



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the United
Nations Office for Project Services**

Distr.: General
13 June 2012

Original: English

Second regular session 2012
4-10 September 2012, New York
Item 3 of the provisional agenda
Country programmes and related matters

**Draft country programme document for the Republic of South Africa
(2013-2017)**

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I. Situation analysis¹

1. South Africa has made remarkable progress since its transition to democracy in 1994. It has established a solid foundation for democratic governance and improved access to education, health services, water, electricity, housing and social protection for the historically disadvantaged: for instance, 14 million South Africans, including 10 million children, currently receive some form of social assistance. The South African economy also grew at an average annual rate of 3.6 per cent between 1994 and 2008, and returned to a steady though fragile path of economic expansion after a recession in 2009. The country has made broad progress towards the Millennium Development Goals (MDGs): extreme poverty, measured by the proportion of South Africans living on less than \$1.25 purchasing power parity (PPP)/day, declined from 17 per cent to 9.7 per cent between 2000 and 2006; the adjusted net enrolment ratio in primary schools increased from 96.4 per cent to 98.8 per cent between 2006 and 2009; and the share of women in national and provincial legislatures increased from 27.8 per cent in 1994 to 42.4 per cent in 2009, while the share of women among top managers rose from 12.4 per cent in 2000 to 18 per cent in 2009. Nevertheless, infant and maternal mortality rates, as well as the incidence of HIV/AIDs and related diseases, remain high as progress has been slow and uneven. On MDG 7, the challenge remains to conserve and protect South Africa's rich flora and fauna (nearly 10 per cent of the world's plants and 7 per cent of reptiles, birds and mammals) while combating negative externalities from growth (13th highest emissions of greenhouse gases in the world).

2. The complex nature of the development situation in the country is evident from its ranking of 123 out of 187 on the Human Development Index. A combination of characteristics underline the depth and scope of the challenge facing South Africa: while extreme poverty has declined, there are significant disparities in levels of relative poverty across provinces; inequality remains sharp with an essentially static Gini coefficient above 0.7; unemployment is high and particularly pervasive among youth (15-34 years of age), at 34.5 per cent for this group compared to a national average of about 25 per cent; despite some progress in the political and corporate worlds, women generally continue to suffer socio-economic marginalization and exclusion, with female unemployment being consistently higher than that of males and with women overrepresented in low-wage sectors; and the scale and nature of crime, while being tackled with increasing determination, imposes a tax on economic activity, while sexual and gender-based violence (SGBV) constitutes a major threat to the well-being of girls and women.

3. Within this context, the National Planning Commission Diagnostic Report and the draft National Development Plan: Vision 2030 provide a thorough analysis of the underlying and structural factors that need to be addressed for future development progress: (a) a dual economy characterized by a highly developed formal sector that coexists with a large, underdeveloped, informal sector; (b) sharp disparities in access to assets and services – such as land, quality education, skills, technology and capital – that translate into low household incomes; (c) the relative decline of sectors like mining and manufacturing leading to job and income losses; and (d) difficulties in translating substantial investments in social protection and service delivery into increased participation of the poor in the economy, suggesting bottlenecks connected to targeting a lack of skilled staff, weak planning and implementation capacity, and limited accountability and transparency, especially at the provincial level, which has devolved responsibilities in these areas. The country also faces the challenge of balancing pressures for rising social spending with demands for other growth-promoting

¹ See *Development Indicators 2010*, Office of the President (www.presidency.gov.za); *Gross Domestic Product Reports Statistics SA*, various issues; *South Africa MDGs Country Report 2010*, Statistics South Africa, 2011; *National Planning Commission Diagnostic Overview 2011*, Office of the President (www.presidency.gov.za).

investments, such as energy and transport infrastructure, also under stress, at a time when citizens are displaying increased frustration with service delivery.

4. South Africa, however, can draw upon an impressive set of assets to promote sustainable, inclusive and resilient development, including a competitive political system, a strong civil society, sophisticated academic and research institutions, a robust media, large and deep financial markets, and a substantial natural resource base. Under its Better South Africa, Better Africa, and Better World agenda, South Africa also plays a key role in promoting peace and development in Africa. Furthermore, as a member of the Brazil, the Russian Federation, India and South Africa (BRICS) and G20 groups, a recipient of modest official development assistance (ODA) but also a net provider of aid to others, South Africa brings a unique perspective to the challenge of securing peace and utilizing aid effectively for development. This role will evolve further with the impending establishment of the South African Development Partnership Agency (SADPA).

