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EU AND GERMAN COOPERATION AND OTHER PROGRAMMES

1. EUROPEAN UNION MULTI-INDICATIVE PLAN FOR SOUTH AFRICA (2021-2027)



South Africa (SA) is the European Union's (EU) largest trade partner in Africa. The strategic importance of the relationship between the two regions is reinforced by the South Africa-European Union Strategic Partnership, which is one of only ten in the world and the only EU country-level strategic partnership in the African continent. The partnership provides a broad strategic framework for programming, building on the commitments to multilateralism, as well as peace and security.

The adoption of the Multi-Indicative Plan (MIP) for SA (2021-2027) by the EU

in December 2021 extends and builds on the existing partnership between SA and the EU. The MIP will include an initial indicative envelope of €129 million for the period 2021 to 2024. A subsequent envelope is expected to be allocated for the period 2024 to 2027, following a mid-term review of the implementation of the MIP.

The priorities contained in the MIP are areas in which the EU is expected to add significant value. These proposed areas of intervention are based on: long-term engagement such as in the technical and vocational education and training sector; the EU's comparative

advantage in expertise such as in green investments; and the EU's experience such as in promoting regional exchange and integration. The choice of sub-sectors and expected results covered by the MIP reflect lessons learnt from past and ongoing interventions. The priority areas of the MIP include:

- **Sustainable, resilient, transformative and inclusive growth**
Solutions for a climate-proof, biodiversity friendly, and circular economy, focusing on sustainable recovery, jobs and small-medium-and-micro enterprises (SMMEs)



- **Reducing Inequalities**
Multidimensional approaches to address inequalities, including: unemployment solutions; investment in technical and vocational education and training; and youth support programmes
- **Partnerships**
Strengthening economic diplomacy, integration, trade and investment within Africa; strengthening people-to-people exchanges through joint research activities and twinning initiatives between academic and cultural institutions; and safeguarding global public goods and regional/global integration.

EU development cooperation in the context of the MIP will be pursued through a value-added flexible approach, particularly through:

- a more strategic use of blending, guarantees and innovative financial instruments, and engagement with the private sector;
- innovation, risk-taking, piloting, systems development, capacity building, and skills development;
- strong focus on targeted technical assistance, technology transfer and development;
- exchange of knowledge and expertise, including institutional partnerships and exchanges;
- use of appropriate triangular and

(bi)-regional cooperation to create EU added value while ensuring the promotion of development effectiveness principles;

- building upon the SA scientific, academic and civil society organisation's capacities;
- strengthening people-to-people contact;
- strengthening contacts between EU and SA economic operators.

The National Treasury of South Africa welcomes the EU's continued support of socio-economic development in SA and looks forward to the successful rollout of the MIP in the various sector departments and with their respective public entities.

2. REVIEW OF GERMAN COOPERATION (2015-2020)



South Africa and Germany have a long history of successful collaboration and partnership since the advent of democracy in 1994. The country has received approximately € 1.9 billion in bilateral support from the BMZ since then.

The South Africa-German partnership has included technical capacity development and consulting services as well as financial cooperation such as grants and concessional financing. The partnership is based on the assurance that development cooperation will add value to South Africa's national development plan aimed at capacity building, development of best practice, piloting and catalytic projects that can

be scaled up for broader use within the public sector.

The last joint country strategy for 2015-2020 covered the focal areas of: (i) Energy and climate/green economy; (ii) Governance and public administration; (iii) HIV/AIDS prevention; and (iv) TVET/ skills development.

2.1 Focal area: Energy and Climate/ Green Economy

Collaboration in this critical field is aimed at helping South Africa transition to an environmentally sustainable, low-carbon, climate resilient and inclusive economy. SAGEN's nationwide utility-scale renewable energy procurement plan has resulted in private sector entities

purchasing about 6 000 MW of power generating facilities. By 2020, the system added roughly 5,000 MW to the grid. Each year, these facilities save almost 12 million tonnes of CO₂. The SAGEN plan increased rooftop PV installation from 30 MW in 2014 to over 800 MW in 2020. SAGEN's work has also aided South African towns. Since 2018, the initiative has saved over 20 000 MWh per year in over 140 towns.

