Integrated Country Strategy

South Africa

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1. Chief of Mission Priorities

There are tremendous opportunities to broaden U.S. engagement in South Africa which stand to benefit both countries. Over 600 U.S. companies already operate in South Africa, some for over 100 years; furthermore, many of them use South Africa as a platform for operations and a springboard for expansion into the rest of Africa. South Africa is therefore the single most critical market hub to a population expecting to double to two billion people in the next 30 years. While some resentment of the United States continues from the apartheid era, there is also recognition of American activism that helped end apartheid. In polls, the United States is seen very favorably by every day South Africans, who respond positively to American politics, culture, and goods.

South Africa's economy is the most diverse on the continent, and is supported by an excellent financial system, strong infrastructure, an independent judiciary, and a vibrant free press. At the same time, the country suffers from stagnant economic growth, staggeringly high unemployment -- especially among youth -- poverty, severe health challenges, including the world's largest HIV epidemic, high crime rates, corruption, and the world's highest level of income inequality. President Ramaphosa, who took office at the beginning of 2018, has identified as his priorities economic growth, job creation, fighting corruption, and implementing measures to make state-owned enterprises viable. To the extent South Africa can make strides in addressing its internal problems, the country will be well-positioned to assume an even greater leadership role in the continent. Upcoming national elections in 2019 will be a litmus test for the future direction of the country. By forging a strategic partnership with South Africa across economic, political, social, and security spectrums, we can advance the interests of both our countries, but this will require a fundamental change in the mindset of our counterparts in South Africa. The U.S. should take a fresh look at our own priorities as well. To realize the maximum impact of such a partnership, the Mission will focus on three goals that align with our National Security Strategy: counter transnational threats and foster American security; promote prosperity and good governance; and, advance public health, and human rights and dignity. To achieve these goals, the Mission will pursue robust engagements across South African society, to highlight parallels – and broad common ground – and identify opportunities for cooperation.

With official unemployment at nearly 27% and youth unemployment hovering around 50%, economic growth and job creation are critical priorities for economic, political, and security reasons. Public and private investment approaches will be used to link U.S. investors and exporters to African opportunities and promote the formation of partnerships between American and South African industry associations to attract private investment and trade. An

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improved South African business climate is in the United States' and South Africa's best interests. A key factor to improve the business climate – which in turn will attract investment and stimulate economic growth – is good governance. We will work with the South African government at all levels and the private and public sectors to build and strengthen the bilateral trade and investment relationship.

The President's Emergency Plan for AIDS Relief (PEPFAR) accounts for over 95% of the U.S. Mission's FY 2018-19 foreign assistance budget in South Africa. PEPFAR catalyzes a global response to control the HIV/AIDS epidemic. Partnering with the health ministry, implementers, and communities, our programs will scale up effective, equitable, locally-adapted and evidence-based interventions to reach poor, marginalized, and vulnerable people to prevent and treat infectious diseases. The medium-term goal is to reduce new TB incidence by 30% and new HIV infections to less than 100,000, to reach the 95-95-95 goals in HIV (95% of all people living with HIV know their status, 95% diagnosed with HIV receive antiretroviral treatment (ART), and 95% of those receiving ART have viral suppression) among all key and vulnerable populations; and address the social and structural drivers (e.g., gender-based violence, orphans and vulnerable children) of the dual epidemics.

Education also plays a critical role to promote democracy and governance, increase economic growth and investment, counter violent extremism, and advance peace and security, all of which are U.S. strategic priorities. We will support activities that improve early grade-level reading outcomes, the quality of teaching, and vocational skill training. There are opportunities in the vocational skill space for public-private programs to develop the workforce and create jobs. A more skilled populace is required to create the economic growth South Africa desperately needs and will provide benefits for the United States through greater commercial opportunities as well as political and economic stability in the region.