II. Past cooperation and lessons learned

5. A joint Government-United Nations independent evaluation (2008-2009) concluded that strengthened cooperation between the United Nations and South Africa requires a move away from a project-based approach to strategic upstream engagement, in keeping with South Africa's upper middle-income status, role, needs and aspirations. From the standpoint of UNDP, further impetus in this direction was added with the signing of a Strategic Partnership Framework Agreement with the Government in 2011. As a consequence, much effort has been expended to reposition UNDP through a set of interim adjustments spanning 2011-2012 aligned directly with the Government's Medium-Term Strategic Framework (MTSF, 2009-2014). A joint review with the Government in 2011 showed that the repositioning is leading to better focus, movement towards upstream policy advice, access to decision makers and a widening base of partnerships.

6. Substantive results have included: development of a National Turn-Around Strategy for local government to improve policy implementation, oversight and accountability; an e-governance initiative that included telecentres to facilitate citizen participation and interaction with local government officials through access to service delivery information; technical advice for aid effectiveness of government policies and alignment to national priorities; strengthening of provincial monitoring and evaluation to advance systems, processes and skills for integrated planning, reporting and budgeting to ensure efficient service delivery and accountability; the Nkandla local economic development programme, supported jointly with other United Nations agencies, which is yielding useful lessons on how to design, implement and assess intergovernmental and multi-stakeholder approaches to local economic development; and projects such as Concentrating Solar Power for Africa and the South African Wind Energy Programme, both of which are generating significant investor interest.

7. Lessons learned over the past cycle are unequivocal in sending a single message: UNDP needs to meet the demands of a sophisticated policy environment where partners expect to gain access to the best possible advice available globally as well as to the skills required for innovation in partnerships and financial mobilization, not least involving other emerging economies. This means achieving a country presence and profile driven by a group of highly qualified and credible staff, backed by efficient operations, and able to respond quickly to demand.

III. Proposed programme

8. The proposed country programme is guided by national policy as stated in the MTSF, draft National Development Plan: Vision 2030, the Joint Evaluation Report, the Partnership Framework Agreement and the United Nations Development Assistance Framework (UNDAF) (2013-2017). The strategic vision for the programme seeks to match South Africa's needs and priorities with UNDP capabilities, in pursuit of a more

inclusive society characterized by diminishing disparities and an increasing circle of prosperity, embarked on a path of sustainable development and led by a State that is more capable of meeting popular expectations and engaging more actively with the region and the world.

Programme component I: Inclusive growth

9. This component focuses on the reduction of poverty and inequality by raising the returns from and efficiency of social protection; and increasing the ability of the economy, especially but not only in rural areas, to absorb both the long-term or structurally unemployed as well as new entrants to the labour market, highlighting particularly youth and women. In the former case, UNDP will emphasize diagnostic and policy advisory work combined with technical exchanges around good practices in other emerging economies which have successfully used various forms of social protection to efficiently improve equity (for example, on issues of targeting, delivery systems, and institutionalized access to information and feedback by citizens). With regard to employment, UNDP will employ a two-pronged focus on assistance. The first will be a joint “Jobs Lab” to test policy, financing and institutional options for employment creation in high priority rural areas and benefiting target groups such as youth and women, based on rigorously designed models and evaluation protocols and tapping partnerships across the public and private sectors (such as Business Unity South Africa), academia and the Global South. Options may relate to land reform, growth clusters, infrastructure-driven job creation, and use of new technologies and practices to boost the creation of “green” jobs, improve access to information, develop skills and better integrate rural and urban markets. The second prong will focus on youth service or temporary employment schemes that better match skills with jobs, promote entrepreneurship, and foster unity and respect for gender equality.

Programme component II: Climate change and greening the economy of South Africa

10. This component targets mitigation and adaptation levers that can have substantial multiplier effects in attaining a low-carbon economy, creating new “green” products and services and boosting employment. There will be three main areas of work. The first is expansion of the knowledge base and capacity for action by assisting key government departments in programming for the Green Economy, in line with the Green Economy Policy (for example, assessments of green job potential by sector and gender, formulation of skills development plans, identification of policy and investment benchmarks and targets, stakeholder engagement and access to international experience). The second is the scaling-up of tested/proven renewable energy solutions within the framework of the Government’s flagship Renewable Energy Programme. The main emphasis will be on assisting South Africa to explore and develop strategic options for attracting financing – from private, multilateral and public sources – to roll out proven renewable energy technologies, building, among other things, upon the groundwork laid by UNDP-assisted projects. The third is the harnessing of South Africa’s biodiversity resources to address sustainability while creating economic opportunities. The focus here will be twofold: to assist in strengthening nature-based options for poverty reduction and employment generation such as assessment of the economics of biodiversity management, and models and institutional arrangements to explore payment for ecosystem services(PES); and to enable South Africa to strengthen its capacity to become a knowledge and policy hub for pro-poor biodiversity management.

