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1. Introduction

Sweden and South Africa maintain close relations. The year 2005 was characterised by high-level contacts and a continuous bilateral dialogue, largely covering national, regional and global challenges such as conditions for economic growth, trade, poverty reduction, HIV/AIDS, democratic governance, human rights, peace and security, conflict resolution and cooperation in several multilateral areas. With frequent inter-governmental exchanges and a number of officially established bilateral fora – paramount of which is the Binational Commission – with regard to Swedish development cooperation South Africa stands out as a unique partner.

Indicative of the special relationship is the regular flow of Swedish visits to South Africa. During 2005, the Prime Minister, the Deputy Prime Minister, the Minister for Justice, the Minister for the Environment, the Minister for International Development Cooperation, the State Secretary for Foreign Affairs and the State Secretary for Health visited South Africa. A number of South African Ministers, including Trade and Industry, Public Enterprise and Justice visited Sweden.

The fourth session of the South African-Swedish Binational Commission took place in Pretoria, South Africa, on November 29–30, 2005. The Binational Commission was co-chaired by the Deputy Prime Minister of Sweden, Mr Bosse Ringholm, and the Deputy President of South Africa, Mrs Phumzile Mlambo-Ngcuka. Bilateral talks were held between Deputy President Mlambo-Ngcuka and Deputy Prime Minister Ringholm, in which they discussed the domestic political situation in each country, regional developments, gender issues, HIV/AIDS, trade and investment relations, the reform of the United Nations and the WTO.

The Binational Commission consists of three committees dealing with political affairs, economic affairs and social and development cooperation affairs. Each committee met separately, discussed a range of issues of mutual interest and laid out the direction for Swedish-South African relations for the next few years. The three committees were co-chaired respectively by the South African Department of Foreign Affairs, the Department of Trade and Industry and the National Treasury. (For the joint communiqué, see the homepage of the South African Department of Foreign Affairs, www.dfa.gov.za/docs/2005/swed1130.htm)

The third meeting of the Swedish-South African Health Forum was held in Pretoria in March, the second meeting of the Swedish-South

African Working Group on Peace and Security in Africa was held in Stockholm in May and the fifth meeting of the Swedish-South African Defence Committee took place in Stockholm in November.

2. Political, Economic and Social Development

2.1 Political Developments, Governance and Human Rights

South Africa is distinguished by a modern, progressive constitution – including a far-reaching Bill of Rights, an independent judiciary, a free press, an organised labour movement, a vibrant civil society and a strong private business sector. Most of the economic and social rights are provided for in the constitution, but the legacies of three and a half centuries of colonialism, apartheid minority rule and inherited dualism are widely evident. The political landscape is dominated by the ANC and the political opposition is relatively small and divided. The local elections in March 2006 will give an important indication of the political climate.

During the period, the domestic political scene was dominated by the trial of Schabir Shaik, financial adviser to Deputy President Jacob Zuma, and its aftermath.[1] Charged with fraud and corruption in connection with public arms procurements, Shaik was sentenced to 15 years of imprisonment. At the same time, the court ruling characterised the relationship between Shaik and Zuma as "generally corrupt". Against this background, President Thabo Mbeki relieved Zuma of his position as deputy president and he was replaced by the former Minister for Mines and Energy, Phumzile Mlambo-Ngcuka, in June. The National Prosecuting Agency (NPA) has instituted legal proceedings against Zuma, and the trial is set to start in July 2006.

While Zuma remained as deputy president of the ANC, these developments led to considerable tensions within and between the ruling party and its alliance partners, i.e. the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU). At the ANC National General Council in late June, members of the Youth League, as well as of SACP and COSATU, openly demonstrated their support for Zuma, and in August the Central Committee of COSATU demanded his reinstatement as deputy president and the withdrawal of the corruption charges against him. These demands were rejected by President Mbeki and the ANC leadership.

With the so called "Zuma saga", by mid-2005 a number of crucial issues for the ruling party and the young South African democracy had forcefully come to the fore. On a general level, they related to the government's policy choices. For the ANC and its alliance partners, they

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[1] Parallel to the Schabir Shaik trial, a national anti-corruption summit was held in March 2005. In accordance with its resolutions, a national anti-corruption programme was held in June.

related to the transition from a national liberation movement into a modern political party. For the democratic dispensation, they related *inter alia* to the response to corruption and the defence of transparency and constitutionality. And for both the ruling party and the state, they related to the succession of Mbeki as president of the ANC and the Republic. [2]

The period under review was further characterised by continued efforts by the government to improve policies and instruments for increased growth, reduced poverty, increased employment opportunities and improved access to the social security system. There has been a number of strikes and local demonstrations (which sometimes turned violent) during 2005, mostly carried out by destitute citizens against inadequate public services.

The government has intensified its efforts to prevent crime, for example by increasing the efficiency and capacity of the police and the judiciary. Although official statistics released by the government indicate that crime rates have declined, the continued high levels of crime and violence have highly adverse effects on the lives and well-being of the entire population.

The South African government places the fight against corruption high on its agenda. A national summit on corruption was held during the first half of the year, and the political debate ahead of the local elections has focused on the issue of corruption. A number of high-profile corruption cases have been widely discussed in the media and elsewhere. While corrupt practices in South Africa – inherited from the apartheid era or appearing thereafter – do exist according to various national surveys, it should be noted that Transparency International (TI) ranked the country as No. 46 (downgraded from 44 last year) out of a total of 158 in its 2005 global index. [3] In January 2005, the resident World Bank (WB) representative noted that "few businesses in South Africa report that bribes are needed to get things done, which is far lower than in other African or middle income countries".

A major threat to stable social and economic development with higher economic growth is posed by the HIV/AIDS pandemic. The estimated number of people infected by HIV has grown from 3.8 million in 1999 to more than 5 million in 2005. This represents an estimated prevalence rate of over 11%, while approximately 16% of those aged 15–49 are infected. While the South African government has set aside considerable budget resources to halt the spread of HIV/AIDS – focusing on prevention and treatment – by the end of 2005 there was still a lack of official political commitment to confront the problem and lead the nation out of the HIV/AIDS crisis. In 2004, the government introduced the Operational Plan for Comprehensive HIV&AIDS Care, Management & Treatment, and by the end of 2005 about 100,000 of the 500,000 people in need had access to antiretroviral treatment.

South Africa still displays one of the highest incidences of domestic violence in the world, and the highest with regard to rape and child abuse. There is a strong link between violence against women and children and the spread of the HIV/AIDS pandemic. During the year under review, this situation received increased attention within the bilateral cooperation programme.

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[2] Thabo Mbeki's second and last period as president of South Africa comes to an end in early 2009. The position as president of the ANC – and thus indirectly of South Africa – will be decided upon by the ANC congress in late 2007.

