

## **Report on the implementation of the Strategic Partnership between South Africa and the European Union and priorities for future cooperation**

Following a decision by the SA-EU Ministerial Troika meeting in November 2006, the Strategic Partnership between South Africa and the European Union was established on 14 May 2007 with the adoption of the SA-EU Strategic Partnership Joint Action Plan. The Strategic Partnership builds on our common values and interests, its aims being to significantly enhance EU-South Africa relations by moving from political dialogue to active political cooperation, as well as developing stronger and sustainable cooperation in economic and other areas.

Work on implementing the Joint Action Plan has been going on ever since its adoption. The progress made is reviewed below, as well as the avenues proposed for future cooperation.

### ***I. Political dialogue***

Dialogue has been strengthened since the establishment of the Strategic Partnership, particularly at ministerial level, which as from 2007 takes place twice, instead of just once a year. In 2008 a Ministerial Troika has already taken place on 3 June in Ljubljana under the joint chairmanship of the Slovene Presidency and South Africa. The holding of the first ever Summit is itself part of the Strategic Partnership, as the Action Plan called for holding "regular summits". Political dialogue has covered a wide array of issues of mutual interest, at bilateral, regional, continental and global levels.

In addition to this dialogue at political level, the EU has proposed, in reply to a request from South Africa, to start a dialogue between South Africa and the EU PSC in a troika format, in the framework of the EU – South Africa Strategic Partnership and in support of the joint EU/Africa Action Plan. This format corresponds to the one that the EU has developed with its other strategic partners. The EU proposes to hold a global dialogue, which would include crises in countries and regions outside Africa as well as the response to African regional crises; the full operationalisation of the African Peace and security architecture; military and civilian cooperation; African peace facility. In this framework, regular meetings will take place once a year in Brussels. Additional meetings could be organised when necessary at the request of either side.

### ***II. Cooperation in specific areas***

#### ***II.1 Environment***

Environment protection is a concern high in the Agenda of the Strategic Partnership between South Africa and the EU. Commissioner Dimas and the South Africa Minister for Environmental Affairs and Tourism, Martinus van Schalkwyk, established a formal South Africa – European Commission Forum on the Environment and Sustainable Development in July 2007. Themes for co-operation include: climate change; sustainable consumption and

production; biodiversity; technical assistance; environmental governance; and North-South and multilateral co-operation. The forum is composed of a Senior Level Policy Dialogue on the Environment, a Working Group on Climate Change, as well as Technical Co-operation and Capacity Building. The first meeting of the forum took place in Brussels on 1-2 October 2007. The next high level dialogue meeting will take place in Pretoria in the latter part of 2008.

In addition to the on-going policy dialogue, in terms of concrete follow-up, a Sustainable Consumption and Production roundtable took place on the 15 July in South Africa. As for co-operation on climate change, a workshop on "Mitigation Scenarios and Modelling – co-benefits of energy efficiency, air quality and climate change policies" is foreseen for autumn 2008. There has been good cooperation between SA and the EU in working towards a strengthened international climate change regime up to and beyond 2012. Furthermore, the Declaration on Climate Change to be adopted at the EU-SA Summit reflects our concern and determination to join forces to tackle this global threat.

### ***Energy***

Coal is a vitally important source of energy for both the EU and South Africa. South Africa is the major supplier of hard coal to the EU. However, coal is also a major source of carbon dioxide and the EU and South Africa have a shared interest in reducing the carbon footprint of coal burning. The first step towards doing this is to improve the efficiency of production along the whole coal value chain, from mining to its use in heat and power generation and, eventually, to capturing the carbon emitted and storing it in the geological column. In order to more closely co-operate on coal, clean coal technologies (CCT) and carbon capture and storage (CCS), the EU and South Africa have established a Working Group on the subject that brings together officials from both sides together with representatives of interested industries and energy institutes. The first meeting of the Working Group took place in Cape Town, South Africa in April 2008. In addition to exchanging information on the different aspects of energy policy and coal use, the Group put particular focus on CCS, in particular the proposal for setting up a Centre of Excellence for CCS in South Africa, the siting of potential carbon storage sites and the possibility of closer co-operation on the construction of a CCS demonstration plant. The next meeting of the working group will take place in Brussels, later in 2008.

Furthermore, South Africa and the EU would like to broaden their cooperation on energy matters to areas such as energy efficiency, nuclear energy or renewables. An Energy Dialogue Forum will be set up in order to oversee the work in these areas, to give a structure to bilateral contacts and to encourage and facilitate further co-operation in a broad range of energy-related areas. The Forum will meet once a year and be chaired by senior officials from the European Commission's Directorate-General for Energy and Transport (DG TREN) and from the South African Department for Minerals and Energy.

