

FRANCE-SOUTH AFRICA

Partnership Framework Document

2011-2013

TABLE OF CONTENTS

I	South Africa's development context and strategy	2
1.1	Overview of South Africa's economic and social situation.....	2
1.2	New South African development strategy	3
1.3	Environment, Climate Change and Greening the economy.....	4
1.4	Financing Development and the African Agenda.....	5
1.5	South Africa and donors.....	5
II	Priorities for French development co-operation 2011-2013	6
2.1	Review of the 2006-2010 PFD	6
2.2	Supporting infrastructure development (including water, transport, energy)	6
2.3	Promoting sustainable and integrated urban development.....	7
2.4	Strengthening skills development, professional training, higher education, R&D	8
2.5	Global public goods	9
2.6	The regional and cultural dimensions of the partnership, Africa and Europe.....	10
III	The French co-operation system	10
3.1	Financial co-operation and its institutional arrangements.....	10
3.1.1	The AFD Group	10
3.1.2	Multilateral initiatives	11
3.1.3	Donor coordination	11
3.2	Technical co-operation and its institutional arrangements.....	11
3.2.1	Co-operation and Cultural Services of the Embassy of France (SCAC)	11
IV	Implementation and follow-up mechanisms	12

France and South Africa have built, over the last fifteen years, a close collaboration. Since 2008, the two countries have moved to establish a strategic partnership based on strengthened political dialogue and co-operation in a wide range of areas. Development co-operation to alleviate poverty and promote sustainable development in Southern Africa is an element of this strategic partnership. To reach these objectives, France has committed over €1.5 billion to South Africa since 1994. French assistance to South Africa comes in the form of grants, loans and technical cooperation.

The first round of government-to-government consultations on development co-operation between the Government of France and the Government of South Africa took place in September 1999 in Pretoria (South Africa). South Africa proposed the development of a framework agreement which would broadly outline the areas, instruments, mechanisms and institutional arrangements pertaining to SA-French co-operation. In 2006, the co-operation was formalized by signing a joint Partnership Framework Document (PFD 2006-2010) defining the areas of co-operation between France and South Africa.

The present document outlines the priority areas of French and South African development and bilateral co-operation programmes for 2011-2013 aligned with South African priorities, enabling for a better division of work and a better synergy between donors.

1. South Africa's development context and strategy

1.1 Overview of South Africa's economic and social situation

South Africa is the economic "engine" of the African continent. Its economy has grown at an average of 3% per annum in the first 10 years of its democratic dispensation, and increased to around 5% between 2005 and 2008. These growth rates, however, have not been sufficient to trickle down to the poor to ensure that they were provided with housing, basic services, and decent employment, etc.

Macro-economic stability has contributed significantly to build confidence in the economy. The budget deficit was below 3% of GDP and public loans were around 30% of GDP until 2007. The fiscal policy enabled the Government to cushion some of the critical needs of the disadvantaged communities through social grants. The prudent monetary policy framework has provided confidence to the market strengthening the Rand and the inflation rate has been maintained within the Reserve Bank target range of between 3-6% in the last two quarters of 2010.

In spite of the positive and improved macro-economic performances and increased expenditures on social amenities and grants, South Africa - an upper-middle income country with one of the highest levels of inequality in the world - is daunting major challenges including unemployment, inequalities, skills development and service delivery.

The unemployment rate is around 25% since 2000. The majority of the unemployed are young (4 to 6 million) and women. The causes emanate largely from a lack of skills in areas where the demand is high as well as a lack of access to financial resources for emerging entrepreneurs and the informal sector.

Provincial and particularly local governments have been given the responsibility to deliver on social and administrative services including health, education, housing, infrastructure, etc.

Even though local government has succeeded in delivering some of these services in various districts and municipalities, their capacity to deliver effectively and to sustain the quality of these services remain a challenge.

The HIV & Aids pandemic is a major threat to socio-economic development as it impacts on the economically active population, reduces the average life expectancy, increases the number of orphans and continues to be a major item of social services spending.