[3] In 2004, TI ranked Iceland (Finland) as the world's least corrupt country. Sweden was ranked No. 6 (6), the United States No. 17 (17), Japan No. 21 (24) and Italy No. 40 (42). Among the countries ranked lower than South Africa were Greece 48 (49), Brazil 63 (59), Poland 74 (67), China 78 (71) and Russia 128 (90). Last on the list were Bangladesh and Chad (Haiti). (Within brackets, previous year's positions).

Dispossession of land was a key feature of colonial and apartheid South Africa. Land was central to the struggle for freedom and democracy. In order to revitalise agriculture and the rural economy, the government has set ambitious targets for land reform including the redistribution of 30% of the country's agricultural land to previously disadvantaged communities by 2014. The implementation of the land reform has, however, made slow progress. Since 1994, black ownership of land has increased by only 3% to currently 16%. As regards land restitution, of a total of 68,000 claims originally lodged, 62,000 had been settled by mid-2005. The deadline for settling claims had to be extended until 2007. Although there has been some frustration about the slow pace of delivery, the government has emphasised the importance of carrying out the land reform programme within a transparent and legal process, and is mindful to maintain investor confidence and stability. In order to improve the consultative process, a national land summit was held in July 2005 and the government is presently considering possibilities to speed up the process.

2.2 Macro-economic Developments

South Africa's international status as an upper-middle income country hides huge disparities. In 2005 the official unemployment rate rose to 26.7% (unofficial figures are much higher). In 2004 about a third of South Africa's population lived on an annual income of less than 3,000 Rand (ZAR). From a macro-economic perspective, the government has maintained internal and external stability, as well as achieving considerable progress in socio-economic transformation. Public expenditure remains at a sustainable level, with a budget deficit down to about 1% of GDP. The volatility of the Rand has continued during the year. In June it reached an eight-month low of 6.96 ZAR to 1 USD, but picked up during the last months of the year to reach a level of 6.50 ZAR to 1 USD in December. The inflation eased a bit in the second half of the year to about 4%, well within the official target of 3–6%.

Economic growth has largely been the focus of the political discussion in 2005. A presidential task team was appointed in July under Deputy President Phumzile Mlambo-Ngcuka, to investigate how to boost the economic growth rate to 6% by 2010. (According to the government, a growth rate of 6% is necessary to reduce high levels of unemployment and poverty.) A number of constraints have been identified, which need to be overcome if the target is to be achieved. These constraints include public service delivery, skills shortage and infrastructure backlogs. The task team is supposed to present a plan to parliament in February on how to reach the 6% goal. From what is known, the plan will include elements such as a programme for accelerated infrastructure investments and the establishment of a fund for small and medium-sized enterprises.

The IMF and the World Bank have concluded that prudent fiscal management has helped make South Africa's budget deficit come down from 5.1% of GDP in 1994 to 2.3% of GDP in 2004. In 2005 the SA Revenue Service collected nearly 40 bZAR more than expected. The source of the revenue windfall was not higher individual or corporate taxes – both have fallen since 1994 – but the performance of the economy, consumer confidence resulting in higher spending and an increase in the number of registered taxpayers, from 2 million in 1994 to more than 5 million in 2004.

During 2005, the South African economy has grown by approximately 4.5–5%, the best performance since 1984. The growth has been considered "unbalanced" and based on strong commodity prices and a strong domestic consumer demand, which has increased imports and strengthened the currency beyond a desirable level. Unemployment remains high, and growth is not adequately shared. An estimated 1/3 of South African households are unable to benefit from the growth.

South Africa is rapidly becoming a leading economic power in Sub-Saharan Africa (SSA). By far the largest economy – representing 46% of SSA's gross regional product (GRP) in 2002 – in recent years South Africa has established itself as the principal investor on the African continent, ahead of the United States, Germany, Japan and the former colonial powers of Great Britain and France. Africa's growing significance for South Africa is also reflected in its trade statistics. Whereas 4% of South Africa's exports in 1991 had African destinations, in 2003 this share had grown to 16.5%. In the process, Africa surpassed the Americas, occupying third place after Europe and Asia.

South Africa was rated the most competitive economy in the sub-Saharan region, and the most attractive country in Africa in which to invest, by the World Economic Forum's 2004 annual Global Competitiveness Index. A decade of comprehensive institutional reform and economic management has resulted in solid credit ratings, implying less risk for investors and cutting the cost of capital for the country's public and private sector borrowers. By contrast, inflows of foreign direct investments to South Africa continue to be poor, amounting to 3.2% of GDP.

Employment

Slow economic growth during the first decade of democratic rule – a result of disappointingly low investment and savings rates (16% and 15% of GDP respectively), coupled with the introduction of new production technologies for improved international competitiveness of domestic producers – curtailed the demand for labour. It has seen a reduction of the importance of sectors such as mining and clothes and textiles in favour of growth in sectors such as wholesale and retail trade, services, construction and communications. Jobs are being created, but not at a pace fast enough to incorporate the number of new entrants into the labour market. A workforce that is increasing faster (by 35% between 1995 and 2002) than the number of employment opportunities (by 12% only during the same period), and at times coupled with average wage increases higher than the inflation rate plus productivity increases, has contributed to the high rate of unemployment. The majority of the unemployed are youths. There are disproportionately more women unemployed than men. Further, unemployment is geographically skewed with the highest levels found in the provinces of Limpopo, KwaZulu Natal and the Free State.

The largest constraints to increased employment – in addition to slow economic growth – are considered to be low skills levels and limited entrepreneurial experience among a large part of the population, coupled with labour market regulations that increase the cost of labour beyond its economic opportunity cost.

One of the target areas hoped to boost the development of the second economy and employment is the stimulation of small, micro and medium-sized companies (SMMEs).[4] However, the anticipated employment

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[4] Official statistics estimate that around one quarter of the whole workforce is employed in the informal sector (particularly in agriculture, construction and wholesale and retail trade). SMMEs contribute 30% to GDP and account for 50–60% of formal employment.

boom in this sector has not occurred for various reasons. On the contrary, employment in the informal sector fell by 17% between September 2000 and March 2005.[5] This could possibly be attributed to a regulatory environment that is biased against SMMEs. Also, there is an ongoing debate about whether to shift focus away from grass-root SMMEs and instead try to establish linkages between larger (first economy) companies and SMMEs (second economy companies) to incorporate these in the value-chain.

2.3 Poverty Reduction: Status and Perspectives

South Africa's dual economy is highly skewed. The modern sector, the so-called "first economy" is the driving force of the economy, whilst the informal sector, or the "second economy", in which large parts of the black population are active, lags far behind. The country has advanced physical infrastructure as well as sophisticated financial, IT and telecommunication service networks equivalent to those of the developed world, but it also faces extreme deprivation and exclusion, leading to a level of poverty comparable to some of the least developed countries.

