



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 23 October 2003 (24.10)
(OR. fr)**

13891/03

**ACP 125
COAFR 119**

COVER NOTE

from : Secretary-General of the European Commission,
signed by Ms Patricia BUGNOT, Director
date of receipt : 23 October 2003
to : Mr Javier SOLANA, Secretary-General/High Representative
Subject: Commission staff working document
– European programme for reconstruction and development
2003 mid-term review (COM(2003) 627 final)

Delegations will find attached Commission document SEC(2003) 1135.

Encl.: SEC(2003) 1135



EUROPEAN COMMISSION
DG DEVELOPMENT

Horn of Africa, East and Southern Africa, Indian Ocean and Pacific
Southern Africa

Brussels, 21.10.2003
SEC(2003) 1135

**Error! Unknown document
property name.**

COMMISSION STAFF WORKING DOCUMENT

EUROPEAN PROGRAMME FOR RECONSTRUCTION AND DEVELOPMENT

2003 MID-TERM REVIEW

(COM(2003) 627 final)

1.	INTRODUCTION	3
1.1.	South Africa – EC development cooperation	3
1.2.	Objectives of the mid-term review	3
1.3.	Country Strategy Evaluation – New Country Strategy Paper	4
1.4.	Joint assessment report	4
2.	NEW DEVELOPMENTS	5
2.1.	New developments in South Africa	5
2.2.	New EC policy initiatives	5
3.	ASSESSMENT	7
3.1.	Financial assessment	7
3.2.	Performance assessment – Focal areas	7
3.3.	Performance assessment – Cross-cutting issues	8
3.4.	Coherence and complementarity	8
3.5.	Implementation modalities	9
4.	FINDINGS AND RECOMMENDATIONS	10
4.1.	Findings	10
4.2.	Recommendations	10
4.3.	Amending Regulation 1726/2000	11
5.	CONCLUSIONS	13

ANNEXES

1. Executive summary and info sheet of the 2002 Country strategy evaluation
2. Summary of the 2003-2006 Multi-annual indicative programme
3. Joint Assessment of the 2000-2002 EPRD
4. EPRD Financial table
5. List of projects approved in 2000-2002

1. INTRODUCTION

1.1. South Africa – EC development cooperation

Development cooperation between the EU and South Africa began well before 1994 when the first democratic government came into power. Initially the European Commission supported non-governmental organisations opposing apartheid, from a budget line for “support to the victims of apartheid”. After 1994 when the first democratic government took office, the nature of cooperation with SA changed significantly. It has evolved to cover a wide range of issues in the Trade, Economic, Political, Development, Science and Technology, Fisheries and Cultural fields.

In the field of **development cooperation**, substantial resources were mobilised for the new democratic government, in support of its Reconstruction and Development Programme (RDP), the first policy framework for transforming social, economic and political structures to redress inequalities of the past and to create sustainable growth. In order to emphasise its support to this programme, the European cooperation scheme was called the **European Programme for Reconstruction and Development (EPRD)**.

Almost simultaneously, negotiations began, leading to the signing in 1999 of the Trade, Development and Cooperation Agreement (TDCA), which forms the framework for SA – EU development cooperation. **Regulation 1726/2000** of the European Parliament and the Council on development cooperation with South Africa forms the legal basis.

Article 1 of the Regulation states that “The Community shall implement financial and technical cooperation with South Africa to support the policies and reforms carried out by the South African authorities in a context of **policy dialogue and partnership**”. It defines the aim of the Community cooperation programme (EPRD), as follows: “to contribute to South Africa's harmonious and sustainable economic and social development, through programmes and measures designed to reduce poverty and encourage economic growth, which benefits the poor, and to its continued integration into the world economy and to consolidate the foundations laid down for a democratic society and a state governed by the rule of law in which human rights and fundamental freedoms are fully respected.” The Regulation also lays down the areas of co-operation, determines implementation principles and procedures and the decision making processes. It earmarks a reference amount of 885.5 million Euro for the period 2000 - 2006.

1.2. Objectives of the mid-term review

Regulation 1726/2000 requires the Commission to submit a mid-term review to the European Parliament and the Council by 31 October 2003. The review must bear on the implementation of the first three-year programme 2000 – 2002. The objective of the mid-term review is to determine the extent to which the EPRD has contributed to aim of Regulation 1726/2000, as stated above.

Analogous application of Annex IV to the **Cotonou** Agreement (which does not apply to South Africa) suggests that the mid-term review should lead to a decision to maintain or amend the Regulation “where operational reviews indicate specific problems and/or in the light of changed circumstances”¹

1.3. Country Strategy Evaluation – New Country Strategy Paper

A Country Strategy evaluation was conducted in 2002². It covered SA-EC cooperation in the period 1997 to 2002. The 1997-1999 MIP was covered in terms of impact, the 2000-2002 MIP was dealt with in terms of relevance. Although not all the findings and recommendations of this evaluation were fully endorsed by the two partners, they are relevant to the present mid-term review.

The new CSP/MIP was finalised at the end of 2002. It built on the Evaluation and has a well-developed chapter on assessment of past and ongoing cooperation, including an analysis of results and an overview of the interventions by sector. In addition it has an analysis of the political and economic situation of the country. The new CSP/MIP follows the new common strategy framework adopted for the EC external relations and the main principles of ACP country Strategy Papers and National Indicative Programmes.

1.4. Joint assessment report

Regulation 1726/2000 clearly states that the Commission shall submit to the European Parliament and the Council a mid-term review by 31 October 2003. However, based on Article 82 of the TDCA that provides for joint monitoring and evaluation, the Delegation and the South African NAO services decided to jointly undertake an assessment of the EPRD. This assessment was conducted by an independent South African consultancy team. Although the assessment had to be completed within a very short time, its findings and recommendations offer valuable insights into the results and implementation mechanisms of the EPRD.

¹ This is consistent with the provisions of article 9.3 of the Regulation, which stipulates that “if necessary the Commission will propose amendments to this Regulation taking into account the implications for south Africa of the new ACP-EU arrangements.”

² The South Africa Country Strategy Evaluation was the first of its kind, under a new methodology adopted by the Board of EuropAid, based on “evaluative questions”.

2. NEW DEVELOPMENTS

2.1. New developments in South Africa

While most of the South African legal instruments for the reform of the state were in place when Regulation 1726/2000 was adopted, a few significant new **domestic** developments have occurred in the country. Among those relevant to European cooperation with the country, the following are worth mentioning:

- The implementation of a decentralised system of government and the concomitant increasingly important role played by provinces and municipalities in service delivery.
- The growing disharmony, given the gravity of the situation, between public opinion and government policy regarding treatment of HIV/AIDS, in particular the provision of anti-retroviral drugs.

New developments brought about by **regional and external** events include:

- The political, economic and humanitarian crisis in Zimbabwe.
- The resolution of the civil war in Angola.
- The headway that is being made in finding peace in the Great Lakes region (including in the Democratic Republic of Congo), a process that began in earnest in 2001.
- The launch of the African Union in 2001 with SA as its first chair.
- The adoption of the New Partnership for Africa's Development's policy framework by the Heads of State Implementation Committee (HSIC) on 23 October 2001.
- The World Conference on Racism and Xenophobia held in Durban in August – September 2001.
- The World Summit on Sustainable Development, which was held in Johannesburg in September 2002.

Whilst the importance of these events is acknowledged, it is felt that they do not require amendments to the EPRD Regulation, which has sufficient flexibility to adjust to the changes that may affect cooperation with South Africa. Indeed, the new 2003-2006 MIP gives priority, *inter alia*, to the fight against HIV/AIDS, water, decentralisation, regional cooperation and integration, including Nepad. Concerning decentralisation in South Africa, article 4 of the Regulation allows for cooperation with a wide spectrum of cooperation partners.

2.2. New EC policy initiatives

Since the signing of the TDCA and the adoption of Regulation 1726/2000 a fair number of new EC initiatives and policies related to development cooperation have seen the light of day, including some affecting South Africa directly.

- The Cotonou Agreement, to which South Africa is a signatory party with qualified membership, signed on 23 June 2000.
- The signing of the Wine and Spirits Agreements in January 2002.

- The adoption of the Joint Council and Commission Declaration on the European Community's Development Policy (November 2000).
- A number of Communications from the Commission to the Council, including on health, communicable diseases, the environment, gender, information and communication technology, education, water, rural development, trade and development, migration and the forthcoming communication on governance.
- In the course of the years 2000 to 2002 the number of ratifications of the TDCA notified to the Council has risen steadily, to a total of ten today. In most other countries the ratification process is well advanced³.
- On 16 April 2003 the European Union signed in Athens the Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

The **Cotonou Agreement** and the TDCA originated around the same period and clearly reflect the same thinking on development policy and priorities. The Cotonou Agreement gives precedence to the TDCA and its Protocol No 3 clearly indicates which articles apply to South Africa. It does not require major adjustments to the Regulation, except on some of the implementation modalities (see below, section 4.3).

The signing of the **Wine and Spirits Agreements**, on the other hand, has triggered the application of Annex X of the TDCA. In terms of development cooperation this implies support to the restructuring of the Wine and Spirits sector and a corresponding increase of € 15 million in the reference amount mentioned in the Regulation.

The new 2003-2006 MIP illustrates that the aims and priorities of Regulation 1726/2000 are such that the new policy developments in recent Commission Communications can be taken into account. The new programme includes gender and the environment as cross-cutting issues, education, and water as part of the focal areas. Information and communication technology is addressed at the regional level. The very recent communication on **migration** (adopted after the negotiations for the new MIP) requires further study and the elaboration of guidelines, for which South Africa has been chosen as a case study.