The financial crisis that affected the western world in 2007/08 has had an adverse effect on the economy of South Africa. The gains that were being consolidated have been reversed. Tax revenues decreased while expenditure to stimulate the economy increased, which contributed to a relatively higher budget deficit. The deficit, which was reasonably sound by international standards, went up from 0.7% of GDP in 2008/2009 to 4.5% of the GDP in 2009/2010. This adverse trend was mitigated by low external debt and a sound financial system.

The South African economy is already out of the recession and the GDP is expected to grow from 2.3% in 2010 to 3.6% by 2012. Inflation is going down and is expected to average about 6% in 2010/11. In spite of the recovery, poverty reduction and narrowing the inequalities remain a serious challenge.

With a sound and steady level of recovery taking place, the budgetary appropriations will focus more on employment creation initiatives, education, rural development, health and crime prevention. The South African government will need increased sources of financing as the economic and financial crises reduced access to financial markets and bank credit and made available credit very expensive. Therefore, the role of Development Financial Institutions (DFI) such as the Agence Française de développement (AFD) is broader than Official development aid (ODA) and it will be to fill these gaps between the ambitious objectives of the South African Government on the one hand and its limited financial resources on the other, as well as to support the role that the private sector will play to drive South Africa' development.

1.2 New South African development strategy

The primary domestic policy objectives for the government are the fight against poverty and the country's economic development, which is based on the following 5 key pillars and 12 outcomes on which French co-operation will be aligned with.

- Creation of decent jobs and of sustainable communities,
- Education,
- Health,
- Rural development, food security and agricultural reform, and
- Combating crime and corruption.

South Africa's foreign policy priorities are:

- Consolidation of the African Agenda
- Strengthening South-South co-operation
- Strengthening North-South Co-operation
- Participation in the global system of governance
- Strengthening political and economic relations

In October 2010, a *New Economic Growth Path* was announced, which aims to address inequality and poverty by unlocking employment opportunities in South Africa's private sector. At least six key sectors, including infrastructure development, agriculture, mining, the "green" economy, manufacturing and tourism, have been identified as having potential to unlock employment opportunities.

Partnerships with other countries, the private sector and key social players are critical to the success of this plan.

1.3 Environment, Climate Change and Greening the economy

The energy intensive nature of the South African economy, which depends heavily on energy production and use, particularly in the mining, electricity and liquid fuel supply sector, makes South Africa both a contributor to, and potential victim of, global climate change.

Recognising the deleterious effects of increases in greenhouse gases on natural resources, the South African Government regards climate change as one of the greatest threats to sustainable development. In effect, the Government understands that inaction on its part in addressing the issue of climate change would work counter to the many advances that it has made to meet its own development goals, as well as to the attainment of the Millennium Development Goals.

During the visit of the French President, Nicolas Sarkozy, to South Africa in 2008, France and South-Africa decided to establish a strategic partnership on energy and climate change. This partnership will foster an eco-responsible energy mix in each country, spur growth and development and contribute to the reduction of greenhouse gas emissions

South Africa has taken a leading role in the fight against climate change. In 2011, South Africa is expected to promulgate a *White Paper on Climate Change* and it will be host to the United Nations Framework Convention on Climate Change 17th Conference of Parties.

At the Copenhagen conference, in December 2009, and based on research initiated as early as 2007 in the *Long Term Mitigation Scenarios*, South Africa committed to a 34% emission reduction below business as usual by 2020 and 42% by 2025.

Through the development and publication of the *National Climate Change Response Green Paper*, in October 2010, the South African government demonstrated its commitment to make a fair contribution to the global effort to achieve the stabilisation of greenhouse gas concentrations in the atmosphere. The *Response Paper* therefore provides strategic guidance in order to manage damaging climate change impacts through interventions that build and sustain South Africa's social, economic and environmental resilience.

Green growth comprises an important element in the government's strategy to overcome the challenge of poverty and unemployment. South Africa's *Industrial Policy Action Plan* coupled with a new focus on "green jobs" is set to build stronger and more labour absorbing industries. The country has recently embarked on an interdepartmental process around the process of Greening the Economy, designed to identify and prioritise sector investment programs that will have maximum leverage on the economy and employment all the while retaining environmental co-benefits.