In September 2004, the European Commission noted that "the key issue in South Africa remains wide-spread and probably increasing poverty". The Gini coefficient, amounting to 0.58, illustrates that there is a significant social and economic divide. This affects mainly the black population.[6] However, it should be noted that the black middle class is increasing. Approximately 25% of the high income earners come from previously disadvantaged groups, compared to just 12% in 1991. The country has a population of approximately 46 million. The *national* poverty rate is about 45%, meaning that around 20 million of its citizens eke out a living below the South African poverty line.[7] Poverty is largely coupled with high unemployment (currently between 26 and 41%) and – probably – widening income inequality.[8]

The government's goal is to halve poverty and unemployment by 2014. A strong social network in support of those who cannot earn a living from the "first" or "second" economies is considered to be the third pillar of the socio-economic system. Social transformation has occurred, with efforts to provide social services to previously disadvantaged communities.

Government budgetary expenditure for social services has increased over the past 10 years and represents about 63% of the total budget. It consists of social grants that are received by almost 30% of all households, and expenditure in the form of the "social wage", including free basic water and electricity, free primary health care, subsidised education etc. Both social grants and social wages are distributed to a growing number of poor people, absorbing increasing amounts and shares of budgetary funds.

With notable exceptions concerning poverty alleviation (goal no. 1) and HIV/AIDS (goal no. 6), South Africa is well on track towards achieving the other, main Millennium Development Goals.

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5 Stats SA: Labour Force Survey

6 Almost 50% of the black population are reported to live below the national poverty line, against only 2% of whites.

7 Slightly more than 10% of the population earned less than 1 US Dollar (USD) a day, i.e. fell under the *international* (MDG) poverty line.

8 This constitutes contested terrain. Quoting a survey by the University of South Africa (UNISA), in his February 2005 State of the Nation Address President Mbeki noted that in 2001 4.1 million out of 11.2 million households in South Africa lived on an income of 9.600 Rands or less per year. In 2004, this had decreased to 3.6 million households. At the same time, the President emphasized the plight of "the marginalized [citizens living in] the wilderness of the second economy".

2.4 Development Cooperation and Partnerships

In financial terms, official international development assistance (ODA) to South Africa plays a marginal role, merely representing 1.3% of the national budget or 0.3% of GDP (EC, September 2004). However, ODA is seen by South Africa as being of strategic importance to assist in the consolidation of democracy, as well as in modernising and strengthening the public sector with capacity building for improved service delivery.

The European Commission (EC) remains by far the largest donor together with the European Investment Bank (EIB), annually contributing some 200 million Euro. While the Bretton Woods institutions (WB and IMF), as well as the UNDP, play marginal roles, the European Union (i.e. EC, EIB and the member states) represents around 70% of all ODA. Although disbursements from Sweden since 1999 have continuously decreased, in 2005 South Africa was, in fact, the 17th largest recipient of Swedish ODA in the world (down from 12th the previous year) and the 9th in Africa (from 6th).

South Africa is, in addition, a major recipient of Swedish NGO support. In 2004, 11 out of the 13 Sida-supported so-called "frame organisations" were active in South Africa. Sida's contributions to these organisations amounted to 35.4 MSEK (48.2 MSEK). In addition, 14.0 MSEK (13.7 MSEK) was transferred from Sida in favour of *ad hoc* activities by other Swedish NGOs, bringing the official NGO support in 2003, outside the bilateral development cooperation agreement, to 49.4 MSEK (61.9 MSEK), or roughly 20% (24%) of the total assistance through Sida.

Due to South Africa's dominance in Africa and its active policies in favour of conflict resolution and an "African Renaissance", substantial funds are, in addition, channelled to the country under Sida's allocation for 'Regional Programmes in Sub-Saharan Africa'. Support to the NEPAD Secretariat, various South African institutions in the field of conflict resolution and management, as well as preparations for tripartite cooperation between Sweden, South Africa and a third African country are presented under point 4 below.

In the absence of a strong presence by the World Bank[9], IMF and UNDP, and without any multilateral budget support, donor coordination in South Africa is comparatively weak. On the donor side, monthly meetings take place between the EU development counsellors. In the spirit of the Paris Declaration, European donors recently began a process, under the leadership of the European Commission's delegation, that will result in the creation of a shared country support strategy paper covering the 2007–2013 period. As a minimum, it will contain an agreed-upon view (with the government of South Africa) of the key elements of the development needs in the country. It will also contain the main developmental objectives to be attained by the European donors. It is not considered likely that it will replace development cooperation strategies, but it could form the basis of each country's bilateral strategy in South Africa. The Embassy of Sweden has joined this exercise merely to feed it into the upcoming mid-term review of the Swedish development cooperation strategy.

South Africa's National Treasury regularly calls for consultations with all donor countries and agencies. Strongly emphasising South African ownership, Department for International Development Cooperation

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[9] In South Africa, the WB plays a marginal role. At the end of 2004, the WB's portfolio was made up of seven long-term operations, with total commitments of 60 MUSD.

(IDC) initiated a strategic discussion on "a shared ODA reform agenda in South Africa". It should be noted that South Africa is itself a donor country, with various programmes in Sub-Saharan Africa and beyond. In that capacity it also underlines the importance of donor harmonisation, claiming the right, for example, to be represented at OECD/DAC peer reviews.

Outside the EU community, close mutual consultations with Norway continue to take place. In addition, following upon a Swedish proposal to coordinate and harmonise procedures, in May 2005 IDC hosted the second, annual consultation with Denmark, Finland, Norway and Sweden.

3. Swedish Development Cooperation – Overall Assessment of the Country Programme

3.1 Strategic Assessments and Considerations

In line with the major political, economic and social challenges, the country support strategy for 2004–2008 and South Africa's national policies and priorities, development cooperation between South Africa and Sweden has the overriding objectives to i) reduce poverty, inequality and vulnerability, and ii) consolidate democracy and respect for human rights.

The South African government is committed to addressing the needs of the poor, as well as upholding democratic and human rights. Democratic transformation of society and the fight against poverty have been major objectives for the development cooperation with Sweden since the very beginning. As stated in the country support strategy for 1999–2003, a third goal has been "to promote long-term, broader relations between Sweden and South Africa".

Notwithstanding the country's position as a middle-income economy, the overriding objective – *reduction of poverty, inequality and vulnerability* – remains highly relevant. The South African government's policies and strategies in this regard meet the donor community's requirements of a PRS process. The economic policy, which recognises the role of the state in creating job opportunities through increased public spending (*inter alia* for public works in infrastructural projects and through extended social security for the poor, elderly and young), has been widely acclaimed.