In addition, the European Union's Joint Research Centre (JRC) has established since 2007 a Collaborative Research and Co-operation Agreement with the South African-based Pebble Bed Modular Reactor Company (PBMR). Discussions between the JRC and PBMR are ongoing concerning setting up a number of cooperation projects, including technology transfer.

### ***Science and Technology***

Cooperation on science and technology between the European Commission (DG RTD and DG INFSO) and the South African Department of Science and Technology (DST) is vibrant. It has its basis in the bilateral Agreement on Scientific and Technological Cooperation signed in 1996 and has been reinforced in recent years. SA's participation in the Sixth Framework Programme (FP6) proved to be very successful with 117 South African researcher teams taking part in 89 projects and receiving a total amount of €14 million. Furthermore, South Africa ranked fourth, behind the US, China and Russia, in terms of successful FP6 participation by non-EU countries.

South African researchers excelled in life sciences, food safety and quality, information and communication technologies, as well as global change and ecosystems, most notably water research. "New" areas of participation for South African researchers included: Aeronautics and Space, Transport and the Citizens and Governance in the Knowledge-based Information Society. The first two FP7 calls confirmed South Africa's success with 47 South African teams receiving a total amount of €6 million in funding

South Africa is investing significantly in order to promote the participation of its researchers in the Framework Programmes. For example in order to promote and facilitate its participation in all the areas of FP7, South Africa has set up a network of national contact points (NCP).. Under the auspices of the European-South African Science and Technology Advancement Programme (ESASTAP) - a dedicated platform, supported by FP6 and FP7 and co-funded by the South African Department of Science and Technology, for the advancement of EU-South Africa S&T cooperation - a number of officials from DG RTD have been hosted by DST in Pretoria, in conjunction with attendance of conferences in South Africa or in the region. Similarly, an important number of thematic workshops, along the lines of the Framework Programme thematic priorities, have been organised in Brussels, with the participation of officials from DG RTD and the broader European research community.

A €30 million sector budget support to the South African Department of Science and Technology is being prepared under the European Union's development cooperation instrument for South Africa. This programme will be the first of its kind globally targeting interventions to harness science and technology for growth and development, especially poverty alleviation.

South Africa and the European Union also cooperate closely in leveraging their partnership in supporting African regional and continental science and technology programmes. South

Africa is for example a leading partner in the CAAST-Net platform aimed at establishing an R&D policy dialogue between Africa and Europe, in support of the African Union and NEPAD Science and Technology Consolidated Plan of Action. South Africa has also declared its participation in the Science, Information Society and Space Partnership of the Joint Africa – EU Strategy. Furthermore, South Africa will be participating in the ACP Science and Technology and Innovation Capacity-Building Programme, including through a budgetary contribution from the EU development cooperation instrument for South Africa.

It can be noted that Commissioner Potocnik visited South Africa in November 2007, participating in the 10-year celebration of the EC-SA collaboration in S&T, and Director General Silva Rodriguez led the delegation to the 7<sup>th</sup> EC-South Africa Joint Science and Technology Cooperation Committee (JSTCC) meeting in Pretoria in May 2008.

Finally, the South African Department for Science and Technology, the European Commission (DG RTD) and the French Presidency (IRD, Institut de Recherche pour le Développement) under the authority of the French ministry of Foreign Affairs and the Ministry of high education and research have organised on the 24<sup>th</sup> of July a side event to the SA-EU Summit in the form of a "Conference on Water Research for Sustainable Development".

### ***Customs***

The South Africa Revenues Services (SARS) and the European Commission (DG TAXUD) have an ongoing dialogue on customs matters within the ambit of the World Customs Organisation (WCO). Cooperation aims at ensuring that the relevant legislation and procedures fulfil the objective of effective control and the promotion of trade facilitation.

In this regard, DG TAXUD and SARS have agreed to pave the way for an enhanced customs cooperation once the necessary legal base is in place. They have also agreed to start with the launching of a bilateral project to be funded from the TDCA facility. This project will aim at sharing best practices on a wide range of issues, including on the implementation of the World Customs Organisation SAFE Framework of Standards.

