

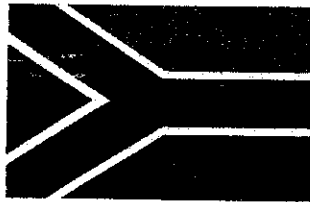
**FRAMEWORK BUSINESS PLAN**

**for the**

**ENVIRONMENTAL CO-OPERATION PROGRAMME**

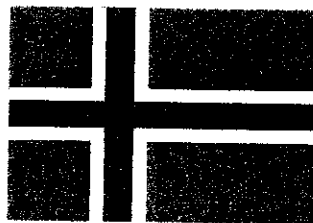
**between**

**THE REPUBLIC OF SOUTH AFRICA**



**and**

**THE KINGDOM OF NORWAY**



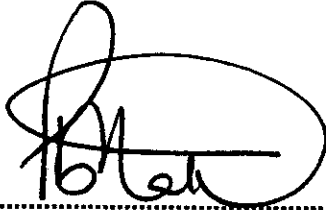
**for the period**

**1 APRIL 2005 TO 31 MARCH 2010**

**BUSINESS PLAN FOR THE ENVIRONMENTAL COOPERATION  
PROGRAMME BETWEEN THE REPUBLIC OF SOUTH AFRICA AND  
THE KINGDOM OF NORWAY FROM 1 APRIL 2005 TO 31 MARCH  
2010**

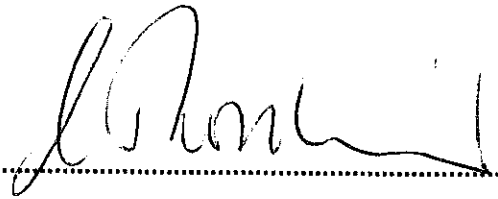
**SIGNATORIES**

On behalf of the Republic of South Africa



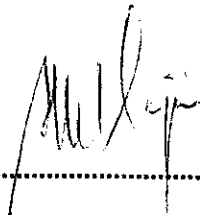
.....  
**Pam Yako**  
**Director-General**  
**Department of Environmental Affairs**  
**and Tourism**

13/12/05  
.....  
Date



.....  
**Ove Thorsheim**  
**Ambassador**  
**The Royal Norwegian Embassy**  
**On behalf of the Kingdom of Norway**

13/12/05  
.....  
Date



.....  
**Shaheed Rajee**  
**Chief Director: International Development**  
**Cooperation**  
**National Treasury**

11/01/06  
.....  
Date

1. PREAMBLE

With reference to the Memorandum of Understanding between the Government of the Kingdom of Norway ("Norway") and the Government of the Republic of South Africa ("South Africa") on development co-operation, signed in Oslo on 1 December 1994;

With reference to the Agreement between Norway and South Africa concerning the promotion of the Reconstruction and Development Programme of South Africa (the Agreement) signed on 13 June 1997, with the Addendum dated 12 and 17 November 1999, and

With reference to the Declaration of Intent, signed on 26<sup>th</sup> March 2004, in which South Africa and Norway declared their intentions to strengthen the bilateral political consultations and extend the development cooperation for a further period of five years,

With reference to the MOU between the South African Department of Environmental Affairs and Tourism and the Norwegian Ministry of Environment dated 7 February 1996,

With reference to the Letter of Intent between the South African Department of Environmental Affairs and Tourism and the Norwegian Ministry of Environment dated 10 February 2005,

With reference to the Multi-Project Business Plan, Norwegian-funded Environmental Programmes for the RSA from 1997 to 1999, dated 11 December 1997, with the Addendum signed on 11 and 12 December 1997, and the subsequent Multi-project Business Plan for Norwegian-funded Environmental Programme for the Republic of South Africa from 1996 to 2000 and previous Business Plans between Norway and South Africa within the field of Environment, dated 29 August 2000,

EXPRESSING their desire to strengthen the friendly relations between both States and to develop co-operation within the fields of environment.

ACKNOWLEDGING that a meaningful way to enhance progress is by way of institutional co-operation between Norwegian and South African institutions,

EXPRESSING their intention to enhance the cooperation as to implementation and further development of international environmental conventions, with an emphasis on biodiversity, air-pollution, climate change and hazardous substances.