The South African government places strong emphasis on service delivery and capacity building of the public administration. Strategic policies have been adopted over the last decade and the focus of the Swedish support has been to assist in the implementation phase.

Democratic governance is a prerequisite for sustainable poverty reduction. South Africa and Sweden share a strong belief in the rule of law, non-discrimination, respect for human rights, gender equality and public participation – all fundamental principles in a society where poor people have the possibility to take an active part in their own development. Rule of law and access to justice – also for the poor – has been one area of cooperation in the past, e.g. with support to paralegal advice offices, some of which will hopefully be more integrated into the formal legal system. In addition to the expressed commitment to honour human rights domestically, South Africa and Sweden also share ambitions in the regional and international settings, working with issues of democracy, human rights and poverty within the structures of the SADC, AU, NEPAD, EU and UN.

3.2 Country Plan 2005 and Country Support Strategy 2004–2008

During the year under review, Sida's dialogue with South African and Swedish counterparts focused on the development of sustainable partnerships in preparation for a transformation of the cooperation in line with the country support strategy for 2004–2008, adopted by the Swedish government in June 2004. As will be seen under sections 4 and 5 below, this *inter alia* included the possibility of transforming the existing urban development programmes into twinning arrangements through SALA-IDA (subsidiary of SALAR; the Swedish Association of Local Authorities and Regions), an issue that was raised during the joint Swedish-South African workshop in September 2004 and subsequently followed up by Sida and other concerned parties in Sweden.

In accordance with the 2005 country plan, cross-cutting issues such as environmental concerns and sustainable management, gender, democracy, human rights and HIV/AIDS were addressed, both in the dialogue with South African partners and when assessing projects and programmes in the Embassy's project review committee.

As noted above, the new country support strategy aims at paving the way for co-financed partnerships beyond 2008, further stating in this regard that "Sweden should as a matter of urgency enter into a dialogue and arrive at an agreement with the South African authorities on a suitable timetable for increased co-financing during the strategy period," i.e. from 2004 until 2008. Although the issue of co-financing featured prominently in the dialogue, largely due to outstanding clarifications regarding the Swedish regulatory framework, no concrete timetable has been drawn up. It is expected, however, that the 2006 mid-term review of the country support strategy will provide necessary elements to establish the formula and timetable for co-financing.

4. Specific Country Programme Overview of the Swedish Development Cooperation

The activities presented in the country plan for 2005 were, in general, aligned with the proposed country support strategy for 2004–2008, as well as with the South African government's policies and priorities. During 2005, emphasis continued to be put on creating conditions that enable sustainable partnerships, which will gradually replace the activities administered by Sida. Sustainability was high on the agenda in the dialogue between the cooperating partners.

The Embassy maintained a close dialogue with the South African National Treasury and various stakeholders on the implementation of the country support strategy for 2004–2008. Contacts were further held regarding the new Swedish policy for international development cooperation (the Policy for Global Development, PGD) and its implications with regard to the bilateral partnership.

Within the public sector support, prospects for future sustainability are generally good. An example of this is institutional co-operation within the areas of statistics, tax administration and the police. Funding and legal restrictions for Swedish partners to provide co-financing are, however, limiting factors, notably with regard to municipal and provincial twinning arrangements. It is expected that the development of policies and structures following upon the Swedish parliament's endorsement of the new Swedish PGD will provide further guidelines in this regard.

South Africa is one of the largest beneficiaries of Sida's so-called 90/10 programme, with disbursements through Swedish NGOs active in South and Southern Africa varying between 40 and 60 MSEK. In the support to civil society organisations attention is given to the total funding, ensuring that Sweden is not the sole or dominant funder. In the country support strategy for 2004–2008, it is suggested that the issue of sustainable funding of civil society shall be addressed. The possibility of establishing a Swedish-South African Civil Society Forum is currently being explored.

Efficiency in delivering inputs and results has generally been maintained. The "recipient capacity" meets with common goals and priorities to assure high standards. With increasing focus on the Eastern Cape Province, synergy effects have, as envisaged in the country plan, been sought through links and mergers between projects.

In accordance with the country support strategy, the number of individual projects and programmes was further reduced during the year. In the area of democratic governance the number of specific agreements has gradually declined from around 20 in 2004 to approximately 15 in 2005. Contributions have also decreased to approximately 69 MSEK. Further, the support to democratic governance and urban development in Northern Cape was phased out in 2005.

Total disbursements to South Africa within the 2005 cooperation programme amounted to 141.7 MSEK (150.2 MSEK) out of a total (revised) allocation of 150 MSEK (170 MSEK), corresponding to a rate of 95% (88%). (Previous years in brackets)

4.1 Follow-up of the Country Programme

Democratic Governance

For practical purposes, the democratic governance sector is divided into four sub-areas; *public sector, legal sector, civil society and political institutions*. The latter received substantial support in connection with the first democratic elections in 1994 and the years thereafter. In the last few years, along with the consolidation of democracy in the country, this support has gradually been phased out. Two of the last organisations to receive Swedish support were the Electoral Institute of Southern Africa (EISA) and the Women's Empowerment Unit (WEU) at the Speaker's Forum of the Parliament. While the EISA is working increasingly less within South Africa and more in other parts of the African continent, the WEU does no longer exist as an organisation.

Public Sector

Twinning arrangements within the public sector, where e.g. police, tax and statistics agencies are co-operating with their equivalents in the respective country, have led to greater prospects for sustainable, co-financed partnerships and tripartite cooperation. In the case of the institutional cooperation between the South African Police Service (SAPS) and the Swedish National Police Board (RPS) which started in 1999, the cooperation has yielded many positive results to date. The third phase of cooperation (2006–2008) is currently being prepared. It will focus on basic training, labour relations and "women's empowerment," where the latter includes gender equity within SAPS as well as improved service delivery in relation to crimes against women and children.

In line with the country support strategy, the third phase will be co-financed by Sweden and South Africa and the elements of mutual exchange between the two police services will be more prominent than in previous phases. Further, an important result of this programme is that it has created the platform for the tripartite cooperation between the Swedish, South African and Rwandese police, which was recently initiated.

Statistics cooperation is yet another co-financed partnership involving joint funding by the governments of South Africa, Sweden, United Kingdom and Canada. Statistics Sweden (SCB) and Statistics South Africa are implementing a three-year programme during 2004–2007, dealing primarily with poverty analysis and HIV/AIDS statistics. The project is also aimed at increasing StatsSA's capacity to engage in cooperation and support to other national statistics agencies in the region. The project is being implemented according to plan, although there have been issues concerning StatsSA's commitment and ownership of the project at the beginning of the year, *inter alia* manifested in how the project was organised within the agency. These issues were, however, resolved during the second half of the year.

