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CIDA'S PROGRAMMING FRAMEWORK IN SOUTH AFRICA

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CIDA's COUNTRY DEVELOPMENT PROGRAMMING FRAMEWORK FOR SOUTH AFRICA

In Southern African culture *ubuntu* is the capacity to express compassion, justice, reciprocity, dignity, harmony, and humanity in the interests of building, maintaining and strengthening the community. An Nguni word from South Africa, *ubuntu* speaks to our interconnectedness, our common humanity, and the responsibility to each other that flows from our connection.

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INTRODUCTION

In 2002, the Canadian International Development Agency (CIDA) and South Africa's National Treasury began a joint review of the Agency's bilateral program. It marked the beginning of a yearlong process to develop a new programming framework. This document summarizes the future orientations for CIDA programming as laid out in the Country Development Programming Framework (CDPF) for South Africa.

South Africa already has a comprehensive set of policies and strategies as well as the resources to further realize its development objectives. The country needs to share its knowledge and achievements with fellow Africans for the benefit and stability of the region and continent. However, South Africa requires technical assistance to build the capacity to implement its policies and provide access to basic services for its most disadvantaged residents.

CIDA's bilateral program will strive to:

- help stabilize and reduce the incidence and impact of HIV/AIDS;

- improve access to social services through governance initiatives;

- improve access to technical and organizational services for small-scale farmers; and

- support South African initiatives that contribute to regional stability and cooperation.

Gender equality, HIV/AIDS prevention, and environmental protection will be integrated into all initiatives because of the impact these concerns have on the success of the development program.

The Country Development Programming Framework is a policy paper that maps out proposed areas for CIDA bilateral support in South Africa from 2003 to 2008. It reflects the development priorities identified by the South African government and represents Canada's international development agenda in South Africa. It was created after extensive consultations within CIDA, and with the South African government, and Canadian and South African partners.

CIDA's bilateral program in South Africa at a glance

Sector focus	Strengthening service delivery			Promoting regional stability and cooperation
	HIV/AIDS	Governance	Rural development	Knowledge sharing
Main impact	Contributing to the reduction of HIV/AIDS incidence and prevalence, and its impact on individuals.	Contributing to improved access to basic services for South Africa's disadvantaged individuals.	Contributing to improved access to basic services for South Africa's small-scale farmers.	Contributing to an increase in the number of South African initiatives which support regional stability and cooperation.
Program orientations	Strengthening human resource capacity in the health sector.	Quick, short-term interventions such as technical cooperation opportunities that will reduce bottlenecks and strengthen service delivery.		Building/expanding on activities of South African institutions involved in capacity building in Southern Africa.
	Strengthening the institutional capacities of local non-governmental organizations and community-based organizations.	Longer-term partnership building—for example, in rural development, agriculture, and governance.		Supporting specific South African initiative(s) within a regional institution.
	Supporting HIV/AIDS research and information sharing.			
Crosscutting themes: HIV/AIDS, gender, the environment				

DEVELOPMENT CONTEXT

After the first democratic elections in 1994, the African National Congress government, led by then-President Nelson Mandela, developed policies aimed at overcoming the legacy of apartheid and creating an equitable, multicultural society. The government specifically identified the need to reduce inequalities and elevate the position of women in society to achieve their broad transformation agenda.

Regional Influence

South Africa wields influence in the region and on the continent because of its robust democracy, economic strength, and advanced development. South Africa is the region's largest source and recipient of foreign direct investment. Averaging only about $21.7 million annually in the final years of apartheid, foreign direct investment reached a total of $6.6 billion in 2001. It supports a high level of economic cooperation and mutual assistance in the region. Its foreign policy is primarily Africa-oriented, although its international role has risen significantly in recent years.

President Thabo Mbeki has played a pivotal role in the creation and evolution of the Africa-led New Partnership for Africa's Development (NEPAD). Among its objectives, NEPAD promotes sound economic and political governance, and plans to launch programs to address African shortcomings in areas such as infrastructure, education, and health. South Africa is also fully committed to the strengthening of existing institutions such as the Southern African Development Community and the African Union.

Economic Stability

The post-apartheid South African economy is still undergoing structural changes, moving steadily away from a natural-resource-based economy to a service-oriented one. Its first

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world economy is well served by advanced financial services, infrastructure and technology, and energy supplied by abundant coal.

