner with civil-society partners to explore, among other things, possible new forms of cooperation with Sweden.

It must also be noted that while cooperation with a number of NGOs such as SANGOCO, Idasa, Law, Race and Gender (LRG) the Community Law Centre (CLC) have expired or will expire during 2007, the embassy has scaled up its support to civil-society organisations in the field of HIV/AIDS and gender-based violence from a human rights perspective (see section on HIV/AIDS and gender-based violence).

4.2 Education

Inclusive education. Sweden and Finland have supported the implementation of the first phase of White paper No 6 on Inclusive Education since 2003. Due to the slow implementation of the programme the agreement was extended in May 2006 until June 2008, with the activity period ending in December 2007, without additional funds. The work is now progressing well and by the end of 2006 Sida disbursed 12 million SEK to the Department of Education (DoE). One part of the contribution is set aside for institutional cooperation between the Stockholm Institute of Education and the Department of Education (DoE). In May 2006 a delegation from South Africa undertook a successful study visit to Sweden to share views and learn from Swedish experiences. This will be

followed up through national workshops in South Africa at the beginning of 2007, coordinated by the DoE in partnership with scholars and researchers from the SIE.

The Democracy, Human Rights and Social Justice Research Programme, Education Policy Consortium: The eight research projects in the field of democracy and human rights, coordinated by the Education Policy Consortium (EPC), have been completed. The findings will be presented at a conference in Johannesburg in March 2007. Sweden and the Netherlands have financed this programme since 2002. The EPC has also established links with Swedish scholars and institutions, which are likely to continue without financing from Sida. In 2006, a number of joint Swedish-South African research papers were presented from the 2005 international colloquium, in collaboration with the National Research Foundation of South Africa (NRF). Swedish researchers also gave seminars at several universities in the country. Finally, preparations were made for the publishing of a first joint book based on research papers elaborated through this collaboration.

Education Management in the Eastern Cape forms part of the integrated support to the provincial government in the Eastern Cape Province. The programme – which is generally developing well – is coordinated by the Danish-South African consortium CDC/JET. The programme focuses on education management and capacity building in three districts and 50 schools, where work on school development planning, financial and curriculum management has started. In order for the programme to implement planned activities fully and replicate the programme in other districts, the embassy decided to grant an additional funding of 3.5 million SEK. A seminar of best practices was held, in which several other districts in the Eastern Cape participated. A study tour to Sweden and Denmark was undertaken to study the decentralisation of school management in the two countries. The Eastern Cape Department of Education is taking an active role in coordinating the planning at different levels, including the districts. The activities will end on December 31, 2007.

4.3 Culture

Swedish-South African Cultural Partnership Programme: Since its inception in 2004, the Swedish-South African Cultural Partnership Programme has facilitated and funded a broad range of cooperation projects in the fields of performing and visual arts, film, cultural heritage and literature. Based on recommendations from the joint committee, the National Council of Cultural Affairs in Sweden and the Department of Arts and Culture in South Africa awarded eight project subsidies and eight planning grants. At the same time, institutions and people in both countries could benefit from the outcome of previous grants. Through the partnership between the World Culture Museum in Göteborg and the Red Location Museum in Port Elisabeth, a South African film festival was held in Sweden. Publishers and other museums have forged closer relationships around projects of joint interest, as have circus ensembles and dance companies.

With the view to discuss shared experiences, best practices and results achieved, and to inform discussion on future forms of cooperation, the parties have agreed to conduct a joint evaluation of the programme. One of the issues for the evaluation will be to explore to what extent the cultural cooperation has had sufficient focus on poverty alleviation and bringing culture closer to the poor.

4.4 Health

Launched in 2003, the Health Forum serves as the key platform for cooperation between Sweden and South Africa in the field of public health. In 2006, work continued in the jointly identified priority areas of mutual interest (HIV/AIDS, tuberculosis and other communicable diseases, reproductive health and rights, health sector reform, health promotion and health impact assessment, and injury prevention) and progress was reported to the fourth Health Forum that took place in Stockholm in April.