Environmentally-friendly local transit is the focus area for Financial Cooperation (FC). Such measures have increased renewable energy sources to 170 MW, enhancing grid stability. SSME programmes saved over 642 000 MWh



per year and created 2.239 energy efficient homes (which save about 20 percent of Energy and Water compared to a traditional apartment). Around 5.5 million metric tons of CO2 were saved through SA FC installations.

2.2 Focal area: Governance and Public Administration

The Governance and Public Administration focal area includes support programme for both Public Administration development and Violence Prevention in SA.

The Governance Support Programme (GSP) helps eight municipalities in Mpumalanga and the Eastern Cape

enhance public service delivery. Capacity building and innovative models for inclusive service delivery were developed. Additionally, several public institutions were supported to develop and implement human resource management and development measures.

The “Inclusive Violence and Crime Prevention Programme” (VCP III) and GSP refined the Integrated Urban Development Framework (IUDF) implementation plan 2020-2025. VCP III has supported engagements between relevant departments and organisations to clarify and improve the roles and capabilities required of local

government with regard to violence prevention and community safety. SALGA was assisted in developing a position paper to advocate for a stronger role and support for local government in promoting community safety. A training and technical assistance intervention to assist municipalities in developing and implementing participatory community safety plans was also rolled out reaching 33 municipalities thus far.

The comprehensive area-based and integrated “Violence Prevention through Urban Upgrading” (VPUU) technique has transformed crime hotspots into safe places for economic and social progress. Furthermore, public-private partnerships

2. REVIEW OF GERMAN COOPERATION 2015-2020

were developed to deliver programmes that helped people avoid violence and crime. Strong community participation and community-based organizations have also strengthened social cohesion. These have contributed in some way towards people feeling safer, murder rates reducing, and over 200 jobs being created. Local governments are increasingly embracing FC-sponsored violence and crime reduction strategies. As a result of the FC support, Safer Places: Resilient Institutions and Neighbourhoods Together (SPRINT) has assisted 10 additional municipalities implement area-based, integrated violence reduction initiatives. Helenvale's financial cooperation programme "Violence reduction via urban improvement" was impeded in some ways. The programme is reaching conclusion whilst a similar development for Mamelodi East was cancelled due to municipal inaction.

2.3 Focal area: HIV Prevention

The Multi-sectoral HIV Prevention Programme III (MHIVP III) activities improved inter-departmental coordination for preventive school health services and access to preventative HIV services. MHIVP III enhanced and accelerated sectoral collaboration in school health services (health, education, social development). It has contributed to re-establishment of the Technical Working Group for the implementation

and alignment of Integrated School Health Policies at National Level.

The FC module on "HIV Prevention" addressed the development and implementation of mobile counselling and testing options for HIV, TB, NCDs, and other illnesses, impacting over a million individuals in the Eastern Cape and Mpumalanga. The project has been modified to help the National Department of Health (NDoH) in responding to the Covid-19 pandemic, including protection of health workers, enhancing diagnostic and surveillance capacity, and support in the Covid-19 vaccine roll-out.

The "Bumb'Ingomso" module examined the impact of the HIV pandemic on teenage girls and young women and contributed to HIV prevention in the high prevalence region of Buffalo City in the Eastern Cape.

The FC module "Support for orphans and other vulnerable children" (OVC) included the building and equipping of 17 community care facilities in Limpopo, North-West and KwaZulu-Natal. The FC leadership programme "Activate!" aims to improve the views of the country's youth by positively influencing their risk behaviour. Since 2012, approximately 4,250 young people have completed the Activate! leadership programme and stay connected through a moderated network.

