

Establishment of SADPA

Presentation to the Portfolio Committee on
International Relations & Cooperation

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SA AND DEVELOPMENT COOPERATION

- SA engaging in development cooperation for many years, even before 1994
- Many national, provinces and local government structures engaged in development cooperation but no specific unit managing or facilitating implementation
- No overall development cooperation policy or coordination structures
- Different development partners access SA as a partner through different channels
- Impact of global financial situation – emphasis on improving effectiveness of programmes and reducing aid dependencies

SA AND DEVELOPMENT COOPERATION

- Development cooperation – a vehicle to advance South Africa's foreign policy to address challenges of poverty, underdevelopment and marginalisation in Africa and the South
- SA ideally placed to implement innovative and progressive approaches to development cooperation with Africa –
 - Not just as donor but as a development partner
 - Develop partnerships with all relevant stakeholders
- Current programmes include:
 - African Renaissance Fund
 - Programmes at National, provincial and Local level
 - IBSA Poverty Alleviation Fund
 - Multilateral programmes through concessional lending institutions such as AfDB and WB
 - SACU Agreements on revenue sharing
- Other South Africa partners
 - IDC
 - DBSA

REVIEWING SA DEVELOPMENT COOPERATION

- Earlier work on SADPA
 - National Treasury – conducted an extensive critique of ARF
 - DIRCO reviewed several countries Agencies, and the Development Model used, and made recommendations to DIRCO Management
 - DIRCO developed a conceptual framework and submitted to Cabinet
- Conceptual Framework approved by Cabinet on 2 December 2009

SADPA ORIENTATION

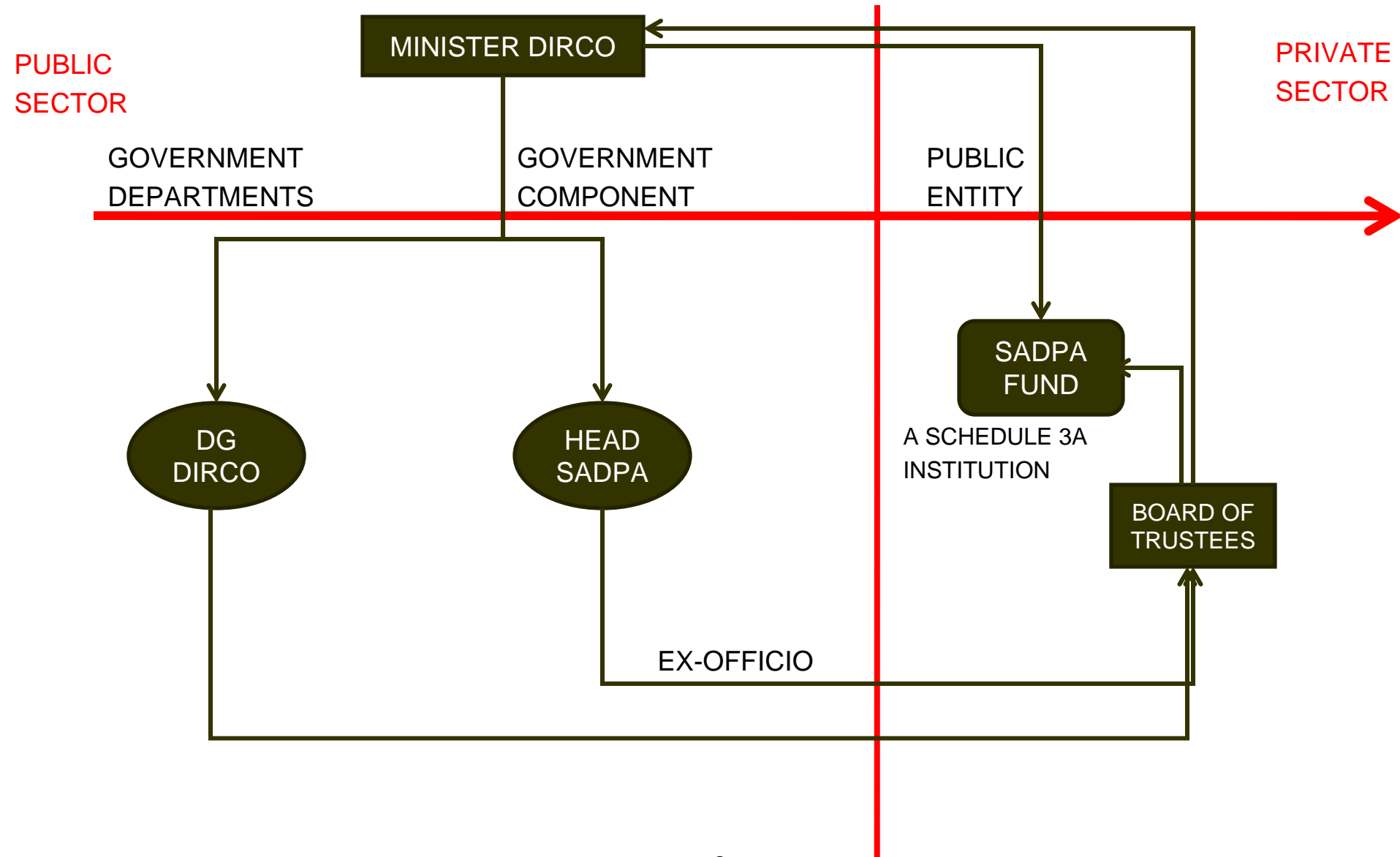
- Cabinet Decision
 - SADPA must be an entity within DIRCO
 - Established in terms of the Public Service Act
 - Staffed by combination of diplomats and technical experts
 - Financial arrangements need further attention
 - Cabinet agreed that the task of establishing SADPA vests with DIRCO Minister
 - DIRCO – working on proposals and models for the operationalisation of SADPA
 - Comparative study of other agencies – governance structures, legislative frameworks, organisational arrangements, etc.
- Guiding principles
 - Focus to be on integration rather than initiating a new process given that we have the ARF
 - SADPA will be established through a Bill and ARF Bill will be repealed
- SADPA will need systems and processes to engage in complex funding, financial and procurement arrangements currently not possible with DIRCO or ARF
- Need to assess and advise on appropriate model for SADPA

Proposal

Use model analogous to Govt. Pensions:

- **Retain Schedule 3A status** for the Fund
 - Repeal ARF and create SADPA Fund Bill (transitional arrangements to ensure continuity)
 - Board of Trustees supported by Technical Units
 - Good governance, financial management and procurement principles
- **Establish SADPA as Govt. Component** for purposes of administration of Fund
 - A separate component within ministerial portfolio
 - Minister could delegate oversight to one of the Deputy Ministers
 - Policy direction and oversight by DIRCO
 - Head of Component is the accounting officer

ORGANISATIONAL ARRANGMENTS



Process to Establish a Government Component

- EA may only request the establishment of a government component if the prescribed feasibility is conducted and its findings recommend the establishment of GC.
- Feasibility study includes:
 - Option analysis of organizational forms.
 - Business case of preferred option.
 - Government Notice.
- Inter-departmental Evaluation Committee makes recommendation.
- Minister for Public Service and Administration and Minister of Finance advise relevant EA on establishment and amendments to business case or Government Notice.
- DPSA process Proclamation to list in PSA.
- Principal department process Government Notice for Gazetting.