In the light of the need to strengthen coherence between the **Trade and Development** chapters of the TDCA, the Commission Communication on Trade and Development, the Doha Development Agenda and the start of the negotiations for the establishment of EPAs, there seems to be a case for enhancing the link between development cooperation and trade. The new 2003-2006 MIP already states that "the EC will continue to promote trade and investment between SA and the EC. The overall TDCA review, planned within 5 years from the signing of the agreement, could be an occasion to provide an analysis of the impact of the agreement on investments and trade between SA and EU, and SA and other developed and developing countries. On this basis programmes could be elaborated for the promotion of foreign investments in South Africa and of exports from SA to the EU and other parts of the world.

³ On 18 July ten countries had notified ratification instruments to the Council : Belgium, Denmark, Germany, Spain, Ireland, the Netherlands, Portugal, Finland, Sweden and the United Kingdom.

3. ASSESSMENT

3.1. Financial assessment

As shown in the table below, commitments have systematically amounted to approximately 100% of the total budget allocation available. Disbursements have risen consistently over the last years and are now nearing the level of commitments.

Overall EPRD Financial Flow Pattern
In million euro

<i>Year</i>	<i>commitment</i>	<i>disbursement</i>
1995	125.0	45.59
1996	129.6	29.12
1997	127.5	60.20
1998	127.5	71.98
1999	127.5	99.95
2000	123.5	105.00
2001	121.8	110.00
2002	127.0	117.00
<i>Total</i>	<i>1009,4</i>	<i>638.9</i>

The significant progression in the level of disbursements since 1999 and the continued progress in disbursement over the period 2000-2002 are contributing to a gradual reduction of balances stemming from commitments made in earlier years which at the end of 2002 amounted to € 400 million.

For the years 2000-2002 payment to commitment ratio has risen to 87% (see table in annex 5). This notwithstanding, the RDP Fund (an imprest account managed by National Treasury) holds at any time about 30%-40% of payment credits for a given year which are transferred to the departments after some time only, reflecting the operational mechanisms of the advance payment system that is used for most projects.

3.2. Performance assessment – Focal areas

The joint assessment report produced by the Delegation and the NAO (see executive summary in annex 3) concludes that

- all interventions under all focal areas are relevant to the priorities of South Africa and that
- the effectiveness and impact of EPRD interventions to date has been mixed, with some interventions experiencing serious deficiencies in effectiveness.

This conclusion corresponds with the overall findings of the Country Strategy Evaluation of 2002, which states that generally EPRD interventions are relevant to the needs of South Africa and that the overall EPRD strategy is sound. It also states that effectiveness is often faced with capacity constraints and with delays arising from rigorous clearance procedures. It is too early yet to measure impact of the 2000-2002 programme.

Concerning the focal area “Regional Cooperation and Integration”, the joint assessment report states that “the extent to which the EPRD has contributed to regional cooperation through support initiatives could not be quantified by the review because of not having access to relevant documentation and the centralisation of SADC activities at the SADC Secretariat in Botswana”. Among the findings, it indicates that “The lack of clarity around support to regional programmes through the EPRD has contributed to the low levels of performance of the regional component of the EPRD”.

There is little doubt, however, that other elements are at play. The Country Strategy Evaluation concludes that EPRD regional programmes have contributed to promoting regional integration, but that implementation has been unsatisfactory and that a clear strategy is missing. Regional cooperation and integration have also suffered from poor communication between the South African NAO and the SADC RAO. The evaluation recommends making a **more strategic use of the instrument of regional cooperation across EPRD sectors**, with a view to ensuring that the regional dimension is integrated in all focal areas. An additional problem is that the legal interpretation of the regional EPRD is that it is only applicable where the regional programmes benefit South Africa directly, as opposed to benefiting the region, including SA.

3.3. Performance assessment – Cross-cutting issues

The joint assessment report concludes that integration of crosscutting issues gender and the environment is mixed and could be improved. Integration of **capacity building** as a crosscutting issue is judged more positively.

The Country Strategy Evaluation does not explicitly deal with the integration of cross-cutting issues, but recommends addressing cross-cutting constraints, in particular capacity building, with civil society organisations and with provincial and local government, as well as tackling the expected impact of **HIV/AIDS**.

3.4. Coherence and complementarity

The joint assessment report states that the degree of coherence between not only the focal areas but also the projects and programmes that have been supported is beyond question, but points out that stronger synergy between projects and programmes remains possible. The report also gives the Commission **good marks for donor coordination**.

The Country Strategy Evaluation also praises the Delegation’s efforts of donor coordination in the framework of the EPRD as very good, but recommends extending donor coordination to the provincial level and improving coordination with key non-EU donors.

3.5. Implementation modalities

The joint assessment report highlights a number of implementation modalities and/or obstacles that need to be addressed:

- The **positive effects of sector-wide programmes**, funded preferably through budget support. South Africa has an outstanding public expenditure framework and sound public finance management. This makes the country an excellent partner for sector-wide programmes and for funding through direct budget support. Article 4.2.a) of Regulation 1726/2000 provides for this possibility. The new 2003-2006 MIP stresses the need to shift from project-based interventions to a sector-wide approach and budget support. However, donor contribution is very small part of the total South African budget, so leverage is limited. This calls for more efficient ways of conducting policy dialogue. On the positive side, our contribution in the field of water and sanitation has been decisive, not only in terms of financial contributions, but also strategically. Budget support can be very useful to improve policy dialogue and to provide the country with technical assistance, best practices and exchanges. In addition, budget support is considered a valuable approach in a result-oriented perspective, allowing performance and impact to be measured effectively.

The sector-wide approach and budget support need not be limited to the national budget, but can also be extended to the local (provincial or municipal) level

- The lack of synchronisation between the duration of the Regulation and the three-year indicative programmes.
- Problems at funding regional projects and programmes from **a mix of EDF and EPRD budgets**.
- European Commission procedures, which are often considered cumbersome: **tendering and procurement**, processing of **financing agreements and riders**. In addition, capacity constraints exist with several implementing bodies. Serious difficulties also arise because Commission procurement rules are incompatible with the South African procurement preference given to Black Economic Empowerment companies.
- Although difficulties were experienced from 2003 onwards only, the report also discusses the introduction of the **new Financial Regulation**, with its limitation on the effective life span of projects and programmes, and the Commission's initiatives to de-commit unspent and dormant balances on older or slow-performing projects. In the report, the National Authorising Officer regrets the "**unilateral way**" in which these new rules were imposed and recommends compensation for de-committed balances, a course of action which is not compatible with the new financial regulation.
- Finally the report refers to the support programme for the South African Wine and Spirits industry.

4. FINDINGS AND RECOMMENDATIONS

4.1. Findings

A summary of the joint assessment report's findings is as follows:

- The EPRD is relevant to the policies, strategies and development priorities of South Africa. It is contributing positively to the reduction of poverty, private sector development and the integration of SA into the global economy and the region, and to the consolidation of the rule of law and the promotion of human rights. This performance is limited by constraints that are internal to the programme.
- The EPRD is coherent, but the level of active complementarity amongst EPRD-funded initiatives needs to be improved.
- Sector support, in the form of sector-wide approach and budget support, has a potential to improve the quality of development co-operation.
- Focusing on project design and improving processes associated with procurement and tendering, project start-up and riders could improve the efficiency of projects. The project management capacity of implementing agencies needs to be enhanced.
- The policy of de-commitment makes good sense for improved financial management, but the manner in which the policy was first introduced to SA was perceived by the South African National Authorising Officer as going against the letter and spirit of the Regulation.
- Better operational guidelines can take away uncertainty and unpredictability.
- The lack of clarity around support to regional programmes through the EPRD has contributed to the low levels of performance of the regional component of the EPRD.
- The EPRD has performed well in its efforts at integrating capacity-building across projects/programmes. However, the building of institutional capacity to ensure sustainability of project outcomes needs to be improved. The integration of gender and the environment needs closer attention, and clear strategies must be devised to address these issues from planning to implementation.

4.2. Recommendations

The joint assessment report then goes on to make certain **recommendations** to improve the working relations in Pretoria and address implementation problems:

- The EC Delegation and National Treasury should jointly initiate a process of reviewing processes associated with procurement, disbursement, communication, approval of workplans and project start-up, as well as project design and appraisal

processes. The **deconcentration** process should facilitate the adoption of streamlined business processes by the EC Delegation in SA.

- National Treasury should consider introducing **annual joint consultations** with all donors active in South Africa.
- The sector-wide approach should be expanded both at a national and local level.
- Project designs should include a result area focusing on capacity building of Programme Management.
- The EC and National Treasury should review criteria used to evaluate project designs and ensure that the process is more rigorous. Space should be allowed for re-aligning designs as part of the annual work planning process and mid-term reviews. Project/programme designs should include a result area for integrating crosscutting issues, particularly gender and the environment.
- The EC and National Treasury should jointly develop criteria for de-commitment of monies under slow-performing projects and programmes that have not expired. This process of de-commitment should be applied in a manner that facilitates the development cooperation partnership.
- The EU and National Treasury should consider organising regular gatherings (e.g. bi-annually) that bring together all EU-funded projects and programmes in SA.

4.3. Amending Regulation 1726/2000

The report also recommends changes to Resolution 1726/2000:

- Allow four-year Multi-Annual Indicative Programmes (Article 6).
- Specify the level of EPRD and EDF contributions to regional programmes and the kind of mix to be ensured at project/programme, budget year or MIP levels (Article 7.2). This would resolve the ambiguity in the Regulation between the aims as stated in Article 1 (suggesting that South Africa be the sole beneficiary of the EPRD) and the focal areas as laid down in Article 2.2, which include “regional cooperation and integration” (suggesting that EPRD monies also be spent outside South Africa).
- Include the additional amount of € 15 million for the restructuring of the Wine and Spirits industry in the reference amount (Article 10.1).

In addition to the amendments suggested in the report, the following points need to be addressed:

- For the funding of sector programmes to be made as flexible as needed, the ambiguity in the wording of Article 4.2.a) (“... including direct targeted budget support”) must be lifted.
- The words “Lome Convention” (Article 7.2.) must be replaced with “Cotonou Agreement”.