Since the transition to democracy, South Africa has significantly reduced its budget deficit to less than 3 percent of the gross domestic product with sound economic and fiscal policies. The fiscal deficit remains under control. Government revenues have also risen steadily due to an expanding tax base. The larger revenues allow for increased government spending, especially in education and social services.

South Africa's real GDP growth has ranged between 0 and 3.4 percent since 1995, which is well below the 6-percent forecast in the government's Growth, Employment, and Redistribution (GEAR) strategy. A modest economic recovery is underway, but it is unlikely to be robust enough to significantly reduce the 40-percent unemployment rate.

The 2001 census indicated that many aspects of life have improved under democratic rule. On average, South Africans are better educated, slightly richer, and better housed than they were in 1996. People also possess more telephones, refrigerators, radios, computers, and cars.

A Highly Unequal Society

Yet inequalities show up in many aspects of human development, from income distribution and employment to access to

- 65 percent of South Africa's economy is in the service sector, 20 percent is in manufacturing, and 6 percent is in mining.

- The unemployment rate is 40 percent, with about 60 percent of the population being underemployed.

- According to the South African census of 2001, of the 44.8 million residents, 75.2 percent are black, 13.6 percent are white, 8.6 percent are coloured, and 2.6 percent are Indian.

- 43 percent of the population is under 19 years old, and 60 percent of children live in poverty.

- The UN Human Development Index ranks the country's black African population 118th, whereas the white population is ranked 18th.

  (2001 statistics)

basic services such as health, education, and water. Approximately 50 percent of the population lives below the national poverty line and more than a third lives on $2 a day or less.
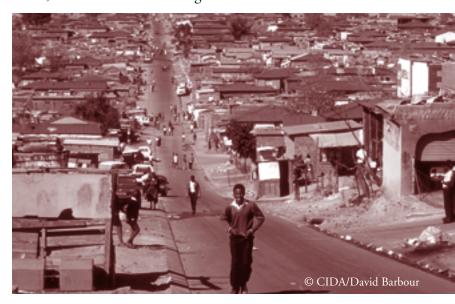
South Africa essentially contains two societies: the richest 10 percent of residents control almost half of the country's wealth, while about 50 percent of the population lives in poverty. The gaps between rich and poor, whites and non-whites, males and females, and urban and rural regions reflect one of the most unequal societies in the world.

Due to their systemic neglect under apartheid rule, the black majority is the most affected by poverty, especially black women. Apartheid exacerbated gendered patterns of poverty with African women, mostly contained in rural areas in agriculture and unskilled work. On average, female-headed households receive less than half the income of male-headed households. African women are also more affected by the lack of access to services, as they typically have the responsibility of gathering water and wood for households without access to utilities.

The HIV/AIDS Epidemic

In absolute numbers, South Africa has the highest number of people living with HIV/AIDS. At the end of 2001, an estimated 20.1 percent of the adult population was infected with the virus. With more than 1,700 new infections reported daily and the lag time between infection and illness, the worst is yet to come. Life expectancy is predicted to fall from 60 years to 40 by 2008.

Poverty and inequality are causes and consequences of HIV/AIDS. Several factors exacerbate its impact, including lack of economic opportunities, high unemployment, and extensive labour migration.

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Communities struggle to deal with the challenges of caring for the sick, supporting the living, and providing for a growing number of orphans with fewer resources at their disposal. South Africa has one of the most developed private health care systems in Africa, but its public health care system has a limited ability to deliver services to those unable to pay.

Key Impacts

- HIV/AIDS tends to primarily strike young adults, leading to a much smaller, younger, and less-experienced labour force. Some estimates suggest that over the next decade the number of employees lost to AIDS could be as high as 40–50 percent of the current workforce.

- The education sector is losing some of its best human resources. In 2000, 52 percent more teachers than normal were trained to replace teachers dying from AIDS.

- An increasing number of children are ending up on the street or heading households. In 2001 alone, more than 660,000 children were orphaned as a result of one or both parents dying from AIDS.

- Women are at greater risk of infection due to physiological, social, and economic factors. Poor black young women are most vulnerable because they have fewer economic opportunities and resources to call on against abuse and gender-based violence.

