



KONINKRIJK BELGIË

Federale Overheidsdienst

Buitenlandse Zaken,

Buitenlandse Handel en

Ontwikkelingssamenwerking

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**Onderwerp: Zuid-Afrika: Public Service Improvement Facility**

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Mijnheer de Voorzitter van het Directiecomité,

Ik heb de eer u hierbij een ondertekend exemplaar te bezorgen van de uitvoeringsovereenkomst van de samenwerkingsprestatie "Public Service Improvement Facility".

Ik bezorg u eveneens een afschrift van de bijzondere overeenkomst van deze samenwerkingsprestatie.

Met hoogachting,

Dirk TEERLINCK  
Directeur D 1

Bijlage(n): 2

Agreement

Between

The Government of the Kingdom of Belgium

and

The Government of the Republic of South Africa

on

a Public Service Improvement Facility

"Tirelo Bosha"

The Government of the Kingdom of Belgium (hereinafter referred to as "Belgium") and the Government of the Republic of South Africa (hereinafter referred to as "South Africa") (Hereinafter jointly referred to as the "Parties" and separately as a "Party")

## **"PREAMBLE**

**HAVING** regard to the General Agreement on Development Cooperation between the Government of the Kingdom of Belgium and the Government of the Republic of South Africa signed on 8 July 2002, of which the present Agreement is a subsidiary Agreement that will be executed within the provisions of the General Agreement and within the provisions of any other Agreement that may complete, replace or amend it;

**HAVING** regard to the Agreement regulating Technical Assistance between the Government of the Kingdom of Belgium and the Government of the Republic of South Africa, signed on 18 October 2002;

**HAVING** regard to the Indicative Cooperation Programme between South Africa and Belgium approved by both parties on 10 November 2006;

**HAVING** regard to the Note Verbale dated 23 March 2007 referring to the new management contract signed between the Government of the Kingdom of Belgium and its implementing agency, Belgian Technical Cooperation (BTC), which entered into force on 1 January 2007;

**CONSIDERING** the relations of friendship and solidarity between the two States;

**HEREBY AGREE** as follows:"

## **ARTICLE 1**

### **OBJECT OF AGREEMENT**

1. This Agreement concerns the cooperation between the Parties with regard to the implementation of the program "**Public Service Improvement Facility**" or "Tirelo Bosha", hereinafter referred to as "the Facility"
2. The objectives of the Facility are as follows:
  - (a) The **overall objective** of the program is to improve front-line public service delivery.
  - (b) The **specific objective** is to pilot new ways of delivering public services by funding improvement initiatives.
3. (a) The Facility is thus a mechanism for piloting improvement initiatives that focus on the delivery of front-line public services, including but not limited to methods, models, technologies, systems, processes, strategies and toolkits.
  - (b) The improvement initiatives will act as catalyst for replication by the Government of South

Africa. Eligible initiatives for funding include but are not limited to studies, study tours, establishment of partnerships, consultancies, and training and testing new or improved technologies.

4. Direct beneficiaries of the initiatives may be:

- public institutions (all spheres of government), Commissions (Gender, Human Rights etc.) or semi-public companies;
- non-state actors involved in public services delivery (including the private sector, research institutes and academia).

5. The programme will be implemented under the co-management modality in line with the Aid Effectiveness Agenda and aims to achieve the following:

- a) greater national self-reliance by effective use and enhancement of the management capabilities and technical expertise of national institutions and individuals
- b) enhanced sustainability of development programmes and projects by increasing South African ownership and commitment to development activities
- c) reduction of workload and transaction costs by making full use of the Government's own systems and procedures.

## ARTICLE 2

### COMPETENT AUTHORITIES

The Competent Authorities responsible for the implementation of this Agreement shall be –

- a) in the case of the Government of the Republic of South Africa:
  - with regard to supervising and implementing the programme, the Department of Public Service Administration ("DPSA");
  - with regard to the managing and monitoring of ODA flows to the government sector and the DPSA, the National Treasury.
- b) in the case of the Government of Belgium:
  - with regard to the Belgian contribution, the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation ("DGD");
  - with regard to the mobilization of the Belgian contribution and the monitoring and evaluation of its appropriate use, the Belgian Technical Cooperation ("BTC"), a public-law company with social purposes.

