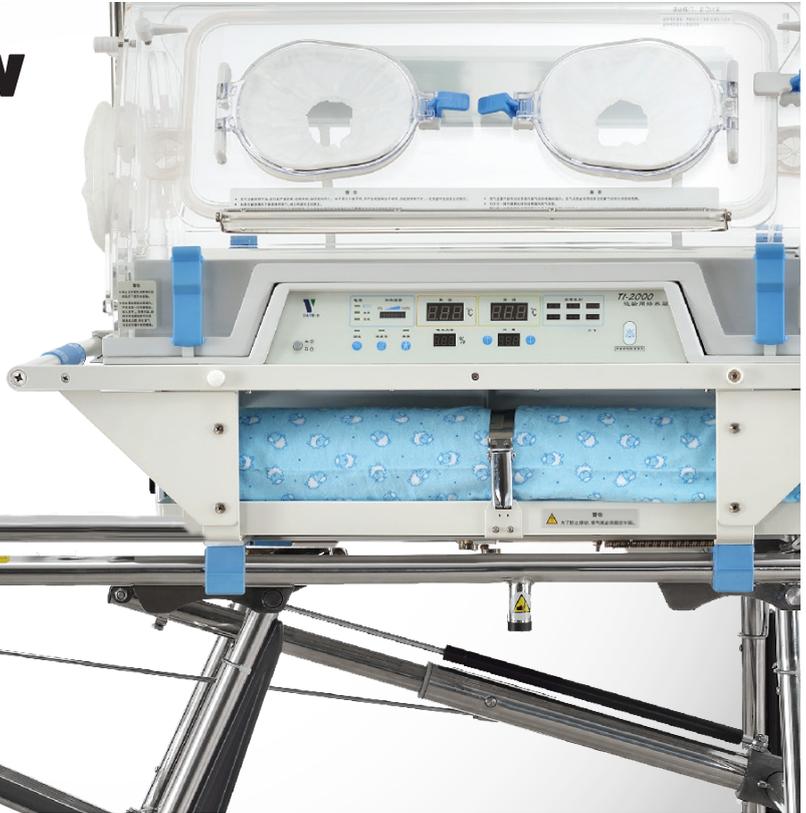




Inside Issue

- 01** Contributing to outcomes: Primary Health Care Sector Policy Support Programme
- 02** SECO launch
- & More**

MID-TERM REVIEW FOR PRIMCARE SPSP SHOWS RESULTS IN THE HEALTH SECTOR



Maternity Equipment

The PrimCare SPSP targets an increase in access to public health services; improving the quality of primary health care services; improved capacity for management of primary healthcare facilities; accelerating implementation of national plans for HIV/AIDS and TB; and improving maternal and child health.

In 2010, the European Union committed an amount of €126 million to the Primary Health Care Sector Support programme (PrimCare SPSP). The programme comprises two components: Sector Budget Support (EUR 110 million) and a complimentary component for technical cooperation and civil society organization support (EUR 16 million). The overall objective is to contribute to improving the health profile of all South Africans in line with the government’s 2030 vision of “a long and healthy life for all South Africans”.

The PrimCare SPSP targets an increase in access to public health services; improving the quality of primary health care services; improved capacity for management of primary healthcare facilities; accelerating implementation of national plans for HIV/AIDS and TB; and improving maternal and child health. The approach used anticipates significant increases in health outcomes through improved access to and improved quality of primary health care services.

PROGRESS OF 9 SECTOR BUDGET SUPPORT COMPONENTS

A Mid-Term Review (MTR) was recently completed for 9 of the 22 Sector Budget Support (SBS) programme components using EU evaluation criteria such as relevance, effectiveness, efficiency, impact and sustainability. The findings showed that all 9 SBS components were highly relevant and well embedded in the health policy context of South Africa, that the objectives were relevant and were achieved or expected to be achieved during the remainder of the programme. The review also found that the activities conducted under all 9 SBS components remained within their budget with differences observed when looking at the delivery process within the 9 SBS components. Since PrimCare is a sector budget support programme which uses SA government procurement procedures, the MTR did not have to look into the expenditure in any details.

