



AFRICAN RENAISSANCE AND INTERNATIONAL
COOPERATION FUND (ARF)

REVISED STRATEGIC PLAN 2015 – 2020

ANNUAL PERFORMANCE PLAN

2018/19

Department of International Relations and Cooperation



FOREWORD BY THE MINISTER OF INTERNATIONAL RELATIONS AND COOPERATION, MS LINDIWE NONCEBA SISULU

The Revised Strategic Plan 2015 – 2020 and the Annual Performance Plan (APP) 2018/19 of the African Renaissance and International Cooperation Fund (ARF) provide details of the fund's immediate and long-term objectives.

In line with our foreign policy, the ARF remains an important tool that seeks to enhance development assistance and cooperation with a dedicated focus on the realisation of the African Agenda. Through this approach, the developmental cooperation agenda is beneficial for South Africa, the African continent as well as the world at large and will be maintained.

We believe that building strong institutions will enable us to entrench the culture of good governance as well as efficiency and responsiveness, which, is an integral part of Africa's renewal programme. We need capable states and effective government as well as willing leadership to satisfy the needs and aspirations of our populace as encompassed in the African Union's (AU) Agenda 2063.

Through the ARF, we will continue with our commitment to the promotion of democracy and good governance with a view to enhance public participation and accountability. These are important elements for socio-economic development and integration as well as achieving continental prosperity. In this regard, the sustained and credible holding of free, fair and just elections with full public participation throughout the continent will enable us to achieve this objective.



Minister Lindiwe Nonceba Sisulu
Department of International Relations and Cooperation



Deputy Minister Luwellyn Landers
Department of International Relations and Cooperation



Deputy Makgabo Reginah Mhaule
Department of International Relations and Cooperation

In this regard, it is important that electoral processes and outcomes guarantee the will of the majority and that the leadership will be responsive to the views, needs and aspirations of the minority as well.

In this manner, the people will enjoy peaceful co-existence and ownership of the national programmes and are afforded opportunities to realise their potential.

These efforts require, among others, deployment of human, finance and technical resources and through collective cooperation of South Africa's diplomacy of Ubuntu can be achieved .

We are pleased with the progress made in implementing the AU's Roadmap towards silencing the guns on the continent by 2020. Similarly, measures taken to replenish the African Peace Fund are satisfactory and bring us closer to ensuring full ownership of Africa's destiny by providing solutions to our own challenges.

We continue to experience an increase in natural disasters. Clearly, erratic weather patterns, which are largely the result of climate change effects, and thus requires our urgent attention. This fund enables us to be counted among those who strive to restore human dignity and bring relief to people in distress as and when humanitarian situations arise. We go a step further and work with like-minded countries and partners to assist people affected by man-made disasters and disease not as a matter of charity but to restore hope and human dignity.

Minister Lindiwe Nonceba Sisulu
Department of International Relations and Cooperation

OFFICIAL SIGN-OFF

It is hereby certified that these strategic and annual performance plans:

were developed by the management of the African Renaissance And International Cooperation Fund (ARF) under the guidance of the Minister

accurately reflect the performance targets which the ARF will endeavour to achieve, given the resources made available in the budget for 2018/19.

Chief Financial Officer: Deputy Director-General Mr C Ramashau	Signature: 
Official responsible for planning: Head of Operations, ARF: Ms D Mathlako	Signature: 
Accounting Authority: Director-General: Mr KE Mahoi	Signature: 
Approved by: Executive Authority: Minister Lindiwe Nonceba Sisulu	Signature: 



