# SECO Newsletter
## - Updates from Pretoria -

*Reflections, learning and opportunities*

Swiss Economic Cooperation and Development (SECO)

Quarter 2

July 2024


## Message from the Head of SECO Pretoria, Mr. Daniel Lauchenauer

Dear Reader,

American philosopher John Dewey stated that: *"We do not learn from experience, we learn from reflecting on experience."* SECO's first cooperation program with South Africa started in 2013. In 2023, we used the opportunity of 10 years' of economic development cooperation to reflect on our key outcomes and lessons, in order to better inform the new Cooperation Program for 2025-2028. We kicked off quarter two with a series of workshops and discussions to assess how the program could be shaped to better support South Africa on its development path.

Building on the theme of learning, we had the opportunity to expose six municipal Chief Financial Officers to urban planning and infrastructure financing in Switzerland during the recent INCA Study Tour. We also learned about how climate change is contributing to more intense heat in our metros. A recent mission from the International Monetary Fund assisted in building capacities to better deal with environmental and climate data for better policy responses.

We also enhanced opportunities for the mainstreaming of access and benefit sharing at community level, linked to South Africa's rich biodiversity, building leadership in intellectual property and exposed our business support organisations to the Import Forum recently held in Lausanne, Switzerland. We are particularly proud of the opportunity to have contributed to the launch of the Corporation for Deposit Insurance, or CODI, by the South African Reserve Bank, further strengthening South Africa's financial sector.

We hope you find this quarter's newsletter insightful.

### Inside this issue



## Celebrating leadership in Intellectual Property

In celebration of World Intellectual Property Day on 26 April, the Swiss-South African Intellectual Property Project (SSAIP) and CIPC hosted a breakfast with the ChIPs Chapter Leadership and guests. ChIPs (Chiefs in Intellectual Property) is a non-profit professional organization that advances and connects women in technology, law and policy.

ChIPs was founded in 2005 and has since grown to nearly 6'000 members and more than 30 chapters all over the globe. The South African (and first African) ChIPs Chapter was opened towards the end of 2023.

The event explored the dynamic connections between women empowerment and sustainable business practices in the world of IP and Sustainable Development Goals or SDGs. The keynote speaker delved into the intersection of business and wellness balance and unpacked ways to cultivate a life of physical, mental and spiritual well-being. This was followed by a presentation by the ChIPs Young Professional (Next Gen) leader on how Women in IP can build a common future. The event concluded with a discussion of sustainability and anti-counterfeiting.

The CIPC presented their pilot programme to recycle and upcycle counterfeit goods. Rather than destroying counterfeit goods that have been seized, the items are deconstructed and used to make entirely new items.

An example of these upcycled goods are toy rabbits (pictured), which are made by local artists from counterfeit jeans, with stuffing made from counterfeit wigs.

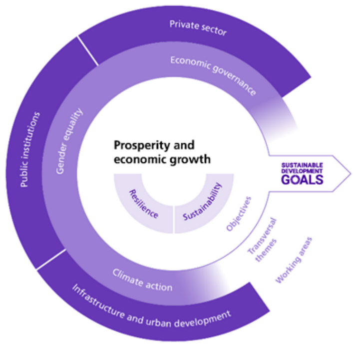
## SECO prepares for its new Cooperation Programme

With the recent adoption of Switzerland's International Cooperation Strategy for 2025 to 2028 by the Swiss Federal Council, the preparation of the new Cooperation Program for South Africa for the same period is in full swing.

SECO will continue to contribute to prosperity and economic growth in its partner countries, which includes South Africa, by strengthening the private sector, public institutions, infrastructure and urban development. Translating these objectives into a Cooperation Program for South Africa was the focus of a series of discussions held between 22 and 24 April. During this week, we had the pleasure of receiving Mr Markus Schrader, Head of Countries and Global Programs, SECO Headquarters. Focused discussions were held with civil society and research organisations, project implementation partners, other development partners and private sector role players.

On 23 April, SECO and the National Treasury: International Development Cooperation, hosted a consultative workshop with Government Departments and public institutions to debate the proposed scope and coverage of the new cooperation program.