There is recognition by the South African Government that actual patterns of production and consumption will lead to depletion of natural resources and have a detrimental effect on South Africa's developmental objectives. It is for this reason that the country's development agenda and its implementation is strongly underpinned by the principle of sustainability. For example, in 2003, the South African government established the *National Cleaner Production*

Centre (NCPC) in order to facilitate industrial development through energy, water and material efficiency. The Centre spearheaded cleaner production demonstration projects in agro-processing, chemical, automotive and clothing textile sectors. The government also developed the *National Framework for Sustainable Development (NFSD)* in 2008 which clearly delineates the strategic interventions envisioned by the government in order to re-orient the country's development path in a more sustainable direction.

1.4 Financing Development and the African Agenda

Economic growth, African Renaissance and the unity of Africa are interests that are shared by both France and South Africa. The French Initiative to support economic growth and job creation in Africa, launched in 2008, plans to mobilize €2.5 billion by 2012. These commitments have been fulfilled by the AFD Group, with about €1.7 billion committed in favour of the African private sector since the launching of the Initiative. The Initiative will continue to be implemented in 2011 and 2012.

Both countries have expressed their support and commitment to the consolidation of the African Agenda, including the African Union and its socio-economic programme NEPAD. They share the view that peace and security on the continent, as well as growth and development is the responsibility of Africans themselves, however the support and partnership from European partners remains important.

1.5 South Africa and donors

Official Development Aid (ODA) in South Africa represents approximately 0.5 % of the GDP and less than 2 % of the state's annual budget. The greatest portion of the ODA comes from the European Union (EU), its member states and the European DFIs. The EU's current aid programme, spelt out in its *Joint Country Strategy Document 2007-2013*, covers three priority sectors: 1) pro-poor sustainable economic growth and employment creation, 2) improvement of capacity for social delivery, 3) good governance. The focal sectors of the EU's support are shared with the EU member states (with some exceptions) and by all large financial support institutions active in South Africa. The EU, the European Investment Bank (EIB) and its member states annually invest in South Africa up to R6 billion in grants and loans. Therefore all EU donors strive to concentrate their support on specific sectors to ensure that development spending makes a decisive impact on reducing poverty. The main bilateral European donors, along with France, are the United Kingdom and Germany. The UK concentrates its actions regionally, focusing on the productive sector and health. Germany provides support to governance issues, skills development, HIV and infrastructures. Other bilateral donors are CIDA (*Canadian International Development Agency*), JICA (*Japan International Cooperation Agency*) and USAID which provide important support to the health sector through its PEPFAR's programme.

Donors' coordination and harmonization is undertaken by the South African government and by the EU Delegation through an annual forum and sectorial meetings drawing members from the key Western embassies, as well as from bilateral and multilateral development agencies.

Until recently financing through loans by multilateral institutions such as the World Bank was marginal, but the World Bank made its first major lending engagement with South Africa - a US\$3.75-billion loan to the state power company Eskom in order to assist South Africa achieve a reliable electricity supply.

II. Priorities for French development co-operation 2011-2013

2.1 Review of the 2006-2010 PFD

Within the 2006–2010 Partnership Framework Document (PFD) signed in 2006, French assistance was concentrated on three following strategic axes:

- (1) Development of infrastructure
- (2) Productive sector
- (3) Environment and the fight against climate change

French assistance also included a number of transversal actions aimed at:

- Promoting communication with French-speaking Africa,
- Promoting cultural diversity,
- Promoting governance and reinforcement of capacities, and
- Supporting the science and technology sector.

At the end of 2009, a team of consultants selected jointly by the AFD and National Treasury reviewed the PFD to assess the relevance of the above priorities with respect to those of South African. It was concluded that the French development co-operation programmes in South Africa was highly relevant to the stated priorities of the South African Government, and that the mix of funding instruments and approaches was particularly valuable given the overall policy intent and the South African development context.