Mid-Term Review for PrimCare SPSP shows results in the health sector

continued:

In terms of the findings on impact, it was found that there was a significant reduction in maternal mortality and perinatal mortality in health institutions after (saturation¹) level training. Finally, it was found that despite the budgetary pressure, there was strong government/ National Department of Health support for some of the major components to be implemented nationwide that have long term impact on health and the health system

The table below captures examples of both SBS components that were used to drive progress towards strengthening health information systems and those that were instrumental in capacity building of health staff thereby enabling them to tackle important health problems such as maternal and child mortality.

BOX 1: LAYING THE FOUNDATION FOR THE IMPLEMENTATION OF THE NATIONAL HEALTH INSURANCE

The main PrimCare SPSP activities have been linked to the NHI pilot districts. Potential levers that will propel South Africa into the National Health Insurance era are especially towards NHI Information Management:

- **The Health Patient Registration System (HPRS)** is an electronic health record system priority area for supporting NHI implementation by capturing and securing patient demographic information that would improve effective service delivery planning and provision of an appropriate basket of health services to the community. The HPRS was designed, developed and successfully installed in 657 suitable health facilities, 11500 computers were installed in 1444 facilities and the number of patients registered on the system exceeded 1 million by mid April 2016 and rose to over 4.4 million by end 2016. The HPRS is a high priority government project and received an additional Information grant of ZAR 500 million from the Treasury for a three year period starting 1 April 2017 in addition to EU budget support funding.
- **Primary Health Care Ward Based Outreach teams**
M Health The WBOT's M-health Component was initiated in 2013 to facilitate better utilisation of Community Health Workers (CHWs), strengthen health promotion, prevention, early detection and appropriate referral, and contribute to improved health outcomes at community level. Interventions include the provision of cell phones charged

with data and airtime to CHWs, to be used during household visits, and enabling them to capture and submit health related data directly into the District Health Information System (DHIS), which strengthens the monitoring function of the National Department of Health (NDoH), and the provision of training of CHWs, which focused on the 11 NHI districts. Around 3200 Community Health Workers (CHWs) were equipped and trained on the use of cell phones and data capturing

- **Provincial and District Support for Financial, Human Resources and information management.** The Internship Programme was introduced in the Health Sector after the Technical Advisory Committee of the National Health Council (NHC) took a resolution to embark on a robust internship drive in preparation for the implementation of the Human Resources Strategy for the Health Sector; the National Health Insurance (NHI) plan and as a response to audit challenges as outlined in the Auditor General (AG) Management Report. 362 interns as Provincial Technical Support Officers (PYSO) have been employed to assist as Provincial Department of Health's to set up systems in preparation for the implementation of the NHI scheme and the Human Resource Strategy for Health Sector improving administrative efficiency and addressing audit challenges outlined in an Auditor General Management Report. The programme has been extended for another two years and it cost almost ZAR 100 million per annum mostly for salaries.

¹Saturation training is defined as training of at least eighty per cent of relevant healthcare providers.

It was found that despite the budgetary pressure, there was strong government/National Department of Health support for some of the major components to be implemented nationwide that have long term impact on health and the health system

BOX 2: CAPTURING THE STRONGEST IMPACT IN THE ESSENTIAL STEPS IN MANAGEMENT OF OBSTETRIC EMERGENCIES (ESMOE) TRAINING SBS COMPONENT

This example is used for showing the success of health staff capacity building to address important health problems notably maternal and child mortality and thus potentially contributing to some achievement of the health goals of South Africa's National Development Plan, the health department's delivery agreements and global health goals (SDGs). Training was provided to improve the knowledge and skills of doctors and midwives involved in the care of pregnant women in emergency obstetric and neonatal care.

Two approaches have been adopted, in the 12 worst performing districts a saturation approach is used where up to 80% of clinicians (doctors, midwives and nurses) are trained in these districts. In the 40 other districts a training of trainer (TOT) approach is adopted. It is expected that these trainers will then cascade the training down.