## ARTICLE 3

### ROLES AND REPRESENTATION OF SPECIFIC ENTITIES OF THE COMPETENT AUTHORITIES

#### For South Africa

1. The Government of South Africa designates the Chief Directorate International Development Co-operation in the National Treasury, hereinafter referred to as "IDC", as the entity responsible for management and coordination of the programme. IDC takes a leading role in managing and monitoring all ODA flows to the government sector and the implementing department is accountable to the development partners on behalf of the Government of South Africa.
2. The Government of South Africa designates the Department of Public Service Administration, hereinafter referred to as "DPSA", to be the supervising and implementing agency for the programme, which will entail the following:
  - A Program Management Unit (PMU) will be created to undertake coordination and facilitate effective/efficient implementation of contracts under the facility. This will be located in the DPSA offices, Pretoria.
  - DPSA shall be accountable to the Program Steering Committee for the satisfactory implementation of the Facility and for the management of all funds allocated thereto.
  - DPSA shall also be responsible for the mobilization of all financial, human and material resources required for programme implementation.
  - The Chief Director of DPSA as the Authorizing Officer will be responsible for the overall management, coordination and implementation of the Facility and for approving and authorizing the expenditures chargeable to the budget of the Facility.
  - The Director General of the DPSA will be the accounting officer and will ensure financial oversight as stipulated in the Public Finance Management Act (PFMA) and sign-off on work plans and financial expenditure.
3. The Department or Government Agency benefitting from an initiative financed by the Facility is designated as the executive Department or Government Agency responsible for the technical implementation of the initiative.

#### For Belgium

4. The Government of Belgium designates the Directorate General for Development Cooperation within the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, (hereinafter referred to as "DGD"), as the Belgian administrative entity responsible for the Belgian contribution. The Attaché for Development Cooperation within the Embassy of Belgium in Pretoria represents the DGD in South Africa.
5. The Government of Belgium designates the Belgian Technical Cooperation (hereinafter referred to as "BTC"), a public-law company with social purposes, as the entity accountable to the Government of Belgium for the mobilization of the Belgian contribution and the monitoring and evaluation of its appropriate use.

6. The Resident Representative of BTC to South Africa shall represent the BTC in South Africa. The responsibilities of BTC are specified in the agreement signed between BTC and the Government of Belgium.

#### **ARTICLE 4**

##### **CONTRIBUTION OF THE PARTIES**

1. Belgium undertakes to contribute the total amount of eleven million EUR (11.000.000 EURO) for the financing of the Facility.
2. The modalities for the use of this budget are detailed in Article 8 of this Agreement and in the attached Technical and Financial File (TFF).
3. South Africa undertakes to contribute by providing the necessary logistic and human resources and possible tax contributions as referred to in Article 10.

#### **ARTICLE 5**

##### **TECHNICAL AND FINANCIAL FILE (TFF)**

1. The Program shall be implemented in accordance with the attached Technical and Financial File (TFF) and the Procedural Manual, which are both an integral part of this Specific Agreement.
2. With the exception of the Specific Objective, defined in Article 1, the Duration, defined in Article 14, the Budget, defined in Article 3, and the Financing management modalities, defined in Article 8, for which a modification requires an Exchange of Notes, in accordance with Article 13 of the present Agreement the Program Steering Committee, may amend the TFF or the Procedural Manual to accommodate a change in context or in reaction to the progress of the Program.
3. BTC shall inform Belgium about the modifications in the TFF relating to the following:
  - (a) Ways and means by which the contributions of Belgium and South Africa will be made available;
  - (b) Results of the intervention and their respective budgets;
  - (c) Composition and operating mode of the Program Steering Committee;
  - (d) Result and specific objective related indicators of the Program;
  - (e) Financial mechanisms and procedures for the management of the contributions by the Parties.
4. An adapted financial planning will be joined, whenever the PSC approves such modifications.

5. The financial modalities related to the co-management, described in art. 8, and the measures for attenuation of the risks can be modified during the implementation of the program. In this case, an Exchange of Notes between both Parties is also necessary.

## **ARTICLE 6**

### **OBLIGATIONS OF THE PARTIES**

Each of the Parties shall undertake all the necessary institutional, administrative and budgetary measures to fulfil their obligations as defined in the present Agreement.

## **ARTICLE 7**

### **PROGRAM STEERING COMMITTEE**

1. To provide strategic oversight and guidance of the Facility, the Parties agree to create a Program Steering Committee (PSC) composed of permanent members and expert advisory members (non-permanent). The permanent members will be invited for each meeting; the non-permanent advisory members will be invited based on technical expertise needed according to the topics on the agenda.
2. The composition, responsibilities, operational provisions of the PSC are defined in the TFF.
3. Minutes of the meetings of the Steering Committee shall be compulsory and signed by the Chair and co-Chair (after approval by all permanent members) of the PSC. A Copy of the minutes shall be transmitted to the Attaché for Development Cooperation at the Embassy of Belgium in Pretoria.
4. The PSC shall meet not later than three (3) months after the signature of this Agreement and subsequently at least every six (6) months.  
After due consideration it will approve the improvement projects shortlisted by the selection panel.

It will provide:

- Strategic guidance and direction in the implementation of the facility to the Program Management Unit
  - Assurance of the availability of PMU staff
  - Approval or review of the PMU's yearly work plans.
  - Overall accountability
  - Approval of proposals for funding
5. The Steering Committee shall approve the final report of the Programme not later than three (3) months before the termination of this Agreement.

6. A Program management Unit (PMU) of the Facility will be responsible for the day-to-day operational management of the facility and will be located within the DPSA. It will be accountable to the PSC. The structure of the PMU is detailed in the attached TFF.