The institutional cooperation between the Swedish Tax Agency (STA) and the South African Revenue Service (SARS) has yielded substantial results since its inception in 1998, although the degree of implementation has varied considerably during the years. This prompted an extension of the programme without extra funds during 2005, at the same time as a new area of cooperation, the Small Business Programme, was added. It should also be noted that SARS has taken on a larger share of the costs for the partnership since 2004. During the year, SARS and STA have also started to explore different possibilities for tripartite cooperation in other African countries.

The major part of the Northern Cape Local Government Programme came to an end in December 2004. The programme is considered very successful, *inter alia* having contributed to the establishment of sustainable structures for municipal support and training in the province and to tripartite cooperation with Rwanda. A "popular version" of the final report was developed during 2005, to ensure that the practical experience and lessons learned from the programme were highlighted and widely disseminated. As for the HIV/AIDS component of the programme, which was implemented by a task team in the Siyancuma municipality, this was extended until April 2005. The task team was given a gold award by Impumelelo Innovations Award for its innnovative work to address the HIV/AIDS pandemic in the municipality.

The cooperation with the Eastern Cape Provincial Administration (ECPA) involves support to human resources development, including an HIV/AIDS workplace programme, financial management and education (for the latter, see the education section). Work has developed well within the human resources area, while the financial management area has been substantially affected by continuous top management changes within the Provincial Treasury, resulting in certain difficulties of implementation and, at times, a lack of counterparts for the two long-term advisers of ESV (the Swedish Financial Management Authority). On the other hand, the HIV/AIDS workplace programme has developed increasingly well during the year with a rising commitment from the Office of the Premier for the implementation of the programme. Possibilities of continuing the support of the HIV/AIDS programme beyond 2006 are currently being explored.

Legal Sector

Support to the legal sector is two-pronged. One part is directed to civil society organisations working within the areas of access to justice and human rights (ICJ-S South Africa programme) and another to the Department of Justice (DoJ). The latter is aimed at building capacity of magistrates and prosecutors in the field of children and the law, in order to implement the Child Justice Bill. This bill, which deals with children under 18 who are in conflict with the law, has yet to be passed by Parliament. It remains unclear as to what is causing the delay and when it will be passed. Due to the delay, the Swedish contribution has shifted towards implementing the so-called Children's Bill to provide comprehensive social security to children in need, as well as ensure that courts are accessible to children. The programme ends in 2006, and the Embassy has decided not to continue its support beyond that period. The reasons behind this are essentially that the programme is already "running on overtime" in relation to original plans, and that the Swedish support does no longer involve any added value in the form of technical advice or the like.

The ICJ-S South Africa programme will also come to an end in December 2006. The programme is one of the largest Swedish cooperation programmes in South Africa to date, amounting to more than 200 million SEK since its inception in 1996. Essentially, it has been the Embassy's position that support to the sector was a "bridging funding," and that future support in the medium to long term would be sustained by securing other resources, above all from South Africa. Although there are challenges in terms of addressing the initial objectives that the programme was set to achieve, a number of positive results have been achieved during various phases of the programme. Among other things, the current piloting of "clusters", whereby paralegal advice offices are linked to other partner organisations to offer legal backup, is proving to work well. Further, an interim national co-ordinating structure has been formed during 2005, providing a promising base for paralegals to work closely and co-ordinate their work. Other innovative measures that have been pursued during the year to ensure sustainability include initiatives to explore cooperation among paralegals and cooperation with the government's Legal Aid Board and local government.

Civil Society

Within the democratic governance programme, support to civil society is the sub-area which, in various ways, is mostly affected by the ongoing transformation of the development cooperation. The support to South African NGOs cannot easily be accommodated to the principles of transformation in the new country support strategy. As a result, the Embassy's role as a broker and dialogue partner has intensified during the year, as discussions have been held with civil society partners about their future sustainability and possible new forms of cooperation with Sweden.

The cooperation with a number of organisations, such as the national umbrella organisation for civil society (SANGOCO), Law, Race and Gender, which provides social context training to prosecutors and magistrates, and the Community Law Centre at the University of Western Cape, expired during the year. At the same time, whilst cooperation with civil society organisations in the above mentioned fields has decreased, the Embassy is increasing its support to civil society organisations dealing with HIV/AIDS from a human rights- and democracy perspective, as well as in relation to gender-based violence.

Education

The support to the education sector has a clear focus on poverty, democracy and human rights. Efforts have been made to broaden the cooperation with Sweden.

Finland and Sweden support the implementation of the first phase of White Paper 6 – Inclusive Education. The aim is to make mainstream schools accessible to all children and transform special education schools into resource centres. The programme progresses very slowly. During 2005, neither Sweden nor Finland disbursed funds. This was partly due the cumbersome process of procurement of service providers. In April Sisonke, a consortium of university departments and educational institutions, won the tender for the human resource development part of the programme. The Joint Education Trust (JET) will manage the consortium. A contract has been signed with the Stockholm Institute of Education to participate in the programme, and they will work closely with Sisonke and the Directorate of Inclusive Education at the Department of

Education. Due to the slow progress, the Embassy foresees that the agreement will be extended in time, but without additional funds.

The eight research programmes receiving grants through the Education Policy Consortium (EPC) all have a focus on democracy and human rights in the field of education. They are progressing well and beginning to show some interesting results. In 2004 the researchers established links with Swedish researchers and the cooperation continued during 2005. A third seminar was held late 2005 in Sweden.

One of the components of the integrated support to the Eastern Cape Provincial Government is education management. The programme has a clear poverty focus. The work focuses on capacity building within three disadvantaged districts. However, there is no involvement of Swedish institutions.

In the country plan for 2005 an evaluation of the previous support to the national Department of Education and the Northern Cape Department of Education was planned. After discussions with the two departments and Sida's Divisions for Evaluation and Education, the Embassy decided not to carry out the evaluation. It would not have been possible to distinguish the impact of the Swedish support. At the time of the support a number of initiatives were taking place to transform the education system in the country.

Culture

The Swedish-South African Partnership Programme has its foundation in the concept of broader cooperation. Both the Swedish and the South African governments are contributing to the programme. The joint committee, consisting of five representatives from each country, met in Stockholm in February. Out of 233 applications they recommended 11 project grants and 12 planning grants, amounting to a total of 21 MSEK for the period 2005–2007. There are currently 21 ongoing projects within the programme. Some projects have been criticised for being weak in addressing poverty. When assessing projects in the future, more focus will be placed on perspectives of poverty.

The Department of Arts and Culture is still handling the programme in South Africa. The intention is to transfer the administration to the National Arts Council. This is a more suitable entity as it is the equivalent of the Swedish National Council for Cultural Affairs (NCCA) which is successfully handling the programme in Sweden. The fact that the NCCA is responsible for the programme in Sweden is in line with the Policy for Global Development.