The exchange of ideas, expertise and personnel between The South African National Institute for Communicable Diseases and the Swedish Institute for Infectious Disease Control has continued with the view of developing more specific joint projects. In the area of reproductive health and rights, study visits have been conducted, i.a. for exchanges of best practices around youth-friendly services. To advance the cooperation on health promotion and health impact assessment, the Health Forum held a training session for civil society and provincial health promoters on tobacco control and tobacco cessation.

With the first three years of the Health Forum coming to an end, the idea of a joint evaluation on progress made and potential areas for future cooperation was introduced and discussed during the latter part of 2006. The aim of this was to present joint terms of reference for the evaluation, which will be undertaken by a Swedish-South African (consultancy) team before next bilateral Health Forum meeting planned for May 2007.

4.5 Research

The South African-Swedish Research Programme forms part of the Swedish Research Links Programme, funded by Sida/SAREC. This programme adheres to the principles of broader cooperation, as it contains joint projects and is financed by both governments. Since the start in 1999, some 80 Swedish institutions have entered into projects within the programme. The deadline for the eighth call for applications was in May, 2006. Thirty-six applications were submitted.

4.6 Urban Development and Housing

The local elections in March 2006 had implications on the work. In many municipalities tensions between politicians and officials, especially city managers and mayors, increased. The election campaigns and subsequent changes of councillors delayed much of the work. Both Nelson Mandela Bay and Buffalo City changed mayors and city managers after the elections.

Nelson Mandela Bay Metropolitan Municipality (NMBMM): The activities within the agreement on support to NMBM came to an end in December 2006, the exception being the cooperation between NMBMM and Göteborg, which now receives support through the North-South Municipality programme. Additional funds were reallocated within the agreement to produce a handbook. The project was also presented at a large housing conference in Cape Town. The final reporting of the Sida-funded activities is still pending but will be done within the first six months of 2007.

Buffalo City Municipality (BCM): The activities within the support to Buffalo City Municipality were due to come to an end in December 2006. However, some projects are lagging behind for various reasons, including lack of management and implementing capacity. At the annual meeting with National Treasury, BCM requested an extension of the

agreement. On June 30 2006, a six-month extension was approved for the activities. During the remaining activity period focus will be on consolidation and phasing out. Representatives of both NMBM and BCM attended the World Urban Forum in Vancouver in June.

Dissemination of the Urban Programme: During the year, it was decided to commence a process to disseminate the experiences from the Swedish-South African Urban programme during the period 1997–2007. The process is coordinated by INEC/URBAN and the municipalities in South Africa are fully engaged in this process together with Sipu International.

Revolving Funds: Support to NURCHA and the Urban Sector Network (USN), revolving funds for housing finance, was closed during 2006. In the case of NURCHA The embassy received a comprehensive final report and the remaining funds will be incorporated into the larger pool of NURCHA funds and used for ongoing work. The USN, on the other hand, repaid ZAR 11 million to Sida and is in the process of formally closing down. The Kuyasa Fund, a beneficiary of Sida's support to the USN, has performed well and continues to be a significant player in the area of low-income housing finance.

The North-South Municipality Programme: Within the North-South Municipality Programme there are currently nine ongoing partnerships between Swedish and South African municipalities. The main focus is on local democracy and municipal administration. Also social activities within the framework of HIV/AIDS are frequent. During the year it was also made possible for the country administrative boards in Sweden (Länsstyrelser) to apply for funding from the programme.

4.7 Private Sector Development and Economic Cooperation

Microfinance: During the year support to Marang, the Micro Finance Regulatory Council (MFRC) and the Micro Enterprise Alliance (MEA) was closed. The final disbursement to Marang was not made, as the target of 100% financial sustainability was not achieved. However, over the four years of Sida support, Marang grew from some 15,000 to approximately 24,000 clients, more than doubled its loan book and is now able to access more commercial funding. With respect to the MFRC, its final report noted that Sida's support had been instrumental in it being given the mandate to regulate the entire personal credit industry. On June 1 2006 the MFRC became the National Credit Regulator. On the other hand, MEA has been significantly scaled down due to financial and leadership challenges and the board is performing the advocacy function.