### ***Transport***

South Africa and the EU have agreed on the need to cooperate and deepen dialogue in the area of transport. To this end, on 8 July 2008 South Africa submitted draft Terms of reference aimed at establishing a structured Transport Dialogue Forum (TDF), with separate working groups proposed on aviation and maritime transport. The objective is to address issues of bilateral, regional and global concern, and to deepen transport cooperation to promote development in the region and Africa. The Commission briefed South Africa on the outstanding issue of the adaptation of existing bilateral Air Service Agreements to Community law. Both Parties agreed to start bilateral EC-SA negotiations to adapt existing Air Services Agreements between South Africa and the EU Member States in order to bring

them into conformity with community law on the single aviation market in the EU. Cooperation on broader transport issues will continue in parallel to these negotiations.

### ***Space***

The South Africa Department of Science and Technology and the European Commission consider cooperation in the space policy to be very promising and a priority to be pursued, notably given South Africa's leading role in the space domain in Africa and in anticipation of the creation of the South African Space Agency and their existing cooperation in forums such as the Group on Earth Observations (GEO). The two parties therefore maintain a regular dialogue and also envisage cooperation as part of the Science, Information Society and Space Partnership of the Joint Africa – EU Strategy.

Both sides have agreed to develop and intensify cooperation building on the momentum set by the Science, Information Society and Space Partnership, but also particularly South Africa's new National Space Science and Technology Strategy, the 'GMES and Africa' process and the European Space Policy. On the European side, not only the European Commission (DG Enterprise) but also the European Space Agency should be involved. As regards cooperation areas, the following points have been proposed: space policy dialogue; space science and technology; Earth observation, including GMES and Africa; GNSS and Galileo; and cooperation with the European Space Agency. A high-level meeting is envisaged in September 2008 during the DST Director-General's visit to Brussels to further elaborate these themes.

### ***Migration***

In the context of the discussions on the revision of the Trade, Development and Co-operation Agreement (TDCA), as well as the establishment of the SA-EU Strategic Partnership, South Africa and the EU agreed to establish a broad-ranging, in-depth political dialogue on migration matters. This dialogue should cover a comprehensive agenda, including issues such as the fair treatment of foreign nationals, integration policies and measures against xenophobia; visa issues of mutual interest; broader migration and development matters, involving diasporas and addressing brain drain; and tackling illegal immigration and border control.

In order to give concrete shape to this dialogue, draft Terms of Reference for the establishment of a Migration Dialogue Forum (MDF) were exchanged, and it is hoped that the MDF will be finalised as soon as possible in order to effect a first proposed meeting in August/September 2008. Discussions on the terms of reference for an EU troika mission on migration to South Africa, scheduled for later during 2008, are also being discussed between both sides.

### ***Statistics***

The Statistics Office of the European Union, Eurostat, has an ongoing dialogue with Statistics South Africa (StatsSA). Cooperation on statistics is covered by article 49 of the TDCA. However, so far contacts have mainly focused on regional cooperation at the SADC level through EDF programmes. In November 2007, a Eurostat mission met with StatsSA to discuss possibilities of bilateral cooperation and partnership in selected areas. Identified areas for possible cooperation included: measurement of services economy; data at provincial level; time series analysis; national accounts and prices (esp. PPI) and employment-related statistics. A number of possible methods of cooperation were discussed, like technical assistance, twinning (including EU MS) and study tours and secondments to EU statistical agencies.

### ***Trade***

Both Parties, in a spirit of cooperation, have made strong efforts to resolve the outstanding agricultural issues in the context of the TDCA. In respect of the opening of the cheese quota issue, an agreement was reached in April 2008, by which South Africa would open quotas with reduced or zero duties on certain European cheeses against elimination by the EC of exports refunds on the concerned cheeses. Both parties will endeavour to complete their internal procedures towards finalisation and implementation in the shortest possible timeframe.

On Wine and Spirits, several technical meetings were held between the parties in 2008. These provided an opportunity to discuss a wide range of issues of mutual interest. Both sides agreed to continue exchanges of information and meetings with a view to reaching a mutually acceptable outcome, including on the issue of trademarks and geographical indications.

The review of the trade chapter of the TDCA (Trade Development and Cooperation Agreement) between South Africa and the EU is currently being dealt with under the SADC EPA group<sup>1</sup> and EU negotiations towards an Economic Partnership Agreement (EPA). Tariff negotiations between South Africa/SACU and the EU are aimed at improving mutual market access currently available under the TDCA and also at achieving a single SACU tariff regime. The talks are taking place in parallel and subject to efforts to address the concerns of Angola, Namibia and South Africa with regards to certain provisions of the Interim EPAs. In the context of a full EPA, both Parties note the May 2008 GAERC statement. They agreed to continue work to reach a balanced outcome that promotes sustainable development and enhanced regional integration.