- The “Geographically competent committee” referred to in Article 8 needs to be established.
- In line with the implementation rules under the Cotonou Agreement, the ceiling of € 5 million in Article 8.6. needs to be raised to € 8 million.
- Article 4 (2) needs to be brought in line with the new Financial Regulation.

5. CONCLUSIONS

On the basis of the findings of the joint assessment report, of the Country Strategy Evaluation and of assessments made in the new 2003-2006 Indicative Programme, it can be concluded that

- The 2000-2002 EPRD is relevant to the needs of South Africa. It has contributed positively to the reduction of poverty, private sector development and the integration of SA in the global economy and in the region, and to the consolidation of the rule of law and the promotion of human rights.
- Effectiveness of the programmes is moderate to good but can be improved through better programme design.
- Financial performance is mixed and needs to be improved through more systematic capacity building, improved absorption capacity and tighter financial management.
- Where possible, a sector-wide approach should be adopted in key sectors in conjunction with other donors.
- Increasingly EC funds should be directed through national and provincial budgets rather than as project-type assistance.
- The recommendations of the assessment report to improve working relations and implementation modalities provide a good basis for the delegation and the NAO services in Pretoria to work from.
- Improving the effectiveness of the EPRD in regional co-operation is a priority. Clarifying the wording of the Regulation (see below) will help, but implementation mechanisms and coordination with SADC need to be improved.
- Stronger links and better coordination between the Trade and Development chapters of the TDCA need to be developed.
- Regulation 1726/2000 remains a satisfactory framework and legal basis for EC-South Africa cooperation and does not need an in-depth overhaul. It needs to be amended on the technical points mentioned in chapter IV.

Evaluation of the European Commission's

Country Strategy for South Africa:

Final Report



OVERSEAS

1.1.1.1. DEVE
LOPM
ENT

EUROPEAN CENTRE

FOR DEVELOPMENT

POLICY
MANAGEMENT

EXECUTIVE SUMMARY

The executive summary introduces the background to the current situation (A.1), explains the evaluation methodology and presents our main findings on the questions asked (A.2), and gives our conclusions and recommendations (A.3).

1 Background and objectives of EU co-operation with South Africa

Since 1994, when South Africa held its first democratic elections after 50 years of apartheid, the political transition of the country to an open and democratic society has made considerable progress. Huge inequities in access to essential social services for disadvantaged populations have been tackled head-on. Key assets, such as transport infrastructure and universities, have been preserved. Trade flows with the EU significantly increased in 2000. South Africa's Civil Society is probably the most vibrant in Africa, and has taken an active part in development programmes.

If the opportunities are considerable, so are the challenges. The level of income inequality is still among the highest in the world. Expectations among the 50% of the population living on or below the poverty line are high, and emigration to urban centres is massive. The national policy of decentralising powers to provincial and local governments faces a lack of capacity and resources. Statistics on HIV/AIDS and crime rates are also among the highest, adversely affecting the confidence of skilled professionals and investors. The national unemployment rate is rising significantly. The democratic foundations of society need consolidating and effective governance needs promoting at all levels.

The SA government's key priorities are set out, firstly, in the Reconstruction and Development Programme (RDP), an integrated, socio-economic policy framework created to dispel the effects of apartheid. Secondly, macro-economic strategy is defined in the Growth, Employment and Redistribution (GEAR) programme and, thirdly, the Medium Term Expenditure Framework (MTEF) sets out budgetary priorities and gives three-year projections of resources available to meet policy commitments. Since 1994, SA has sought greater integration in the world economy.

EU co-operation is based on the assumption that SA is a pole for stability and growth in the Southern African region which deserves to be supported and strengthened. Although total donor assistance to South Africa represents less than 3% of the national budget, the Government greatly appreciates its benefits.

EU-funded projects actively supported many Civil Society initiatives during apartheid, contributing to the its downfall. Since 1994, The Commission has helped the Government to establish its new policy framework in key sectors such as education and health. In 1996, the European Programme for Reconstruction and Development was intended to improve the focus of assistance and to support the RDP. The first MIP (Multi-annual Indicative Programme), covering the period from 1997 to 1999, focused on the four priorities of (1) basic social services – health, education, water and sanitation; (2) private sector development; (3) regional co-operation, and (4) good governance and democratisation.

That MIP was reviewed by a first Country Strategy Evaluation in 1999. Among other recommendations, that Evaluation stressed the need for the Commission to become a

knowledge-based donor, to strengthen its support to Government and Civil Society, and to enhance donor co-ordination. The Commission adopted these recommendations. It has strengthened its Delegation, supported the National Authorising Officer, and improved complementarity with other donors. Limited progress has been made towards a fourth recommendation, which was systematically to *monitor programmes' achievement* of their objectives.

In January 2000, the Trade, Development and Co-operation Agreement (TDCA), a comprehensive co-operation framework between the EU and South Africa, took provisional effect. The Agreement emphasised *poverty reduction* as a key cross-cutting priority and stressed the importance of policy dialogue and partnerships. Its Title V outlined the main development co-operation objectives as (1) support for the development of employment and enterprises; (2) progressive integration of the country into the regional and world economy; (3) enhancement of living conditions and delivery of basic social services, and (4) democratisation; the protection of human rights; sound public management; the strengthening of civil society, and its integration in the development process.

A second MIP worth € 340 million, reflecting the TDCA agenda, was adopted for the period 2000-2002 covering poverty reduction, private sector development, consolidation of democracy and support to regional co-ordination and integration.

2 *Evaluation Methodology, Questions and Findings*

This Evaluation piloted a new methodology based on 'evaluation questions', 'judgement criteria' and 'indicators', which the Commission hoped would provide evaluators with more accurate guidelines and a better focus for the fieldwork. The 'evaluation questions' reflected the priorities of both MIPs, and focused particularly on the impact, relevance, efficiency and effectiveness of programmes. Draft questions were prepared by the EuropeAid Evaluation Unit, and were finalised through discussions within a Steering Group representing the various interested Commission Directorates-General and the Delegation to South Africa.

The lack of a comprehensive monitoring instrument was found to be a constraint on the team's capacity to review programmes.

The 'evaluation questions', in slightly abbreviated form, together with a summary of the main findings of the Evaluation, are presented below.

Group 1 – Social services (education, health, water and sanitation, housing)

Has EU support to education, health, water and sanitation, urban development and housing helped redress social inequalities?

The Commission successfully provided examples of good practice, and the multiplier effect led to good impact and value for money. Some key priorities were more substantially funded, rapidly improving results in various institution- and capacity-building programmes in the labour market sector, though it is too soon fully to assess impact. EU contributions were generally well focused. Provision of enhanced social services has a largely 'indirect' impact, improving the environment for the fight against poverty and inequity. There is a risk of increased dependency on social welfare if such

programmes are not associated with more ‘direct’ measures on, for example, private sector or local economic development, or work schemes [].

How far have EU (co-)financed or supported measures contributed to improved policymaking and service delivery by key institutions in the social services sector?

Sector Support Programmes make up by far the largest part of SA Departments’ social services funding (except for Urban Environment), contributing, for example, 52% of funding in the Health sector. Within that sector, lessons learned from earlier projects were incorporated in the new ‘Partnerships for Delivery of Primary Health Care including HIV/AIDS’ programme, and similar approaches in Water and Housing all contributed to improved policymaking. There was no such evolution in the Education Sector, since it was not funded under the 2000–2002 MIP. In some sectors (Labour Market Skills, South African Qualifications Authority, Water & Sanitation) the national priority has been raised as a direct result of EU support, though sustainability of some core organisations still depends on donor funding, and the dissemination of such ‘best practice’ outside EU (co-) funded programmes is doubtful. Lack of recipient capacity and ‘cumbersome’ EC procedures have sometimes delayed delivery and limited policy dialogue (library books) [].

Group 2 – Human rights, Democracy & governance, Civil society

How far have EU supported measures and policies helped develop a human rights culture based on the rule of law with democratic institutions and processes, and strengthened civil society organisations?

The EU has had an impact on cultural change, mainly through the increasingly strategic management of resources. The priorities have been right and there has been a gradual move towards more integrated sector support and a combination of demand-led and supply-driven approaches. There has been a more comprehensive approach to the development of civil society, coupled with a systematic focus on institutional development and sustainability. However, impact has been limited; beneficiary capacity and administration are weak, and the EU has a broad and scattered portfolio. There has also been a lack of monitoring and evaluation of the results of programmes [].

How far have EU-supported measures and policies contributed to improved governance benefiting previously disadvantaged populations?

Governance has not been a primary target of the MIPs, resulting in a lack of definition and overall strategy with a tendency to a ‘project’ rather than an ‘integrated programme’ approach. Dialogue with Government was limited, and the EU appeared to lack knowledge as to how to promote governance as a cross-sectoral issue. However, some projects aimed to improve financial management in the public sector; promote good governance at local level, and support specialised ‘watchdog’ institutions, and governance issues have been integrated in other programmes and sectors, achieving some impact. Some elements of a potential strategy for governance were identified, including: the need for a multi-dimensional approach, aimed at national, local and civil society levels; the inclusion of ownership, participation and capacity-building as cross-cutting concerns, and a focus on local governance as a key issue in the fight against poverty. Pilot projects tested new local government practices, public/civil society organisation

partnerships and new roles for civil society, together with support for watchdogs and think-tanks and a concern that EU should promote co-operative governance [].

Group 3 – Employment creation & income generation

How far have EU (co-)financed or supported measures contributed to generating sustainable activities and increasing the income, particularly of the disadvantaged, in SMEs, rural enterprises and farms ?