Facilitated by Mr Daniel Chiwandamira of DPC & Associates, the consultation aimed to validate the cooperation program's main concepts and strategic direction, test the specific pillars that will form part of the program, and discuss elements for effective implementation, coordination and monitoring. Broadly, the new cooperation program will focus on the development of favourable economic framework conditions to attract business and investments, support the development of resilient, well-governed and spatially integrated urban areas and support a competitive, inclusive and green private sector.




Underlying these is the need to continue with the already strong collaborative partnership that adapts to the evolving development environment in South Africa.

## Pioneering Environmental Data: IMF-SECO Mission in South Africa

From 10 to 14 June, South Africa hosted the IMF-SECO Transformative Statistics Agenda mission, aimed at boosting Environment and Climate Change Statistics Capacity. This mission marked a significant milestone in developing air emissions and energy accounts for the country.

Led by IMF experts Ms. P. Bhanumati and Mr. Ole Gravgaard Pedersen, the mission involved key stakeholders from Statistics South Africa, the Department of Forestry, Fisheries and Environment and the Department of Mineral Resources and Energy. The primary objectives were to initiate air emissions accounts and review ongoing energy accounts work, enhancing the technical skills of local teams through hands-on training. Key activities included discussions on the importance of timely, accurate, and comparable environmental statistics, the compilation of energy balances, and the establishment of a centralized energy information database. Additionally, the mission focused on aligning national greenhouse gas inventories with business registers and energy balances. Significant outcomes included the establishment of a coordination mechanism for a centralized environment and climate change database, and the scheduling of preliminary air emission accounts and energy flow accounts. The mission concluded with a clear roadmap for future activities, including the revision of the data-sharing MoU, integration of auxiliary variables, and finalizing the first set of experimental Physical Energy Flow Accounts (PEFA) by December 2024.

This mission exemplifies successful international collaboration, laying a strong foundation for South Africa's environmental data management and policy-making. The collaborative efforts of SECO, the IMF, Stats SA, DFFE, and DMRE have paved the way for continuous improvement and utilization of critical environmental data, ensuring South Africa is well-equipped to meet its climate change mitigation and energy transition goals.

## Switzerland and South Africa exchanges on our urban futures

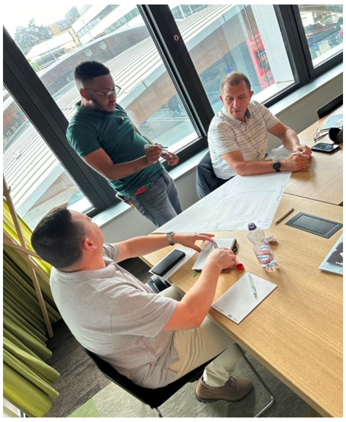
The 5-day INCA Capacity Building Study Tour to Switzerland kicked off on 10 June with an engagement between SECO, INCA Portfolio Managers and the Chief Financial Officers of six South African municipalities. The Study Tour had the goal of fostering meaningful dialogue on critical topics shaping urban development:

- Exploring innovative strategies for sustainable urban development and growth;
- Discussing the shift toward cleaner, greener energy sources, and
- Delving into efficient and interconnected mobility solutions in public transport.

Spanning the urban areas of Bern, Lausanne, Lucerne, and Zurich, the study trip was structured along engaging theoretically-based workshops, combined with case studies and site visits to add practicality to the discussions and learning.

We had the privilege of learning about Switzerland's agglomeration planning and how systematic coordination and well-structured collaboration between different government spheres, linked to the right financing mechanisms, could enhance urban development and service delivery. Building on this topic, delegates visited the Westside Bern multi-land use complex, exploring how the provision of multi-modal transport facilities and access catalysed huge private sector investments.

The Europaallee development adjacent to the Zurich train station illustrated the concept of partnerships between the national rail carrier, SBB, and the private sector (including Google) to unlock the economic value of public land. The topic resonated well with the planned Adam Tas Corridor development planned for the Stellenbosch Local Municipality.



The energy transition in South Africa has major impacts on the financial health of municipalities. We discussed with the Swiss counterparts the structuring of the electricity market around increased renewable energy and independent energy production, financing of energy transition and contract mechanisms.

The learning experience was complemented by an overview of Switzerland's spatial economy and political institutional structuring, with the Swiss Graduate School of Public Administration at the University of Lausanne (IDHEAP) and scenario planning with the International Institute for Management Development (IMD) in Lausanne.