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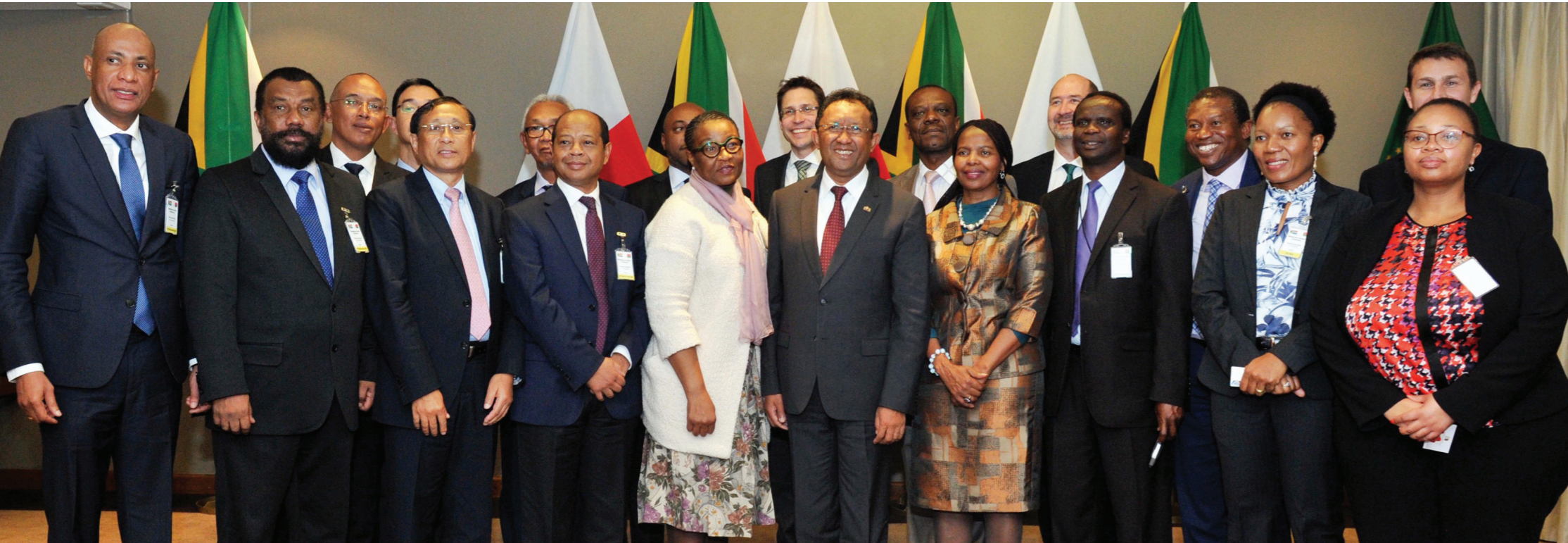
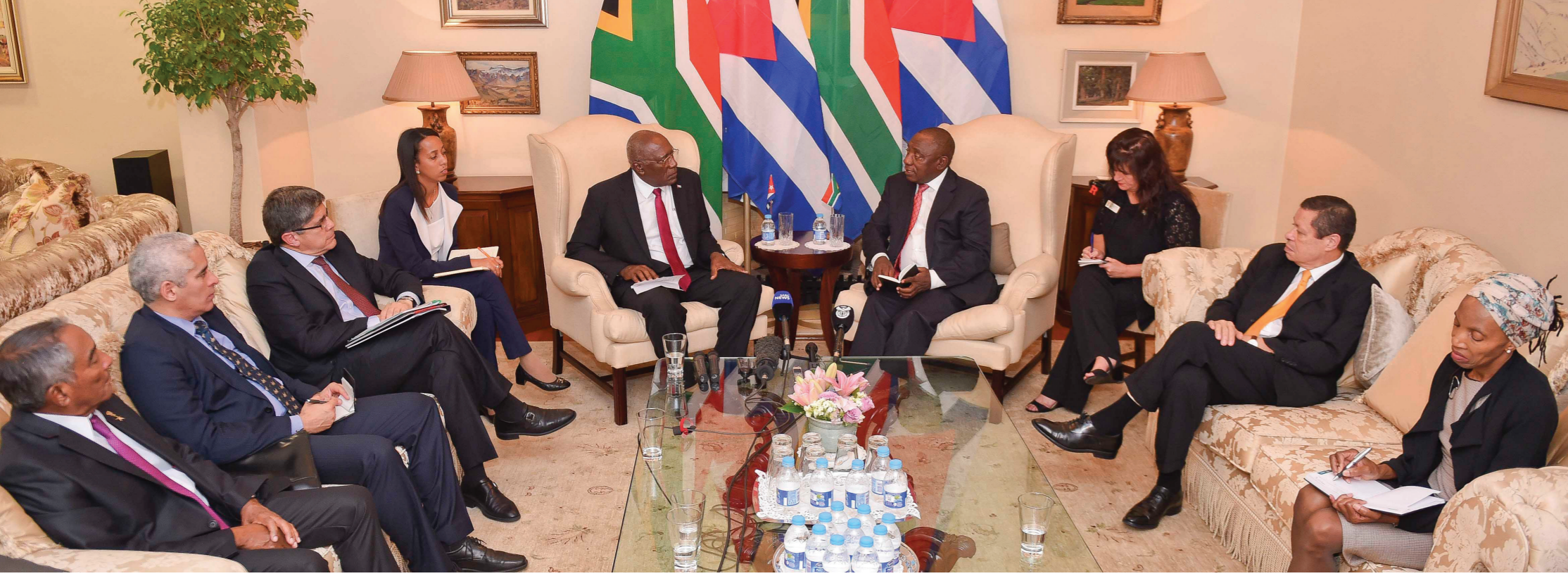
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PART A

Strategic Overview



1. Vision

The vision of the African Renaissance and International Cooperation Fund (ARF) is a democratic, non-racial, non-sexist, conflict-free, developmental African continent.

