



international relations & cooperation

Department:
International Relations and Cooperation
REPUBLIC OF SOUTH AFRICA

*A better **South Africa***

*A better **Africa***

*A better **world***

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SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
TOWARDS

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SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
TOWARDS



Minister Maite Nkoana-Mashabane
Minister of International Relations and Cooperation

FOREWORD

I have the honour to present the Revised Strategic Plan 2015–2020 and the Annual Performance Plan (APP) 2017–2018 of the African Renaissance and International Cooperation Fund (ARF). This fund continues to be a significant instrument in the implementation of our country's foreign-policy imperatives, particularly our development cooperation on the African continent. This approach further entrenches South Africa's and the continent's development agenda, as both have symbiotic development trajectories for prosperity

One of the objectives of the ARF is our commitment to promote democracy and good governance, which are crucial in pursuit of economic prosperity. Thus, the holding of regular elections that are free and fair throughout the continent will strengthen public participation in the administration of those countries' affairs and choose leaders through their own volition. In this regard, the ARF will continue to support the Southern African Development Community election observer missions.

Capacity-building continues to be a focus area for the ARF. For Africa to prosper, we need to further strengthen our governance institutions and improve efficiency and effectiveness in the management of economic and social affairs.

Furthermore, the ARF provides support to the implementation of the aspiration of Agenda 2063 of silencing the guns by 2020. We work through the African Union collective and upon request from bilateral

partners to assist in peace-building and peace-making efforts in Africa. Consequently, South Africa stands ready to participate in post-conflict reconstruction and development through deployment of its limited financial resources.

It must also be underscored that the current climate, which is characterised by erratic weather conditions, provides fertile ground for natural disasters and disease, as well as posing a threat to food security. As such, through the ARF, South Africa will work with other countries and partners to provide temporary relief and contribute in building the required capacity for long-term solutions.

Evidently, the ARF's configuration of its indicators and targets is aimed at responding to the unpredictable political, social and economic developments in the world that impact negatively on the continent. As such, our policy of Ubuntu and ideals of Pan-Africanism enjoin us to be responsible global citizens and contribute to the stability, peace and prosperity of South Africa, the continent and the world.

Additionally, in light of our previous contribution to the continent, it will be prudent that our efforts are more geared towards strengthening programme monitoring and evaluation mechanisms. This will enable us to further assess gaps and challenges and improve the development assistance as well as collaboration on the continent.







OFFICIAL SIGN-OFF

It is hereby certified that these Strategic and Annual Performance Plans:

- were developed by the management of 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 2016/17.

<p>Chief Financial Officer: Deputy Director-General: Mr C Ramashau</p>	<p>Signature: </p>
<p>Official responsible for planning: Head of Operations, ARF: Ms D Mathlako</p>	<p>Signature: </p>
<p>Accounting Authority: Director-General: Mr KE Mahoi</p>	<p>Signature: </p>
<p>Approved by: Executive Authority: Minister Maite Nkoana-Mashabane</p>	<p>Signature: </p>





GIFT OF
SOUTH AFRICA

GIFT OF
SOUTH AFRICA

Production date:
08/2017



REPUBLIC OF SOUTH AFRICA

PRODUCT: BLACK EYE COW PEAS
BATCH NO: AS2001
EXPIRY DATE: 07/2017
NETT WEIGHT: 5 kg
ORIGIN: SOUTH AFRICA
GRADE: 2
FBO CODE: 07353 07354
ADVANCE SEED
S JACOBS SEED COMPANY
KRUGER



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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

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

5. Updated situational analysis

5.1 Performance environment

The ARF is a foreign-policy instrument which supports South Africa's foreign-policy objectives. The ARF Act, 2000 (Act 51 of 2000) stipulates the activities that the funds should be utilised for. Loans or other financial assistance granted by the ARF must be in accordance with an agreement entered into between the Government of South Africa and the recipient country, excluding assistance for the promotion of democracy and good governance or the prevention or resolution of conflict.

The conduct of free and fair elections provides a yardstick to measure the quality of democracy in a country. Credible elections are the platform on which the populace partakes in democracy by electing representatives of their choice as public office holders. This process enhances the confidence of voters in democracy and





rekindles the prospect of consolidating democratic institutions, particularly in democratising states. Thirteen African countries will hold elections in the 2017/18 financial year, two of which are in the Southern African Development Community region.