To increase the learning experience, the participants used only public transport in Switzerland, viewing how different modalities connected and interacted. They experienced first-hand the benefits that technology is bringing in for example integrated ticketing (check out the Fairtiq platform which we used at https://fairtiq.com/en/).

We would like to thank especially our esteemed partners, who worked tirelessly to make this study tour a success: Urbaplan, Transitec, Enco, the Hochschule Luzern (HSLU) and, most of all, our colleagues at SECO Headquarters for the meticulous planning and great hospitality.

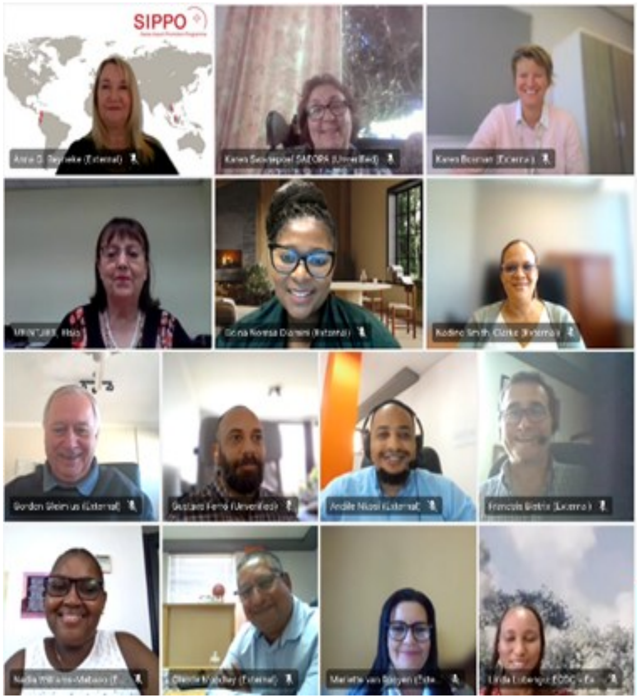
## Online workshop on access and benefit sharing (ABS) compliance

On 23 May, the Swiss Import Promotion Programme (SIPPO South Africa), in collaboration with the Global Quality and Standards Programme-South Africa (GQSP-SA) (both funded by SECO) and the Southern African Essential Oils Producers Association, SAEOPA, held a pivotal workshop with 10 participants from South African business support organisations (BSOs) offering export promotion services.

The workshop focused on access and benefit sharing (ABS) compliance and the online permitting system, in line with the Nagoya Protocol and the National Environmental Management Biodiversity Act of South Africa. Proper mainstreaming of ABS will help safeguard the unique flora and promote indigenous knowledge by ensuring fair and equitable access to indigenous, biological, and natural resources. This holds significant importance for South Africa, particularly due to its rich biodiversity.

The workshop was facilitated by Dr. Elsie Meintjies, the Chief Technical Advisor of the GQSP-SA. Important insights into ABS compliance requirements were provided by Ms. Karen Swanepoel, Executive Director of SAEOPA. Her contribution included a detailed presentation on the compliance requirements and the streamlined online permitting application process implemented by the Department of Forestry, Fisheries and the Environment. The topic of ABS compliance always takes centre stage during international trade fairs and other forums, with importers seeking clarity on various issues. Hence, this workshop was highly appreciated by the BSO participants as they gained invaluable information and knowledge that they can use to support companies navigating the complexities of ABS compliance.

A user-friendly Online Permitting System is now available on the following this link: https://www.eservices.gov.za/




## SARB launches CODI: a step towards ensuring financial stability

We are thrilled to announce a significant milestone in South Africa's financial landscape—the official launch of the Corporation for Deposit Insurance, or CODI by the South African Reserve Bank (SARB). This initiative marks a pivotal moment in bolstering confidence and trust in our resilient financial sector.

The launch of CODI, held on April 25, was a momentous occasion attended by key figures including the Minister of Finance, the Governor of SARB, and the CEO of CODI. Their opening remarks emphasized the significance of a stable financial sector in South Africa, highlighting the crucial role of CODI in achieving this goal. CODI, the newest subsidiary of SARB, is designed to protect qualifying depositors, including individuals and non-financial businesses, in the event of a bank failure. With CODI in place, depositors can now rest assured knowing that their deposits are safeguarded, up to R100,000 per qualifying depositor per bank.