Support to the Small Enterprise Foundation (SEF) is ongoing and SEF has exceeded the agreed-upon performance targets. The loan that INEC was considering granting to SEF was not approved due to changes in the interpretation of Swedish capital provisions act. Consequently INEC initiated discussions with Swedfund in order for Swedfund to consider granting the loan to SEF. Swedfund visited SEF in August 2006 and the loan is being favourably considered, pending the outcome of a joint Sida/Swedfund appraisal.

The AIDS-mitigation project, namely Intervention with Microfinance for Aids and Gender Equity (IMAGE), that is being conducted with SEF's clients has shown impressive results. The information has been widely disseminated in local and international media and several papers were presented at the XIV International AIDS Conference in Toronto in August 2006.

Private Sector and Economic Cooperation: During the period Sida's director-general decided to close the Swedish-South African Business Partnership Fund (SSBF). The Department of Trade and Industry (the dti) and the board of the SSBF agreed to close the company. The closure has commenced in accordance with South African law. ZAR 30 million was transferred to the Reconstruction and Development Programme (RDP) Fund account of the National Treasury in September 2006. The remaining unspent funds will be transferred to the RDP Fund account on final closure of the SSBF. These funds will be used in accordance with the plan of operations for future economic cooperation between Sweden and South Africa, drafted by the dti and the Swedish Trade Council. An amendment to the agreement between the two governments has been prepared for signature.

Sida's support to COMSEC was closed during 2006. Due to the positive long-standing relationship the final report was produced in the form of a brochure with a multi-media tool in order to disseminate the learning experience.

An evaluation of the cooperation between Furntech and Tibro Training Centre was undertaken in 2006. The embassy is awaiting the final report and management response.

4.8 HIV/AIDS and gender-based violence

The embassy has scaled up its dialogue with the government, other donors and civil society on HIV/AIDS and gender-based violence. All donors have participated in a review of the Donor Co-ordination Forum on HIV/AIDS to ensure harmonisation and alignment. The scaling up of direct support is focusing on areas where Sweden has comparative advantages, but also takes cognisance of gaps in South African programmes.

The mainstreaming of HIV/AIDS in the Small Enterprise Foundation's HIV/AIDS IMAGE project in the Limpopo province reached 4,800 clients in 83 villages in Sekukuneland, with over 200 clients trained. Media coverage and publication in scientific journals ensured the dissemination of results. The South African Cities Network and the South Africa Local Government Association (SALGA) co-facilitated the development, dissemination and implementation of Guidelines for HIV and AIDS at the Municipal Workplace. A web-based resource tool was developed and implemented to provide information to the participating cities.

The *long-distance trucking industry's HIV/AIDS project* operationalised two new clinics and three mobile clinics during 2006. The wellness centres treated 7,010 truck drivers and 634 commercial sex workers during 2006 for minor ailments and sexually transmitted infections. The workplace-based AIDS policy was updated and popularised amongst operators.

The *Treatment Action Campaign (TAC)* used the International AIDS Conference in Toronto as a platform for criticising the Ministry of Health's official alternative treatment campaign. Although the South African government blocked TAC's attendance as part of the SA delegation, TAC received an invitation from the UN and attended. Soon after the conference TAC launched an International Call for Action, demanding a meeting with the government to plan for the HIV/AIDS crisis, treatment for prisoners, the health minister's dismissal, respect for the rule of law and the Constitution and the development of a people's health for all. Through litigation the TAC ensured access to treatment for prisoners.

Vuka uKahaye conducted training workshops for guardians of orphaned children, training 136 people during 2006. The feeding scheme identified over 500 children in need, but only 150 could be included in the programme due to staffing and funding constraints. The Departments of Education and Social Development collaborate closely with Vuka to ensure that minimum standards are adhered to. During 2006, 902 victims of domestic and gender based violence were assisted with legal, shelter, counselling and medical services.

The *South African Football Players Union* (SAFPU) developed and implemented an HIV/AIDS Workplace policy and popularised it among all premier league football clubs. Awareness raising and education on the prevention of transmission of new HIV infections among football players have commenced. Three premier league football matches have been utilised to raise awareness among football fans. Five national players have been identified and trained as AIDS ambassadors.

