

TECHNICAL & FINANCIAL FILE

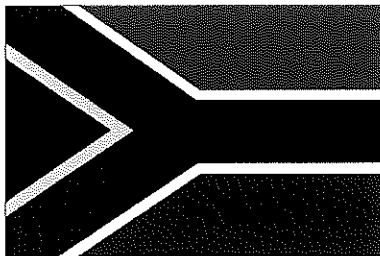
BUILDING ACADEMIC PARTNERSHIPS FOR ECONOMIC DEVELOPMENT (BAPED)

SOUTH AFRICA

FIRST ADDENDUM

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Belgium

partner in development

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ABBREVIATIONS

BAPED	Building Academic Partnerships for Economic Development
BE	Belgian
BI	Beneficiary Institutions
BTC	Belgian Technical Cooperation (now Enabel)
BTC-MGMT	BTC-Management
DAC	Development Assistance Committee
DGD	Directorate General for Development Cooperation and Humanitarian Aid
DHET	Department of Higher Education and Training
DST	Department of Science and Technology
HAI	Historically Advantaged Institutions
HDI	Historically Disadvantaged Institutions
ICT	Information and Communication Technology
IGR	Inter-Governmental Relations
IT	Information Technology
N/A	Not Applicable
NEX	National Execution
NT	National Treasury
PFM	Public Finance Management
PhD	Doctor of Philosophy
PMU	Project Management Unit
PSC	Programme Steering Committee
SA	South Africa(n)
SAMRC	South African Medical Research Council
TETA	Transport Education Training Authority
TFF	Technical and Financial File
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
ZAR	South African Rand

INTRODUCTION

This addendum covers the request of National Treasury to organize a Public Finance Management training for members of staff of National Treasury stationed at national and regional level and describes the use of the additional budget to implement the related activities.

Remark: on 11th of December 2017 the law of 23rd of November 2017 concerning the change of name of Belgian Technical Cooperation (BTC) being called Enabel and the determination of its mission and functioning has been gazetted. BTC has since changed name to Enabel. In future the name BTC/Enabel or Enabel will be used.

ANALYTICAL RECORD OF THE INTERVENTION

Intervention number	NN 3017842
Navision Code BTC/Enabel	SAF 16 888 11
Partner Institution	SA National Treasury – International Development Cooperation
Duration of the Specific Agreement	Until the 30th of June 2019.
Expected intervention period	Maximum 31 months (from 01/09/2016 until 31/03/2019).
Contribution of the Partner Country	Beneficiary Institutions are encouraged to contribute.
Funds available at National Treasury	268,000 euro
Belgian Contribution	1,500,000 euro
Sector (DAC code)	43081 – Multi-sectoral Education and Training.
Brief description of the intervention	Besides strengthening the academic institutions in South Africa and fostering academic partnerships between South Africa and Belgium in a limited number of priority sectors that are key for South African economic development, the programme can also be solicited to strengthen institutions who are key for the economic development of SA. Sectors such as ICT (incl. TVET), health (biostatistics) and the maritime sector have already been identified. The primary Beneficiary Institutions are the SA Departments of Higher Education and Training (DHET), Science and Technology (DST), the SA Medical Research Council (SAMRC), TETA, Transnet, the Belgium Campus and National Treasury. The scholarships are primarily – but not exclusively - intended for institutional strengthening through accelerated Masters and PhDs, supplying the economic sectors through the training of professional Bachelors, national and international exchanges, short term trainings and knowledge sharing activities such as seminars, study tours, exchange visits, etc.
Global Objective	To contribute to the economic development of South Africa through the establishment of a network between South African and Belgian academic institutions.
Specific Objective	Foundations for long-standing partnerships between South African and Belgian research and training institutions, aimed at improving business oriented skills development, training and research, are built.
Results	R.1: Skills, competences and capacities are developed through scholarships for Bachelor, Master and PhD studies. R.2: Skills, competences and capacities are strengthened through scholarships for national and international mobility and short term trainings. R.3: Academic partnerships within South Africa and between South Africa and Belgium are fostered through the organisation of knowledge sharing initiatives.