## **ARTICLE 8**

### **PROCEDURAL MANUAL**

The Procedural Manual has been developed and is an integral part of this Specific Agreement. The Programme Management Unit (PMU) might during implementation, on the basis of gained experience, make proposals for further improvement of this Manual. All proposed modifications will be submitted to the PSC for final approval.

## **ARTICLE 9**

### **FINANCIAL MANAGEMENT MODALITIES**

After joint analysis of the financial systems and of the tender modalities, the Parties agreed to implement the program under the method of Co-management, which implies the use of South African tendering procedures and regulations and a mechanism of no-objection by BTC on financial transactions.

1. The Belgian non-reimbursable contribution to the Facility will be managed through the RDP account at National Treasury from which transfer payments are made to South African Implementing Agencies. Should there be a balance of funding with the department at the end of a financial year, it need not be surrendered back to the RDP fund account but may be rolled over to the next financial year
2. The RDP account shall be replenished by BTC in six instalments:
  - A first instalment of 500.000 euro will be transferred upon signature of this agreement.
  - The consecutive instalments of 2.000.000 euro will be transferred once 70% of the previous instalment has been used, and when the following conditions are been met:
    - approval by the PSC of the yearly review reports (mentioned in art. 10 hereafter);
    - approval by PSC of the progress reports and action plans.
3. BTC will notify the Process Manager (IDC) and the PMU Programme manager of the deposit.
4. Further modalities for disbursement from the RDP account to DPSA or to the Beneficiary



institutions of the approved initiatives are defined in the TFF.

5. Any interest earned by the accounts will be capitalized on the same accounts and used for the same purposes.
6. The financial management of the Facility will be subjected to a mid term and a final external audit by an international qualified audit firm. The audit firm will be selected jointly by the BTC and IDC. These financial audits will be conducted in adherence to the generally accepted government auditing standards (GAGAS) and will be conducted in consultation with the internal audit.
7. In case that the annual audit notes a regression of performance, the DPSA and the recipient department or Entity commit to take all necessary corrective actions and guarantees the reimbursement of all non-eligible expenditures.
8. Any disagreement relating to the application or to the interpretation of this agreement will be regulated by way of negotiation.

## **ARTICLE 10**

### **TAXES, TAXATION AND IMPORT**

1. The contribution by Belgium shall, to the extent provided for by the domestic law of South Africa, not be used for paying taxes, customs duties, import duties and other fiscal or administrative charges (i.e. VAT) on supplies, works and services which are part of the Program.

The TFF describes the relevant taxes and duties in South Africa.

2. If, in accordance with domestic law of South Africa, taxes or duties are due, they shall be payable by the South African Party.

## **ARTICLE 11**

### **REPORTING, CONTROL AND EVALUATION**

Yearly reviews will be conducted by a joint team of IDC and BTC with the objective of reviewing the results of the Facility against the targets, actions and indicators defined in the proposals.

The review mission will clarify the Facility progress and propose adapted Facility results and/or adapted implementation modalities if necessary.

At the end of the Facility, an external final evaluation of the Facility will take place.

## **ARTICLE 12**

### **THE POST-PROJECT PERIOD**

South Africa shall undertake all the necessary institutional, administrative and budgetary measures to sustain the results of the initiatives supported by the Facility.

## **ARTICLE 13**

### **SETTLEMENT OF DISPUTES**

Any dispute between the Parties arising out of interpretation or implementation of this Agreement shall be settled amicably through consultation or negotiations between the Parties.

## **ARTICLE 14**

### **AMENDMENT TO AGREEMENT**

This Agreement may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel.

## **ARTICLE 15**

### **ENTRY INTO FORCE, DURATION AND TERMINATION**

1. This Agreement shall enter into force on the date of its signature by both Parties.
2. This Agreement shall remain in force for a period of six (6) years. The duration of the implementation of the Program shall be five (5) years.
3. Contracts signed with third parties before the end of the Program shall be respected by both Parties.
4. After the financial closing of the Program, the unused funds shall be reprogrammed as project aid in the Indicative Cooperation programme in progress at a Partners Committee and confirmed by an Exchange of Notes.
5. This Agreement may be terminated by either Party giving three (3) months written notice in advance through the diplomatic channel to the other Party of its intention to terminate this Agreement.

## ARTICLE 16

### NOTIFICATIONS AND COMMUNICATION

All notifications related to this Specific Agreement and more especially modifications and interpretation of this Agreement, shall be communicated through the diplomatic channel.

All notifications related to the technical execution of this Agreement shall be addressed to the following institutions:

For Belgium:

BTC  
490 Fehrson Street  
Brooklyn, Pretoria  
South Africa

For South Africa:

The Department of Public Service  
Administration (DPSA)  
Private bag X 916  
Pretoria 0001  
South Africa

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Government have signed and sealed this Agreement in duplicate in the English language, both texts being equally authentic.

DONE at ..... *Pretoria* ..... on this *28*... day of ..... *June* ..... 2013.



FOR THE GOVERNMENT OF  
THE KINGDOM OF BELGIUM



FOR THE GOVERNMENT OF  
THE REPUBLIC OF SOUTH AFRICA