While its recent political and economic turbulence continues to challenge its diplomatic, economic and military leadership, South Africa remains one of the most influential voices and actors in the security sector on the continental level. A revitalized South African security sector, including law enforcement agencies, border security, and military, has the potential to export stability and economic development throughout the region, and eventually the continent, while also advancing U.S. interests and security. Fostering a stronger partnership with South Africa will also help the U.S. counter negative influence by state and non-state actors in the region.

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2. Mission Strategic Framework

Goal 1: Counter transnational threats and foster American security

Mission Objective 1.1: South Africa is increasingly open to the United States as a principal partner for security, law enforcement, and defense cooperation.

Mission Objective 1.2: South Africa more effectively uses the rule of law and judicial systems to counter corruption and promote greater accountability in combatting domestic and transnational threats.

Goal 2: Promote prosperity and good governance

Mission Objective 2.1: South Africa implements reforms to maximize inclusive economic growth and stability, apply more market-oriented policies, improve service delivery, and enable a better business climate.

Mission Objective 2.2: South Africa provides greater opportunities for bilateral trade and investment.

Mission Objective 2.3: South African impact on African development enhanced through innovative partnerships and private sector engagement (CDCS DO 3)

Mission Objective 2.4: South African resource effectiveness advanced to strengthen democratic governance and public sector accountability (CDCS DO 2)

Goal 3: Advance public health, human rights, and dignity

Mission Objective 3.1: Improve health outcomes for South Africans, including a reduction in new TB and HIV infections, and to reach the 95-95-95 goals in HIV and TB. (CDCS DO 1)

Mission Objective 3.2: Strengthen response and support to, and prevention of threats to human dignity.

Management Objectives:

Management Objective 1: Develop a well-trained, well-motivated whole of mission staff to have the right people in the right place at the right time.

Management Objective 2: Ensure that all staff work in safe and well-maintained spaces that are used efficiently

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Management Objective 3: Modernize communications to align with host nation capabilities and Interagency mandates to improve coordination and cooperation throughout the mission.

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3. Mission Goals and Objectives

Goal 1: Counter Transnational Threats and Foster American Security

Description and Linkages: The National Security Strategy seeks sovereign African states that are integrated into the world economy, able to provide for their citizens' needs, and capable of managing threats to peace and security. In terms of size, infrastructure and diversification, South Africa is the leading economy in Africa and it could and should be the leading contributor to peace and security on the continent. The United States is South Africa's second largest trading partner, and with hundreds of American companies operating here, South Africa also represents a significant opportunity for trade and investment for the United States. It is the region's largest tourism destination and is a travel hub for the continent. While its recent political and economic turbulence continues to challenge its diplomatic, economic and military leadership, the country remains one of the most influential voices and actors in the security sector on a continental level. A revitalized South African security sector, including law enforcement agencies, border security, and military, has the potential to export stability and economic development throughout the region, and eventually the continent, while also advancing U.S. interests and security. Further, fostering a stronger partnership with South Africa helps counter negative influence by state and non-state actors in the region.

Mission Objective 1.1: South Africa is increasingly open to the U.S. as a principal partner for security, law enforcement, and defense cooperation.

Justification: South Africa, in addition to facing numerous transnational threats, is an attractive base for a wide array of criminals and criminal activity in part because it offers world-class infrastructure but has finite law enforcement capabilities and limited land, sea, and air border controls. Conditions in South Africa have proven conducive to high rates of crime, the existence of organized criminal syndicates, and pockets of extremist group activity. Those conditions have also had a negative impact on government, e.g., through corruption and state capture of government entities, which has diminished the effectiveness of government and impeded South Africa's tremendous potential for economic, social, and security development. The South African Development Community (SADC) region also relies on South Africa to provide a rapid response force for peacekeeping missions. Budget constraints and atrophy in the South African National Defence Force (SANDF) are negatively impacting South Africa's ability to meet this obligation. To address these challenges, the Mission seeks to engage, train, and partner with an array of South African law enforcement, security, civilian and military agencies to enhance South Africa's security capabilities and cooperate against security threats of mutual concern.