South Africa and Norway have agreed on a new Business Plan regarding the Environment Co-operation between South Africa and Norway from 2005 to 2010 ("the Programme").

The Norwegian Grant shall be used exclusively to finance the implementation of the Programme, as outlined in this Business Plan.

In matters pertaining to the implementation of the present Business Plan, the Royal Norwegian Embassy in Pretoria ("NEP") and the South African Department of Environmental Affairs and Tourism ("DEAT") shall be competent to represent Norway and South Africa respectively, and shall thereunder be authorised to decide on projects or activities to be included in the Programme. DEAT shall have the overall responsibility and is accountable for the operational planning and implementation of the Programme.

In accordance with the MOU of February 1996 and the letter of intent of February 2005 the South African Department of Environmental Affairs and Tourism and the Norwegian Ministry of Environment will promote cooperation between the countries in areas of mutual interests also in connection to the programme.

In the case of discrepancy between the Agreement and the Business Plan, the provisions of the Agreement shall prevail.

## 2. ABOUT THE PROGRAMME

### 2.1 Name

Environmental Co-operation between South Africa and Norway from 2005 to 2010.

A handwritten signature in black ink, appearing to be 'G. M.', located in the bottom right corner of the page.

## **2.2 Programme Location**

The Programme will be initiated and managed by the DEAT in Pretoria and individual sub-projects will be located as defined in the detailed Project Business Plans to be entered into between DEAT and the implementing institutions. The Project Business Plans, and any subsequent amendments, shall be approved by Norway before signing and entering into force.

## **2.3 Programme Description**

The Programme provides a framework for co-operation between South Africa and Norway in the environmental sector. The Programme establishes an overall structure for the identification, co-ordination, implementation and monitoring of all co-operative activities within the field of environment. The Programme will cover priority aspects of the following environmental themes:

- Pollution and Waste
- Biodiversity and Conservation
- Environmental Governance
  
- Regional Projects relating to these thematic components will also be addressed.

The Framework Business Plan will be used as a reference document to ensure that projects to be funded by the South African/Norwegian environmental cooperation programme support the national and departmental goals.

## **2.4 Target group/beneficiaries**

Beneficiaries for this Programme are described in more detail under each theme and in the detailed Project Business Plan. However beneficiaries of the programme would be in both countries and the following would be the likely beneficiaries: national, provincial or local governments, municipalities, institutions and research organizations, non-governmental organizations, community based organizations and the general public.



### 3. SCOPE OF THE PROGRAMME

The goal, purpose, outputs and financial framework were reviewed at a workshop on 30 September and 1 October 2004 to ensure that the Programme for 2005 to 2010 remains relevant and meets the changing needs and interests of Norway and South Africa. The programme aims at supporting individual components of the DEAT Strategic Plan for the period 1 April 2005 – 31 March 2010. The outputs emanating from this workshop and adopted for the Programme are:

#### 3.1.1 DEAT's Vision

A prosperous and equitable society living in harmony with our natural resources.

#### 3.1.2 Programme goal

To promote sustainable development through the protection and conservation of natural resources, safeguard of the environment from pollution, and enhancing the quality of the environment.

#### 3.2 Purpose

- South African national, provincial and local governments, are effectively implementing their mandates for environmental management in the following areas: Pollution and waste, and Biodiversity.
- A platform has been created for long-term and sustained environmental cooperation between Norway and South Africa.
- Sub-regional, regional and global environmental co-operation is enhanced.
- Contribution to meeting the millennium development goals and the Johannesburg Plan of Implementation targets.

#### 3.3 Outputs/Deliverables

- Improved institutional capacity within the prioritized thematic areas.
  - Prioritized robust environmental management structures in place.
  - Effective prioritized environmental management systems (including law) in place.
  - Prioritized strategies to meet environmental objectives in place.
  - Efficient and effective intergovernmental cooperation in place.
- Efficient and effective institutional cooperation between South Africa and Norway.