Intermediate Outcomes: The main goal of ESMOE training is to ensure that all maternal and neonatal clinicians (doctors, midwives and nurses) are adequately trained to deal with maternal and neonatal emergencies. This will address the high maternal mortality ratio and high neonatal mortality rate. The objective of this component is to improve the knowledge, skills and team work in maternity units managing obstetric and neonatal emergencies.

Impact: Overall this ESMOE shows the strongest example of impact of the PrimCare SPSP in maternal mortality and perinatal mortality in health institutions especially after saturation training. These include:

- A significant reduction in Maternal Mortality ratio in 12 districts where saturation training was performed: from 205 maternal deaths per 100,000 live births in 2011 before training to 154 at the end of 2015 after saturation training. A reduction is also noted in direct maternal deaths (from 97 to 84) mainly due to reduction in underlying causes of maternal deaths, hypertension, obstetric haemorrhage and non-pregnancy related infections (indirect deaths).
- Before and after saturation training, there was small but significant reduction in still births and no significant change in neonatal deaths.

Outputs: As for training outputs 10 899 health staff in different categories were trained up to July 2016 among which 805 doctors and nurses in saturation training (1/3rd doctors; 2/3rd professional nurses). In addition maternal and neonatal mortality meetings were introduced in hospitals as a platform for medical professionals to discuss cases, including clinic nurses from neighbouring Primary Health Care centres.

Sustainability: The successes of the ESMOE programme in terms of reduction in maternal and mortality and perinatal mortality need to be secured and further strengthened by nationwide implementation and continuous training. Roll-out should be supported by a research agenda and project risks such as provinces not providing sufficient resources for training avoided.

It is therefore evident that the real value added of European Union assistance was not purely the financing but what came with it. In the case of the PrimCare, it has become a catalyst for reform and improvements in important elements of the South African health system. In addition, by linking PrimCare activities to the NHI pilot

districts, essential first steps were taken towards nationwide implementation of NHI. For more information on the Mid-Term Review please visit the link <http://dcmis.treasury.gov.za/Project%20Documents/Primary%20Health%20Care%20Sector%20Policy%20Support%20Programme.pdf>

LAUNCH OF SA - SWISS STATE SECRETARIAT FOR ECONOMIC DEVELOPMENT (SECO) COUNTRY STRATEGY PAPER FOR 2017-2020



Ambassador Helene Budliger Artieda of Switzerland, speaking at the SA SECO CSP launch in Pretoria on the 24th May 2017, claimed that South Africa enjoyed a vibrant and healthy relationship with them and was one of the most important economic and trade partners on the continent. Bilateral trade with South Africa was by 2015 almost CHF 2.9 billion (CHF1 = R14 on 29 November 2017) with currently over 100 Swiss companies in South Africa employing about 80,000 people.

Switzerland is also among the ten largest investors in South Africa in foreign direct investment which stood at ZAR 34 billion, creating more than 12,000 jobs in the process. Swiss international cooperation enhances the economic partnership by striving to integrate partner countries into the global economy, and build growth that is economically sustainable, inclusive, socially responsible and environmentally friendly.

For this purpose, SECO has committed CHF 55 million over the four-year period aimed at contributing to inclusive and green growth that will create jobs, ensure resilience and reduce disparities. More specific objectives

include strengthening an efficient public sector and good financial governance, promoting a competitive and inclusive economy and fostering climate-friendly and green growth towards a low-carbon economy. Urban development, skills development, green economic development and regional integration have been identified as key thematic priorities to achieve these goals. Ms Davorka Shepherd, Head of the Swiss Economic Cooperation and Development Office in Pretoria, stated that these objectives were formulated through a series of engagements with government departments, private sector stakeholders and project implementation partners.