The last date for applications for 2006–2008 was October 15. Forty-five project applications and 81 applications for planning grants were submitted. The applications will be assessed by the joint committee in February, 2006.

Research

The South African-Swedish Research Programme forms part of the Swedish Research Links Programme, funded by Sida/SAREC. This programme follows the intention 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 seventh call for applications was May 2, 2005. 37 applications were submitted whereof 24 were approved. The planned review has been postponed until 2006.

Housing and Urban Development

In line with the country support strategy, the support to the three municipalities Sol Plaatje (SPM), Nelson Mandela Bay Metropolitan Municipality (NMMM) and Buffalo City Municipality (BCM) is being phased out.

The programmes have focused on housing, transport, spatial planning, waste management, establishing community centres and twinning with Swedish municipalities. In all areas, the objective has been to improve service delivery to previously disadvantaged communities. Long-term and short-term consultants from both South Africa and Sweden have participated.

2005 was the final year for the support to SPM. The agreement was extended for one year without additional funds in order to finalise the involvement of Swedish support to Galeshewe Urban Renewal (GURP) and Hull Street Housing project.

The agreement on support to NMMM has been extended by one year to 2006 due to earlier delays in the programme. The programme is now progressing well. It should be noted that the advisor to the Motherwell Urban Renewal Programme (MURP), who finished his assignment in December, will continue his work under the European Union's support to MURP. A housing conference took place in October with support from Sweden. In conjunction with the conference there was an exhibition of Swedish design as part of the Swedish Year of Design.

2006 will be the last year of support to BCM. There have been minor delays, but most parts of the programme are developing well. The HIV/AIDS strategy for BCM has received a lot of attention and is now being implemented.

As part of encouraging broader cooperation, three municipalities have twinning arrangements with Swedish municipalities; SPM and Falun/Borlänge, NMMM and Gothenburg, BCM and Gävle. Sida will encourage a contination of the twinning arrangements between the South African and the Swedish municipalities through the agreement signed in November 2005 with the Swedish Association of Local Authorities and Regions (SALAR) on North-South Municipality Cooperation. The programme is administered by SALA IDA. The first call for application was in November 2005. In addition to the above mentioned twinning arrangements, seven other arrangements with South Africa were approved.[10]

Private Sector Development and Economic Cooperation

Commitments in the areas of microfinance and business development services are being finalised, whilst possibilities for facilitating partnerships between Sweden and South Africa in the area of economic cooperation are being explored, in line with the country support strategy for South Africa 2004–2008.

As envisaged in the country plan for development cooperation with South Africa 2005–2007, agreements with the Micro Enterprise Alliance (MEA) and the Micro Finance Regulatory Council (MFRC) were extended. This was done to allow for the use of contingency funds, in relation to 2005 being the UN International Year of Micro Credit. The MFRC used the funds to sponsor individuals who did not have the requisite financial resources to attend the African Microfinance Confer-

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[10] One such example is the twinning between Tibro and the city of George which emanates from the wood-industry training project 'FURNTEC' which was part of the support to the private sector development in the bilateral cooperation.

ence on Integrating Microfinance into Formal Financial Markets. The MEA consolidated work with members in the area of HIV/AIDS. Furthermore, the MFRC reported on their visit to Sweden where they met with six Swedish counterparts to explore cooperation in the area of consumer protection within the financial sector. The MFRC concluded that although the visit was of interest, the environment in which they operate and the challenges they face differ too much from the Swedish situation for a formal relationship to be beneficial at this stage.

An agreement was signed with the Small Enterprise Foundation (SEF) whereby the funds that were committed to FINCA South Africa, but not disbursed due to non-performance, will be used to fund the expansion of SEF's operations in the rural province of Limpopo. An agreement was also signed with the University of the Witwatersrand to support the mainstreaming of HIV/AIDS into SEF's microfinance operations, aiming to create a model for broader application in the microfinance industry.

Sida headquarters commissioned an evaluation of the SSBF, which was undertaken in January 2005. The evaluation confirmed the need for the SSBF to receive a broader mandate in order to achieve the objectives. Meetings were held with the Department of Trade and Industry (dti) and the Swedish South African Business Partnership Fund (SSBF), where it was agreed that the SSBF's mandate should be extended to allow it to work regionally in the SACU countries as well as support partnerships between institutions in Sweden and South Africa that influence the arena in which businesses operate. Exploratory work in these areas commenced whilst the formalities were pursued by Sida Stockholm. However, at the end of the year Sida headquarters instructed the Embassy to close down the SSBF and instead explore other options for the use of the SSBF's resources together with the dti.

The cooperation between SAWEN and the National Resource Center for women in Sweden was pursued during 2005. Unfortunately no progress was made with respect to concretising areas of cooperation. However, at the end of 2005 the dti requested that Sida assist in preparing a programme for the Deputy Minister of Trade and Industry to visit Sweden in the first half of 2006.

HIV/AIDS

In accordance with the country plan for development cooperation with South Africa 2004–2006, a strategic three-year plan and a yearly operational plan to mitigate the effects of HIV/AIDS were adopted in early 2004.

Following these plans, the programme in South Africa has engaged in three types of responses to HIV/AIDS: prevention; care and treatment; and impact mitigation (responses to the pandemic's effects on government, organisations, communities and households). The three approaches of dialogue, mainstreaming and direct support are in the process of being scaled up.

Ongoing dialogue is being carried out with the government (national, provincial and local levels), civil society organisations and the private sector. South Africa is a signatory to many international agreements, and the epidemic is being monitored through indicators from the UNGASS Declaration, the Millennium Development Goals, The Three Ones, sector responses and other ongoing initiatives such as the WHO 3 by 5 and PEPFAR.

The aim of mainstreaming HIV/AIDS in existing programmes is generally to adapt the development work to meet the challenges of HIV/

AIDS, reducing susceptibility to HIV infection and vulnerability to the impact of AIDS. Direct support to the Cities Network's HIV/AIDS mainstreaming project enhances the existing support to urban development in Buffalo City and Nelson Mandela Bay Metropolitan Municipality (NMMM).

The scaling up of direct support focuses on areas where Sweden has a comparative advantage, but also takes cognisance of gaps in South Africa's programmes. Support is given to community mobilisation with assistance and capacity building of small community-based organisations in the Eastern and Northern Cape. With the roll-out of the government's Comprehensive Plan on Treatment and Care, the need for community mobilisation and treatment literacy is being cared for by the Treatment Action Campaign (TAC). TAC is the leading organisation in South Africa in the field of treatment literacy, developing the health-care system, advocacy, lobbying, litigation and research on HIV/AIDS. TAC is also engaging and mobilising thousands of people living with HIV/AIDS, and is, at present, the only organisation doing work on treatment literacy.