- Efficient and effective cooperation between South Africa and sub-regional, regional and global partners.

### **3.4 Pollution and waste**

#### **3.4.1 Goal**

South African national, provincial, local governments are effectively implementing their mandate for environmental management in pollution and waste.

#### **3.4.2 Purpose**

- Robust environmental management structures in place.
- Air Quality Management (AQM), POPs and Integrated Waste Management System in place.
- Staff skills enhanced and well utilized by their institutions.

### **3.5 Biodiversity and Conservation**

#### **3.5.1 Goal**

Promote the conservation and sustainable development of South Africa's natural resources.

#### **3.5.2 Purpose**

- A national system of managing biodiversity and conservation is being implemented.
- Increased participation of marginalized and local people and groups in cooperative governance, management and equitable use and benefit sharing of natural resources.
- Promote information sharing with all stakeholders.
- Contribute to capacity building of relevant departments and stakeholders.

### **3.6 Environmental Governance**

#### **3.6.1 Goal**

South African national, provincial and local government effectively implements their mandates for environmental management.



### 3.6.2 Purpose

Enhanced institutional capacity for implementation of new and existing legislation with a focus on:

- Environmental planning and reporting.
- Enforcement of environmental legislation.
- Co-operative environmental governance.
- Environmental impact management.
- Delivery of regulatory services.

## 4. PROGRAMME IMPLEMENTATION

### 4.1 Programme management

Norway and South Africa shall co-operate fully to ensure that the Programme is accomplished successfully, to that effect, each party shall furnish to the other all information that may reasonably be required. Further, each party will promptly inform the other of any condition that interferes or threatens to interfere with the successful implementation of the Programme.

#### 4.1.1 Implementation agency

DEAT will be responsible for the implementation of this Business Plan and the coordination and monitoring of all proposed projects under the Business Plan. The implementation of each theme will be facilitated by a DEAT official duly appointed by DEAT as the relevant theme manager. Projects identified within the various themes would be implemented either by DEAT, other national government departments, and provincial or local authorities, Non-Governmental Organisations (NGOs) or Community Based Organisations (CBOs) etc. DEAT will enter into a separate memorandum of understanding with each project-implementing agency in terms of implementing the projects identified within the relevant themes of this programme.

#### 4.1.2 Programme management support (South Africa)

The Directorate: International Liaison and Coordination (DEAT) will be responsible inter alia for the coordination of the implementation, monitoring and evaluation of the environmental cooperation programme. To fulfil this requirement the Directorate: International Liaison and Coordination will contract programme management support services. Funds for project management support service will be budgeted for within the environmental cooperation

programme budget. The terms of reference for the programme management support services will be agreed to by both parties prior to any contract being entered into.

#### **4.1.3 Programme implementation structure**

South Africa

Official contact person in DEAT

Director: International Liaison and Coordination

DEAT

Private Bag X447

PRETORIA, 0001

South Africa

Tel.: (012) 310-3828

Fax: (012) 310-3541

E-mail: [Zfakir@deat.gov.za](mailto:Zfakir@deat.gov.za)

Financial management of the Programme.

Director: Financial Management

DEAT

Private Bag X447

PRETORIA, 0001

South Africa

Tel: 27 (12) 310 3684

Fax: 27 (12) 322 3634

E-mail: [Rackermann@deat.gov.za](mailto:Rackermann@deat.gov.za)

Norway

The Royal Norwegian Embassy in Pretoria

P.O. Box 11612

Hatfield, 0028

Tel: 27 (12) 342 6100

Fax: 27 (12) 342 6099

E-mail: [emb.pretoria@mfa.no](mailto:emb.pretoria@mfa.no)

#### 4.1.4 Decision-making process and hierarchy

The following decision-making process for individual Projects under the present Business Plan shall be regarded as the standard:

Community Representatives, Steering Committee, etc. (where applicable)



Local Governments (where applicable)



Provincial Departments (where applicable)



National Department (DEAT)



Annual Meeting

#### 4.1.4 Accountability chain

The generic accountability chain will function as follows:

Delegation of authority for the Programme:

Director-General of DEAT (Accounting Officer)



Deputy Director General: Relevant DEAT Branches



Theme Managers: Relevant DEAT Branches



Implementation Manager



Official responsible for the implementation of the individual projects (Project Manager)

#### 4.2 Resources required for Programme implementation

##### 4.2.1 Funding plan/Flow of funds 2005-2010

South Africa through DEAT will ensure that the necessary resources are made available over the duration of the Programme to ensure the successful implementation of the environmental cooperation Programme.