Zivikele Training focuses on training service providers in government to contribute to an improved health-care worker, police, prosecutor and social worker response to cases of gender-based violence. They have conducted 13 training workshops in the Eastern Cape, North West Province, KwaZulu-Natal and Gauteng. A total of 481 people from the Departments of Health, Social Development and Justice, the South African Police Services (SAPS), NGOs and faith-based organisations (FBOs) received training in a multi-sectoral setting. The training material was developed from the World Health Organisation's manual and is in the process of being accredited by the Health Sector Education and Training Authority (SETA).

The *AIDS Foundation of SA (AFSA)* uses training to strengthen community-based care for people infected or affected by HIV/AIDS in order to ensure access to good-quality health care and community support service. During the period under review AFSA provided financial support and capacity building to 52 CBO partners. This enabled them to render vital services to their communities and facilitate community access to essential health and welfare services.

AIDS Legal Network continues to work with numerous HIV/AIDS-related activities in the areas of capacity building, education and training, networking and advocacy. The organisation appears partly to have overcome some of the funding challenges it previously faced. The organisation developed and published a resource manual on gender violence and HIV/AIDS in partnership with the Kwa-Zulu Natal Network on Violence Against Women during the 2006 16 Days of Activism campaign. On the other hand, staff retention seems to be one of the key challenges the organisation is still facing.

Through its network of 1,000 affiliates, the *AIDS Consortium* has been able to consolidate its direct engagements in capacity building, advocacy and information dissemination to address challenges facing people infected and/or affected by the HIV/AIDS epidemic. Over 60 organisations were trained in nine capacity-building modules. Furthermore, the stature of the AIDS Consortium in the field of HIV/AIDS was seen when the organisation was elected as the health representative of SAN-GOCO (South African NGO Coalition), part of the Civil Society Coalition Task Team which had contributed in the new national strategic plans for HIV/AIDS, among other things.

The support to *AIDS Law Project* ensures that the organisation provides effective legal assistance, research and training to people infected and/or affected by HIV/AIDS. The organisation also engages in public

impact litigation to influence the government's legislative and policy decisions in the HIV/AIDS field. AIDS Law Project continues to be one of the most prominent HIV/AIDS organisations in South Africa and has a close partnership with the Treatment Action Campaign, which also receives Sida funding.

The support to *Masimanyane Women's Support Centre* is running well with increased focus on the link between HIV/AIDS and gender-based violence. In recognition of the organisation's work in the field of gender-based violence and HIV/AIDS, the director of the organisation, Lesley Ann Foster, received an honorary doctorate at Fort Hare University. This was the first time that an academic institution in South Africa acknowledged work on violence against women was acknowledged in this way.

The *Engender Health's Men as Partners Programme (MAP)*, which serves as a model for illustrating the linkages between HIV/AIDS and gender-based violence, aims to promote gender equality and reduce the impact of HIV/AIDS. Men are encouraged to take a stand against gender violence and participate in HIV/AIDS-related prevention, care and support. Challenges faced by the MAP programme during the year related to delays in terms of the signing of sub-agreements. These have, however, since been addressed. The problem with implementation of financial management was linked to this, as was the change of country director of the organisation.

Over the last 12 years South Africa has prioritised the fight against violence directed at women and children and treated it as a serious crime and violation of human rights. The *16 Days of Activism for No Violence against Women and Children campaign* has succeeded in placing the violence against women and children firmly on the national agenda. The embassy supported the campaign through the funding of shelters, World AIDS Day activities, and the ambassador and head of development attending the campaign closing ceremony.

The embassy also conducted a gender training workshop in October 2006, in which embassy staff and partner organisations in the fields of HIV/AIDS and gender-based violence participated. The overall theme of the workshop was the link between gender-based violence, HIV/AIDS and poverty. The programme also included interactive presentations by Sida's gender advisor on Sida's new gender policy, gender guidelines and new action plan for LGBT (lesbian, gay, bisexual and transsexual) issues.

5. Office and administrative issues

5.1 Personnel

During the year the development cooperation section of the embassy experienced several staff changes. In late 2005, the previous planning economist left his position and was not replaced until March 2006. In the same month, the embassy received a communications officer (Bilateral Associate Expert/BAE). In August, the counsellor and head of development cooperation was replaced, followed by the termination of the position of the programme officer for education, research, culture and urban and municipal development, who will not be replaced. The duties of the latter are currently being divided among the remaining staff at the embassy. The national programme officer for private-sector development resigned in late 2006, and effectively left at the end of February 2007. Being in a highly specialised area of work, the replacement of the previous officer is not possible due to the short time remaining for this particular post (until end 2008). A reshuffle of tasks between remaining staff will therefore be necessary.