Programme component III: Service delivery and democratic governance

11. UNDP will contribute to building a more capable public sector that can deliver higher-quality services cost-effectively to the population, especially those historically disadvantaged, and targeting youth and women, in particular. The first of three main areas of work will be expansion of leadership and management development programmes targeting senior public service staff at all levels (balanced between women and men) who are at the core of designing, planning, resourcing and tracking service delivery, to build cohesion on key policy and programmatic issues, sharpen management

skills and embed behavioural norms that encourage greater transparency and accountability. The second will be strengthening of policy research and performance-driven planning, monitoring, assessment and evaluation -- for instance, results-based budgeting and management, use of service delivery standards, application of gender-differentiated benchmarks and performance indicators, and development and testing of monitoring and evaluation systems. A closely related focus will be on the identification of new or revised policy ideas that emerge from research and monitoring and evaluation and roll-out of decision support systems that can assist in their follow-through. The third area will be within the context of the Government Active Citizenry policy, development of tools for citizen (or service user) feedback, drawing upon collaboration with civil society organizations (CSOs) as well as successful experiences in other emerging economies, to boost participation (especially of women), accountability and control of corruption. A complementary effort will invest in building skills in core oversight bodies, in particular, the Public Service Commission and Legislatures, to track spending, assess efficiency and effectiveness of outcomes and detect possible corruption.

Programme component IV: South Africa's regional and global role

12. This component addresses cooperation between UNDP and South Africa regarding issues that are critical for African development and in the context of global public goods. It also aims to open the window to expanded exchange between South Africa and other countries in the Global South across a host of development issues. The approach will be based on two core elements. The first will be a Development Exchange specifically designed to fit the requirements and knowledge base of South Africa, working with the Department of International Relations and Cooperation and other relevant partners in the Government and other South African institutions. The Development Exchange will be a flexible facility or channel focused on development issues that are priorities for deeper collaboration with the Global South, offering a range of engagement options from which South Africa would choose its preferred thematic and operational approaches, for instance, the follow-up to 17th Conference of Parties to the United Nations Framework Convention on Climate Change. The second element will be cooperation with SADPA to jointly address capacity needs for organizational and development effectiveness, such as on planning and management and issues such as post-conflict recovery, reconstruction and development.

IV. Programme management, monitoring and evaluation

13. An UNDAF Action Plan will provide the main basis for programme implementation across the United Nations country team, in terms of joint programming of annual workplans, quarterly and annual reviews, and an UNDAF evaluation. The Country Office will also undertake a number of specific measures to raise its substantive and operational performance, building on the ongoing organizational change process which will be concluded in 2012: to set up an advisory body consisting of eminent personalities, renowned academics, civil society and business leaders to provide strategic guidance; to reinforce mechanisms for consultations with national and provincial governments as well as other partners on programme direction and performance; to expand and align staff skills to the needs of the evolving programme, including drawing upon non-resident advisers; to adopt a revised approach to monitoring and evaluation reflecting the transition to upstream engagement, especially use of customized tools for monitoring technical and policy advisory work; and to roll out a comprehensive communications and partnerships strategy that raises the visibility of UNDP and takes full advantage of the partnership and innovation space in and for South Africa.

14. The programme will be implemented through the National Implementation Modality (NIM). Overall coordination of UNDP activities will be vested in the National Treasury, while other central coordinating departments will play an advisory role.

Annex. Results and resources framework for the Republic of South Africa (2013-2017)