2. Mission

The ARF is committed to promoting South Africa's national interests and values, the African Renaissance and the creation of a better world for all.

3. Values

In order to ensure that funding through the ARF is effective, the ARF will adopt the values of the Paris and Rome declarations on aid effectiveness. The ARF will ensure that the following key values are adhered to:

- ownership of the process: the recipient country must own the process of determining the immediate medium- and long-term actions, that will address the issues contained in its project proposal
- an understanding of the political, economic and security considerations of the recipient country must be achieved
- a needs assessment should be conducted with direct involvement and ownership of the process by the country concerned.

Integrated planning and coordination are critical in ensuring that South Africa's efforts are in line with the development needs of the identified country.

In addition to the above, the ARF will conduct its business while constantly adhering to the values of the Department of International Relations and Cooperation (DIRCO), namely:

- Patriotism
- Loyalty
- Dedication
- Ubuntu
- Constitutional Values (Chapter 10)
- Batho Pele.

4. Legislative and other mandates

4.1 Legislative mandates

There have been no changes to the ARF's legislative and other mandates.

5. Updated situational analysis

5.1 Performance environment

The ARF is a public entity that falls within the purview of DIRCO's day-to-day responsibilities. It strives to ensure that it complies with the laws and regulatory prescriptions which govern the management of public funds in South Africa.

Through the ARF, South Africa will continue to play an active role in supporting initiatives aimed at enhancing the African Agenda.

The objectives of the ARF and foreign policy objectives and principles are aligned to the country's National Development Plan, which is linked to the African Union Agenda 2063 and the United Nations Sustainable Development Goals.

In support of democracy and good governance, the ARF supports the holding of democratic elections through South African participation in the Southern African Development Community (SADC) elections observation missions and technical

support for elections. The conduct of free and fair elections provides a yardstick to measure the quality of democracy in a country. Nine African countries will hold elections in the 2018/19 financial year, three of which are from the SADC region.

Through socio-economic development projects, the ARF will continue to provide assistance by supporting projects that will contribute towards improving food security, which will be also geared towards poverty reduction on the continent.

South Africa will continue to cooperate with other countries. Through cooperation projects with other countries, the ARF will purchase South African products to contribute to economic activities in South Africa.

Most of the African countries are often struck by disastrous and unprecedented natural disasters such as drought, floods and land and mud slides, which cause damage to buildings, infrastructure and crops and loss of lives. Hence, through its diplomacy of Ubuntu, South Africa will continue to provide humanitarian assistance to fellow African countries and worldwide.

To contribute to peace and stability on the continent, South African will continue to support mediation in conflict countries. This is in line with one of its objectives, namely to contribute to Post-Conflict Reconstruction and Development (PCRD).

5.2 Organisational environment

An advisory committee has been established to make recommendations to the Minister of International Relations and Cooperation and the Minister of Finance on the disbursement of funds through loans or other financial assistance.

The Advisory Committee consists of the following members:

- (a) the Director-General (DG) or a delegate of the DG
- (b) three officers of DIRCO appointed by the Minister
- (c) two officers of National Treasury appointed by the Minister of Finance.

The DG is the Accounting Authority of the fund in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

The ARF Secretariat is responsible to assist with the disbursement of funds, monitoring and administration of projects relating to the fund. The fund is managed by DIRCO.