Prevalence of HIV/AIDS	Percent
Total population infected with HIV	14.2
Adults (18–64 years old)	23.4
Adult men	23.3
Adult women	23.5
Childbearing-age women (15–49)	25.9
Youth (15–24)	13.7
Male youth	5.8
Female youth	21.6

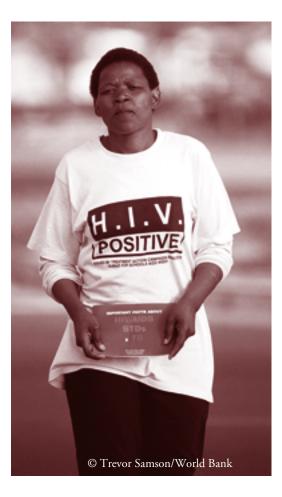Source: Centre for Actuarial Research, University of Cape Town, 2002

- The demographic time bomb of the HIV/AIDS epidemic will further tax the overburdened and technically challenged service-delivery mechanisms and undermine development achievements.

Other Development Challenges

South Africa has one of the highest crime rates in the world, and violence against women is endemic. Domestic and foreign business leaders frequently cite **crime and insecurity** as the main impediments to investment and growth.

The **migration** of job seekers to urban centres has placed overwhelming pressure on housing, educational, and health services in many South African cities. The country also struggles with a brain drain among its most educated and wealthiest citizens.

A highly unequal **land ownership** structure greatly undermines rural development. The problem stems from the apartheid regime, which attempted to cram 75 percent of the population onto 13 percent of the land. Consequently, 60,000 white farmers currently occupy about 86 percent of the best land, while 17 million black Africans occupy the remaining 14 percent in the former homelands and townships.

Air and water pollution is on the rise. South Africa is among the top 20 air-polluting countries in the world because of its heavy reliance on coal for power. South Africa is the third most biologically diverse country in the world. Unfortunately, **threats to biodiversity** have increased by the expansion of forestry, industry, agriculture, and the spread of urban areas.

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The most important factor limiting agricultural production is the **availability of water.** Water shortages, which are expected to increase substantially, are already important constraints to national development.

Rainfall is distributed unevenly across the country. Land and soil degradation are other major concerns.

SOUTH AFRICA'S DEVELOPMENT COMMITMENT

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The government has displayed a strong commitment to reducing inequality and poverty. Its 1995 Reconstruction and Development Program played a crucial role in creating and strengthening institutions to fight poverty. Meanwhile, the GEAR strategy in 1996 largely contributed to economic stabilization, which created a better climate for promoting development.

Despite its strong commitment, the government faces significant roadblocks in eradicating poverty and inequality, mainly because of insufficient capacities. On several occasions, government departments have failed to spend their entire budgets—even in critical sectors such as health and land reform—because of an inability to fully implement programs. There is a need to strengthen capacities at the provincial and municipal levels as well.

South African partners are interested in Canadian institutional models and experiences. South Africa views Canada as an important political ally, particularly since 1994, when Canada strongly supported the democratically elected government and contributed to the successful transition.

WHY SOUTH AFRICA?

- Internally, poverty and inequalities, exacerbated by the HIV/AIDS pandemic, undermine South Africa's past achievements and democratic stability. To face these urgent challenges, South Africa still needs development cooperation and human capacities to deliver services to its most disadvantaged residents.

- Externally, instability and disparities in the Southern African region are also disruptive factors. As a key economic, political, and social power on the continent, South Africa can contribute to regional stability and cooperation through its knowledge and leadership.

WHAT CIDA IS DOING

Strengthening Capacities to Fight HIV/AIDS

CIDA will allocate approximately half of its bilateral program budget for South Africa to assisting the country's government and its partners in delivering their HIV/AIDS/STD Strategy. This plan is the basis for all strategic and operational plans of the South African government and other stakeholders. Its priority areas are prevention; treatment, care, and support; legal and human rights; and monitoring, research, and evaluation.

Youth are targeted as a priority population, especially for prevention efforts. The plan also affirms the need to address the vulnerable position of women, who face a higher risk of becoming infected or affected by HIV/AIDS.

Three areas of intervention have been identified for CIDA's HIV/AIDS program:

- **Strengthening the public health sector's capacity to address the epidemic,** with a particular focus on improving the delivery of HIV/AIDS care, treatment, and support services, including anti-retroviral treatment;

- **Strengthening the institutional capacities of local non-governmental organizations and community-based organizations,** which are often the main interlocutors and leading pioneers in community-based and home-based care. However, many lack knowledge, access to resources, and the capacity to respond to local health crises; and,

- **Supporting HIV/AIDS research and information sharing** to aid in sharing the expertise South Africa has in the area of research and data collection as well as the approaches taken by other countries in the region in addressing the crisis.