The national priorities and the expected outcomes lead to the following new priorities for the 2011–2013 PFD. These priorities are in line with the French commitments to the Millennium Developments Goals as well as the *Joint European Union-South Africa Country Strategy paper*.

2.2 Supporting infrastructure development (including water, transport, energy)

South Africa's expected outcomes:

- Create decent employment through inclusive economic growth.
- Support an efficient, competitive and responsive economic infrastructure.

To support the South African growth path, French co-operation will seek to provide financial support for the investment programmes of parastatals, local authorities and private companies by making long-term loans and technical co-operation available to them for infrastructure development, especially in the water, transport and energy sectors. This objective will be implemented in close dialogue with UBIFRANCE and major French companies, as well as with other DFIs. In particular, the AFD group will look at assisting municipalities to manage water and sanitation as well as at providing them with capacity building, management and technical support in this sector.

In addition, given that efficient transport are prerequisites for economic growth and for social and regional integration, the AFD group will support projects involving the creation of efficient (road, rail port and airport) infrastructures and sustainable integrated transport network in cities, which will meet the needs of all the inhabitants and lead to a major reduction in transport-related carbon emissions.

Moreover, the AFD group, while remaining focused on the productive and infrastructure sectors, will consider expanding its environment and energy programme to address a clear need in the South Africa where the development of energy efficiency and of renewable energies is becoming more relevant, both economically and politically. The AFD group would use its financial and technical expertise to support the development of financial and institutional frameworks, as well as to support large municipalities, which are important players in this domain.

2.3 Promoting sustainable and integrated urban development

South Africa's expected outcomes:

- Create sustainable human settlements and improved quality of household life.
- Build a responsive, accountable, effective and efficient local government system.
- Generate an efficient, effective and development-orientated public service, and an empowered, fair and inclusive citizenship.

Urban development is one of the major challenges facing South Africa today, with the integration of townships and informal settlements into urban areas, the regeneration of urbanised areas, the fight against crime and the creation of safer communities. An integrated approach to urban planning taking into account sustainable development, environment and energy issues will be supported through AFD loans to the municipal sector and through its support to the Large Cities Programme with up to €1 billion over six years.

The AFD will intervene particularly in social housing and in financing social infrastructures in keeping with the governmental intention of escalation in expenditure and schemes for social housing, and its objectives of providing basic services to a population in need. This financing will also contribute to the enhancement of South African sanitary and educational infrastructures, through loans to local governments, intended for local communities. This will conform to the government's strategy of bringing together public and private partners (PPP). It will also contribute to the dialogue initiated by National Treasury to propose new financing tools dedicated to the financing of public policies, especially in the provinces and municipalities.

Additionally, the French Institute in South Africa (IFAS) and the AFD will undertake projects to stimulate research and create knowledge that should serve as a contribution to public policy dialogues. The French cooperation will also promote the sharing of experiences between France, emerging countries and key role players, on the various aspects of urban development (for example, affordable housing, urban regeneration, transport plans, urban migration, environmental challenges in urban development, architecture and urban cultural development) in order to build capacity to answer to the imperatives of sound urban management (training programmes and new curricula for student planners).

In co-operation with the South African Police Service (SAPS), the implementation of the "*Fight Against Transnational Organised Crime and Terrorism in South Africa–Enhlango Project*" will continue as described in the agreement signed between the French and South African Governments in March 2009. This forms part of the global partnership established, inter alia, by an agreement on police co-operation signed in June 1998 between the two governments, with the overall goal of promoting safety and security for the benefit of their respective communities.

Finally, French co-operation will foster an inclusive and accountable system of local governance through its technical co-operation. Civil society organisations will be supported,

inter alia, by the mobilisation of the Civil Society Development Fund. Partnerships between the Ecole Nationale d'Administration and PALAMA, as well as between the Ministère de l'Intérieur and its South African counterparts will be explored further to assist them to deliver their mandate.

2.4 Strengthening skills development, professional training, Higher education, R&D

South Africa's expected outcomes:

- Improve the quality of basic education.
- Develop a skilled and capable workforce.

Improvements in education and skills levels are fundamental prerequisites for South Africa to achieve its target of creating 5 million new jobs by 2020.