6. Strategic outcome-oriented goals

Strategic outcome-oriented goal	Goal statement
To contribute to an integrated, democratic peaceful and prosperous continent	Contribute to continental development by means of developmental assistance in support of democracy and good governance; human resource development; social-economic development and integration; humanitarian assistance and disaster relief; and PCRD

PART B

Strategic Objectives



STRATEGIC OBJECTIVES

Strategic objectives	Objective statement	Baseline (2016 – 2017)	Target
To promote democracy and good governance	Support the holding of democratic elections in identified countries on the continent	100% of approved disbursements distributed during this reporting period Processed payments totalling R389 843,41 for SADC election observer missions (Zambia, Seychelles and Mauritius)	100% of approved disbursement to support democracy and good governance processed
To contribute to human resource development	Develop and provide identified training programmes	100% of approved disbursements distributed during this reporting period Processed payment of R7 000 000 for African Ombudsman Research Centre	100% of approved disbursement to support capacity-building processed
To support socio-economic development and integration	Support the implementation of socio-economic development and integration projects	100% of approved disbursements distributed during this reporting period Processed payments totalling R5,086 955,68 for rice and vegetable production project in Guinea (Conakry).	100% of approved disbursement to support socio-economic development and integration processed
To provide humanitarian assistance and disaster relief	Assist countries that are in need of humanitarian assistance and disaster relief	100% of approved disbursements distributed during this reporting period <ul style="list-style-type: none"> processed payments totalling R638 599,19 for humanitarian assistance and disaster relief as follows: processed payment of R439 341,19 for Namibia drought relief project processed payment of R199,258, 00 for transportation of humanitarian assistance to Madagascar 	100% of approved disbursement for humanitarian assistance and disaster relief processed
To support cooperation between South Africa and other countries	Implementation bilateral and trilateral cooperation agreements	100% of approved disbursements distributed during this reporting period Processed payment of R78 047 130,43 for Cuba Economic Package	100% of approved disbursement for cooperation processed
To contribute to PCRD	100% of approved disbursement for PCRD processed as per the objectives of the project plan	100% of approved disbursements distributed during this reporting period There was no disbursement processed	100% of approved disbursement for PCRD processed as per the objectives of the project plan

Resource consideration

Overview of Budget and Medium Term Expenditure Framework estimates

R thousand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Audited outcome			Revised estimate	Medium-term estimate		
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	112 547	143 765	507 050	36 000	18 000	12 000	9 000
Other income	–	–	330 061	–	–	–	–
Other non-tax revenue	112 547	143 765	176 989	36 000	18 000	12 000	9 000
Interest, dividends and rent on land	112 547	143 765	176 989	36 000	18 000	12 000	9 000
Transfers received	277 560	145 637	31	22 243	38 692	46 272	48 816
Total revenue	390 107	289 402	507 081	58 243	56 692	58 272	57 816
Expenses							
Current expenses	18 931	37 422	–	–	–	–	–
Goods and services	18 931	37 422	–	–	–	–	–
Transfers and subsidies	189 900	161 773	57 593	58 243	56 692	58 272	57 816
Total expenses	208 831	199 195	57 593	58 243	56 692	58 272	57 816
Surplus/(Deficit)	181 276	90 207	449 488	–	–	–	–
Financial position							
Cash and cash equivalents	2 205 263	2 338 574	2 457 676	600 000	300 000	200 000	150 000
Receivables from non-exchange transactions	204 919	210 822	204 555	–	–	–	–
Total assets	2 410 182	2 549 396	2 662 231	600 000	300 000	200 000	150 000
Accumulated surplus/(deficit)	1 611 884	1 561 906	500 000	–	–	–	–
Trade and other payables	286 071	278 133	221 413	300 000	200 000	150 000	100 000
Provisions	512 227	569 172	289 239	300 000	100 000	50 000	50 000

R thousand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Audited outcome			Revised estimate	Medium-term estimate		
Derivatives financial instruments	–	140 185	1 651 579	–	–	–	–
Total equity and liabilities	2 410 182	2 549 396	2 662 231	600 000	300 000	200 000	150 000

Risk management for the 2018/19 APP

Identified risks	Mitigation strategies
Unstable economic environment	Diversify assistance provided by increasing loans and decreasing grants
Political instability	Deepening democratic principles with the countries South Africa cooperates with
Social unrest	Capacity-building through diplomatic channels