The establishment of CODI aligns with SARB's mandate to ensure financial stability and is a crucial step towards enhancing the resilience of the country's banking system. Prior to CODI's introduction, South Africa lacked an explicit deposit insurance scheme, necessitating the use of taxpayers' money to compensate affected depositors.

Switzerland, through SECO in partnership with the World Bank, has been a steadfast supporter of this reform through the Financial Sector Development and Reforms Programme since 2021. The support has been instrumental in realizing the vision of CODI and strengthening South Africa's financial infrastructure. Since becoming operational on 1 April, CODI has provided pre-planned, orderly access to deposits in qualifying products, offering peace of mind to depositors across all banks, including commercial, cooperative, mutual, and foreign branches. CODI is part of the Twin Peaks regulatory reforms introduced after the 2008–09 global financial crisis, complementing other regulatory bodies such as the Prudential Authority and the Financial Sector Conduct Authority. Together, these entities form a comprehensive financial sector safety net, fostering transparency and fairness in financial institutions' operations.

With the implementation of CODI, South Africa now aligns with international best practices, further solidifying its position as a robust and reliable player in the global financial arena. Stay tuned for more updates and insights from CODI as we continue to champion financial stability and innovation in South Africa. To read more on this, please visit the CODI website on https://www.resbank.co.za/en/home1/what-we-do/Deposit-insurance

## SIPPO Global Meeting and Import Forum 2024, Switzerland

The Swiss Import Promotion Program (SIPPO) South Africa team attended SIPPO's annual Global Meeting in Lausanne, Switzerland from 9-14 June. The Global Meeting gathers the management team, with all of the 12 SIPPO Country Teams, SIPPO's international sector experts and other stakeholders. The meeting served as an opportunity for strategizing and planning, capacity development, team building, peer learning, networking, as well as discussions on SIPPO's six focus sectors. These discussions reflected on trends and developments in these sectors and in markets, including the globally important topic of sustainability and the increased use of digital solutions in export promotion.

With the 2nd phase of the SIPPO Programme ending in June 2025, this year's meeting gave particular focus to the planning and development of the 3rd phase of SIPPO. An important highlight of this year's program at the Global Meeting was SIPPO's annual Import Forum, which is growing in importance and stature each year. Following last year's successful pilot of inviting a limited number of partner BSOs to attend the Import Forum, this year, all of the partner BSOs from all of the 12 SIPPO partner countries were invited. More than 50 representatives of BSOs were among the 130 participants who attended the highly successful Import Forum. South Africa had a huge presence at the Forum, with seven officials from four of SIPPO's BSO partners, i.e. TIKZN, Wesgro, ECDC and CECOSA in attendance.

During his keynote address Mr Martin Saladin, Head of Operations at SECO, explained how new regulations in the EU and Switzerland influence sustainable growth and sustainable trade. He mentioned that voluntary labels and regulations are constantly being replaced by mandatory rules and regulations. Mr Saladin advocated for a holistic approach requiring intensive dialogue with both government and the private sectors on a variety of channels and underlined: *"A proactive approach is important!"*. The agenda also included a panel discussion with interviews with three experts from Swiss companies. This provided participants with very valuable insights on the increasing regulatory requirements and sustainability measures in the EU and their implications for international and regional trade.

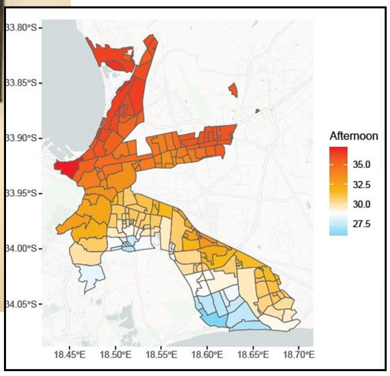
During breakaway sessions, there was an opportunity for peer learning amongst the BSOs, including sharing information and experiences on challenges and opportunities in terms of both sustainability and digitalisation. One-on-one sessions between BSO representatives from the different countries and Swiss import institutions and importers, availed an opportunity to meet and network, laying the foundation for follow-up discussions. On the day following the Import Forum, site visits were conducted to Swiss importers and institutions specializing in the six SIPPO sectors. These visits provided BSO officials with the chance to network and acquire important sector and market insights specific to the Swiss market.