Because the South African and German governments opted not to continue partnership in this area, both sides made concerted attempts to maintain results and gain assistance from other partners. German development assistance, encouraged tighter collaboration between the South African government and the Global Fund to Fight Aids (GFATM).

2.4 Focal Area: TVET and Skills Development

As TVET and Skills Development became a new key area in 2015, the strategy's macro-level aims were developed from the NDP. Skills Development for a Green Economy (SD4GE) is an anchor initiative in this priority area. The COVID-19 pandemic forced the postponement of the newly launched project "Digital Skills for Jobs and Income" (DS4JI) until early 2021. Since the SD4GE programme began in 2016, around 1600 apprentices have been enrolled in dual training courses. The first Financial Cooperation contract in this sector was not signed until 2020, therefore no evaluation can be conducted in this field as yet.

In April 2021, the newly established TC module "Assist to the Presidential Youth Employment Initiative" began to support the execution of this programme.

3. INFRASTRUCTURE TECHNICAL ASSISTANCE FACILITY (ITAF)



A newly established European Commission sponsored Technical Assistance Facility to Support Sustainable Infrastructure Development (ITAF) Agreement came into effect on 25 March 2021 following the signature of the Minister of Finance. The agreement makes a financial commitment of €9 million to the infrastructure sector over a period of 8 years.

The specific objective of the project is to improve the policy and regulatory environment and the institutional framework for stimulation of innovative technical and financing models for sustainable infrastructure development within all three spheres of government –

national, provincial and local.

With regards to demand, infrastructure development and maintenance has been identified as one of the key pillars for economic growth, in particular in the National Development Plan of South Africa and post-COVID-19 recovery plans.

A key aspiration for the ITAF is to create an expert platform dedicated to learning and developing local best practices to support sustainable infrastructure development. The support will be provided under 3 Key Expected Outputs:

- Improved policy, strategy and regulatory framework, including the analytical - evidence base for

sustainable infrastructure delivery;

- Enhanced capacities, training programmes and expertise resources for evidence-based planning and implementation of innovative financing strategies and environmentally friendly, sustainable and resilient infrastructure;
- Improved coordination, planning, implementation and accountability mechanisms for infrastructure delivery and alignment with NDP and Agenda 2030.

An International tender for the procuring of services in support of the ITAF has been launched and National Treasury and the EU are in engaging the tender process currently.

4. USAID: PREVENTION OF SEXUAL VIOLENCE AND REDUCTION OF HIV/AIDS INCIDENCE



The United States Agency for International Development (USAID) will assist South Africa in strengthening the capacity of the Department of Social Development (DSD) to scale up the implementation of primary prevention of sexual violence and HIV activities among children and youth, as well as reduce the incidence of HIV and AIDS through social behaviour change programmes (SBCC). This will be accomplished via the HIV prevention programme YOLO (You Only Live Once) for those aged 15 to 19, young YOLO (10 to 14 years), and other gender-based violence and HIV prevention interventions for children and youth. These SBCC programmes

aim to provide South African youth with the knowledge and skills they need to prevent and reduce risky sexual behaviours, connect them to the 95 % clinical cascade, and improve child outcomes, particularly for young women, through risk assessments supported by group and individual interventions. The following project goals will be implemented to accomplish the objectives:

- Change HIV service
- Assist the National DSD and two provinces in implementing, funding, and monitoring high-quality HIV prevention
- Increase capacity for monitoring

and evaluating implementation, and track follow-up services and referrals.

- Focus on prevention among children and adolescents

This initiative will place a greater emphasis on gender-based violence (GBV) prevention and improved linkages to post-violence care and post-exposure prophylaxis (PEP), as well as using post-violence care facilities as an entry point to maximize the potential increase in HIV intervention uptake.

The overall projected cost of the project is \$8 million, which will be funded by USAID via fixed-amount reimbursements.