SA has one of the most unequal income distributions in the world, and unemployment is rising due to large job losses in primary industries and in agriculture. The increasing demand for higher level skills hits the most disadvantaged, especially the rural poor who are flooding into some large cities, putting additional pressure on social services. Private sector and local economic development programmes, together with those for labour skills development, contribute directly to poverty reduction by creating the environment and providing the instruments for income generation: they should be central to EU strategy. The private sector programme has benefited from lessons learned from earlier projects in designing the new Risk Capital Facility programme, in co-operation with the European Investment Bank. Private sector programmes worked through intermediaries so their impact could not easily be evaluated, but an organisation established by the Department of Trade and Industry reported that 745,213 jobs had been created between 1996 and 2001 through programme components partly supported by the EU. After a slow start, programmes are making progress, and potential beneficiaries are numerous. Local economic development programmes were not so successful. The promising Wild Coast Spatial Development Initiative has only recently started [].

To what extent are EU-supported measures (from 2000 onwards) helping increase the capacity of South African businesses to take advantage of the environment created by the Trade, Development and Co-operation Agreement?

Although the Agreement has still to be ratified by most EU Member States, trade between South Africa and the EU increased significantly in 2000. Its impact on job creation for the disadvantaged has yet to be assessed. From 2000 onwards, only the regional Botswana, Lesotho, Namibia and Swaziland programme will benefit from the Agreement; this programme is still in its start-up phase, and South African participation has been very limited [].

Group 4 – Regional co-operation & integration

To what extent has South Africa benefited from regional projects and programmes, and how far have European Programme for Reconstruction and Development funds for regional cooperation and integration under the Multi-Annual Indicative Programme contributed to economic and social development of the Southern African Development Community, and of the Southern African Customs Union which faces the challenges and opportunities of the Trade, Development and Co-operation Agreement?

The only obvious beneficiary of regional measures was the Drugs Control programme, though it is too early to assess its impact. Other programmes have been held back by slow procedures or lack of commitment and ownership. Weak capacity at the *Southern African Development Community* Secretariat in Gaborone has been strengthened by its Finance and Investment Sector Co-ordination Unit's support to political decision-making for financing and investment regulatory framework, which should lead to a Protocol. All other programmes are at too early a stage for evaluation [].

Group 5 – Policy dialogue & Implementation Issues

How far has global and sectoral policy dialogue and strategy formulation with the South African Government improved over the previous Multi-Annual Indicative Programme, and to what extent has improvement contributed to better programme definition and implementation?

The Commission has supported the National Authorising Officer and strengthened its Delegation, which has significantly improved co-ordination capacity and enabled coherent support to be given to SA strategy, with the emphasis on sector support. The Government still values what donors can offer (ideas, best practice, lessons learned) and the catalytic and leverage effects of donor funds. However, progress is needed to tighten up the terms of sector support, for example through better performance indicators, and through more attention to implementation issues. In the context of co-operative governance and decentralisation, there is a need for broader consultation. The lessons learned by the Commission from earlier projects have been integrated into the design of new, improved programmes (Health, Private sector development). Existing projects are being reviewed and/or redesigned to reflect the move towards sector support and more integrated approaches at local level. The statistics of need justify focusing programmes on the three large deprived provinces of Eastern Cape, KwaZulu-Natal and North (Limpopo). On the other hand, there is inadequate harmonisation between various sectors and between levels of Government, where there is a lack of provincial and local capacity [].

How far has the way EU-supported activities have been implemented helped the achievement of programme objectives?

Implementation and delivery face a number of crosscutting constraints, including lack of capacity at all levels, lack of provincial co-ordination, and difficulties in following EC procedures. Public/civil society organisation partnerships and decentralisation have been actively and rightly promoted by the Commission, but too often face very weak local civil society organisations. Similarly, most local governments seem ill-prepared to assume the development responsibilities provided by new legislation [].

Donor mix has been actively promoted by the Delegation, with all MIP sectors except Education and Urban Development benefiting from co-ordinated funding with various Member States or with others (USA and Japan in Health). Commission initiatives in co-ordination and co-funding are highly appreciated by all donors, though the Evaluation found no evidence that this had achieved significant impact at programme level [].

Internal mixing of funding instruments was not satisfactory in regional programmes. The limited implementation of sector approaches makes it hard to assess their effectiveness compared with 'classic' projects, although the classic approach, predominant in the MIP 1997-1999, had major limitations of ownership, management efficiency, and sustainability. The Commission is commended for its creative, diversified and decentralised co-operation approach, based on a menu of strategic options. Yet two major concerns arise. First, the Commission faces the challenge of updating its strategic approach to civil society in the light of major changes in the institutional environment (e.g. decentralisation, demand for good governance) and in the context of reinforcing the financial sustainability of civil society organisations. Second, there are fears that EU rules and procedures may inhibit strategic support for civil society [].

The effectiveness of sector support programmes largely depends on the capacity of the Departments concerned to deliver the expected services and accurately monitor progress. They have often needed more capacity. The best prospects for operational impact have been found in programmes using lessons learned from earlier projects (Health District

PHC, Risk Capital Facility) which, although fully endorsed, and co-funded, by the Departments concerned, are not sector support programmes [].

Sector-wide approaches and direct budget support appear more relevant than sector support programmes to enhanced policy dialogue, and most Departments plan them. This approach could also ensure future support and ownership by core institutions currently heavily funded by the EU, such as the SA Management Development Institute and the SA Qualifications Authority. However, a ‘textbook’ sector-wide approach would require enhanced capacities, probably restricting it to a few sectors, so flexibility would be needed. Furthermore, expectations of improved implementation and better cost-effectiveness through sector-wide approaches should be treated with caution, and budget support might only be effective in sectors where donors’ share is significant relative to the national budget [].

3. *Conclusions and Recommendations*

Conclusions

The EU has improved its capacity as a knowledge-based donor.

The current EU strategy is basically sound. Priorities are coherent with those outlined in the post-apartheid Reconstruction and Development Programme policy framework. The Commission has applied most recommendations from the earlier evaluation in 1999, in particular the much-needed strengthening in ‘specialist skills’, though often the knowledge rests with individuals rather than being institutionalised [].

The Commission has also incorporated the lessons learned from earlier ‘pilot’ projects into an upgraded, comprehensive programme approach. However, dissemination of lessons learned outside EU programmes is not systematic, and capacity to ensure systematic monitoring of implementation is lacking [].

The EU has favoured policy dialogue and donor co-ordination.

Recommendations to improve co-ordination with Government and complementarity with EU Member States have been applied: donors ranked the Delegation ‘among the best’ in this regard. Sector support programmes have been initiated wherever feasible. Direct budget support and sector-wide approaches are being considered to improve dialogue and ownership further. Compared with its predecessor, the MIP 2000-2002 is a much more strategic and focused programme, based on an improved process of strategy preparation and including selection criteria for programmes as well as performance indicators for proper monitoring [].

Impacts achieved in most sectors, but further challenges require a results-oriented strategy.

Evidence of impact could be found in all main areas. Statistics confirm progress in most social services sectors, except where massive rural emigration creates ever-increasing needs. However, there are considerable challenges, which have been identified as priorities in the Government’s Medium Term Expenditure Framework, and which need to be considered as crosscutting constraints for the effectiveness of the programmes. These

include: the HIV/AIDS pandemic (projections for which make it arguably the most serious problems for SA in the short and medium terms); de-centralisation and local development; skills and capacity shortages, and the provision of a sustainable livelihood for the most disadvantaged.

Sustainable livelihood is meant to cover formal and informal employment, and income generation. Statistics indicate that the South African economy is still expected to grow at an average rate of 3.5% per year whereas 5 or 6 percent would be necessary to reduce the backlog of unemployment and poverty. The lack of security and the perceived potential instability of the country in the longer term, both linked to the lack of sustainable livelihood, are keeping investors away. The rapid process of urbanisation is another indicator of people 'running away from poverty' and of the related need to actively invest in jobs, local economic development, and supporting infrastructure as well as in the empowerment of people. The evaluation therefore feels that the scale of this last challenge, its potential consequences on most other focal areas, would indeed combine to place it at the very core of any future strategy, in coherence with Government policy [].

Recommendations

Define the strategy for the next MIP

Considering the challenges in the years to come, the strategy needs a sharper focus so as to impact directly on poverty reduction, in line with the Growth, Employment and Redistribution (GEAR) macro-economic strategy. To this end, the next MIP should:

- Structure the range of interventions around a much more sharply defined core theme of *sustainable livelihood* from which could be derived clearly identifiable and measurable overall objectives for all actions. Thus, all the components of the next MIP should make a specified contribution, whether direct or indirect, to creating or underpinning sustainable livelihoods. For example, social services delivery programmes should integrate a labour-intensive work scheme (Water & Sanitation being an example of good practice); a local economic development or private investment component, or at least clearly provide a environment conducive to income generation and job creation [].
- Categorise the interventions by implementation timescale in a two-pronged strategy (see Table 1), identifying separately short- or medium-term delivery programmes and longer-term ones intended to strengthen the economic assets and comparative advantages of SA by addressing the unique or specific features of poverty in South Africa [].
- Integrate all interventions in a framework, which must itself reflect good governance practice, with regard to both implementability and programme management and monitoring [].
- Address cross-cutting constraints, wherever possible co-funded or in cooperation with other donors, through: (i) *capacity-building for Civil society organisations*, (ii) *pilot provincial donor co-ordinating units*, (iii) tackling the expected impact of *HIV/AIDS*, through targeted programmes and/or by including relevant components in all programmes; (iv) investing in *capacity building for local governments* so they can

fulfil their role under the new legislation, with particular emphasis on promoting good local governance [].

- Maintain dual-track support to civil society non-governmental organisations (service delivery) and civil society organisations (‘watchdog’ functions) while improving dialogue and co-operation. Systematically seek to improve linkages between (i) different programmes across sectors; (ii) the key objective of poverty reduction and specific EC supported programmes such as the promotion of human rights; and (iii) between the three main components of EU relations with SA (trade, political cooperation and aid) [].
- Foster regional co-operation across the sectors covered by the European Programme for Reconstruction and Development, through developing the regional dimensions of a given policy objective (e.g. the safety and security sector) or promoting good practice on common themes in the region (e.g. in decentralisation, improving local governance) [].