National Priority: Eliminating poverty and reducing inequality					
UNDAF and Country Programme Outcome: Reduction in percentage of population below national poverty line; Reduction in income inequality. Outcome Indicators: Percentage of population below national poverty line; Share of national income of poorest household. Related Strategic Plan Focus Area: Poverty eradication					
Government partner contribution	Other partner contributions	UNDP contribution	Indicator(s), baselines and target(s) for UNDP contributions	Indicative country programme outputs	Resources (thousands of United States dollars)
The Department of Rural Development and bodies dealing with land reform will engage in joint analysis, facilitate consultations with key stakeholders and provide operational support. Government ministries dealing with industry, employment, the environment and finance will provide the leadership and programming framework for social protection and employment.	United Nations agencies, bilateral donors and international financial institutions (IFIs) will provide technical advisory and financial support. Research institutes will provide inputs to assist evidence-based decision-making.	UNDP will invest in four areas: (a) diagnostic and policy advisory work drawing upon expert networks as well as facilitation of dialogue among social partners; (b) innovation that brings together rigorous analysis, design work and field testing to identify models of job creation that target those most in need; (c) effective use of the partnership space in South Africa to forge practical links between government, socially responsible businesses, academia and development partners; and (d) exchanges with other emerging economies that have good practices on social protection and job creation, tapping the "Development Exchange".	I.1: Gains from reforms in social protection systems (coverage, quality, cost, "leakage"); Baseline: Budgeting of \$13 billion in 2011 and 14 million beneficiaries but efficiency, effectiveness and transparency are issues; Target: Quantified gains in coverage (youth, women), cost and lower "leakage"; qualitative improvements in services (benchmarks to be determined); I.2: Existence of scalable models of job creation (for youth and women, "green"); Baseline: High levels of youth unemployment, relatively worse in rural areas; Target: At least 2-3 scalable models with measured results in job creation, including "green jobs" I.3: A draft land reform policy ready for adoption; Baseline: No land reform policy in place (Green Paper presented to Cabinet); Target: Consensus achieved across key stakeholders on proposals for reform and a funded first phase of implementation	O1: Options identified and consensus on action secured for improvement of social protection systems. O2: Design, testing and assessment of scalable models of job creation completed (across 2-3 areas capturing rural and urban settings and targeting particularly disadvantaged communities). O3: Analytic work, organization of consultative processes and technical advice on design, financing and implementation completed on a land reform policy.	Regular: 507 Other: 5 500
National Priority: South Africa becomes a low-carbon and climate change-resilient economy by 2030					
UNDAF and Country Programme Outcome: Increase in the number of sustainable green jobs created in the economy; Stabilization and reduction of carbon emissions and climate change mitigation and adaptation strategies fully operational. Outcome Indicators: Number of green jobs created in all sectors of the economy; Number of State institutions and non-State actors in three spheres of government implementing integrated White Paper policies. Related Strategic Plan Focus Area: Environment and sustainable development/Poverty eradication.					
The national Government will provide a baseline study of areas that lack access to energy and the potential for off-grid use of renewable energy; fund green job initiatives and access to renewable energy, in accordance with policy and budget commitments; and assist with coordination across the three tiers of the State.	Donors and IFIs are expected to fund complementary technical studies and measures to build policy, regulatory and management capacity on green employment. The private sector, including capital markets, will be a major source of technical advice and co-financing for green production	UNDP will target a comprehensive range of assistance: (a) design and execution of major studies to provide in-depth information on the potential of and options for a green economy; (b) completion of the technical, financial and outreach groundwork needed to bring policies, institutions, clean technologies and finance together to boost access to renewable energy, drawing upon global best practices and international expertise; (c) analysis and technical advice for compliance with international	I.1: Coverage and quality of the national knowledge base on programming for a green economy; Baseline: Still at an early phase of analysis; Target: Available assessments/studies on green job potential in 3-4 sectors, gender dimensions, investment benchmarks and financing options; I.2: Volume of financing mobilized to roll out proven renewable energy technologies (public-private-multilateral-household); Baseline: Green Economy Policy and flagship renewable energy framework in place, investments relatively small; Target: A renewable energy fund of \$100 million; I.3: Proportion of households in target communities	O1: A major multi-year policy research programme on the green economy completed. O2: Technical (including technology) studies, project proposals, road shows for private investors and partnerships concluded to raise financing for renewable energy. O3: Design work completed and institutional as well as financing arrangements in place to extend use of	Regular: 1 000 Other: 32 910