### ***Employment and Social Policies***

The South African Department of Social Development and the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities are in the process of exploring the modalities and possible areas for establishing cooperation between

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<sup>1</sup> Botswana, Lesotho, Mozambique, Namibia and Swaziland initialled an Interim EPA agreement with the EC end of 2007. These countries, together with South Africa and Angola, are engaged in negotiations with the EC towards a full EPA.

South Africa and the EU on employment and social policies. Topics could include social protection, labour legislation, industrial relations, social dialogue and equal opportunities or any other broad issues particularly relevant like the social dimension of globalisation. The dialogue could take the form of exchanges of information, regular meetings and jointly organised seminars on areas of common interest. The dialogue could also build upon the good relations the EU has with South Africa in the ILO and Decent Work for All Agenda.

### ***Information and Communication Technologies (ICT)***

A first EU-South Africa dialogue on Information Society was held in South Africa in 2006, where the South African Department of Communication (DoC), the South African Presidential National Commission on Information Society and Development, the South African Department of Science and Technology (DST) and the European Commission (DG INFSO) held discussions on regulatory and policy issues and identified several fields of mutual interest.

In the meantime relations have been particularly fruitful on the research side of ICT between the European Commission and the DST, through a very proactive collaboration to promote ICT partnerships under FP7. Both parties are determined to further exploit scientific collaboration notably related to the interconnection between the European GEANT2 network and the South African National Research and Education Network (SANReN).

Cooperation between the European Commission (DG INFSO) and the South African Department of Communication (DoC) has also resumed in 2008 with high-level contacts. Both sides have agreed to further develop cooperation in the future, including through dialogue and exchanges of experiences, as well as to consider specific projects and work programmes to support mutual development efforts.

An initial list of themes for consideration were identified as crucial areas in which ICTs can play a major enabling role for socio-economic development and the realisation of an inclusive information society, namely: Skills development; Regulatory issues; Content and Applications; Infrastructure Development; e-government; enterprise development; local content (digitization); digital archives; e-health; e-education; e-access. Bilateral cooperation should also address the fight against the digital divide at regional level and give impulse to the implementation of the EU-Africa Partnership on Science, Information Society and Space.

### ***Development cooperation***

The TDCA provides the basis for comprehensive development cooperation between South Africa and the EU, which is implemented through Multi Annual Programmes. The Country Strategy Paper for the period 2007-2013 was drafted jointly by the SA Government, the EC and 11 EU Member States. This exercise has made a very practical contribution to the implementation of the commitments under the Paris Declaration in terms of aid effectiveness.

Based on the CSP, the EC and the SA government designed the Multi-annual Indicative Programme (MIP). The amount earmarked for SA is €980 million (€140 million p.a.) over the period of 2007-2013. The MIP is more focused than previously and proposes greater efficiency through fewer and bigger operations, mostly using the Sector Budget Support (SBS) modality for implementation. The two proposed focal areas are employment creation and capacity development for service delivery. Non-focal areas include governance, regional and Pan African cooperation and the launch of cooperation in a wide range of social and economic areas. Strong emphasis is put on cooperation and co-ordination with other development partners (especially the MS, the EIB and other bilateral and multilateral partners).

The CSP and the MIP are closely linked to the 3 major European development policy statements: the European Consensus, the Africa Strategy and the Communication on SA ('Towards a Strategic Partnership'). Within the context of the 'Strategic Partnership' the MIP foresees a contribution towards strengthening the dialogue and cooperation between the EU and SA in areas other than development cooperation such as climate change, energy and transport.

The SA EC Annual Action Programme for 2007 supported interventions in the following areas: water for growth SBS programme to the Department of Water Affairs and Forestry for €107 million, poverty alleviation through innovation SBS programme to the Department of Science and Technology for €30 million and local economic development in the Eastern Cape for €16 million. The related Financing Agreements totalling € 153 million were signed by March 2008.

The 2008 Annual Action programme will focus on interventions in the areas of employment creation and governance, as well as support to the TDCA. Four programmes are proposed for this period: The first programme focuses on employment creation through a SBS programme for ASGISA for € 100 million; the second on entrenching democracy through the South African Parliament and 9 Provincial Legislatures for € 20 million; the third focuses on supporting restorative justice programmes of the Department of Justice and Constitutional Development for € 20 million whilst the fourth programme makes provision for a TDCA facility to the value of EUR 5 million and addresses the need to strengthen and develop the SA-EU relations beyond traditional trade exchanges and development cooperation.