Promote ‘best practice’

Compared to its predecessor, the MIP 2000-2002 adopted internationally-accepted good practices in aid delivery, including concern for ownership; integration of aid into an overall strategic framework; the systematic promotion of dialogue and public-private partnerships; the move towards sector (budgetary) support; a strategic approach to working with civil society, and a readiness to define performance criteria and to monitor their effective application. In the next MIP, this search for innovation and quality in aid delivery should be pursued. Key objectives in this regard include:

Conduct sector reviews of ‘weak performers’ to improve effectiveness and impact [].

Apply sector-wide approaches and direct budget support flexibly, to improve dialogue, ownership and sustainability [].

Promote complementarity and co-ordination with other donors and support the SA Government’s efforts to this end. Hold regular meetings for all EU technical assistants [].

Focus on programmes that integrate lessons learned, which provide the best illustrations of the comparative advantage of EU co-operation for SA [].

Integrate capacity building into short, medium, and long-term donor interventions. EU support should reflect the existing strategic and legislative framework for Human Resource Development in South Africa []. .

Define a coherent approach to supporting local development.

The SA government has initiated a series of policies, for example on Local Economic Development and Integrated Sustainable Rural Development Strategies, and of processes, for example the far-reaching decentralisation process, which are directed at the local level with local governments being the key players. Similarly, key EC development objectives, for example the fight against poverty; employment creation, and sustainable social service delivery through public-private partnerships, all increasingly push the focus of

intervention to the local level. While the EC has experience in supporting local development processes, it has not yet developed a fully coherent intervention strategy. So, for the next MIP, it is recommended to :

Develop a strategy effectively to support the political, institutional and economic dimensions of local development [].

Design and implement integrated programmes in support of local development, by connecting the experiences and lessons learned with previous activities [].

Invest in local governance to enhance successful future development interventions at local level and underpin the complex and fragile decentralisation process [].

Consolidate and strengthen EC capacity to act as a knowledge-based donor.

Improve ‘knowledge-based donor’ capacity further by developing additional *knowledge tools* to analyse, monitor and disseminate information. These should be co-funded and shared with other donors to strengthen complementarity, and should include:

Developing improved implementation strategies, operational approaches and tools to support institutional development and capacity building in the context of major changes in the institutional environment (decentralisation, co-operative government, sector support) and as a precondition for good governance at national, provincial and local levels [].

Making a database of civil society organisations by sector, recording capacity and political positioning [].

Disseminating lessons learned to Government and other actors [].

Developing monitoring tools for Sector Wide Approach capacity and commitment [].

Reassessing the monitoring needs of the de-concentrated Delegation, in co-operation with the SA Government [].

Evaluation of EC Country Strategy for South Africa 1997-2002

Abstract

European Commission assistance to South Africa under the 7th and 8th EDF has been generally relevant and evidence of positive impact has emerged. The Commission's rôle in donor co-ordination has been positive. Future programmes need to target poverty reduction more directly, define a more coherent approach to institutional support, and develop monitoring tools in support of new approaches.

Subject of the evaluation

This evaluation focuses on the European Commission's development co-operation strategy for South Africa, with a special focus on the impact (ex-post evaluation) of the 1997-99 Multi-Annual Indicative Programme (MIP) and on the relevance of the current Country Strategy and MIP for 2000-2002. These two MIPs fall within the operational span of the 7th and 8th EDFs, with respective financial commitments of € 375 million and € 340 million.

Evaluation description

Purpose: The main purpose of the evaluation was to draw key conclusions and lessons from the programmes mentioned above, especially on their relevance, efficiency, effectiveness and impact as applicable and, in that light, present recommendations for use in future programming of the Commission's country strategy for South Africa.

Methodology: The approach included a full desk study of the programme documentation and logic, identification of key evaluation questions, and data collection and analysis including interviews in South Africa with key stakeholders including the Delegation, National Authorising Officer, Government Ministries, local business community, civil society, and aid agencies.

Main findings

1. The EU has improved its capacity as a knowledge-based donor, its current strategy being basically sound. Priorities are coherent with the post-apartheid policy framework. Most of the 1999 evaluation recommendations have been applied, especially reinforcement of 'specialist skills', though often knowledge rests more with individuals than the institution. Lessons from earlier 'pilot' projects have been applied in an upgraded programme approach, but implementation of systematic monitoring and dissemination of lessons learned remain weak points.
2. The EU has favoured policy dialogue and donor co-ordination. Recommendations on co-ordination with Government and complementarity with Member States have been applied. Sector support programmes have been initiated wherever feasible. Direct budget support and sector-wide approaches are under consideration to enhance dialogue and ownership. The MIP 2000-2002 is better focused than its predecessor, based on improved strategy preparation and inclusion of selection criteria for programmes as well as performance indicators for monitoring.
3. Impact has been achieved in most sectors, positive evidence being found in all main areas. Progress in most social services sectors was confirmed, except where massive rural emigration has been creating ever-increasing needs. But a results-oriented strategy is required, and major challenges remain which need to be considered as cross-cutting constraints for programme effectiveness; they include the HIV/AIDS pandemic, decentralisation and local development; skills and capacity shortages, and provision of sustainable livelihoods for the most disadvantaged.
4. The South African economy is still expected to grow at well below the 5-6 percent needed to reduce unemployment and poverty. Lack of security and perceived potential longer-term instability linked to lack of sustainable livelihoods – covering formal and informal employment and income generation – are keeping investors away as well as giving rise to rapid urbanisation, further reinforcing the need for active interventions in job creation, local economic development, supporting infrastructure and general empowerment of people as key components at the core of any future strategy, in all cases ensuring coherence with Government policy.

Recommendations

1. The focus of the next MIP should be more on poverty reduction, with a core theme of sustainable livelihoods as the basis of clearly measurable overall objectives, integrating all interventions in a framework reflecting good governance practice in relation to implementation and programme management and monitoring.
2. Cross-cutting constraints should be addressed, wherever possible co-funded or in co-operation with other donors, in the context of (i) capacity-building for civil society and local government, (ii) pilot provincial donors coordinating units, and (iii) the impact of HIV/AIDS.
3. Sector reviews of 'weak performers' should be carried out to improve effectiveness and impact, and sector-wide approaches and direct budget support applied flexibly to improve dialogue, ownership and sustainability. To this end, complementarity and co-ordination with other donors should be promoted in support of the Government.
4. Capacity building should be integrated into short, medium, and long-term donor interventions. EU support should reflect the existing strategic and legislative framework for Human Resource Development in South Africa.
5. A coherent approach to supporting local development should be defined, with strategic support for the political, institutional and economic dimensions of local development, using integrated programmes which draw on the experiences and lessons learned from previous activities, and investing in local governance to enhance successful future development interventions at local level and to underpin the complex and fragile decentralisation process.
6. European Commission capacity as a knowledge-based donor should be strengthened, by developing, in collaboration with other donors, additional analytical and monitoring tools; improved implementation strategies in support of institution-building in the context of developments in decentralisation, government and sector support; a civil society database; and monitoring tools to underpin sector-wide approaches.

Feedback

- Extensive discussion of the draft final report with the major stakeholders during a seminar in South Africa.
- Distribution within the Commission Directorate-General for Development and the EuropeAid Co-operation Office, and to the Delegation and NAO, both in hard copy and via the Internet.
- Internal meetings and preparation of a *fiche contradictoire* to discuss implementation of recommendations.

Donor: European Commission	Region: ACP	DAC 00600/01200/11220/11320/11420/12220/ 12230/14020/15040/16310/16320/53020	Sectors:
Evaluation Type: relevance, efficiency, effectiveness, impact and sustainability	Date of Report: December 2002	Subject of Evaluation: Country Strategy Evaluation of South Africa	
Language: English	N° of Pages: 59 plus Executive Summary and Annexes	Authors: MWH (Montgomery Watson Harza)	

Programme and budget line concerned: B7-6510			
Type of evaluation :	() ex ante	(✓) intermediate / ongoing	(✓) ex post
Timing :	Start date : November 2001	Completion date : December 2002	
Contact person: Simon Robbins, Evaluation Unit, EuropeAid	Authors: MWH (Montgomery Watson Harza)		
Cost: € 206.500	Steering group : Internal		

South Africa - European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2003 – 2005

EXECUTIVE SUMMARY

Since 1994 South Africa (“SA”) has made significant progress in consolidating democracy and the rule of law, establishing an enabling policy and legislative framework, transforming the public sector and achieving macroeconomic stabilisation. Major issues remain to be addressed for SA to achieve development, reconstruction and sustained reconciliation: slow economic growth, high and rising unemployment, widening income inequality and high levels of crime. The HIV/AIDS pandemic is also having a dramatic effect on life and living conditions in SA. Strategic government priorities for SA accordingly include: moving to faster job-creating economic growth, investing in human resources and skills development, more effective, integrated and efficient government, rural development and urban renewal, eradicating poverty, expanding access to, and improving the quality of social service provision, and fighting crime and corruption. The emphasis of the current and future government programme of action is to ensure greater efficiency in the implementation of policy and the delivery of services.

The partnership between SA and the EU is framed by the Trade, Development and Co-operation Agreement (“the TDCA”), which provisionally came into force in 2000. First indications after two years are that trade flows between SA and the EU have substantially increased. Development Co-operation has supported policies and reforms carried out by the SA authorities with the aim of fighting poverty, promoting the insertion of SA in the world economy and consolidating the foundations of a democratic society in which human rights and fundamental freedoms are respected. Although ODA in SA is limited and recent, it has contributed to the development of new delivery models and to a reduction of the backlog in service provision to disadvantaged populations. Encouraging results have justified a move to budget support in selected sub-sectors with greater ownership and lower transaction costs.