The development of the SME sector is at the heart of governmental priorities of job creation, and in particular, the expansion of BEE SMEs. The AFD Group will continue its interventions by supporting financial intermediaries and capacity-building initiatives. To facilitate the creation of innovative SMEs in South Africa, co-operation will be implemented with the Technology Innovation Agency through a joint programme launched with OSEO (a French holding company that provides assistance and financial support to SMEs).

In response to an increasing demand by South African industry for workers with specialised and practical skills, French co-operation will broaden its offers of professional training and skills development through partnerships with various institutions. In this regard, the AFD will pursue its support to the Joint Initiative on Priority Skills Acquisition ("JIPSA") by undertaking to train 100 South African managers in total as defined in the Declaration on French-South African Co-operation on JIPSA signed in 2008. Furthermore, the AFD will seek to include an element of training and capacity building in its different projects.

Development of the science and technology sector and higher education is also at the centre of the South African development goals since the country aspires to become a knowledge-based society. French co-operation will continue to implement the agreement signed in 2008, which is based on the development of excellence in several fields and capacity development in higher education. These fields are archaeology, geosciences, oceanography, astronomy (with the High Energy Stereoscopic System), nuclear physics, ICT and bioinformatics, agronomical sciences, biodiversity, water sciences, technology, social and human sciences. They are fuelled by co-funded programmes (Protea, SAFeWater and SAFeTI), funding and exchanges programmes for staff as well as through the F'SATI (French and South African Institute of Technology), a joint French-South African's investment in engineers training and research in telecommunications, computing, power and satellite engineering. Support will also be given to address the challenges identified by the department of Science and Technology (DTI) in its *10-year innovation plan*, through bursaries and the organisation of co-financed perennial networks in strategic sectors to facilitate access to the Espace Européen de la Recherche (European Research Area), as well as to support partners in major strategic projects.

France will support and strengthen the creation and implementation of training centres for technicians and higher technicians following a public private partnership associating the French Ministry of Education (ME), a private company (South African subsidiary of a French company) and a South African University of Technology. In 2011, two centres will be established one under a partnership between ME, the Vaal University of Technology (VUT) and Schneider Electric South Africa Pty Ltd and the second between ME, the CPUT (Cape Peninsula of Technology) and Dassault Systems South Africa.

Additionally, the Department of Trade and Industry, the AFD and the IFAS will pursue their initiative to hold the annual African Programme on Rethinking Development Economics (APORDE) - a high-level training programme in development economics - which aims to build capacity in economics and economic policy-making in South Africa.

In order to further its relationships with the rest of the African continent, South Africa enjoys the opportunity to communicate in French. French technical co-operation will increase proficiency in the French language among high school students (through linguistic and exchange visits in France) and among teachers (with courses both locally and in France). It will support and develop the French language programmes of the partner universities of the Francophone University Agency (AUF), as well as members of the regional graduate schools, by means of the exchange of expertise and scholarships both locally and in France. Finally, it will support the curriculum of French language tuition offered to diplomats and other sectors of the South African public service, led by the Department of International Relations and Cooperation (DIRCO). Nevertheless, the priority of this programme will be the promotion of distance learning through new technologies, and the creation of new digital learning materials.

French co-operation will also promote the audio-visual industries in South Africa through training, exchanges and capacity building as well as through access to markets and financial support in respect of the Coproduction Agreement signed in 2010 between the two governments.

Special attention will be given to building the South African tourism sector through technical co-operation, in the spirit of the agreement signed in 2008 between the two governments.

2.5 Global public goods

South Africa's expected outcome:

- Promote sustainable development through the development of energy efficiency and the use of renewable energies.

In the context of the pro-active posture adopted by South Africa, the environment and climate change would be taken into account in every aspect of French development co-operation. As regard to the South African Presidency of the 17th Conference of Parties, where the modalities of the Green Climate Fund will in particular be discussed, France and South Africa will especially exchange views on the financial mechanisms related to the Green Climate Fund.