Mr Michael Sachs, Former Deputy Director-General in the Budget Office expressed the National Treasury's appreciation for the highly engaging consultative process in formulating the strategy. He committed to ensuring that support provided added value, built capacity and promoted innovative approaches in complementarity to the South African Government's development programme. SECO pointed out that it intends to continue its engagement across a number of unique and highly innovative projects in almost every sector of South Africa's economic spectrum. These range from the intervention

Launch of SA - SWISS STATE SECRETARIAT FOR ECONOMIC DEVELOPMENT (SECO) Country Strategy Paper for 2017-2020

continued:

in the urban environment through the Cities Support Programme in partnership with the National Treasury and World Bank, to the Industrial Energy Efficiency Project, implemented in partnership with the South African National Cleaner Production Centre and the United Nations Industrial Development Organization, which contributed to the preservation of over 1,700 jobs.

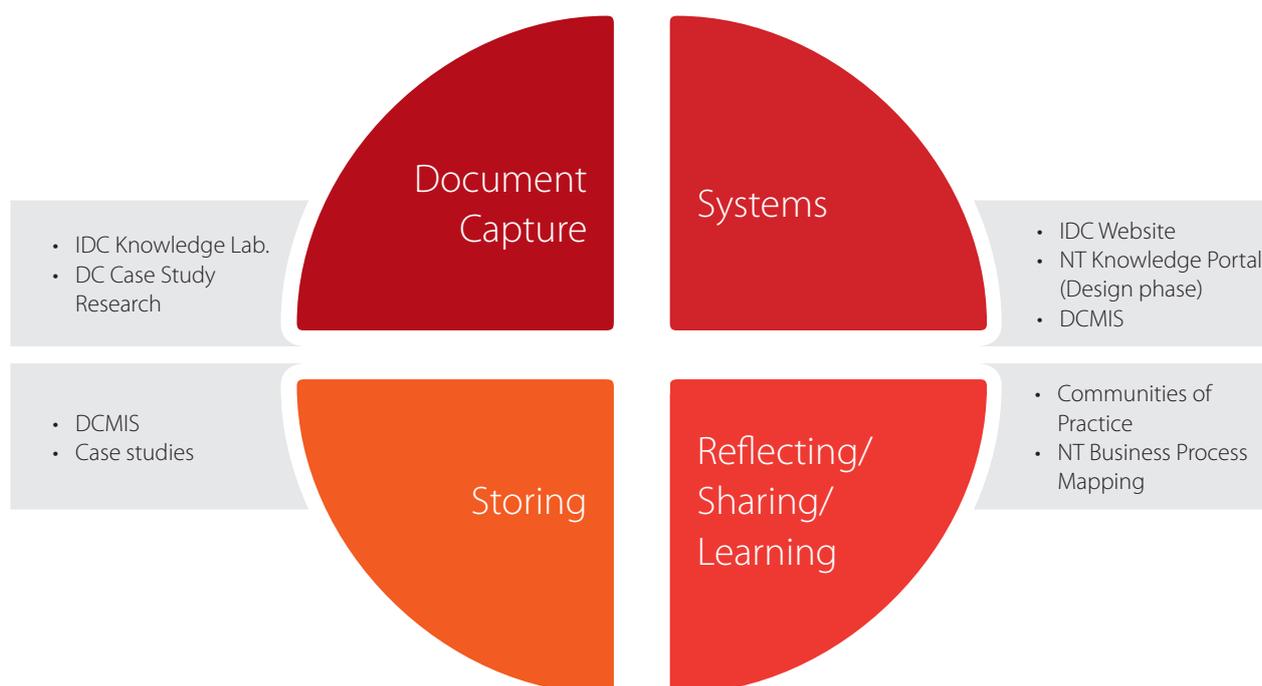
A panel discussion held during the event emphasised the role and contribution of sustainable trade in development. Strengthened international and regional supply chain integration could, it was argued, contribute significantly to inclusive economic growth in South Africa and in its neighbouring countries.

IDC KNOWLEDGE MANAGEMENT SYSTEM

In 2015 the Chief Directorate: International Development Cooperation (IDC) at the National Treasury revised and streamlined its Knowledge Management Approach. As

shown in Figure 1: the IDC KM model is now more aligned tightly to KM processes using a select few KM tools and solutions typical of KM toolkits.