1 SITUATION ANALYSIS

In 2016, the division of cooperation of the South African Ministry of Finance introduced a request to the Belgian South-African Study and Consultancy Fund to fund the development and organisation of a training programme for the staff of South African National and Provincial Treasuries.

The primary objective of the training programme was to create a pool of Public Finance Management (PFM) experts that will easily adapt and contribute to evolutive PFM systems. This assignment was considered as a pilot phase and the first training for 30 participants took place from 4th to 15th September 2017 (in Belgium) and 13th to 17th November (in South Africa).

Given the positive feedback received from both participants and their head of departments after the first PFM training session, the IGR Division within the National Treasury has requested Belgium to organize a similar PFM training session in 2018 for an additional 30 members of staff of National Treasury stationed at national and regional level.



2 STRATEGIC ORIENTATIONS

2.1 General Principles

The strategic orientations remain unchanged.



3 INTERVENTION FRAMEWORK

General objective, specific objective and results remain unchanged.

3.1 Expected Results

R.1: Skills, competences and capacities are developed through scholarships for Bachelor, Master and PhD studies.

R.2: Skills, competences and capacities are strengthened through scholarships for national and international mobility and short term trainings.

R.3: Academic partnerships within South Africa and between South Africa and Belgium are fostered through the organisation of knowledge sharing initiatives.

3.2 Additional activities under Result 2

Result 2: Skills and capacities are strengthened through scholarships for national and international mobility and short term trainings.	
<p>A 2.4 Public Finance Management Training for National and Provincial Treasury Officials.</p>	<p>This training has been designed for improving capacities of staff of National Treasury in Public Finance Management. The training will be carried out in South Africa and in Belgium and will cover several fields, such as macro-economics, micro-economics, budget theory...</p> <p>The course will encompass both theoretical sessions (lectures) and practical skills sessions (hands-on exercises), including research visits and case studies.</p> <p>A certificate of participation will be delivered at the end of the training.</p> <p>30 members of staff will be enrolled for the course.</p>

The PFM training is planned to be organised from September 2018 in South Africa until end of November 2018 abroad.

Special attention will go to the transversal themes **gender**, by ensuring a selection procedure encouraging female applicants, and **digitalisation**, by promoting digital learning tools, such as virtual learning platform.

The training will be organised through public tender following procedures and regulations used by the government of South Africa.

3.3 Indicators and Means of Verification

The indicators to measure the success of this training regarding knowledge can be a pre and post-test. The expected impact however is a better handling of PFM matters by the members of staff who attended the training during the implementation of their daily duties and the further dissemination of PFM knowledge to their nearest colleagues and as such a better functioning of the office of the NT as a whole. This can best be measured by the evaluation (satisfaction measurement through questionnaire) by their hierarchical superiors and their direct *clients*.



3.4 Description of Beneficiaries

Direct:

- National Treasury both central as regional.
- The 30 selected staff of National Treasury.

Indirect: The people of South Africa as public finance management will improve efficient use of public funds.

3.5 Risk Analysis

No additional risks are identified.



4 RESOURCES

4.1 Financial Resources

4.1.1 Belgian and South African Contribution

The Belgian and South-African contributions remain as specified in the Technical and Financial File as signed on 15th of December 2016.

4.1.2 Funds available at National Treasury

The budget will be increased for an amount of Euro 268,000 which was generated as interest.

5 IMPLEMENTATION MODALITIES

5.1 Legal Framework and Administrative Responsibilities

The legal framework for the programme is given by the Specific Agreement signed between the Government of the Kingdom of Belgium represented by the Belgian Minister for Development Cooperation and the Government of the Republic of South Africa represented by the Chief Directorate - International Development Cooperation of National Treasury.