PART C

Annual Performance Plan 2018 /19



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

Performance indicators	Actual performance				Estimated performance	Medium-term targets	
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19
Percentage of requests responded to for the quality assurance and review of project proposals in preparation for the African Renaissance and International Cooperation Fund (ARF) Advisory Committee Meeting	Twenty-three project proposals reviewed and submitted to committee meetings	Twenty-one project proposals reviewed and submitted to committee meetings	Thirteen project proposals reviewed and submitted to committee meetings	Six project proposals reviewed and submitted to committee meetings	100% of requests recommended for funding	100% of requests recommended for funding	100% of requests recommended for funding
Number of ARF structures and processes convened to identify and recommend projects	Six Advisory Committee meetings held to consider project proposals for recommendation	Five Advisory Committee meetings held to consider project proposals for recommendation	Four Advisory Committee meetings held to consider project proposals for recommendation	Four Committee meetings were held to consider project proposals for recommendation	Four Committee meetings were held to consider project proposals for recommendation	Four ARF Advisory Committee Meeting held	Four ARF Advisory Committee Meeting held
Percentage of approved disbursement processed	Twenty approved ARF projects' disbursement processed	Thirteen approved ARF projects' disbursement processed	Fifteen approved ARF projects' disbursement processed	Fifteen approved ARF projects' disbursement processed	100% of approved disbursements processed as per objectives of the project plan	100% of approved disbursements processed as per objectives of the project	100% of approved disbursements processed as per objectives of the project

Performance indicators	Actual performance				Estimated performance	Medium-term targets	
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19
Percentage of active projects monitored for compliance with concurrence received	New indicator			100% of active projects monitored for compliance with the concurrence received and approved project plan	100% of active projects monitored for compliance with the concurrence received and approved project plan	Percentage of quarterly project progress reports	Percentage of quarterly project progress reports
Percentage of project oversight reports for active projects	New indicator			100% project oversight reports for active projects	100% project oversight reports for active projects		
Percentage of closed projects with closeout reports	New indicator			100% of closed projects with closeout reports	100% of closed projects with closeout reports		



Quarterly targets for 2018/19

Performance indicators	Annual target 2018/19	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Number of ARF Advisory Committee meetings held	Four ARF Advisory Committee meetings held	One ARF Advisory Committee meeting held	One ARF Advisory Committee meeting held	One ARF Advisory Committee meeting held	One ARF Advisory Committee meeting held
Percentage of requests reviewed	100% of requests reviewed	100% of requests reviewed	100% of requests reviewed	100% of requests reviewed	100% of requests reviewed

Performance indicators	Annual target 2018/19	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Percentage of approved disbursement processed	100% of approved disbursements processed in the following areas as per objectives of the project:				
	Democracy and good governance	100% of approved disbursement to support democracy and good governance processed	100% of approved disbursement to support democracy and good governance processed	100% of approved disbursement to support democracy and good governance processed	100% of approved disbursement to support democracy and good governance processed
	Socio-economic development	100% of approved disbursement to support socio-economic development processed	100% of approved disbursement to support socio-economic development processed	100% of approved disbursement to support socio-economic development processed	100% of approved disbursement to support socio-economic development processed
	Humanitarian assistance	100% of approved disbursement for humanitarian assistance processed	100% of approved disbursement for humanitarian assistance processed	100% of approved disbursement for humanitarian assistance processed	100% of approved disbursement for humanitarian assistance processed
	Capacity-building	100% of approved disbursement to support capacity-building processed	100% of approved disbursement to support capacity-building processed	100% of approved disbursement to support capacity-building processed	100% of approved disbursement to support capacity-building processed
	Cooperation with other countries and partners in various areas of development	100% of approved disbursement for cooperation with other countries and partners in various areas of development processed	100% of approved disbursement for cooperation with other countries and partners in various areas of development processed	100% of approved disbursement for cooperation with other countries and partners in various areas of development processed	100% of approved disbursement for cooperation with other countries and partners in various areas of development processed
	Post-Conflict Reconstruction and Development (PCRD)	100% of approved disbursement for PCRD processed	100% of approved disbursement for PCRD processed	100% of approved disbursement for PCRD processed	100% of approved disbursement for PCRD processed
Percentage of quarterly project progress reports	100% of quarterly project progress reports	100% of quarterly project progress reports	100% of quarterly project progress reports	100% of quarterly project progress reports	100% of quarterly project progress reports

PUBLIC ENTITY'S GENERAL INFORMATION

Registered name:	African Renaissance and International Cooperation Fund (ARF)
Physical address:	460 Soutpansberg Road Rietondale Pretoria 0084
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Telephone number/s:	+ 27 12 351 1000
Fax number:	+ 27 12 329 1000
E-mail address:	info@dirco.gov.za
Website address:	www.dirco.gov.za
External auditor:	Auditor-General of South Africa
Banker:	South African Reserve Bank
Advisory Committee Secretary:	ARF Secretariat