In December 2006, a team from Sida and the Ministry for Foreign Affairs carried out a formal inspection of the embassy. One of the findings resulted in a transfer of the administrative assistant from the development section to the administration. This has left a gap which is due to be resolved as soon as possible. Furthermore, the inspection pointed out, in agreement with the embassy, that the transformation of the cooperation will require increased involvement of relevant departments of Sida headquarters, including a closer dialogue with the embassy.

At the end of the year, Sida's director-general decided on personnel resources for the remaining strategy period and beyond. This meant that the embassy received a clear picture in terms of human resources, including the securing of additional Sida staff resources in Pretoria from 2009 and onwards.

5.2 Quality assurance

The inspection report 2006 gave the following recommendations regarding QA measures:

- Develop, document and disseminate necessary QA routines and include them in the working order of the embassy.

- Develop methods for the phasing-out of the development cooperation section to learn from this and from experiences in other countries (e.g. Namibia).
- Review the pre-conditions for further full delegation from Sida HQ to the embassy from 2008 and onwards.

At the end of 2006, the framework agreement with the auditing firm (for audit, review and control purposes) expired. The embassy will therefore have to initiate a local procurement process during 2007 in order to secure these vital services.

During 2006, a new IT-platform was introduced from the Swedish Government Offices, with necessary additional training activities accompanying this.

Annex 1:

Key Facts and Figures

Indicator	2002	2004
Total population, millions	44,8	46,9
Annual population growth rate	0,99	0,9
Population aged 65 and above, % of total	3,9	5,0
Population under age 15, % of total	33,2	32,5
Life expectancy at birth by sex, years (Female)	51,9	48,2
Life expectancy at birth by sex, years (Male)	46	45,9
Total fertility rate	2,6	2,8
Population below 1 USD a day 1990-2002	7,1	10,7
Gini index	59,3	57,8
Unemployment	30,5%	25,6
HDI rank of total countries	119 of 177	121 of 177
GDI rank of total countries	96 of 144	92 of 136
Net enrolment ratio in primary education %	90%	89%
Literacy rate of 15- to 24-years old, %	91,8%	93,9%
Adult literacy rate (age 15 and above), Female, %	85,3%	80,9%
Adult literacy rate (age 15 and above), Male, %	86,7%	84,1%
Public expenditure on education as % of budget	18,5%	19,7%
Proportion of population with access to an improved water source, %	86%	88,1%
Proportion of population with access to improved sanitation, %		65%
Infant mortality rate per 1 000 live births	52	55
Under five mortality rate per 1 000 live births	65	54
Maternal mortality ratio per 100 000 live births 1990-2004		150
HIV prevalence among 15-49 years old, %	21,5%	18,8%
Number of children orphaned due to HIV/AIDS	1 100 000	1 100 000
Public expenditure on health/GDP, %	3,60%	3,5%
GDP, USD Billions	111,1	216,8
GDP per capita annual growth rate, %	3,7%	4,8%
GDP per capita, PPP USD	10,070	11,192
Consumer price index change, %	10%	3,9%

Total debt service as % of foreign income	4,3%	2,4%
Debt service ratio, paid (%)	12,1%	6,3%
Total external debt, USD Billions	25,0	28,5
Exports of goods fob, USD Millions	31,771	48,238
Imports of goods fob, USD Millions	-27,015	-48,519
Official development assistance (ODA) received per capita, USD	14,7	13,1
PC-status (Decision and completion point)	No HIPC	No HIPC
Proportion of seats held by women in nation parliament, %	27,9%	33,3%
Women in government at ministerial level, %	38,1%	42,5%
Corruption perception index, Transparency International	4,6	4,6

Sources: Human Development Report 2005 and 2006 (UNDP), www.childinfo.org, www.fao.org, EIU Country Report Dec. 2006, Stats in Brief, Stats SA 2006, www.transparency.org

Annex 2:

Outcome and Forecast (L109)