The linkages between HIV/AIDS and gender-based violence have been established. For example, forced sex may directly increase the risk of HIV- transmission as a result of physical trauma; violence or threats of violence may limit the ability to negotiate safer sex; inadequacies in justice systems may result in a disincentive to reporting rape and/or seeking post-exposure prophylaxis; childhood abuse may lead to sexual risk-taking later in life; and sharing HIV results may increase the risk of a violent response by a partner. The Embassy is *inter alia* supporting the national debate in raising awareness of violence against women and children by funding a film on the issue. The documentary will be screened on South African national television, as well as internationally.

Notable examples of support to organisations working in these fields are the AIDS Law Project, AIDS Legal Network, AIDS Consortium and the Men as Partners Programme (MAP). The latter primarily deals with men's attitudes in relation to gender-based violence and HIV/AIDS. The programme is an illustrative example of how the Embassy is increasingly adopting an integrated approach to link various programmes and projects to each other, in order to create additional value and results. Accordingly, the MAP programme is implemented together with a number of organisations that also receive support, such as Masimanyane Women's Support Centre, the Treatment Action Campaign and a number of small community-based organisations in the three provinces of the Eastern, Western and Northern Cape (some of these CBOs receive Swedish support via the umbrella organisation Aids Foundation of South Africa).

The MAP programme received positive media coverage in South Africa and Sweden when its representatives were invited to attend Sida's Annual Development Conference in Stockholm in 2005, where they held a number of workshops, lectures, interviews etc.

The strategic linking of programmes is not only implemented within the civil society sector, but is also unfolding in the public and private sectors.

Initiatives on broader cooperation

International Training Programmes remain in high demand by South African participants. The success rate of the applications is also generally high, resulting in a solid representation of South African participants in the courses financed by Sida. The demand for the course in Local Governance (LOGLOG for short) in 2003 proved that there was room for a "tailor-made" course only for South Africa. SALA/IDA was contracted, under its frame agreement with Sida/ITP, and a training course for 32 local government officials and elected representatives was initiated in September.

The Embassy has applied the model of "Contract Financed Technical Cooperation" (CFTC/KTS) making provisions for funding in the Country Plan under the denomination "Technical Cooperation Facility" (TCF). Five such projects have been implemented, four closely linked to the urban development programmes and also environmentally related (Working for Water, Tracing Hazardous Metals in ground water, Water and Sanitation and Areal Photography). The fifth is related to correctional services for children and young offenders in Northern Cape.

In addition to twinning arrangements within the urban development programme, another seven arrangements were approved as part of the new Sida-SALAR North-South programme. One of these was between the Swedish Kronobergs Län and the North West Province, building on historical ties between the cities of Kalmar and Potchefstrom, and another between Kalmar Län and the Boland District in Western Cape Province. The latter is also closely linked to the establishment of the Wolwekloof People's Academy in Ceres in the Boland District, in which Ölands Folkhögskola has been an instrumental partner. During the year there has been an exchange of study visits by teachers between the two learning institutions.

As a possible input into the establishment of a Labour Market Forum, a study of the South African labour market jointly commissioned by the Embassy and the South African National Treasury was finalised in July 2005. The establishment of the Forum was further discussed at the BNC in November, where it was concluded that the South African Department of Labour will present a concrete proposal before the end of 2006 to be the base for further actions.

In accordance with the plans for 2005, a few areas of potential cooperation and new engagements within the civil society sector were explored during the year. The possibility of turning South African grant-making bodies into a more conducive domestic funding environment was explored through in-depth discussions with SAGA (South African Grant-Makers Association), which came as far as an initial project assessment by the Embassy. Problems with the financial sustainability of the organisation itself, however, resulted in SAGA's offices closing by the end of the year. At present, the Embassy is not deliberating any new initiatives in this area.

According to plans, the Embassy also initiated discussions with Sida/SEKA's Division for NGOs and Forum Syd about the possible creation of a so-called Civil Society Forum between Sweden and South Africa. At the end of the year Forum Syd accordingly initiated an open-ended, explorative study in this regard, which will be reported during 2006.

Finally, another field explored during the year is the LGBT-area (Lesbian, Gay, Bi- and Transsexual persons). Sida headquarters commissioned a comparative international study, including South Africa, during 2005, and the report was ready by the end of the year. Sida has not made any decision in this regard but according to the recommendations of the study, LGBT work in South Africa should not be funded bilaterally but in a regional/global context.

Support to regional cooperation programmes

Post-apartheid South Africa plays a prominent role with regard to economic development and conflict resolution in Africa. Under Sida's allocation for regional cooperation in Sub-Saharan Africa, Swedish support has over the years been extended to some of the major South African-based regionally oriented research and documentation centres in these fields.

In January 2004 the Embassy in Pretoria was granted the delegation of 25 MSEK to process further support in 2005. With the objective of drawing up a consolidated support programme – based on core assistance, enhanced cooperation between the South African institutions and counterparts in Sweden – consultations with, or pre-award studies of, a number of institutions and university centres were subsequently undertaken. In December 2004, the process resulted in a decision to extend core support to the NEPAD Secretariat, the Institute for Security Studies (ISS), the African Centre for the Constructive Resolution of Disputes (ACCORD), the Centre for Conflict Resolution (CCR), the Centre for Policy Studies (CPS) and the South African Institute of International Affairs (SAIIA).

In November 2005 a new delegation of 21 MSEK was granted for the same purpose. As the delegation for 2006 was granted rather late in the year, it was decided that all ongoing agreements be extended, with the exception of the support to NEPAD. It was agreed that the support to NEPAD should be a final grant for another year without further evaluations and negotiations. In order to facilitate the planning for the institutions, as well as for the Embassy, it would be preferable if a longer period for the grants was considered.

In addition to the prolongation of the above agreements, support was granted the CABRI Budget Reform Seminar in Maputo November-December 2005 with 1 MSEK.

Following the country support strategy's proposal to pursue tripartite cooperation, a number of meetings have been held with the National Treasury and among other donors. The National Treasury (IDC) undertook a study by an independent team of consultants in order to take stock of all initiatives within the South African administration and formulate polices and guidelines in line with the Rome and Paris declarations on aid effectiveness. The initiatives supported by Sweden – *inter alia* the cooperation in Rwanda (police and local governance) and the Democratic Republic of Congo (census/inventory of civil servants), as well as a suggested police cooperation with Sudan – have served as examples. The report is due to be presented and discussed at the first Development Cooperation Forum in 2006.

5. Office and Administrative Issues

In 2005, the Embassy experienced changes on three expatriate staff posts. Since September there is a new ambassador, minister and second secretary (politics). The Embassy had 26 persons employed in December 2005 (11 sent-out staff), whereof eight are working directly with development cooperation.