**The Norwegian contribution:**

Norway shall subject to Parliamentary appropriations and procedures as per the preamble, make available to South Africa a financial grant of up to NOK 40 million (Norwegian kroner forty million) for the period 2005-2010 ("the Norwegian Grant").

Any accrued interest of the Norwegian Grant may be used for the benefit of the Programme, as agreed by the parties in writing.

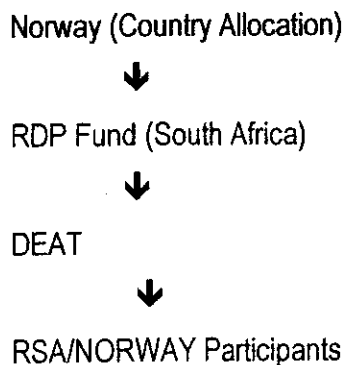
Any funds not fully utilised for one activity may upon the previous written Agreement between the Parties be utilised to the benefit of other activities within the Programme.

Any unspent funds and any unspent accrued interest shall be returned to Norway upon completion of the Programme.

The Norwegian Grant shall be used exclusively to finance the implementation of the Programme, as outlined in this Business Plan.

Flow of Funds

Norway will channel funds from the Country Allocation to DEAT via the Reconstruction and Development Programme Fund (RDP Fund) in the Reserve Bank of South Africa. All disbursements will be done twice a year upon a written request from DEAT and on the basis of the financial needs of the Programme and work plans and budgets approved by the Annual Meeting.



Disbursements are recommended by each Project Manager to Theme Manager for her/his support and approval. Thereafter they are approved by the national Programme Manager. Along with the requests, except the first request, South Africa shall state the cash balance of

the programme and submit statement of bank balances from the programme's accounting records.

#### **4.2.2 Planning Reserve**

15% of the grant will be allocated for a planning reserve. The purpose of this reserve is to allow for funds for new requirements such as new projects, which can positively contribute to the goal and purpose of this BP.

#### **4.2.3 Strategic consultations**

DEAT and the Norwegian Ministry of Environment have identified the need for establishing regular bilateral consultations, interaction and dialogue on strategic thinking about environmental issues of common concern, sharing experiences in respect of the implementation and regulation of policy and legal frameworks, and bench marking compliance with international conventions. Funds will be allocated within the environmental cooperation programme to facilitate this strategic consultation. The official contact point within the Norwegian Ministry of Environment will be the Department for International cooperation.

#### **4.2.4 Institutional co-operation**

One of the key purposes of the programme is to create a platform for long-term and sustained environmental cooperation between Norway and South Africa. One of the unique elements of the programme has been institutional cooperation between South African and Norwegian institutions. The programme will serve as a means of developing new and enhancing existing institutional cooperation as well as serve to build the foundations for sustained Norwegian South African institutional cooperation beyond the termination of this programme.

#### **4.2.5 Consultants and advisers**

If consultants and/or advisers are needed the following should apply:

Consultants and advisers, appointed by South Africa must be appointed by the appropriate South African Treasury and DEAT procurement procedures.

The use of long term consultants/advisers should be agreed to in the Annual Meeting or in writing between South Africa and Norway.

#### **4.3 Procurement Procedures**

The under-mentioned procurement procedure is utilised by DEAT for donor funding purposes: Procurement of goods and services to the value of or less than R750 000 by South African participants will be as follows:

- Three written quotations, and
- approval by the relevant Departmental programme manager (Deputy Director-General)

Procurement of goods and services exceeding R750 000 by South African participants will be in accordance with the Departmental tendering procedures. South Africa shall observe the highest ethics during the procurement and execution of the contracts.