Overall, the Import Forum was described as most useful, insightful and a pivotal platform for the BSO representatives. Feedback included: *"The experience exceeded my expectations. I gained valuable insight from the forum and made key connections, networking opportunities with other BSOs are my highlight". "I am ready to implement some of the ideas I have learned from the engagements I have heard from other BSOs". "The Import Forum, organized by the Swiss Import Promotion Programme (SIPPO), has been a pivotal platform for Trade & Investment KwaZulu-Natal (TIKZN). It facilitated valuable networking with Swiss importers and other Business Support Organisations (BSOs) from various countries."*

## Assessing heat in South Africa's metros

In looking at the effects of climate change, we often consider the devastating effects of droughts, floods, severe storms and rising sea levels. But there is often not a lot of consideration on how urban planning and construction practices exacerbate the problem by trapping heat in our cities and towns. This affects not only energy infrastructure, but also public health and productivity.

The Cities Resilience Programme, in partnership with the World Bank and the Cities Support Programme, has been providing support to South Africa's metros since 2023 in assessing urban heat patterns. The program works intensely with citizen-science 'Cool Cities Living Lab Community Heat Mapping Campaigns, mobilizing volunteers and local partner organizations to build the datasets needed to effectively combat extreme urban heat.


Following on initial assessments in Gauteng during 2023, further work was done in the Cities of Tshwane, Cape Town and Buffalo City, culminating in three workshops from 10 to 13 June to assess the results of heat monitoring, discuss ways to develop effective urban shading and greening strategies and the establishment of early warning and health messaging systems. Monitoring showed that neighbourhoods with densely packed buildings and no trees had temperatures of as much as 16°C higher than cooler neighbourhoods, while vegetation, shade and building materials can reduce surface temperature by more than 10°C.

For more information see:

https://www.dailymaverick.co.za/article/2024-06-20-thermal-inequalities-cape-town-heat-mapping-reveals-huge-temperature-differences-between-districts/

https://www.news24.com/fin24/climate_future/cape-town-cbd-can-be-16c-hotter-than-the-rest-of-the-city-during-heatwaves-study-20240616

## Gazetting of the Draft e-Waste Policy out for Public Commenting

The draft *Waste from Electrical and Electronic Equipment National Management Policy (WEEE Policy)* was gazetted for public comment on 19 June. The draft WEEE Policy aims to provide a robust and comprehensive policy framework that contributes to the safe and sustainable management of electronic waste in South Africa. The commenting period is 30 days from the date of publication.

For more details, visit:
https://www.gov.za/documents/notices/national-environmental-management-waste-act-national-policy-management-waste.

This is an important milestone for the Sustainable Recycling Industries (SRI) project (https://www.sustainable-recycling.org/recycling-initiatives/south-africa/) which has been strongly involved in providing technical support towards the development of the policy. Working with the Department of Forestry, Fisheries and the Environment, the SRI project was launched in South Africa in late 2020 to support national, provincial, and local government to improve e-waste management in the country.

The SRI project is implemented by international partners (the Institute for Materials Science & Technology (Empa https://www.linkedin.com/company/empa/) and the World Resources Forum (WRF https://www.linkedin.com/company/world-resources-forum/)), supported by the local South African SRI team. The funding for the project is provided by SECO.

**Swiss Economic Cooperation and Development (SECO)**

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## About SECO

SECO is responsible for the planning and implementation of economic cooperation and development activities with middle-income developing countries, with countries of Eastern Europe as well as the new Member States of the European Union. It coordinates Switzerland's relations with the World Bank Group, the regional development banks and the economic organisations of the United Nations. SECO is part of the Federal Department of Economic Affairs, Education and Research.

Switzerland's international cooperation efforts as defined in the International Cooperation Strategy 2021–2024 aim to alleviate poverty worldwide, improve respect for human rights, promote democracy and protect the environment. Accordingly, SECO's economic and trade policy measures strive to support sustainable and inclusive growth. The Economic Cooperation and Development division focuses its activities on its specific areas of competencies and experience in two target outcomes aligned with the 2030 Agenda for Sustainable Development; 1) Access to markets and opportunities and 2) Income opportunities. Special emphasis is placed on issues related to climate and resource efficiency as well as gender equality.

***Towards a competitive economy for sustainable growth***

**SECO Team in South Africa (from left to right)**
Yayeri Kisaame, Daniel Lauchenauer, Shakespear Mudombi, Seabelo Nyawo, Nompumelelo Sihlali and Gerhard Pienaar