Figure 1: IDC KM Model



IDC Knowledge Management System

continued:

In an effort to make their development cooperation activities more accessible and more transparent to both their development partners and the general public the IDC decided to establish an online knowledge sharing platform consisting of a website and a database of the projects.

Knowledge management system – any kind of technology system with built in functionalities and technical capabilities to facilitate support and collaborate the knowledge management processes. Sajeva, 2010.

THE IDC WEBSITE

The IDC website is the online presence of the International Development Cooperation unit. Through the website the IDC is able to:

1. Be visible to the rest of the world;
2. Provide access to information regarding the IDC's vision, mandate and objectives and also how it executes that mandate, partners and stakeholders and beneficiaries as well as IDC initiatives, current and past projects and calendar of events.
3. Foster a relationship with all of its stakeholders by keeping them informed of developments in the IDC and allowing them to provide feedback.

Stakeholders can access the IDC website through the following URL; <http://idc.treasury.gov.za>

THE DEVELOPMENT COOPERATION MANAGEMENT INFORMATION SYSTEM (DCMIS)

The Development Cooperation Management Information System (DCMIS) is the database of ALL projects that the IDC facilitates on behalf of our development partners and the project beneficiaries. The DCMIS therefore contains a catalogue of past and present projects.

Project information is broken down as follows on the DCMIS:

1. General project information
2. Project result outcomes
3. Donor transactions
4. Project transactions
5. Project documentation

Through the DCMIS, stakeholders and interested parties get a detailed overview of how finances and resources are expended by projects, projects status (completed or in progress, etc.). Stakeholders can also access project related documentation such as Financing and Project Agreements, Feasibility Studies, Reports, etc. Information is captured on the DCMIS by the National Treasury using documentation provided by all the stakeholders. Stakeholders are free to view and review the information posted on the DCMIS.

CONCLUSION

The IDC would like to use their online platforms to share information with their stakeholders by reporting comprehensively and transparently about their activities and the projects they facilitate and to give confidence to their development partners as well as the facilitators and beneficiaries of the work done by the IDC.

REFORMING DEVELOPMENT SUPPORT FROM THE CONCESSIONAL FINANCING WINDOWS OF MULTILATERAL DEVELOPMENT BANKS (MDBS) FOR THE BENEFIT OF LOW INCOME AFRICAN COUNTRIES



International finance and development institutions, such as MDBs, IMF and the OECD, have been undertaking significant governance reforms over the last decade.

These reforms were to increase the voice of developing countries in the decision-making structures of these organizations in response to the growing economic strength of developing countries. In 2010, the World Bank shifted 3.13% of its voting power to developing countries and the members of the Bank are currently negotiating a new round of additional reforms. The IMF undertook similar shareholding reforms in 2015. The OECD has an 'Enhanced Engagement' with five emerging-market economies with two of these economies in a process to join the "Paris Club" group of creditors.

In addition to these important governance reforms, South Africa is advancing reforms in the way multilateral organizations provide development finance to poor Sub-Saharan African countries. The need to enhance development finance on the continent is urgent given the significant demand for resources to meet the Sustainable Development Goals (SDGs), COP21 Paris Agreement, Addis Ababa Action Agenda (AAAA) and the challenges linked to low commodity prices and the refugee crisis.

South Africa has used different fora to advance better development finance support to Sub-Saharan Africa (SSA). The country is part of the G20 discussions on International Financial Architecture that looks at increasing MDBs funding for private-sector development. The country is partnering with Germany on the Compact with Africa to support governments on the continent with capacity building for policy and regulatory frameworks for private-sector development. South Africa is also an observer in the OECD on Paris Club discussions of public debt management and sustainability.