The evasive state of peace and stability on the African continent remains a threat to the economic development of the continent and is a serious cause for concern. While great strides have been made in the past few years to bring about peace and stability, the remaining conflicts threaten regional stability. Compounding the conflicts are external power interests, which undermine regional attempts to end the conflict. The major hot spots where peace and stability are still sought are Libya, South Sudan, Democratic Republic of Congo and Burundi. South Africa's diplomatic efforts are heavily concentrated in these regions as they have the potential to unravel other already volatile regions and peace settlements. We are conscious of the fact that the repercussions for South Africa

would be detrimental to our economy, given the interconnectedness and interdependence with the continent. Importantly, these initiatives support Agenda 2063's Vision which aims to silence the guns on the continent.

A number of challenges on the continent still require and will continue to receive priority attention from the African Union, its regional economic communities and national governments. These challenges include, among others, the combating of unconstitutional changes in government, boosting local skills and technological capabilities, addressing the challenges posed by environmental and human-induced disasters, addressing prevailing socio-economic disparities compounded by youth unemployment and the marginalisation of women in economic activities and the securing of limited resources to implement African development initiatives.

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 the Department of International Relations and Cooperation (DIRCO) appointed by the Minister
- (c) two officers of National Treasury appointed by the Minister of Finance.

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

The DG has established a Secretariat consisting of officers to assist with the disbursement of the funds and 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 PCRDR





ZIMBABWE

NAMIBIA

COMMISSIONER

BOTSWANA



PART B

STRATEGIC OBJECTIVES

7. Strategic objectives

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE (2015 – 2016)	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 the reporting period Processed payments totalling R1 006 151,01 with respect to South African deployment of election observers to the Southern African Development Community elections observer mission in Mozambique (held in 2014/15), Tanzania and Seychelles	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 the reporting period Processed payment of R4 783 127,83 for the Africa Capacity-Building Foundation	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 the reporting period Processed payment of R6 333 023,43 for the implementation of the Cuban Medical Aid Project in Sierra Leone Processed several payments of R4 666 933,33 for the 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 the reporting period Processed payment of R32 500 000 for emergency-relief preparedness and response to the Ebola disease outbreak Processed payments totalling R48 168 012,34 for the Namibia Drought Relief Project	100% of approved disbursement for humanitarian assistance processed
To support cooperation between South Africa and other countries	Implement bilateral and trilateral cooperation agreements	100% of approved disbursements distributed during the reporting period. Processed payment totaling R27 119 915,46 for the Cuban Economic Package	100% of approved disbursement for cooperation processed
To contribute to Post-Conflict Reconstruction and Development (PCRD)	Support PCRD efforts on the continent	No disbursement requested during the reporting period	100% of approved disbursement for PCRD processed

8. Resource consideration

Overview of Budget and MTEF estimates

African Renaissance and International Cooperation Fund							
R million	Audited outcome			Revised approved budget estimate			Medium-term estimate
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue							
Entity revenue	93.6	112.5	143.8	76.9	21	7	7
Entity revenue other than sales	93.6	112.5	143.8	76.9	21	7	7
Interest earned – external investments	93.6	112.5	143.8	76.9	21	7	7
Unclassified revenue	-	-	-	-			
Other income	-	-	-	-			
Transfers received	485.4	277.6	145.6	0	22	40	40
Other government units	485.4	277.6	145.6	0	22	40	40
National government	485.4	277.6	145.6	0	22	39	47
Other government units	-	-	-	-			
Total revenue	579.0	390.1	289.4	76.9	43	46	54
Expenses							
Current payments							
Other			37.4				
Transfers and subsidies	41.3	189.9	161.8	0	22	39	47
Departmental agencies and accounts	41.3	189.9	161.8	0	22	39	47
Total expenses	41.3	189.9	198.8	0	22	39	47
Surplus	537.7	200.2	90.2	76.9	21	7	7
Statement of financial position							
Receivables and prepayments	195	205	211	204			
Cash and cash equivalents	1 865	2 205	2 339	2 422	1383	100	100
Total assets	2 060	2 410	2 549	2 626	1383	100	100
Accumulated surplus / (deficit)	1 470.6	1 612	1 562	1 826	1383	100	100
Trade and other payables	589.4	798	987	800	-	-	-
Total equity and liabilities	2 060.0	2 410	2 549	2 626	1383	100	100





9. Risk management

IDENTIFIED RISKS	MITIGATION STRATEGIES
Failure to honour full commitments caused by foreign exchange fluctuation, leading to loss of credibility and trust from partners institutions and countries	Encourage the pledging of assistance in Rand
Incurring irregular expenditure due to lack of operational policies and procedures for the ARF, as well as lack of human capacity, leading to non-compliance with applicable laws and regulations	<p>Adopt DIRCO operational policies, guidelines and procedures</p> <p>Amend DIRCO policies and procedure where required for the ARF</p> <p>Appoint a full-time Secretariat to manage the operations of the ARF</p>
Funds disbursed not utilised for intended purposes caused by lack of dedicated monitoring and evaluation personnel for ARF, leading to fruitless and wasteful expenditure	<p>Bilateral desks and missions provide monitoring and evaluation services</p> <p>Capacitate the ARF Secretariat by providing sufficient dedicated personnel to enhance operational capacity</p>
Lack of project management software	Use Microsoft Project Office to manage ARF projects