5. USAID: COMPREHENSIVE SEXUALITY EDUCATION (CSE) PROGRAMME AND TRAINING OF EDUCATORS ON HIV/AIDS AND LIFE SKILLS



The United States Agency for International Development (USAID) will assist South Africa to align and harmonise the Department of Education's (DBE's) HIV and AIDS Life Skills Education Conditional Grant and enhance and support the implementation mandates of the National Policy on HIV, STIs and TB for learners, educators, school support staff and officials in all primary and secondary schools in the basic education sector. The support under this project will build on recent programme successes under

a direct USAID/Southern Africa award with the Education Development Centre, a global non-profit organization. The project aims to strengthen the current role of the health promotion directorate on supporting and training educators on HIV/AIDS and Life Skills. Some of the project objectives are:

- Support the DBE implementation of the National Policy on HIV, STIs and TB for learners, educators, school support staff and officials in all primary and secondary schools in the basic education sector;

- Support the national scale up of school-based HIV prevention interventions focusing on comprehensive sexuality education (CSE); and
- Support CSE implementation, expansion and scale up and saturation of CSE activities into of the PEPFAR focus provinces of Gauteng, and KwaZulu-Natal.

The total projected cost of the project is \$10 million, which will be funded by USAID via fixed-amount reimbursements.

6. PUBLIC FINANCIAL MANAGEMENT CAPACITY BUILDING FOR IMPROVED SERVICE DELIVERY

The European Union will provide EUR 15.2 million to the Public Financial Management Capacity Building for Improved Service Delivery programme in South Africa. The programme's overall objective is "to

increase access to socio-economic rights and services for all in accordance with the Constitution, the National Development Plan, the Medium Term Strategic Framework, and all relevant PFM legislation and

policy. The programme's specific goal is "to improve public financial management and participatory decision making within all three spheres of government with particular focus on local government".

7. EDGAR SISHI APPOINTED AS DEPUTY DIRECTOR-GENERAL: BUDGET OFFICE



Mr Edgar Sishi has been appointed as the Deputy Director-General (DDG): Budget Office on a permanent basis, effective from 1 February 2022. Part of the many and varied duties and responsibilities of the DDG: Budget Office is to exercise leadership and oversight over the International Development Cooperation (IDC) chief directorate in the National

Treasury (currently managed by Robin Toli – the Chief Director); which, oversees, coordinates, mobilises, and manages official development assistance.

Edgar is a long-serving civil servant who started his career at the South African power utility, Eskom, back in 1998. In 2007, he joined the National Treasury

as Deputy Director: Local Government Budget Process in the Intergovernmental Relations division. In 2008, he was appointed to the position of Director: Provincial Budget Analysis, and then Chief Director: Provincial Budget Analysis in 2012. In 2016, Edgar was appointed as the Senior Advisor on the Executive Board of the International Monetary

Fund in Washington, D.C. Upon his return to South Africa in 2019, he filled in as acting Head: Office of the Deputy Minister (of Finance) until he was appointed as acting Deputy Director-General: Budget Office in 2020.

Edgar holds a Bachelor of Economics degree from Rhodes University and a Master of Science in Economic Policy from the School of African and Oriental Studies in the University of London.

A MESSAGE FROM EDGAR:

The National Treasury, and indeed the South African government, has and will continue to hold its development cooperation partners and the official development assistance (ODA) programme in high regard. Since 1994, we have established strong and lasting relationships with our global partners and local ODA coordinators, whose contributions have been invaluable to the South African development agenda. The partnerships we have formed and cultivated over the years are based in part on a shared understanding of the importance of ensuring peace and stability in South Africa and the Southern African region. South Africa has one of the largest economies in sub-Saharan Africa, with a dynamic and diverse population and important global linkages. Looking into the future, the push for greater trade partnerships and economic integration within the

African continent, as envisaged in the Africa Continental Free Trade Agreement (ACFTA), is likely to further improve the effectiveness and efficiency of development initiatives in Africa as new markets and opportunities become available, especially to unskilled and semi-skilled workers, and the informal sector.