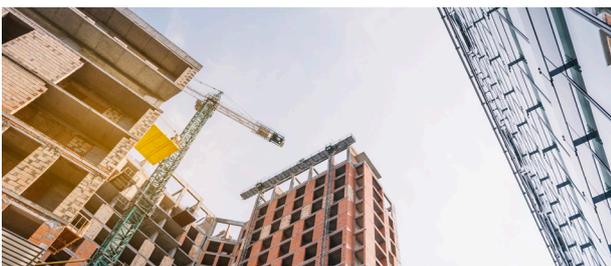
The biggest impact that South Africa is making on reforming development finance is through its participation in the concessional financing windows of the World Bank and the African Development Bank (AfDB). South Africa's engagement with these institutions is in line with its foreign policy objectives. Sub-outcome 8 of Outcome 11 in the South African government's Medium Term Strategic Framework (MTSF) 2014-2019 identifies the National Treasury as the lead department in government to "negotiate development support for South Africa, Africa and developing countries". This sub-outcome describes this engagement as "beneficial relations with strategic formations of the North".

REFORMING THE CONCESSIONAL FINANCING WINDOWS OF THE MDBs

The International Development Association (IDA) is a window of the World Bank and the African Development Fund (ADF) is a similar window in the AfDB. Through these windows, 39 SSA countries receive funding and policy assistance from donor countries. In return, the donor countries have an influence in the strategic direction and the setting of policy priorities in the use of funds.

South Africa is a donor to both windows and has used its influence to push for reforms to improve the quality of development finance for SSA. The reforms that were advanced by South Africa during the latest round of replenishment of these two windows in 2016 can be classified under the following categories:

PRIORITY 1: FUNDING OF ECONOMIC ACTIVITIES IN AFRICA



South Africa pushed for the two funds to provide higher levels of support for projects targeting jobs and economic transformation. This support is essential for the continent to reap the demographic dividend from job creation, particularly in the manufacturing sector. The agreed support in the two institutions for jobs will be through private-sector development and funding for infrastructure projects. For example, IDA has set up a \$2.5 billion special vehicle to support private-sector projects, particularly for SMMEs, renewable energy projects, agro-processing

value chains and the provision of insurance services to cover foreign currency risk in financial services. The ADF has agreed to fund 5 priorities, but with an emphasis on increasing energy production infrastructure.

Another reason for South Africa's support for private sector development is its positive impact on government tax revenue. In line with this priority, South Africa pushed for capacity building for domestic resource mobilization and management and public finance management, and received support from donor countries in both windows.

PRIORITY 2: BALANCE SHEET UTILIZATION OF THE MDBS



South Africa recognizes that the resource needs of poor African countries are much larger than the size of available funds in these two windows. In addition, the country has been concerned with the heavy reliance on the 2 windows from the donor fiscal transfers as a source of funding. The ADF receives approximately 85% of its resource from donor countries. South Africa has successfully pushed for innovation in the way the two funds raise resources. It was agreed during the last replenishment negotiation that IDA would be issuing bonds of \$2 billion to raise funding for the first time in the bond market. South Africa is currently co-chairing a Working Group discussion with the UK within the ADF about how the institution can raise additional funding, possibly through the bond market.

² These are energy, agriculture, industrial development, regional integration and improving quality of life (e.g. health, education etc.).

Reforming the concessional financing windows of the MDBs

continued:

PRIORITY 3: GOVERNANCE REFORMS ON DEVELOPMENT FINANCE



South Africa has been lobbying for the need to increase the influence of African countries in decision making for the two windows. The number of representatives of recipient countries in the meetings of these funds must therefore necessarily be increased. In addition, more African countries must commit resources as donors to these institutions in order to gain influence, relevance and to ensure sustainability. South Africa is pleased that Nigeria joined IDA for the first time as a donor in 2016. However, more African donors are required to ensure a significant influence.

CONCLUSION

South Africa will continue to push for governance reforms in multilateral organizations to better reflect the economic and political weight of developing countries. However, the effectiveness in how these organizations to provide funding for the benefit of poor countries is equally important. South Africa will continue to use its influence in IDA and ADF to advance reforms to meet this objective.

Another reason for South Africa’s support for private sector development is its positive impact on government tax revenue. In line with this priority, South Africa’s pushed for capacity building for domestic resource mobilization and management and public finance management, and received support from donor countries in both windows.