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The South African government understands that if it does not act, its economic and social development will remain lackluster as it has been for the last several years, and its influence in the region will be minimized. It is taking serious action to address these issues and our support will serve U.S. and South African bilateral engagement and security interests, protect the U.S. from mala fide travelers, and advance American influence in South Africa and the region.

Mission Objective 1.2: South Africa more effectively uses the rule of law and judicial systems to counter corruption and promote greater accountability in combatting domestic and transnational threats.

Justification: South Africa is a regional leader in governance, rule of law, and peace and security, but would benefit from assistance to face a formidable range of domestic and transnational threats, including corruption; illicit trafficking in persons, money, narcotics, wildlife, and goods; gender-based violence; cybercrime; weapons of mass destruction; and violent extremism. South Africa is an attractive base for a wide array of criminals and criminal activity in part because it offers world-class infrastructure but has finite law enforcement capabilities and limited land, sea, and air border controls. The mission's goal is to help the justice and law enforcement sectors to achieve prosecutorial targets; to strengthen institutions - like appellate courts, specialized police units, and prosecutors; to accomplish joint investigations on threats of shared concern; and to tackle the climate of impunity with respect to criminal activity and corruption. To meet these challenges, the U.S. government seeks to engage, train, and partner with an array of South African law enforcement, security, and military agencies to enhance South Africa's security capabilities, protect U.S. citizen residents and visitors, and cooperate against threats of mutual concern.

Goal 2: Promote prosperity and good governance

Description and Linkages: The goal is based on the second pillar of our National Security Strategy: Promote American Prosperity. This goal also reflects the State-USAID Joint Strategic Plan to promote prosperity by "advancing bilateral relationships and leveraging international institutions and agreements to open markets, secure commercial opportunities, and foster investment…" Furthermore, as in the Joint Strategic Plan, it recognizes the need to promote healthy educated and productive populations in partner countries to drive inclusive and sustainable development. The goals are difficult to achieve without good governance.

Mission Objective 2.1: South Africa implements reforms to maximize inclusive economic growth and stability, develop more market-oriented policies, and enable a better business climate

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Justification: A vibrant South African economy is critical to achieve economic, political, and security objectives. South Africa's crippling unemployment rate, the mismanagement of state-owned enterprises, a lackluster education system, and ill-advised legislation and government policies have had a negative impact on business, development, and prosperity. Nevertheless, approximately 600 U.S. companies operate in the country. While many of them use the country as a springboard to the rest of the African continent, they also see other African countries becoming more active than South Africa in implementing economic reforms. A key factor in improving the business climate in South Africa – which in turn will attract investment and stimulate economic growth – is achieving good governance. The term "governance" includes how government operates, executes policy, and delivers services, as well as the means by which government engages with the public. Government neglect, misfeasance, and corruption are at the root of much of South Africa's economic stagnation. The mission can contribute to South Africa's efforts to increase inclusive economic growth and create more opportunities for U.S. business and investment. The mission can also promote civil society and independent media as key mechanisms for citizens to make the government accountable and transparent.

Mission Objective 2.2: **South Africa provides greater opportunities for bilateral trade and investment.**

Justification: Increased trade and investment between South Africa and the United States increase the linkages and cooperation between our two nations. Negotiations with the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland) for a bilateral free trade agreement failed over a decade ago largely due to South Africa's intransigence, and there is no evidence to suggest South Africa has changed its position. The United States welcomes free, fair, and reciprocal trade. Nevertheless, as the most diversified economy on the continent with an excellent financial system, established infrastructure, an independent judiciary, and a vibrant free press, South Africa still offers great promise for a more robust and reciprocal trade and investment relationship with the United States, and opportunities for the U.S. private sector. South Africa's agreements with other trading partners puts U.S firms exporting to South Africa at a disadvantage. U.S. firms, however, as global leaders in so many sectors, could expand their operations and sales in South Africa if the country were to implement reforms that enhance growth. Likewise, these reforms would enhance South Africa's investment climate, global competitiveness, and opportunities under the Africa Growth and Opportunity Act (AGOA).