The areas of co-operation of the Multi-annual Indicative Programme (“the MIP”) 2000-02 remain high on the Government’s agenda and therefore relevant for SA-EC co-operation during the period 2003-06. The overall objective of the SA-EC strategy for the period 2003-06 is to support the SA policies and strategies to reduce inequality, poverty and vulnerability and to mitigate the HIV/AIDS pandemic and its impact on society. It will focus on four main objectives: equitable access to and sustainable provision of social

services, equitable and sustainable economic growth, deepening democracy and regional integration and co-operation.

The emphasis on improving the delivery of services is accompanied, in the new SA-EC strategy, by a systematic effort to strengthen the capacity of the population to participate in development processes. A renewed effort will be made on job creation and the integration of excluded populations in productive activities. The role played by civil society as a partner in service delivery, in advocacy and in government accountability is confirmed as crucial. Civil society actors will be involved in most areas of co-operation. Consolidation of sector policies and improved public finance management is expected to result in an increase of budget support programmes and a reduction in the number of interventions within each area of co-operation.

In this context the enhancement of trade co-operation will be reflected in some development programmes under the MIP 2003-06 and will also be covered by continued direct trade negotiations.

**MID-TERM REVIEW OF THE EUROPEAN
PROGRAMME FOR RECONSTRUCTION AND
DEVELOPMENT (2000-2002)**

Submitted by: Bangani Ngeleza; Dumisani Dlamini & Madoda Siqaza
Bangi & Associates
50 Linridge
66 Tosca Street
Linmeyer
2190
Tel. +27 11 436-0325
Fax +27 11 436-2522
E-mail bngeleza@global.co.za

JUNE 2003

EXECUTIVE SUMMARY

The primary objective of this mid-term review was to determine the extent to which the EPRD has contributed to South Africa's harmonious and sustainable economic and social development, through programmes and measures designed to reduce poverty and encourage economic growth, which benefit the poor, and to the country's continued integration into the world economy and to consolidating the foundations laid down for a democratic society and a state governed by the rule of law in which human rights and fundamental freedoms are fully respected.

The review finds the EPRD to be relevant to the policies, strategies and development priorities of South Africa. It is contributing positively to the reduction of poverty, private sector development and the integration of SA into the global economy and the region, and to the consolidation of the rule of law and the promotion of human rights. The programme is also found to be coherent. Further, the circulation of new financial agreements amongst Member States by the EU before they are presented to Brussels facilitates complementarity.

Improvements in processes associated with; procurement, disbursement of funds, approval of workplans, tendering, project design and appraisals as well as project start-up will further enhance the effectiveness of the EPRD, and hence its contribution to development in South Africa.

The modality of targeted sector support has a potential to improve the quality of development co-operation. However, the realisation of full benefits from this approach depends on the availability of capacity to manage sector-wide programmes.

Regulation 1726/2000 should be amended so that: (a) the parts dealing with regional programming are clarified. It would be advisable for the Regulation to be made more explicit on the matter of support to regional programmes, specifying the level of EPRD contributions to regional programmes and the kind of mix to be ensured at project/programme, budget year or MIP level. (b) the additional € 15 million compensation, which is a consequence of the signing of the Wines and Spirits agreement is reflected in the Regulation. To accommodate this amount (and to acknowledge the fact that this amount to compensate SA for agreeing to drop certain product names), an article addressing the procedures for accessing this amount should be included in the Regulation. This article should be written in such a manner that it allows for the utilisation of procedures that are different from those used for the rest of the EPRD.

The review also recommends that subject to approval by the European parliament, the MIP 2003-2005 should be amended to include the last year of the Regulation. This will effectively mean that the MIP 2003-2005 covers a period of four years instead of three.

OVERVIEW OF MIP 2000 - 2002

SECTOR/PROJECT	2000	2001	2002	Totals	Partner (Gov/Dec.)/ Type of partnership		% MIP
POVERTY REDUCTION							<i>50-60 Projected</i>
AREA OF CO-OPERATION 1							
Water & Sanitation:							
2000-2003 Water Services Sector Support Programme	47.080.000				GOV	PP	
Sub-Total	47.080.000	0	0	47.080.000			13%
Housing:							
Support for Capacity Building in the Social Housing Sector (2nd allocation)	11.710.000				GOV	PP	
Sub-Total	11.710.000	0	0	11.710.000			3%
Health:							
Public/private Partnership in Primary Health Care		25.000.000			GOV	PP	
Sub-Total	0	25.000.000	0	25.000.000			7%
Education & Training:							
Education Sector Support Programme (extension)	4.600.000				GOV		
Library Books for Historically Disadvantaged Institutions (extension)		1.860.000			GOV		
Sub-Total	4.600.000	1.860.000	0	6.460.000			2%
Sub-Total Sub-Sector	63.390.000	26.860.000		90.250.000			24%
AREA OF CO-OPERATION 2							
Support to LED in Limpopo Province		34.000.000		34.000.000	GOV	PP	
Support to LED in KwaZulu Natal			37.000.000	37.000.000	GOV	PP	
Support to Area Based Management in the Ethikweni Metropolitan Area			35.000.000	35.000.000	GOV	PP	
Private Sector Support Prog. Risk Capital Facility		58.901.000		58.901.000	GOV		
DTI Policy Support Programme (extension)		394.000		394.000	GOV		
SWEEEP Sector Wide Employment Empowerment and Enterprise Programme			25.000.000	25.000.000	GOV		
Sub-Total Sector	0	93.295.000	97.000.000	190.295.000			51%
AREA OF CO-OPERATION 3							
Support to the transformation of the Justice System	14.000.000				GOV		
Human Rights Foundation	25.000.000				GOV	PP/N	
Assistance to Policing in the Eastern Cape (extension)	1.800.000				GOV		
South African Labour Development Trust (extension)		430.000			DEC	N	
Sub-Total Sector	40.800.000	430.000	0	41.230.000			11%
AREA OF CO-OPERATION 4							
Regional Response to HIV/AIDS in the SADC region	4.500.000				GOV	PP	
Economic Integration Support Programme to BLNS	3.000.000				GOV		
Support to SADC Regional Strategy			7.289.000				
Regional HIV/AIDS Education Programme (Soul City)			10.000.000				

Cage			<i>4.000.000</i>			
Sub-Total Sector	7.500.000	0	<i>21.289.000</i>	28.789.000		8%
OTHER INTERVENTIONS						<i>5 Projected</i>
Support Programme to the National Authorising Officer	4.800.000				GOV	
Conference, Workshop & Cultural Initiative Fund II	4.800.000				GOV	
Technical and Administrative Assistance	2.250.000				DELEG	
Technical Assistance Team (extension)		515.000			GOV	
Technical and Administrative Assistance		900.000			DELEG	
Technical and Administrative Assistance			<i>1.701.000</i>		DELEG	
EPRD Support Facility			<i>4.800.000</i>		GOV	
Sub-Total Sector	11.850.000	1.415.000	<i>6.501.000</i>	19.766.000		5%

NB. ALL ITALICS ARE PROVISIONAL FIGURES

Abbreviations:

GOV = Government

DEC = Decentralised cooperation partner

PP = Public/Private partnership

N = Network of NGOs

DELEG = Delegation-managed funds

The Multi-Annual Indicative Programme (MIP) 2000-2002

Under the 2000-02 MIP €370.33 million were committed. Six of the 18 new programmes committed are co-funded with other donors (EU Member States). The objective of channelling 25% of funds through non-government partners has been exceeded (current figure 27%). This has been achieved mainly through partnerships between government and civil society organisation.

The focal sectors of support of the MIP are:

- ◆ **Poverty reduction through improved social service delivery and through stimulation of local economic development**, thereby qualitatively raising the standard of living of poor and disadvantaged communities. This support mainly focuses on the sectors of water and sanitation, health, social housing and local economic development. This sector has absorbed 24% of resources.
- ◆ **Private sector development** in order to contribute to South Africa's efforts for increased competitiveness and sustainable economic growth. Special attention is being paid to South African business under the Trade, Development and Cooperation Agreement. European Community support aims, in particular, at the development of small and medium enterprises. A portion of resources was mobilised in the form of "risk capital" lending to support private sector development, managed in partnership with the EIB. This sector has absorbed 51% of committed resources.
- ◆ **Consolidation of the Rule of Law and Promotion of Human Rights** through increased awareness and promotion of human rights, as embodied in the South African Constitution, and improved law enforcement mechanisms, through support to relevant institutions and to the judiciary system. Up to 11% of the MIP resources were committed to this area of co-operation.
- ◆ **Support to regional cooperation** and integration, in line with the priorities agreed under the EC-ACP Economic Partnership Agreements (EPAs). EPRD regional funds could be used to support initiatives aimed at assisting South Africa's SACU partners to meet the challenges and opportunities created by the TDCA. As a qualified member of the Cotonou Agreement and an SADC member, South Africa is involved in the preparation of the new Regional Indicative Programme. 8% of total MIP resources were committed to regional co-operation.

The remaining amount of the MIP (5%) went to horizontal support programmes.

Main new programmes committed under MIP 2000-02

HEALTH & POPULATION

PARTNERSHIPS FOR THE DELIVERY OF PRIMARY HEALTH CARE INCLUDING HIV/AIDS

Project No	:	01-73200-001
Commitment	:	€25,000,000 (€25,000,000 planned for 2005)
EC Disbursement:		None to date

Aim

- To help five target Provincial Departments of Health and selected district municipalities to be able to operate jointly an integrated district health system, including a component with non-profit organisations
- To increase the number of non-profit organisations in the five target provinces that are able to identify and define their role and negotiate and implement service partnerships with provincial health departments and district municipalities for the delivery of primary health care services, especially related to HIV/AIDS
- To help the five provincial Departments of Health and selected district municipalities to identify and support the role of non-profit organisations in primary health care service delivery and evaluation, especially related to HIV/AIDS

Implementation: Five provincial Departments of Health (Eastern Cape, Gauteng, KwaZulu Natal, Limpopo, Western Cape) and the National Department of Health

Status

Significant pre-implementation work was undertaken with the assistance of the UK Department for International Development (DFID). Work included the development of an NGO Assessment Tool, Contracting Manuals for NGOs, Provinces and Local Government, and the development of a Project Assessment and Monitoring Tool. Workplan 1 for the EC-funded component is expected to be submitted and approved in January 2003.