Improved Governance

South Africa possesses the financial resources and commitment needed to combat poverty, but it does not have sufficient capacities to adequately provide services to its most disadvantaged residents. Canada has a solid history of supporting the formulation of South African policies in several areas, including democratic principles, good governance, and legal reform. Building on these successful experiences, CIDA will assist with strengthening South Africa's ability to deliver services to poor and vulnerable populations.

CIDA will establish a Capacity Building Technical Assistance Fund, inspired by the existing Technical Assistance Facility, to focus on poverty reduction and improving service delivery to the poor. Governance initiatives will focus on technical cooperation to make service delivery channels more efficient. The fund is designed to promote enhanced partnerships between Canadian and South African institutions.

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All funded initiatives will be led by South African institutions to maximize ownership and sustainability. Federal, provincial, and municipal governments, civil society organizations, private sector institutions, and academic institutions in each country will have the opportunity to form short-term strategic partnerships in the area of capacity building. Longer-term initiatives will be considered when durable partnerships and cost-sharing mechanisms are confirmed.

Increased Rural Development

The rapid rate of urbanization in the last ten years has exacerbated the erosion of economic opportunities in rural areas. Rural black households currently account for 71 percent of poor households. Recognizing these shortcomings, the national Department of Agriculture released its *Strategic Plan for South African Agriculture* in 2001. It laid out a detailed plan of the services and supports it needs to offer small-scale farmers.

Value-added approaches for implementing South Africa's program in support of emergent farmers will also be explored. In its effort to support small-scale farmers, South Africa is interested in Canadian

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expertise and practices related to technical, organizational, and educational aspects of rural development.

Promoting Regional Cooperation

Political instability, conflict, extreme poverty, humanitarian crises, and massive migration movements all have the potential to destabilize South Africa and the region. Drawing on South Africa's knowledge and leadership in the region,

CIDA's program will support demand-driven and mutually beneficial transfers of expertise between South Africa and neighbouring countries.

CIDA will explore the following two main programming options:

- **Supporting South African institutions involved in capacity building in Southern Africa.** Building on successful CIDA projects in South Africa, this option will seek to develop or enhance their regional dimensions and outreach.

- **Supporting a South African initiative within a regional or continental institution.** South Africa's economic

and political leadership is reflected in its influence in regional institutions, such as the Southern African Development Community, and, at the continental level, in NEPAD and in the African Union.

Integrating Gender Equality, HIV/AIDS, and the Environment

South Africa and Canada both recognize the necessity to integrate gender equality, HIV/AIDS, and the environment into all programming activities—in effect, becoming de facto objectives of the CDPF.

Gender Equality: South Africa's approach to achieving gender equality is guided by its National Policy Framework for Women's Empowerment and Gender Equality. The policy advocates the full participation of women in decision-making so that their needs move from the margins to the centre of development planning and resource allocation.

HIV/AIDS: The Government of South Africa is committed to a multi-sectoral strategy that includes integrating HIV/AIDS across all sectors. The *HIV/AIDS/STD Strategic Plan for South Africa 2000–2005* is the basis for all strategic and operational

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plans of the South African government and other stakeholders. The objective is to harmonize initiatives.

The Environment: There is a strong regulatory framework in place whereby jurisdiction regarding managing natural resources and the environment is shared between national, provincial, and municipal authorities. The country's bill of rights states that environmental quality is a fundamental right for all individuals. However, the country faces considerable challenges regarding natural resource management and environmental protection. Its government recognizes that environmental considerations need to be integrated to ensure the country takes a sustainable development path.

The *South Africa Country Development Programming Framework 2003 –2008* contains a performance review framework as well as a risk analysis and mitigation strategy. In the coming years, CIDA and South Africa's National Treasury will continue to monitor the development programming to identify emerging issues, track program performance, and ensure the ongoing relevance of the priorities outlined in the CDPF.

Some of the principles of CIDA's policy on strengthening aid effectiveness are reflected in the Agency's new bilateral program, including:

- **South Africa's own priorities and initiatives guide planning and programming using local resources;**

- **strong partnerships;**

- **cost effectiveness and adherence to best practices in development cooperation; and**

- **ongoing consultations with civil society and the private sector.**