	and employment.	agreements in relation to energy and environment; (d) testing of innovations in biodiversity management that generate high economic and social rates of return; and (e) for all of the above, dialogue between local governments, the private sector and beneficiaries on policies, interventions and funding.	using renewable energy (disadvantaged, sex-disaggregated); Baseline: national rate to be determined; Target: At least 30% of households in targeted communities in 3 provinces (of whom half or more that are female-headed); I.4: Existence of viable operational models combining biodiversity management with payments for environmental services (PES); Baseline: None at present; Target: At least 2-3.	renewable energy in targeted communities in 3 provinces. O4: Advanced stage of implementation of biodiversity management with PES in 2-3 sites differentiated by socio-economic, institutional and environmental features.	
National Priority: South Africa to become a country characterized by an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.					
UNDAF and Country Programme Outcome: National, provincial and local levels of government have expanded and improved the equitable delivery of public services. Outcome indicator: Level of satisfaction of beneficiaries in terms of public service delivery. Related Strategic Plan Focus Area: Democratic governance/Poverty eradication					
Department of Public Service and Administration will provide guidance on policy and implementation for capacity development based on a “whole of government” approach; provincial and local governments will provide context-specific knowledge, guidance, coordination and co-financing for programmes; Department of Corporate Governance and Traditional Affairs will provide data on the quality of services and ensure citizen participation; the National Parliament will coordinate legislative programmes, identify beneficiaries and offer in-kind and operational support.	National and local CSOs will offer grassroots knowledge, local mobilization capacity and knowledge of feedback systems as key inputs for improving service delivery performance. Global Legislators Organisations (GLOBE) and Inter-Parliamentary Union (IPU) are expected to provide access to global perspectives and research on legislative oversight practices, systems and procedures.	UNDP will focus on four key aspects of institution-building within the framework of the initiative of the Department of Public Service and Administration on Repositioning of the Public Sector, utilizing a combination of technical and policy advice, dialogue, knowledge exchange and access to expert networks: (a) analytical work, e.g., on constraints to active citizenry; (b) design, testing and roll-out of basic systems, procedures and protocols; (c) sustained development of managerial and technical skills to perform key functions and change behaviours in service delivery institutions; and (d) targeted co-financing for specific initiatives such as surveys, consultations and performance reports or scorecards that help roll out new approaches, e.g., on citizen participation and feedback.	I.1: Proportion of management-technical staff in service delivery institutions meeting professional certification standards; Baseline: to be determined; Target: 60% in 2-3 “core” service delivery areas in three provinces (50% of whom are women); I.2: Number of public institutions with functioning systems of policy research and monitoring and evaluation; Baseline: Systems only partially in place; Target: Systems functioning in two public institutions each at the national level and three provinces; I.3: Number of municipalities that have adopted citizen participation-feedback in decision-making on service delivery; Baseline: Limited citizen participation in service delivery; Target: At least 2-3 mid/large municipalities have citizen participation-feedback integrated and specific actions implemented to engage women; I.4: Proportion of capacity benchmarks met by “core” public oversight bodies; Baseline: limited oversight capacity; Target: 70% of benchmarks (to be determined) for the national and three provincial parliaments and the Public Service Commission (PSC).	O1: Staff development programme designed and delivered in 2-3 core service areas in 3 provinces. O2: Policy research and monitoring and evaluation systems assessed and redesigned, staff skills developed and initial testing completed in 2 public institutions each at the national level and 3 provinces. O3: Business process redesign for citizen participation and an initial round of feedback in 3 service areas achieved in 2-3 municipalities. O4: Systems and procedures updated, training completed, partnerships developed and technical resources built-up in legislatures and the PSC.	Regular: 500 Other: 8 000
National Priority: Create a better South Africa and contribute to a better and safer Africa and world.					
UNDAF and Country Programme Outcome: Enhanced capacity to promote peace and development in Africa. Outcome Indicator: Level and functionality of South African participation in peace operations, mediation initiatives and development partnership activities. Related Strategic Plan Focus Area: Crisis prevention and recovery					
The Presidency, Ministry of Defence and the Department of International Relations and Cooperation will provide policy guidance, finalize the establishment of	United Nations agencies and donors are expected to be partners in initiatives that target national capacity on peacekeeping, peace-	UNDP will focus on: (a) pioneering institutionalized ways of scaling-up South-South and triangular cooperation as well as provide better access to good practices from South Africa; and (b) develop the	I.1: Number and scope of South-South and triangular initiatives in target sub-sectors Baseline: Relatively limited at present; Target: 3-4 that are rated “highly effective” on results by policymakers in the targeted sub-sectors. I.2: Proportion of SADPA capacity benchmarks met in areas of	O1: A “Development Exchange” designed, funded and operational. O2: Tailored programmes developed and executed jointly with the Department	Regular: 500 Other: 4 000

SADPA, set technical requirements, facilitate access to relevant government institutions, and identify potential issues and partners for South-South cooperation.	building, mediation and development assistance. National and regional research institutions will provide expertise for analytical and baseline studies.	capacity of SADPA by addressing jointly agreed capacity and programmatic needs, e.g., on programme design and management, post-conflict issues, climate change and trade negotiations.	assistance from UNDP Baseline: SADPA established; Target: 75% of agreed benchmarks in selected thematic and functional areas.	of International Relations and Cooperation /SADPA to develop systems, processes, skills and knowledge in selected thematic and functional areas of cooperation.	
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