WATER AND SANITATION

WATER SERVICES SECTOR SUPPORT PROGRAMME (MASIBAMBANE)

Project No	:	00-73200-030
Commitment	:	€47,080,000
EC Disbursement:		€47,080,000

Aim

The South African Water Services Sector Support Programme's overall objective is to improve the quality of life and contribute to poverty eradication in poor rural communities in the Eastern Cape, Northern Province and Kwazulu Natal in South Africa, through the provision of basic water services.

Implementation: Department of Water Affairs and Forestry (DWAF)

Status

The financing agreement for this sector support programme was signed in December 2000 and activities began in April 2001. The programme is co-financed by the South African Government, this EC grant and grants from the United Kingdom, the Netherlands, Irish and French bilateral co-operation programmes. The total value of the programme exceeds € 250 million. The main results to date are:

- delivery of water infrastructure to 970,000 people;
- delivery of sanitation infrastructure to 306,000 people;
- sector-focused water services strategy finalised;
- national water services leadership group established;
- sector-focused committees established in each region;
- national sanitation policy finalised and approved by cabinet;
- discussion paper on water services policy prepared;
- studies on regulatory framework underway and draft intervention strategy prepared;
- substantial progress on water service authority business plans and the provision of TA to water service authorities;
- development of water service development plans underway in most water service authorities;
- NGO steering committees established at national and regional level;
- national NGO workshop held;
- expenditure through civil society on schedule;
- gender steering committee established and orientation workshops for gender unit held;
- environmental evaluation system guideline prepared;
- support being provided to water service providers in the Eastern Cape and KwaZulu Natal;
- appropriate practice conference held.

URBAN DEVELOPMENT

URBAN DEVELOPMENT SUPPORT TO ETHEKWINI MUNICIPALITY

Project No: 02-73200-007
Commitment: €35,000,000
EC Disbursement: None to date

Aim

The Financing Agreement was signed by the EC at the end of 2002. The aim of the programme is to contribute to the achievements of the Ethekwini Municipal Area's goal of improving the quality of life of all its people and to contribute to the further development of the national Urban Renewal Strategy.

Implementation: Ethekwini Municipal Authority (EMA)

Status

The project purpose is to strengthen the EMA's capacity to provide basic services and to stimulate job creation and income generation by introducing Area-Based Management and Development (ABMD) practices in 5 selected learning areas. To achieve this, the Programme was designed to strengthen EMA's capacity to introduce ABMD, improve urban management practices within EMA, improve urban governance practices within EMA, introduce innovative ways of delivering services to poor people in EMA, introduce innovative ways to stimulate local economic development in EMA.

The support of the EC will be in the form of targeted budget support to Ethekwini Municipal Authority, amounting to €35m over 60 months. This will represent a maximum of 15% of total expenditure planned for the five learning areas. The City is in the process of preparing five-year rolling business plans for the Programme in line with their Integrated Development Plan. Staffing of the ABM Programme is also currently in the process of being concluded.

LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT IN LIMPOPO PROVINCE

Project No: 01-73200-003
Commitment: €34,000,000
EC Disbursement: None to date

Aim

- Reduce poverty through pro-poor growth;
- Stimulate job creation;
- Stimulate income generation.

Implementation: The Department of Local Government and Housing, Limpopo

Status

The Financing Agreement for this five-year Programme was signed in May 2002. A project Steering Committee has been formed and is meeting regularly. The first task of the Committee has been to develop terms of reference for a Programme Management Unit which will be appointed late in 2003.

A Design Study and an Inception Workplan are planned for early 2003. The former will clarify the appropriate economic instruments required to achieve the programme objective of pro-poor investment and economic development. The proposed Inception workplan will allow funds to be released for a number of research, capacity-building initiatives and stakeholder information initiatives in advance of the appointment of the PMU.

LOCAL ECONOMIC DEVELOPMENT SUPPORT PROGRAMME IN KWAZULU NATAL

Project No: 01-73200-009

Commitment: €37,000,000

EC Disbursement: None to date

Aim

The aim of this Programme, agreed by the European Commission at the end of 2002, is to improve the quality of life for the people of KwaZulu Natal. The project purpose is to achieve equitable economic growth starting initially in selected 'learning areas' and replicating LED across the Province.

Implementation: KZN Provincial Government

Status

The Programme is an ambitious Programme of support to LED processes in KwaZulu Natal. One of the first activities will be the procurement of capacity within the Programme Management Unit, including four local offices, to fast-track Programme implementation.

PRIVATE SECTOR DEVELOPMENT

PRIVATE SECTOR SUPPORT PROGRAMME – RISK CAPITAL FACILITY

Project No: 01-73200-002

Commitment: €58,901,000

EC Disbursement: €28,109,312

Aim

Sustainable job creation and black economic empowerment (BEE) through provision of financial and non-financial support to entrepreneurs from historically disadvantaged backgrounds. Financial support will mainly be in the form of equity or quasi-equity. Non-financial support (in form of grant) will be provided in parallel to the financial support. In addition, the programme will provide technical assistance to the Department of Trade and Industry.

Implementation: Department of Trade and Industry (DTI) with the Industrial Development Corporation (IDC) acting as the implementing agency and the European Investment Bank (EIB) as the technical advisor.

Status

The Risk Capital Facility was successfully launched on 12 March 2002 by Minister Alec Erwin and Ambassador Lake. The Facility was well received by the markets and by end December 2002, R 138 172 982 investments had been approved, generating 3 112 direct jobs, with all of the investments involving significant empowerment components. The technical assistance component to the DTI was slower to take off. The first activities under this component will begin only in early 2003.

SECTOR-WIDE ENTERPRISE, EMPLOYMENT AND EQUITY PROGRAMME (SWEEEP)

Project No: 02-73200-006

Commitment: €25,000,000

EC Disbursement: None to date

Aim

The SWEEEP programme is designed to support the implementation of the Department of Trade and Industry's Integrated Manufacturing Strategy (IMS) and its crosscutting strategies for Small Business Development and Black Economic Empowerment. The core objective of the IMS and thus SWEEEP is to accelerate growth, employment and equity in South Africa. Equity in the context of the IMS relates to both racial and geographical inequalities present in society. The IMS and SWEEEP aim to create results in three different areas, these being (1) the DTI strengthened to champion competitiveness; (2) improved competitiveness of specific sectors of the economy and (3) improved enabling business environment and services to business.

Implementation: The Executive Board of the DTI (ExBo), the body charged with overall accountability for DTI's operations, provides overall governance and strategic oversight of the programme. The IMS / SWEEEP Secretariat located in the DTI Executive Management Unit, is responsible for the management and co-ordination of SWEEEP implementation. Responsibility for the direct implementation of particular activities of the programme will rest with the relevant operational partners from: national level DTI business units and relevant partners from the DTI group of institutions; provincial offices of the DTI; provincial development corporations; the economic directorates of the co-operating metropolitan councils; and partner organisations from private sector and civil society. Many of the activities will be implemented in close collaboration with other Departments in the Economic & Employment Cluster as well as with regional actors in the context of SACU, SADC and NEPAD.

Status:

Preparations for this budget support programme were finalised during 2002. The Commission took the financing decision of the first €25 million at the end of the year and the Programme is due to start during the first quarter of the South African budget year 2003/04.

CONSOLIDATION OF DEMOCRACY, GOOD GOVERNANCE, CIVIL SOCIETY

SUPPORT TO THE TRANSFORMATION OF THE JUSTICE SYSTEM: THE e-JUSTICE PROGRAMME

Project No: 00-73200-028
Commitment: €14,000,000
EC Disbursement: €7,000,000

Aim

To ensure better access to and effective justice systems for all South Africans, in particular the poorest and most remote populations and, beyond that, to contribute to create safer living conditions and a better business environment.

Implementation: This programme is a targeted budget support programme in partnership with the Department of Justice and Constitutional Development and the Netherlands Co-operation Programme in South Africa. The programme is managed under the auspices of the Integrated Justice System that reports to the Inter-Ministerial Security Cluster.

Status

Programme implementation began in 2001 and made steady progress during 2002. The first EC disbursement of € 7 million was made in December 2002 to the Department of Justice and Constitutional Development. Result areas:

- **Digital Nervous System:** The first phase (current phase) is to provide a digital interface between all personnel within the DOJ ensuring electronic communication and electronic access to the South African Law Libraries. This phase will also later on provide a digital interface between all personnel in the integrated justice cluster, allowing them to communicate from the inception of a criminal case until its conclusion. Network infrastructure is being set up at 105 sites countywide, of which 29 sites have been connected to a Wide- and Local Area Network, as well as 1016 learners trained.
- **Financial Administration System:** This will benefit the financial management within the Department and will impact on beneficiaries who rely on receiving maintenance grants and other financial payments. The Justice Deposit Account System has been deployed at 12 sites country wide with the latest versions being piloted at Khayelitsha and Germiston, while the Guardian Fund System is being re-tested before it can be piloted in Bloemfontein shortly. The State Attorney's Administration System has been deployed at all 8 sites envisaged and is live and being fully utilised by all these offices.
- **Court Process Project:** This project provides a digital interface between all personnel in the integrated justice cluster, allowing them to communicate from the inception of a criminal case until its conclusion. The system is being piloted at the Durban Magistrate Court, the Durban Police Station, Westville Correctional Services and Dayambu Place of Safety. It is envisaged that the pilot project will be concluded by end of May 2003 after which it will become a core part of the Integrated Case Management Solution (ICMS). With the electronic filing of documents, the project has successfully achieved one of the objectives, namely 'No lost/missing dockets'.
- **Strategic Interventions:** A fully functioning Programme Management office has been set up, equipped and staffed. A Change Management Strategy is being developed, while a Communication Plan has been completed. The programme is also in the process of setting up a Monitoring and Evaluation system.