Mission Objective 2.3: South African impact on development enhanced through innovative partnerships and private sector engagement (CDCS DO 3)

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Justification: South Africa is a respected and influential voice on many issues core to U.S. interests. As a member of the G-20 and the BRICS, Africa's largest economy, and a leading voice in the AU and the Non-Aligned Movement (NAM), and a member of the UN Security Council in 2019-2020, South Africa plays an important role on global issues and specifically issues within Africa. Official Development Assistance is a fraction of a percentage of South Africa's budget. As an upper-middle income country, South Africa is capable of driving its own development and the U.S. government's investment is best used in partnership to develop new, innovative ways of doing business that South Africans can take to scale. Partnerships allow for the use of our resources in a way that is more effective and efficient, transparent and accountable. South Africa is a major economy where the U.S. public and private sector has already invested substantially. The USG should look to protect and enhance existing investments in the country, including in the green economy. South Africa, despite it challenges, is still considered the gateway to expansion and investment in Africa, and thus presents an opportunity for continued U.S. investment with good potential development impact on the continent. As South Africa further enhances its self-reliance, it has the capacity to positively affect development across Africa.

Mission Objective 2.4: South African resource effectiveness advanced to strengthen democratic governance and public sector accountability (CDCS DO 2)

Justification: South Africa recognizes that it needs to deepen the institutionalization of its democratic governance by more effectively meeting its citizens' needs and aspirations. Services supplied by government, as well as the policy that drives those services and the means by which government engages with the public, can contribute to political and economic stability, adherence to the rule of law, transparency and accountability, and social cohesion. The USG works with stakeholders to promote and protect civil society and independent media, as key mediums for citizens to communicate their priorities with the government, and demand accountability and transparency within the government. Effective early education lays the groundwork for later skills development and a more effective workforce, leading to greater economic development. Investing in democratic governance reduces socio-economic volatility and community violence, and contributes towards greater security for the United States, U.S. visitors to South Africa, and U.S. investments. This objective aims to place particular emphasis on strengthening rule of law, effectiveness of governmental institutions, accountability, and responsiveness to citizens' needs, including addressing access to quality education and employment.

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Goal 3: Advance public health, human rights and human dignity

Description and Linkages: Following the National Security Strategy, we will continue to respond to humanitarian needs while also working with governments and regional organizations committed to addressing the root causes of human suffering. In South Africa, impressive gains have been made towards democracy and the realization of women's human rights and gender equality, including progress towards control of the HIV/AIDS epidemic, much of which is funded under the President's Emergency Plan for AIDS Relief (PEPFAR). Nonetheless, South Africa remains one of the most violent societies in the world, with the largest number of people living with HIV/AIDS and one of the highest rates of gender-based violence (GBV) in the world. Socio-cultural, economic, and other factors in South Africa all contribute to women and children's vulnerability to violence and to HIV infection. While the leading cause of death is AIDS, the second most prevalent cause of death is violent injury to the body. Within the realm of violent injury there are exceptionally high rates of GBV, including rape.

Mission Objective 3.1: Improve health outcomes for South Africans, including a reduction in new HIV and TB infections, and reach the 95-95-95 goals in HIV and TB. **(CDCS DO 1)**