Within the administrative section the staffing situation has remained unchanged. The workload within the section has increased, especially with regards to migration matters, the increasing amount of visa applications and the introduction of Wilma for electronic registration.

Quality assurance

All programme officers make a monthly financial follow-up of disbursements and agreement status etc for all contributions delegated to the Embassy. The Embassy's project review committee continues to serve as the main forum for quality control, particularly for decisions on new support activities.

The Embassy continues to apply preventive measures in order to mitigate risks for corruptive behaviour in all support activities. All new support is preceded by a "pre-award review" by an independent auditor. There are also regular "compliance reviews" during the implementation and, finally, "close-out audits" upon completion.

Annex 1:
Key Facts and Figures

Indicator	**2000**	**2002**	**2003**
Total population, millions	43,3	44,8	46,9
Annual population growth rate	0,2	-0,1	0,2
Population aged 65 and above, % of total	5,4	3,9	3,2
Population under age 15, % of total	30,5	33,2	32,9
Life expectancy at birth by sex, years	53,9(F)	51,9(F)	50,2(F)
	50,2(M)	46,0(M)	46,8(M)
Total fertility rate	3	2,6	2,8
Population below 1 USD a day 1990-2002	11,5	7,1	10,7
Gini index		59,3	57,8
Unemployment	29,5%	30,5%	28,2%
HDI rank of total countries	107 of 173	119 of 177	120 of 177
GDI rank of total countries	88 of 146	96 of 144	91 of 140
Net enrolment ratio in primary education %	89%	90%	89%
Literacy rate of 15- to 24-years old, %	91,3%	91,8%	93,9%
Audult literacy rate (age 15 and above) by sex, %	84,6%(F)	85,3%(F)	80,9%(F)
	86,0%(M)	86,7%(M)	84,1%(M)
Public expenditure on education as % of budget			18,50%
Proportion of population with access to an improved water source, %	80%	86%	87%
Proportion of population with access to improved sanitation, %	80%	86%	87%
Infant mortality rate per 1 000 live births	55	52	53
Under five mortality rate per 1 000 live births	70	65	66
Maternal mortality ratio per 100 000 live births 1985-2003	230		150
HIV prevalence among 15-49 years old, %	15,6%	21,5%	24,9%
Number of children orghaned due to HIV/AIDS	1 200 000	1 100 000	
Public expenditure on health/GDP, %	3,30%	3,60%	5,20%
GDP, USD Billions	125,9	104,2	159,9
GDP per cqapita annual growth rate, %	2,6%	-0,7%	0,1%
GDP per capita, PPP USD	9 401	10 070	10 346
Consumer price index change, %		10%	5,90%
Total debt service as % of foreign income			4,30%
Official development assistance (ODA) received per capita, USD	11,3	14,7	13,8
Agriculture as % of GDP (last year 2005 figures)	4%	3,8%	2,9%
Industry as % of GDP (last year 2005 figures)	31,80%	31,80%	30,50%
Services as % of GDP (last year 2005 figures)	64,30%	64,30%	66,60%
PC-status (Decision and completion point)	No HIPC initiative		
Proportion of seats held by women in nation parliament, %	29,80%	27,90%	33,30%
Women in government at ministerial level, %	38,10%	38,10%	43,40%
Corruption perception index, Transparency International	4,8	4,6	4,5

Sources: Human Development Report 2005 (UNDP), www.childinfo.org, www.fao.org, www.transparency.ord, IMF Country report

Annex 2:
Outcome and Forecast (L109)

Outcome and forecast in TSEK

Delimitation:
Status: I, P, A and C (agr end > 200400 or Outcon
Region/Country: South Africa
Other:

Responsible Unit	(All)

			Data			
Allocation Frame	**Allocation Account**	**Main Sector**	**Outcome 2004**	**Outcome 2005**	**Forecast 2005**	**Forecast 2006**
Inside country allocation	155019 South Africa	01 Health	18 539	23 860	24 154	46 020
		02 Education	4 923	12 077	12 582	25 326
		03 Research	0	0	0	0
		04 HR & Democratic governance	66 297	59 650	59 861	102 329
		05 Conflict, peace & security	0	0	0	0
		07 Infrastructure	41 324	25 920	26 128	41 297
		09 Trade, business & fin. syst	7 732	3 587	3 587	16 984
		10 Natural resources&environm.	1 896	4 118	4 118	1 189
		12 Other	2 638	2 729	2 729	14 440
		No sector stated	0	0	0	9 700
	155019 South Africa	**Total**	**143 348**	**131 942**	**133 158**	**257 286**
Inside country allocation Total			**143 348**	**131 942**	**133 158**	**257 286**
Outside country allocation	155029 Regional programs Africa	09 Trade, business & fin. syst	263	1 291	1 291	0
	155029 Regional programs Africa	**Total**	**263**	**1 291**	**1 291**	**0**
	155030 Others, Africa	01 Health	0	0	0	0
		09 Trade, business & fin. syst	0	0	0	0
	155030 Others, Africa	**Total**	**0**	**0**	**0**	**0**
	15519 Regional Asia	No sector stated	0	0	0	0
	15519 Regional Asia	**Total**	**0**	**0**	**0**	**0**
	15551 Research	01 Health	0	0	0	0
		02 Education	0	0	0	0
		03 Research	5 927	6 243	6 543	1 928
		04 HR & Democratic governance	0	0	0	0
		07 Infrastructure	0	0	0	0
		10 Natural resources&environm.	0	0	0	0
		12 Other	884	1 093	1 093	0
	15551 Research	**Total**	**6 811**	**7 336**	**7 636**	**1 928**
	15561 Non-governmental organisations	01 Health	3 694	3 887	3 941	1 492
		02 Education	5 034	3 697	3 776	832
		03 Research	0	0	0	0
		04 HR & Democratic governance	10 692	11 707	12 201	14 987
		05 Conflict, peace & security	49	259	261	79
		07 Infrastructure	148	271	272	21
		09 Trade, business & fin. syst	834	1 791	1 795	869
		10 Natural resources&environm.	875	4 124	4 150	570
		12 Other	7 073	3 348	3 402	1 863
	15561 Non-governmental organisations	**Total**	**28 399**	**29 084**	**29 798**	**20 713**
	15571 Humanitarian assistance	04 HR & Democratic governance	0	0	0	882
		06 Humanitarian assistance	1 912	1 120	1 120	0
	15571 Humanitarian assistance	**Total**	**1 912**	**1 120**	**1 120**	**882**
Outside country allocation Total			**37 385**	**38 831**	**39 845**	**23 522**
Grand Total			**180 733**	**170 773**	**173 003**	**280 808**

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.

Sida

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