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Education and Research EAER
State Secretariat for Economic Affairs SECO

South Africa

Cooperation Programme 2025–2028



Towards a Sustainable, Competitive and Inclusive Urban Economy

South Africa is a priority country for SECO's economic cooperation and development efforts. The country has one of the biggest economies and strongest democracies on the continent and has made remarkable progress since 1994. However, various challenges remain, such as high unemployment, persistent economic and social inequalities, climate change vulnerability and constrained government capacities.

The Cooperation Programme South Africa 2025 – 2028 is designed to help address these challenges. A strong focus will be on strengthening urban economies, recognizing their critical role in fostering competitiveness, sustainability, and inclusiveness for long-term growth and development.

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Opportunities and Challenges

More than 30 years after the peaceful end of Apartheid, South Africa remains a dynamic democracy. The country has established strong democratic institutions, an independent judiciary, free media, and an engaged citizenry since the first democratic elections in 1994. These developments have led to significant improvements in access to basic services, education, healthcare, and social protection through various grants. As the second largest economy in Africa, South Africa boasts a developed infrastructure, a solid financial sector, and a diverse economy that includes financial services, tourism, energy, mining, and agriculture. This diversity not only supports the local economy but also benefits neighboring countries.

However, South Africa also faces social and economic challenges, including high unemployment, especially among youth, and persistent poverty, leading to widespread inequality. The legacy of Apartheid-era spatial planning continues to hinder urban development, resulting in inadequate service delivery, high transportation costs, and limited access to opportunities, particularly in sprawling townships. Urban areas, which contribute about 70% of the national economic output, are crucial for job creation and growth, highlighting the urgent need for targeted interventions to foster sustainable and inclusive development. While urban areas also contribute significantly more to greenhouse gas emissions, these areas are at the same time very vulnerable to the effects of climate change and related natural disasters.



Vision and Priorities

The SECO Cooperation Programme South Africa 2025–2028 is centered on promoting a more competitive, sustainable, and inclusive urban economy. Recognizing the pivotal role of urban areas as engines of economic growth and innovation, Switzerland is committed to supporting South Africa in addressing critical challenges while unlocking the full potential of its cities. Building inclusive urban economies is essential not only for overcoming persistent issues such as inadequate service delivery and spatial inequality but also for fostering long-term prosperity that benefits all segments of society.



To realise this vision, SECO prioritizes the following areas:



Support Favorable Economic Framework Conditions

Switzerland will focus on fostering transparent and accountable governance, supporting anti-corruption efforts, and creating business-friendly regulations to attract investment. In addition, promoting inclusiveness through diversified capital markets and improving access to finance for small and medium sized businesses (SMEs), particularly in the expanding green economy, will be prioritized.



Foster More Resilient, Better Governed and Spatially Integrated Urban Areas

Switzerland will support reforms at all levels of government to improve urban financial planning, infrastructure development and public investment management. Efforts will also include building urban economies and enhancing urban resilience to climate change and disaster risks.

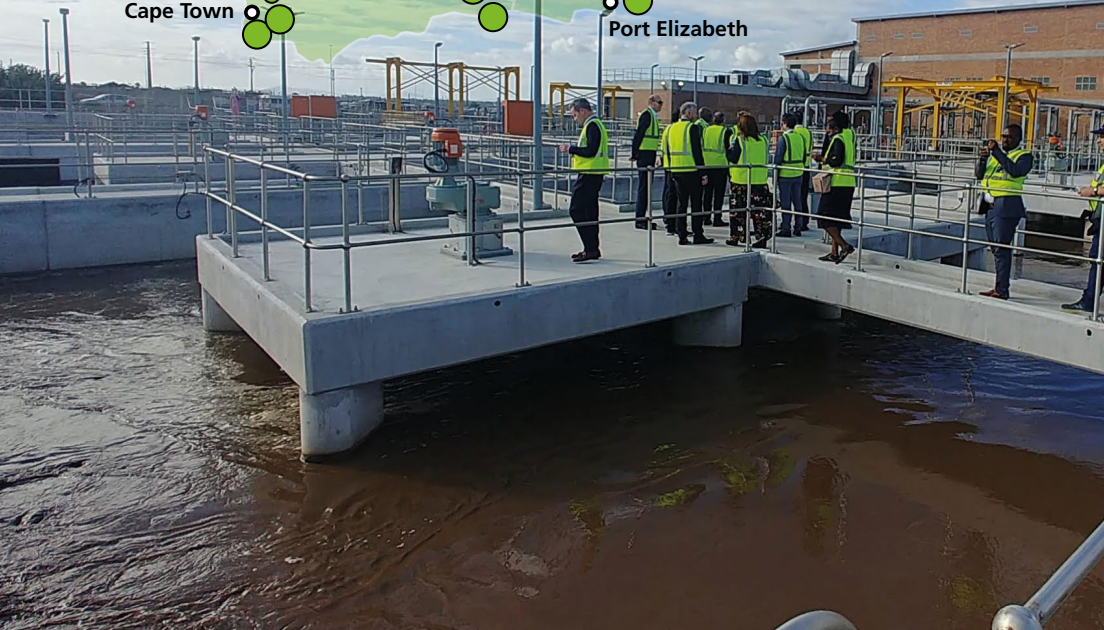


Promote a Competitive, Inclusive and Green Private Sector

Switzerland will support the growth of a capable and innovative private sector by facilitating access to sustainable value chains and global markets. Initiatives will focus on enhancing labour productivity, leveraging digitalization, and promoting resource efficiency to create resilient urban economies.

Location of SECO Projects

- Few projects
- Several projects
- Metropolitan or Secondary City



Past Achievements

- Improvements to the legal and regulatory framework enhanced the business environment and facilitated investment climate reforms at national and municipal levels
- Public financial management processes and systems were strengthened in **13** municipalities, improving governance and service delivery.
- Upgraded service delivery systems benefited **1,500,000** residents across **522** informal settlements, enhancing access to essential services.
- Skills development initiatives trained **480** young professionals and **123** trainers, while **70** small businesses in the green and digital economies received entrepreneurial support.

These are some highlights from the Cooperation Programme 2021–2024.



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