Country report - South Africa

Outcome and forecast in TSEK

Delimitation:
 Status: I, P, A and C (agr end > 200600 or Outcome < 0)
 Region/Country: South Africa
 Other:

Responsible Unit	(All)
Allocation Frame	(All)

Allocation Account	Main Sector	Status	Data			
			Outcome 2006	Forecast 2007	Forecast 2008	Forecast 2008
155019 South Africa	01 Health	Indicative Planned Agreed Completed	0 0 25 107 0	2 125 20 730 26 640 0	3 500 25 550 9 987 0	
	01 Health Total		25 107	49 495	39 037	
	02 Education	Agreed Completed	23 099 1 208	11 272 0	500	
	02 Education Total		24 307	11 272	500	
	03 Research	Completed	0	0	0	
	03 Research Total		0	0	0	
	04 HR & Democratic governance	Indicative Agreed Completed	0 62 441 -1 184	7 750 46 628 0	5 250 33 676	
	04 HR & Democratic governance Total		61 257	54 378	38 926	
	05 Conflict, peace & security	Agreed Completed	112 0	100 0		
	05 Conflict, peace & security Total		112	100		
	07 Infrastructure	Agreed Completed	21 428 -10 651	15 609 0	2 000	
	07 Infrastructure Total		10 777	15 609	2 000	
	08 Trade, business & fin. syst	Agreed Completed	3 557 -205	4 926 0	250	
	08 Trade, business & fin. syst Total		3 352	4 926	250	
	09 Natural resources&environm.	Agreed Completed	2 017 0	1 500 0	300	
	09 Natural resources&environm. Total		2 017	1 500	300	
	11 Other	Planned Agreed Completed	0 2 801 630	5 327 6 049 0	5 000 1 500	
	11 Other Total		3 431	11 376	6 500	
	(blank)	Indicative	0	1 000	1 000	
	(blank) Total		0	1 000	1 000	
155019 South Africa	Total		130 359	149 657	88 513	

155029 Regional programs Africa	08 Trade, business & fin. syst	Completed	0	0	0
	08 Trade, business & fin. syst Total		0	0	0
155029 Regional programs Africa	Total		0	0	0
15551 Research	03 Research	Agreed Completed	2 477	-185	
	03 Research Total		2 477	-185	
15551 Research	Total		2 477	-185	
15561 Non-governmental organisations	01 Health	Agreed Completed	2 054	247	
	01 Health Total		2 028	247	
	02 Education	Agreed Completed	793	625	
	02 Education Total		775	625	
	03 Research	Agreed	0	0	
	03 Research Total		0	0	
	04 HR & Democratic governance	Agreed Completed	23 834	13 746	10 439
	04 HR & Democratic governance Total		23 796	13 746	10 439
	05 Conflict, peace & security	Agreed	338	238	

Allocation Account	Main Sector	Status	Outcome 2006	Forecast 2007	Forecast 2008
15561 Non-	05 Conflict, peace & security	Completed	-7	0	
	05 Conflict, peace & security Total		331	238	
	07 Infrastructure	Agreed Completed	19 -1	0 0	
	07 Infrastructure Total		18	0	
	08 Trade, business & fin. syst	Agreed Completed	340 -5	359 0	
	08 Trade, business & fin. syst Total		335	359	
	09 Natural resources&environm.	Agreed Completed	800 -22	834 0	
	09 Natural resources&environm. Total		779	834	
	11 Other	Agreed Completed	2 469 -3	1 098 0	
	11 Other Total		2 466	1 098	
15561 Non-governmental organisations	Total		30 528	17 146	10 439
15571 Humanitarian assistance	06 Humanitarian assistance	Agreed Completed	990 0	0 0	
	06 Humanitarian assistance Total		990	0	
15571 Humanitarian assistance	Total		990	0	
Grand Total			164 355	166 618	98 952

Country Report 2006 - South Africa

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 2006000 or Outcome < 0)

Region/Country: South Africa

Other:

Responsible Unit	(All)	Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Forecast 2007	Forecast 2008
Inside country allocation	155019 South Africa	01 Health	25 107	49 495	39 037
		02 Education	24 307	11 272	500
		03 Research	0	0	
		04 HR & Democratic governance	61 257	54 378	38 926
		05 Conflict, peace & security	112	100	
		07 Infrastructure	10 777	15 609	2 000
		08 Trade, business & fin. syst	3 352	4 926	250
		09 Natural resources&environm.	2 017	1 500	300
		11 Other	3 431	11 376	6 500
		(blank)	0	1 000	1 000
	155019 South Africa	Total	130 359	149 657	88 513
Inside country allocation Total			130 359	149 657	88 513
Outside country allocation	155029 Regional programs Africa	08 Trade, business & fin. syst	0	0	
		Total	0	0	
		15551 Research	2 477	-185	
		Total	2 477	-185	
	15561 Non-governmental organisations	01 Health	2 028	247	
		02 Education	775	625	
		03 Research	0	0	
		04 HR & Democratic governance	23 796	13 746	10 439
		05 Conflict, peace & security	331	238	
		07 Infrastructure	18	0	
		08 Trade, business & fin. syst	335	359	
		09 Natural resources&environm.	779	834	
		11 Other	2 466	1 098	
		Total	30 528	17 146	10 439
	15561 Non-governmental organisations	Total	30 528	17 146	10 439
Outside country allocation	15571 Humanitarian assistance	06 Humanitarian assistance	990	0	
	15571 Humanitarian assistance	Total	990	0	
	Outside country allocation Total		33 995	16 962	10 439
Grand Total			164 355	166 618	98 952

Annex 3:

Strategic Documents Received 2006

Mid-term Review of the Swedish Country Strategy for Development Cooperation with South Africa, Chris Albertyn and Anna Collins-Falk, Final Report, June 2006 (Commissioned by Embassy of Sweden in Pretoria).

Co-operation between the European Union and South Africa, Joint Country Strategy Paper 2007–2013, Final Draft, June 2006.

Co-operation in Africa between South Africa and Development Partners – Framework, Draft, September 2006.

A Study to Identify Best practices Models of ODA Support to Capacity Development in South Africa, Tomas Kerschner, Marian Nell and Theo Louw, Final Report, Dec. 2006 (Commissioned by the National Treasury and the European Commission).

Annex 4:

HIV/AIDS Statistics

and projections for

South Africa 2006

Population in 2006	48,000,000
People HIV positive in 2006	5,400,000
People under 25 years of age	1,300,000
HIV prevalence	11% of population
AIDS sick people	600,000
KwaZulu-Natal highest	40% antenatal plateau
KwaZulu-Natal infant mortality rate	63 per 1000 live births
KwaZulu-Natal under five mortality rate 2006	99 per 1000 live births
KwaZulu-Natal life expectancy at birth	43 years
Western Cape lowest	17% antenatal plateau
Without antiretroviral treatment (ART)	505,000 deaths/year by 2010
With ART	388,000 deaths/year by 2010
With assumption that all who qualify are on ART	291,000 deaths/year by 2010
Assumptions taking in consideration interventions - life expectancy in 2010	50 years
No interventions - life expectancy in 2010	48 years
Reality in 2006 - life expectancy	49 years for males 53 years for females
People in need of ART - June 2006	711,000
People AIDS sick but not accessing ART June 2006	540,000
People receiving ART	225,000
Expected to rise with 20% coverage - 2015	500,000
Expected to rise with 90% coverage - 2015	2,000,000
Babies infected at birth 2006	38,000
Babies infected through breastfeeding 2006	26,000
In 2006 new infections	527,000
Deaths in South Africa in 2006	737,000
Deaths due to AIDS in 2006	346,390
In age group 15-49 years	71% of all deaths due to AIDS
Infant mortality rate 2006 (under 12 months)	48 per 1000 live births
Under five mortality rate 2006	73 per 1000 live births
Maternal orphans in 2006 (under 18y)	1,500,000
Maternal orphans in 2006 due to AIDS	1,005,000
Over half of 15 year olds are not expected to survive age 60	

Source: Dorrington, RE, Johnson, LF, Bradshaw, D and Daniel, T. 2006.

The demographic impact of HIV/AIDS in South Africa. National and provincial indicators for 2006. Centre for Actuarial Research, South African Medical Research Council and Actuarial Society of South Africa, Cape Town.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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