The present Addendum to the Technical and Financial File (TFF) is annexed to the Specific Agreement signed between the Republic of South Africa and the Government of the Kingdom of Belgium, determining the legal framework of the intervention.

The Specific Agreement entered into force on 15th of December 2016 date of its signature by both Parties and will expire on the 30th of June 2019. Contracts should be committed by 31st of December 2018 at the latest. The ultimate date for payment linked to the contract is 30th of March 2019.

5.2 Operational Management

5.2.1 Financial Management

5.2.1.1 Introduction

The management of the initial Belgian contribution remains as described in the TFF of 15th of December 2016.

The financial modality of the additional budget, subject of this addendum, will be National Execution and is therefore based on procedures and regulations used by the government of South Africa.

In accordance with the partnership principles between the Belgian and South African parties, the planning of the financial commitments in BTC/Enabel -management and National execution will be done with mutual agreement. The public procurement and grant awards will be done according to South African regulations with Enabel exercising its right through no objections when needed.

5.2.1.2 Bank Accounts

For the management of the funds in BTC/Enabel management, BTC/Enabel will open a specific bank account in Euro at the Deutsche Bank and a specific bank account in ZAR at a commercial bank in South Africa after the signature of the Specific Agreement.

The management of these funds will remain BTC/Enabel's responsibility and will be done in accordance with the internal rules and procedures of BTC/Enabel.

In terms of signature, the double BTC/Enabel -signature is compulsory.

The budget for the activities managed in National Execution will be on an account managed by the South African Treasury.

5.2.1.3 Funds Transfer

The transfer of the budget in BTC/Enabel management remains as described in the TFF of 15th of December 2016.

Funds flows of the budget in National Execution are channelled through the SAF treasury. These funds are already available at National Treasury.

5.2.1.4 Financial planning

Unchanged

5.2.1.5 Accounting

Accounting is done on a monthly basis according to BTC rules and regulations and its own financial system.

The accounting documents must be signed for approval by the Programme Coordinator. The accounting documents that must be forwarded to the BTC Representation include an electronic file, the supporting documents as well as the bank statements and petty cash statements.

The accounting documents must be up to date, accurate and reliable and conform accounting standards and rules in place.

The management of funds in NEX will follow the SAF regulations.

5.2.2 Budget Management

5.2.2.1 Budget constraints

Unchanged.

5.2.2.2 Budget change

Unchanged except for one addition:

No budget shifts are allowed between BTC/Enabel managed budget lines and National Execution budget lines.

5.2.3 Public Procurement Management

Unchanged except for one addition:

The public procurement and grant awards will be done according to South African regulations with Enabel exercising its right through "no-objection".

5.2.4 Grant Agreements Management

Unchanged.

5.2.5 Management Mutualisation Framework Agreements

Unchanged.

5.2.6 Monitoring & Evaluation

Unchanged.

5.2.7 Financial and Procurement Audits

5.2.7.1 Programme audit

The programme must be audited once during the implementation (one audit will be budgeted) following BTC/Enabel procedures, BTC/Enabel will deploy an independent qualified audit firm (International Accounting Standards) to audit the dedicated programme accounts. BTC/Enabel will write the ToR of the audits. This audit will be carried out by the auditors according to the BTC/Enabel framework contract in force.

BTC/Enabel and the Steering Committee may request additional audits if necessary.

The auditor's reports must be presented to the steering committee.

The audit reports will include recommendations and proposal of corrective actions.

The PMU will prepare an action plan to improve the procedures and justify that corrective measures were taken.

Any action to recover the unspent funds will only be triggered by an audit verification presented to and endorsed by the PSC.

5.2.7.2 BTC/Enabel Audit

The College of Commissioners will yearly audit BTC/Enabel accounts. They also audit the programmes at that moment. BTC/Enabel Audit Committee can also request that BTC/Enabel internal auditors audit a programme.