Justification: South Africa faces significant challenges related to communicable diseases, such as HIV/AIDS and tuberculosis (TB), and non-communicable conditions, such as cancer, diabetes, and substance use. South Africa's history of apartheid, continued income and wealth inequality, a health system with sharp disparity with very high and very low standards of private and public care, and a majority of the population receiving services from a weak public healthcare system. The Government of South Africa (GoSA) has increased health sector funding for the last 10 years, prioritized universal health coverage, and funds most of its own HIV response. With more than seven million people living with HIV (PLHIV), South Africa has the world's largest HIV epidemic, and with more than 4 million on treatment, the world's largest treatment program. The HIV epidemic continues to grow, with especially high new infection rates among adolescent girls and young women. TB is the leading cause of death in South Africa, which has the world's sixth highest TB incidence and an increasing drug-resistant TB burden. While South Africa has made steady progress towards achieving global HIV and TB targets, challenges remain. The HIV and TB nexus exacerbates high morbidity and mortality. Helping South Africa to control these epidemics is critical, as health challenges can cross geographic borders, affect sectors such as education, economic growth, stability, and social cohesion, and threaten outcomes in growth and development, both domestically and regionally. Several U.S. government agencies work in South Africa's health sector through partnerships with the GoSA, nongovernmental organizations, universities, and the private sector. Most U.S. efforts focus on HIV and TB reduction and mitigation through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), implemented largely through USAID and

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CDC, with public diplomacy and outreach through the Embassy's Public Affairs Section. U.S. agencies also support important work in mental health and substance use, health security, and influenza prevention, as well as biomedical and behavioral research in high priority areas. Collaborative research between world-class South African scientists and institutions results in important scientific advances for the benefit of South Africans and Americans and presents a continuing opportunity to strengthen partnerships between both countries.

Mission Objective 3.2: Strengthen response and support to, and prevention of threats to human dignity

Justification: South Africa is a country of origin, transit, and destination for women, children, and men trafficked both internally and internationally. Domestically, victims are trafficked from poor rural areas to urban centers such as Johannesburg, Cape Town, and Durban. Women are trafficked out of South Africa mainly to Europe, East Asia, and the Middle East for use as drug mules, commercial sexual exploitation, or domestic work. Additionally, xenophobic violence continues to be a problem across the country with foreign-owned grocery stores in townships and informal settlements often the main target. Refugee advocacy groups have criticized the government's processes for determining asylum and refugee status, citing large case backlogs, low approval rates, inadequate use of country-of-origin information, limited locations at which to request status, and susceptibility to corruption and abuse. Advocacy organizations report abuse by police and immigration officials against refugees and asylum seekers.

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4. Management Objectives

Management Objective 1: Develop a well-trained, well-motivated whole of mission staff to have the right people in the right place at the right time.

Justification: Mission South Africa, the Africa Bureau's largest, is responsible for a major bilateral relationship as well as substantial regional support from two dozen agencies based in Pretoria, Durban, Cape Town, and Johannesburg. The Mission needs the best possible mix of staff—locally employed, EFM, PSC, and USDH—to successfully address a wide range of policy, program, and management support needs. Given the regular turnover of American staff, the higher-than-average attrition of local employees, and the varying space considerations of the Embassy and the consulates, the Mission must regularly monitor its ability to perform at the highest level.

Management Objective 2: Ensure that all staff work in safe and well-maintained spaces that are used efficiently.

Justification: Everyone deserves a proper work space facilitating productivity and job satisfaction. The consulates in Johannesburg and Cape Town are housed in modern NCCs. The occupancy of the Johannesburg NCC is at capacity; the Mission needs to hold the line on additional tenants. On the other hand, Cape Town has excess space, which the Mission wants to better utilize. Consulate Durban is inefficiently and unsafely housed in an ageing high-rise in the middle of crime-ridden Downtown Durban. The Mission needs to replace it. The Embassy, in an ageing Inman-era building, will need more care in the future. Security deficiencies at the Ubunye/USAID annex in Pretoria need to be addressed.

Management Objective 3: Modernize communications to align with host nation capabilities and Interagency mandates to improve coordination and cooperation throughout the mission.

Justification: Twenty-first century IT realities require Mission South Africa to move beyond 20th century communication infrastructure and embrace cutting edge technologies. Communication within the Mission and especially with the South African public must be instantaneous, clear, and reliable. At the same time, the Mission must maintain the highest level of security, ensuring multiple avenues of communication and guarding against cyberattacks, connectivity issues, and ambiguous or malicious messaging.

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