Specifically, the French support at the level of municipal sustainable development planning and investment will be key to addressing at the same time both (i) the local needs of economic development and service delivery, and (ii) the global commitments of the RSA.

The AFD has also initiated a partnership with the Development Bank of Southern Africa (DBSA) on Green Economy and Climate Change - which includes technical assistance - and will continue supporting the DBSA in the study and design of programmes promoting sustainable development.

Besides being a cross cutting issue largely integrated in the co-operation in urban development and infrastructure development (housing, waste and energy efficiency), French co-operation has developed specific innovative initiatives in the areas of conservation and exploitation of natural resources as well as biodiversity protection. These initiatives are the extension of national parks, the debate on the links between climate and national parks, and the projects of cross-border conservation areas. The AFD and the French Global Environment

Facility (FFEM) are in contact with various stakeholders of the sector in the region, especially SanParks, Sanbi, Peace Park Foundation, WWF, BioHub, and Conservation International, to explore further biodiversity conservation projects.

2.6 The regional and cultural dimensions of the partnership, Africa and Europe

South Africa's expected outcome:

- Create a better South Africa, a better Africa and a better World

On a regional level, France will continue to support NEPAD, through technical assistance and through the financing of feasibility studies, at regional level, by the NEPAD *Project Preparation and Study facility Fund*, managed jointly by the AFD and Development Bank of Southern Africa (DBSA). These will be in particular in the energy, science and technology, environment and telecommunication sectors,

To answer to the rising need of co-operation between France and South Africa on the African continent, the co-operation between the AFD and DBSA will be strengthened to find common ground to jointly intervene in post-crisis countries. The partners are currently working on common strategies to target countries such as the Democratic Republic of Congo, Angola, and Zimbabwe. This partnership between AFD and DBSA will be extended as far as possible to other European partners. In this regard, France will also collaborate with South Africa on trilateral co-operation, a new form of development assistance in which development partners' work with South Africa and a third African country. This provides third-party countries with joint assistance to foster development using coordinated human, technological and economic resources from the stakeholders involved.

France and South Africa share the common understanding that, by supporting regional policing capacity-building initiatives, they promote better operational co-operation between the relevant law-enforcement agencies and build safer regional environments, thereby strengthening democracy and stability.

To foster partnership between South Africa and Europe and in accordance with the cultural co-operation agreement signed in 2010, IFAS will organise events that promote French and French-speaking culture (from Africa and the Indian Ocean) to the local public. It will also promote the coming of South African artists to France, Europe and the African continent, with a strong focus on urban cultures. This co-operation will be based on the organisation of cross-seasons.

III. The French co-operation system

3.1 Financial co-operation and its institutional arrangements

3.1.1 The AFD Group

Financial co-operation in South Africa is mainly implemented through the AFD Group, which offers a wide range of financial tools that can be tailored to the financial needs of the South African private counterparts (equity, loans at market conditions, guarantees, bank refinancing) or public ones (loans at market conditions or soft loans, in hard currency or in local currency, credit lines to financial institutions, guarantees, feasibility and capacity building grants).

As a development bank, the AFD provides governments and public companies with financing in the form of grants (for feasibility studies or technical assistance/expertise) and loans. The AFD can therefore provide direct sovereign loans or loans guaranteed by the Government to finance national public priority investments. The AFD also has the ability to provide competitive non-sovereign loans that are adapted to the needs of the public utilities or municipalities, as well as to provide guarantees directly or through the ARIZ mechanism (which guarantees loans given by banks).

PROPARCO ("Investment and Promotion Company for Economic Co-operation") is the AFD's subsidiary for private sector financing and equity participation. PROPARCO's mission is to be a catalyst for private investment that targets growth and sustainable development in developing and emerging countries.

The FGEF / FFEM (French Global Environmental Facility) is a fund, set up by the French government and managed by the AFD, which funds projects promoting the protection of the global environment in developing and emerging countries.

The AFD Group will commit over €1 billion Euros to South Africa for the 2011-2013 period.