5.2.7.3 SA Audit

SA National Treasury – International Development Cooperation will transmit audit reports and Management response pertaining the budget lines managed in NEX to BTC/Enabel, as soon as these are available.

5.3 Taxes and Duties

Unchanged.

5.4 Modification of the TFF

Unchanged.

5.5 Closure of the Intervention

5.5.1 Procedures

Remains unchanged with only one addition:

All funds under NEX budget lines must be used and accounted for by closure of the programme.

6 CROSS-CUTTING THEMES

Unchanged.

7 ANNEXES

7.1 Logical Framework

	Logical of the intervention	Indicators	Baseline	Target	Sources of verification	Hypotheses
R 2	Result 2: Skills, competences and capacities are strengthened through scholarships for national and international mobility and short term trainings.	<p>Number of exchange initiatives for supervision and short term training between SA HDI and SA HAI</p> <p>Number of exchange initiatives for supervision and short term training between SA and BE institutions.</p> <p>% of selected bursary candidates being black females.</p> <p>% of selected bursary candidates being persons with a disability.</p>	<p>0</p> <p>0</p> <p>0%</p> <p>0%</p>	<p>Min. 1 per priority sector.</p> <p>Min. 1 per priority sector.</p> <p>40%</p> <p>5%</p>	<p>Reports of the BI.</p>	<p>SA HAI are interested in partnering with SA HDI.</p> <p>The expertise sought by the SA BI is available at the BE institutions.</p> <p>BE institutions are interested in receiving bursary candidates from SA.</p>
		<p>Knowledge on PFM by (30) NT staff</p>	<p>Result Pre-test</p>	<p>Min. 25% increase</p>	<p>Pre & post-test</p>	
		<p>Satisfaction of hierarchical superiors of NT staff after PFM training</p>	<p>N/A</p>	<p>Min. 75 % satisfaction</p>	<p>Questionnaire</p>	

7.2 Chronogram

Activity A_02_03 "Public Finance Management Training for National and Provincial Treasury Officials ", is scheduled to take place in Year 2 (=2018).

7.3 PFM Course delivery

	Process	Outcome	Practical	Deliverables
Assessments	<p>Assessment is continuous (formative) and will be based on in-class work using the Subject Proposals participants submit in their area. Lecturers provide tasks to connect the lecture material to the project proposal. Group work will be set up in one lecture, with close follow-up by lecturer, every day.</p> <p>For the Practical Skills session, specific exercises are designed that are practice-based.</p> <p>For some expert session, research visits will be undertaken, including case-studies on which to work for (summative) assessment.</p>	<p>Continuous group work will result in an all-round interpretation of each participant's Subject Proposal.</p>	<p>In-class feedback to guide evaluation.</p> <p>Final evaluation of participants handed over to Treasury.</p>	<p>Final document (summative assessment) that includes a research-based document with relevant policy implications for the National Treasury.</p> <p>Certificate of participation in Program</p>
Critical cross field outcomes	<p>Lectures focus on the core areas, and then specialize in the electives on relevant material for the proposed main themes. Each training session will focus on these themes from different angles so as to give participants a complete view on all aspects and implications of public finance, and the implementation of new projects.</p>	<p>Training on macro-economic and micro-economic aspects of budget.</p>		<p>Comprehensive schedule of lectures.</p>
Learning material, references	<p>Given the lack of a coherent approach on public finance in the academic field from the many different angles the sessions must focus on, learning material will consist of a few handbook chapters, relevant summary papers, policy documents and practical notes by lecturers.</p> <p>Visits to institutions with on-site inspection of the operational and management aspects are an inherent part of the learning material.</p>	<p>A list will be drawn up of all relevant core and elective themes, with their content. This list will be further updated as the proposals for subject themes are known.</p>	<p>Material will be delivered via the online learning platform (and available afterwards) and paper documents will be available in one training book before the session.</p>	<ul style="list-style-type: none"> • Papers, handbook chapters • Video of lectures • Summary notes • Research visits (case studies)