The last two years, following the COVID-19 pandemic outbreak, have seen profound changes in the developmental needs of developing and least developed countries. Governments in these countries have had to take strong and, in some cases, unprecedented measures to mitigate the impact of the COVID-19 pandemic on people's lives (public health and safety) and livelihoods (jobs and income). At the same time, the need to combat the COVID-19 pandemic has highlighted the need for the purchase and local manufacture of pharmaceutical therapies and vaccines.

The South African government has strongly emphasised the need for stronger social partnerships to deal with the challenges of: access to critical public health facilities and treatments, joblessness, skills development and poverty. In this regard, international development partners remain key to helping the country navigate the challenges it faces. This is especially true for poor and vulnerable communities,

who have undoubtedly been hit the hardest by the immense difficulties and changes in the global and domestic economy.

The need to provide greater access to information and communication technologies (ICT) and education and training aligned to the current and forecasted needs of the tech-oriented global economy is ever more critical. This includes new or improved skills, access to technical assistance, access to healthcare and education programmes, as well as capital investments. The issues are likely to have substantial implications for the strategic focus of ODA in the coming years. And thus, a new era of work is emerging. The knowledge, skills and expertise required to navigate it will require greater innovation and flexibility in many sectors, including energy, agriculture and education.

In view of our future obligations and the opportunities that come with them, we remain steadfast in our commitment to stronger regional and global partnerships. We are grateful and appreciative of the role that the donor and development cooperation community has played in the development of our country over the years. We encourage them to continue to walk with the people and communities of South Africa on the road to inclusive growth and development.

8. RETIREMENT OF LONG SERVING PUBLIC SERVANT, DENISE MARAIS



Denise Marais



On 31 March 2022, the National Treasury and its International Development Cooperation (IDC) unit bid farewell to one of its longest serving members – Denise Marais, who has now retired from the public service after 37 years of service.

Denise started her career in 1975, when she joined the South African Police Service. She would go on to work in the Presidency, and the then House of Assembly. She later once again joined the Presidency in the Office of the Minister without Portfolio – Mr. Jay Naidoo, whose office oversaw the Reconstruction and Development Programme (RDP) during the Mandela administration. It is in her role in the Presidency that she earnestly started working with matters relating to development cooperation and assistance. In 1996, she joined the then Department of Finance (which would later merge with the Department of State Expenditure to form the National Treasury), as a founding member of the IDC unit. Before her

retirement, Denise was the last remaining founding member of the IDC unit.

In her time in the National Treasury, Denise has been directly responsible or assisted in the processing of nearly 1 000 official development assistance (ODA) agreements involving approximately 32 development partners. Together with colleagues in the Office of the Accountant-General, she has also been responsible for the administration of the RDP Fund, where she processed countless requisitions, surrenders etc. One of her lasting legacies in the IDC unit, the National Treasury and indeed the broader development cooperation community, will be her invaluable contribution in: the development of the Policy Framework and Procedural Guidelines for the Management of Official Development Assistance and the Development Cooperation Management Information System (DCMIS).

A MESSAGE FROM DENISE:

ODA has been a part of my life for over two decades. If nothing else, it has certainly been an interesting journey. ODA and its management in South Africa has evolved a great deal since 1995. The National Treasury, and the IDC unit in particular, will always be very close to my heart. The working environment has allowed me to grow by exposing me to all sorts of experiences, fields of work and characters, some of which I could have never imagined when I joined the police force in 1975. I have come to appreciate and value my time in the public service – the good and the bad. My hope is that the IDC unit, and ODA in general, will grow from strength-to-strength in years to come. There is ever so much that still needs to be done, but I have the utmost trust and confidence that the team I leave behind will be great custodians of the work that I (and so many other colleagues) started back in 1996. God Bless