3.1.2 Multilateral initiatives

French aid is also heavily involved in multilateral initiatives, in particular EU cooperation, which accounts for almost one-third of total French Official Development Assistance. France is a leading donor to the European Development Cooperation Instrument (a €980 million commitment in development assistance to South Africa from 2007 to 2013), the World Bank, the African Development Bank, the development organisations of United Nations system and several vertical funds, notably in the area of health and sustainable development. France is the second largest contributor to the Global Fund to Fight Aids, Tuberculosis and Malaria and one of the eight donors to the Clean Technology Fund (CTF), a multilateral trust fund dedicated to financing innovative sustainable development projects.

3.1.3 Donor coordination

The French co-operation projects are developed in close collaboration with other donors, in particular the other European DFIs. A cooperative fund created by EU Commission and co-financed by European DFIs and/or member states is being studied with the active participation of the AFD with the aim of proposing a common competitive European offer adapted to South Africa's government priorities and needs particularly regarding infrastructure, climate and social challenges of the country.

With regard to harmonisation, the AFD launched the *Mutual Reliance Initiative*, a partnership with its European counterparts to promote joint financing of projects and programmes to further strengthen coordination and complementarity through mutual recognition of procedures

Given the role the World Bank is starting to play in South Africa, the AFD has already started working with that institution, and this collaboration will extend to financing infrastructure, urban development and the fight against climate change.

3.2 Technical co-operation and its institutional arrangements

3.2.1 Co-operation and Cultural Services of the Embassy of France (SCAC)

Technical co-operation in the field of governance, research and culture is coordinated by the Co-operation and Cultural Action Services (SCAC) of the Embassy of France. It provides a grant-funding mechanism, technical assistance, partnerships for local or international NGOs and bursaries for research and higher education.

The office for Science and Technology promotes bilateral partnerships in science, technology and innovation via various programmes supported by French or European funding. In addition, the French Institute of South Africa–Research centre (IFAS-Research), a CNRS-backed institution focusing on the human and social sciences in Southern Africa (especially international migration, urban studies, history and archaeology) provides resources to researchers and support the publications of its pool of associated researchers.

Cultural diversity and the French language are promoted by the IFAS French Institute of South Africa, the cultural agency of the French Embassy, the network of the Alliance Française and the Association of French Teachers of Southern Africa (AFSAA), which is responsible for the organisation of the next World Congress of French Teachers scheduled to be held in Durban in July 2012.

The SCAC will commit on an annual basis its financial contribution to South Africa development.

3.2.2 French local authorities

French regions and municipalities, including from the Region Ile de la Réunion, the Region Ile de France and the Region Burgundy, are contributing to French development assistance by strengthening ties with South African local authorities. Co-operation programmes have started in the following sectors: education, culture, transport, tourism, agricultural development, renewable energy and economic development.

IV. Implementation and follow-up mechanisms

This present Partnership Framework document will be implemented by the various French institutions and their South African counterparts.

On the French side, the overall co-operation is coordinated by the Embassy of France with the support of the respective relevant departments. On the South African side, the overall co-operation is coordinated by National Treasury with the support of DIRCO and the respective relevant departments.

France and South Africa will pursue the follow up of this agreement through a variety of mechanisms, including:

1) A regular interaction between National Treasury /Department of International relations and cooperation and relevant French agencies or departments to discuss project and programme implementation.

2) An annual consultation at the level of senior officials between National Treasury, DIRCO (Directorate: Mediterranean Europe), the AFD, and the French Embassy to review:

- implementation of this Partnership Framework

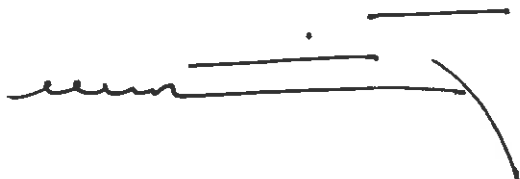
- the appropriateness of the strategic objectives and partnership commitments of French co-operation in general and of the AFD in particular.

This annual consultation will take place few days before the annual Forum for Political Dialogue between France and South Africa, where conclusions of the annual review will be presented.

Done at Paris, France, *March, 3rd 2011* in two originals (each in the French and English languages)

For the Government
of the French Republic

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