PROF JA TESHA

HE DR NC
DLAMINI ZUMA

HE MR J CHISSANO



PART C

**ANNUAL PERFORMANCE
PLAN 2017/18**

10. 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	2019/20
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 have been reviewed and submitted to committee meetings	Twenty-one project proposals have been reviewed and submitted to committee meetings	Thirteen project proposals have been reviewed and submitted to committee meetings	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF
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 Advisory Committee meetings to consider project proposals for recommendation	Four Advisory Committee meetings to consider project proposals for recommendation	Four Advisory Committee meetings to consider project proposals for recommendation	Four Advisory Committee meetings to consider project proposals for recommendation
Percentage of approved disbursement processed	Twenty approved ARF projects' disbursement processed	Thirteen approved ARF projects' disbursement processed	Fifteen approved ARF projects disbursement processed	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan

Percentage of active projects monitored for compliance with concurrence received	New indicator	100% of active projects monitored for compliance with concurrence received	100% of active projects monitored for compliance with concurrence received	100% of active projects monitored for compliance with concurrence received	100% of active projects monitored for compliance with concurrence received
Percentage of project oversight reports for active projects	New indicator	100% project oversight reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects
Percentage of closed projects with close-out reports	New indicator	100% of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports



2. Quarterly targets for 2017 – 2018

Performance indicators	Annual target	Quarterly target			
		1 st	2 nd	3 rd	4 th
Percentage of requests responded to for quality assurance and review of project proposals in preparation for the ARF Advisory Committee meetings	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF	100% of requests received responded to as per objectives of the ARF
Number of ARF structures and processes convened to identify and recommend projects in compliance with the ARF Act, 2000 and Public Finance Management Act, 1999	Four Advisory Committee meetings to consider project proposals for recommendation	One committee meeting	One committee meeting	One committee meeting	One committee meeting
Percentage of approved disbursement processed	100% of approved disbursement in the following areas processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan	100% of approved disbursement processed as per objectives of the project plan
	Democracy and good governance	100% of approved disbursement to support democracy and good governance processed as per objectives of the project plan	100% of approved disbursement to support democracy and good governance processed as per objectives of the project plan	100% of approved disbursement to support democracy and good governance processed as per objectives of the project plan	100% of approved disbursement to support democracy and good governance processed as per objectives of the project plan

	Socio-economic development	100% of approved disbursement to support socio-economic development processed as per objectives of the project plan	100% of approved disbursement to support socio-economic development processed as per objectives of the project plan	100% of approved disbursement to support socio-economic development processed as per objectives of the project plan	100% of approved disbursement to support socio-economic development processed as per objectives of the project plan
	Humanitarian assistance	100% of approved disbursement for humanitarian assistance processed as per objectives of the project plan	100% of approved disbursement for humanitarian assistance processed as per objectives of the project plan	100% of approved disbursement for humanitarian assistance processed as per objectives of the project plan	100% of approved disbursement for humanitarian assistance processed as per objectives of the project plan
	Capacity-building	100% of approved disbursement to support capacity-building processed as per objectives of the project plan	100% of approved disbursement to support capacity-building processed as per objectives of the project plan	100% of approved disbursement to support capacity-building processed as per objectives of the project plan	100% of approved disbursement to support capacity-building processed as per objectives of the project plan
	Cooperation with other countries and partners in various areas of development	100% of approved disbursement for cooperation with other countries and partners processed as per objectives of the project plan	100% of approved disbursement for cooperation with other countries and partners processed as per objectives of the project plan	100% of approved disbursement for cooperation with other countries and partners processed as per objectives of the project plan	100% of approved disbursement for cooperation with other countries and partners processed as per objectives of the project plan
	Post-Conflict Reconstruction and Development (PCRD)	100% of approved disbursement for PCRD processed as per objectives of the project plan	100% of approved disbursement for PCRD processed as per objectives of the project plan	100% of approved disbursement for PCRD processed as per objectives of the project plan	100% of approved disbursement for PCRD processed as per objectives of the project plan
Percentage of active projects monitored for compliance with concurrence received	100% of active projects monitored	100% of active projects monitored	100% of active projects monitored	100% of active projects monitored	100% of active projects monitored
Percentage of project progress reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects	100% project oversight reports for active projects
Percentage of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports	100% of closed projects with close-out reports