EUROPEAN UNION HUMAN RIGHTS PROGRAMME

Project No: 00-73200-029
Commitment: €25,000,000
EC Disbursement: €7,357,968

Aim

The Programme aims at promoting redress and entrenching human rights values and practices in South Africa. By providing financial support to operations, implemented by CSOs and public institutions nationally, the Programme facilitates increased awareness and knowledge of human rights, improved access to sustainable and effective human rights services; improved capacity, networking and performance of CSOs; and, efficient and responsive public institutions, capable of establishing partnerships with CSOs.

Implementation: Foundation for Human Rights

Status

The Programme is implemented through an independent South African Foundation and supervised by a Board of Directors. The Financing Agreement was approved in December 2000 and signed on 23 January 2001. The Foundation started its grant-making activities in May 2001 and consolidated its work greatly in 2002, with many successful interventions in key areas, from the legal sector to the national campaign entitled "Seventeen days of Activism", which focused on the issue of violence against women and children in South Africa.

SUPPORT PROGRAMME TO THE CHIEF-DIRECTORATE INTERNATIONAL DEVELOPMENT CO-OPERATION IDC (IDC-NAO) OFFICE

Project No : 00-73200-033
Commitment : €4,800,000
EC Disbursement: €1,103,106

Aim

Strengthen the capacity of IDC and the appropriate line function departments at national and provincial level in order to achieve better aligned, better co-ordinated and a better managed South African led Overseas Development Assistance. This requires proper planning, formulation, implementation, monitoring and evaluation, and knowledge creation through the process.

Implementation: National Treasury

Status

The first work plan has been approved and the first payment made. Two international technical assistants are in place. ODA guidelines have been developed and submitted to cabinet for approval. A MIS and website have been established; data gathering is ongoing. Staffing levels in IDC enhanced. The innovation fund has been used for a study in KZN as part of the preparation of a local economic development project.

2nd CONFERENCE, WORKSHOP AND CULTURAL INITIATIVE FUND (CWCI 2)

Project No : 00-73200-035
Commitment: €4,800,000
EC Disbursement: €2,102,765

Aim

The aim of the CWCI Fund is to improve understanding and awareness of the EPRD Programme, strengthen the overall EU-SA partnership through debate around key issues on the focal areas of the MIP. The CWCI Secretariat will implement an effective and efficient grant-making facility (reactive fund) and a Joint Annual Programme (JAP) of action to proactively improve the implementation of the EPRD, while increasing the visibility of the EU-SA partnership.

Implementation: A Secretariat manages the daily operations of the Fund, which is overseen by a Programme Steering Committee, composed of a representative of both the National Treasury and the Delegation.

Status

The Financing Agreement was approved in December 2000 and signed on 26 January 2001. The second annual workplan was approved in March 2002 and implementation for this workplan started on schedule on 1 April 2002. Thirty projects for a total of R5.8 million were approved through the grant-making fund during the year, representing all the focal sectors of the MIP. Some of the more prominent events supported include:

- Projects supporting the issues raised by the World Summit for Sustainable Development, including the opening of Constitution Hill with the launch of the “Three Women” exhibition at the old Women’s Gaol in Johannesburg, support to the Women’s Centre during the Summit, creative art therapy workshops and the broadcast of a documentary entitled “Bread and Water” on national television. Support to the WSSD also included grants for a national workshop examining the question of “Babies behind bars” in South Africa, a national civil society summit on the Cotonou Agreement and a series of provincial workshops for civil society input into the Summit;
- A nation-wide series of workshops targeting the private sector and SMMEs, on How to benefit from the Trade, Development and Cooperation Agreement and training for women in community radio;
- An exhibition and publication on the San People of the Kalahari, their identity and disappearing social structures, and an exhibition in Parliament entitled “Perspectives on and of Africa”, as part of the Parliamentary Millennium project, followed by an extensive education component and travelling exhibitions;
- A conference on the way forward in terms of transitional justice mechanisms organised by the Centre for the Study of Violence and Reconciliation;
- A comprehensive training kit for journalists and students on gender portrayal in the media that is now used in every newsroom and journalism school.

Under the **JAP**, programmes were approved covering the focal sectors of the MIP, as well as cultural initiatives:

- Beat It! - a TV magazine dedicated to people living with HIV/AIDS (sector: poverty reduction);
- The Network of African Video Distribution Operators, managed by the Film Resource Unit (sectors: private sector development and consolidation of democracy);
- Wilderness Therapy Training, managed by the National Peace Accord Trust, which provides healing for victims of violence and related issues in an innovative way (sector: consolidation of democracy);
- Support to the Forgotten Angle Theatre Collaborative, which is an outreach and educational dance programme (sector: cultural initiative);
- Encounters and Close Encounters, which provide support to South African documentary film makers (sector: private sector development).

Also, to boost the EU-SA partnership, support is given to the activities of European Communities Studies Association–Southern Africa. This association of academics and students promotes European affairs issues in the Southern Africa region and fosters links with European universities within disciplines such as economics, law, political science.

EPRD SUPPORT FACILITY

Project No: 02-73200-001

Commitment: €4,800,000

EC Disbursement: None to date

Aim

To improve the quality of EU-SA development cooperation through the provision of specialised expertise and support services.

Implementation: National Treasury

Status

Commitment made. Awaiting signature of Financing Agreement.

REGIONAL COOPERATION

ECONOMIC INTEGRATION SUPPORT PACKAGE TO THE BLNS

Project No: 00-73200-031

Commitment: 6,000,000

(€3,000,000 from 8th EDF and €3,000,000 from EPRD)

EC Disbursement: None to date

Aim

- To assist the BLNS (Botswana, Lesotho, Namibia, Swaziland) countries to adjust trade and trade-related policies and restructuring of revenue collection in the light of the implementation of the TDCA;
- To support private sector development in the BLNS countries to take advantage of the TDCA.

Implementation: Project Management Unit situated in the Swaziland Ministry of Finance and staffed with officials seconded from each of the BLNS countries.

Status

The Financing Agreement was signed on 7 May 2001. Procurement for a Programme Management Unit is ongoing.

REGIONAL SUPPORT FOR AN EXPANDED MULTI-SECTORAL RESPONSE TO HIV/AIDS IN THE SADC REGION

Project No: 00-73200-032 (EPRD)
8ACP-RAU-014 (EDF)
Commitment: €7,614,000 (€3,114,000 from EDF & €4,500,000 from EPRD)
EC Disbursement: €320,000

Aim

The purpose of the project is to increase the capacity of SADC, through strengthening the SADC Health Sector Coordinating Unit and other Sector Coordinating Units, to identify and support feasible multi-sectoral solutions and interventions for HIV/AIDS, and to promote appropriate and effective policies and practices on HIV/AIDS within the SADC region.

Implementation:

The project is implemented through a dedicated Project Management Unit within the SADC Health Sector Coordinating Unit.

Status:

The Financing Agreement for the project was signed in January 2001. Following a regional selection process, the Project Manager took up his duties in February 2002. Further staff appointments were still pending at year-end because of uncertainty regarding the future location of the PMU in the light of the restructuring of SADC. The first annual work programme was approved in May 2002 and detailed guidelines for support to pilot projects were developed. A Call for Proposals for pilot projects aimed at promoting effective and feasible regional strategies relating to a multi-sectoral response to HIV/AIDS was published in all SADC countries in October 2002, with the deadline for submission of proposals being set for February 2003.

SUPPORT PROGRAMME FOR THE WATER SECTOR IN SADC

Project No.: 02-73200-008
Commitment: €7,289,000
EC Disbursement: None to date

Aim

The overall objective of the support programme to the water sector in SADC is to support the sustainable integrated planning and management of water resources and through this contribute to the attainment of SADC's overall objective of an integrated regional economy on the basis of balance, equity and mutual benefit for all member states.

Implementation: SADC Secretariat

Status

Commitment made. Awaiting signature of Financing Agreement.

REGIONAL HIV/AIDS AWARENESS & EDUCATION PROGRAMME

Project No: 02-73200-010
Commitment: €10,000,000
(Joint financing, EPRD: €10,000,000; DFID(UK) & Ireland Aid: €9,800,000;
The Netherlands: €12,500,000
Total: €32,300,000)
EC Disbursement: None to date

Aim

- To consolidate Soul City Regional Programme Unit capacity in order to develop and manage a regional programme;
- To identify and build capacity among local (Southern African) non-governmental partners to enable them to formulate and provide "edutainment" activities including

research, advocacy and materials development in a networked and sustainable fashion;

- To implement successful and sustainable multi-media activities amongst the target population groups of eight SADC countries.

Implementation: Soul City together with PSI (Botswana), Lesotho National AIDS Society (Lesotho), PSI (Malawi), Namibian Red Cross (Namibia), SHAPE (Swaziland) and NGOs still to be identified in Zambia, Mozambique and Zimbabwe.

Status

The Programme was approved in October 2002. It began using Netherlands Development funding in February 2002. The Programme Management Unit has been established and significant progress has been made in the development of operating policies and systems. Partner organisations were identified in six of the eight countries - although the partnership in Mozambique was later dissolved - and capacity building and skills training have begun with the identified partners. Work is on-going to identify the three remaining partners and is expected to be concluded in early 2003. The EC, the Department for International Development of the UK Government (DFID) and Ireland Aid confirmed their co-financing of the Programme during 2002 and are expected to make financial contributions from 2003 onwards.