All procurements shall be performed in accordance with generally accepted principles and good procurement practices. Invitations to tender or to make an offer as well as procurement contracts shall, respectively, include a clause stating that the tender/offer will be rejected and the contract cancelled, in case any illegal or corrupt practices have been connected with the award or the execution of the contract.

No offer, gift, payments or benefit of any kind, which would, or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts. Any such practice will be grounds for cancellation of this Agreement and/or the procurement contract concerned.

Copies of contracts entered into by South Africa will be made available to Norway on request.

#### **4.4 Programme Monitoring, Evaluation and Reporting**

##### **4.4.1 Key performance indicators:**

Indicators for the Programme will be developed under each thematic component.

##### **4.4.2 Procedures for monitoring and evaluation**

The Programme will be reported and monitored on an annually basis. The Annual Meeting will review Programme progress report, financial statements, annual work plans and budgets. The

Parties will agree upon measures to conduct a mid-term review in order to ensure that the Programme is progressing according to plan. The Grant will finance the mid-term review.

#### **4.4.3 Reports and Audits**

It is agreed that South Africa will submit an annual progress report for the Programme to Norway four weeks before the Annual Meeting. This will include an overall report with a description of actual outputs compared to planned outputs, an assessment of the risks to achieving the Programme Goal and Purpose and an assessment of the Programme's contribution to DEAT's Strategic Plan. The annual report should also include progress reports on each thematic component within the Programme. The reporting should focus on the main components and Outputs of the Programme and avoid detailed activity reporting. The reporting will also include a certified statement of accounts showing all sources of income, incoming and outgoing balance and expenditure compared to the budget.

General reporting between the Programme implementation staff and the involved agencies at national, provincial and municipal level shall follow the standard procedures of South Africa.

Audit report for the Programme for the South African financial year will be provided to Norway by 30 September each year, the requirements for the audit is described in the Agreement. If South Africa can not provide the audit by 30 September there should be a written agreement on another date.

In accordance with Article 7 of the Agreement, the South African Auditor-General or his delegated subcontractor will perform the audit on Norwegian funds under the Programme and the individual projects. The Norwegian Auditor-General will audit the involved Norwegian governmental institutions.

A final report of the Programme is to be submitted to Norway within one year of the completion of the Programme. The final report shall give a summary of outputs, achievements compared to Goal, Purpose and Outputs and an assessment of the relevance and efficiency of the Programme.

#### **4.4.4 Annual work plans and budgets**

Annual work plans and budgets shall be made for the South African financial year (1 April to 31 March). Annual work plans with budget will be formulated and the proposed annual work plans and budget will be submitted to the Annual Meeting for approval.

#### 4.4.5 Annual Meetings

Representatives of Norway and South Africa shall, in accordance with Article 2(5) of the Agreement, meet annually in the second quarter of the calendar year ("the Annual Meeting") in order to, *inter alia*:

Review the progress of the Programme and the projects, i.e. reviewing the progress reports, including the statement of accounts,

- approve the Annual Report and the certified financial statement,
- discuss possible revisions of annual work plans and budgets for the Programme and the projects. Discuss proposals for extension of ongoing projects, closure of ongoing projects or new projects to be included in the Programme,
- approve annual work plans and budgets for both the Programme and the thematic components for the next year,
- discuss issues of special concern for the implementation of the Programme and the projects,
- discuss any changes in the contracts, including the terms of reference, with consultants etc, engaged under the Programme, and
- make recommendations and decisions for the future implementation of the Programme.

The Meeting shall be called and chaired by DEAT. The Theme Managers and Project Managers shall also be present. Representatives from South African and Norwegian cooperating partners may also be present as observers if agreed upon by the Parties and can be funded from the Programme.

Central elements of the discussions and agreement reached at the Annual Meeting, including commitments on work plans and budgets, shall be recorded in the Agreed Minutes of the Annual Meeting. The Agreed Minutes shall be drafted by DEAT and submitted to Norway for comments not later than fourteen days after the meeting. Both Parties shall sign the Agreed Minutes.

If deemed necessary by the two Parties, new projects proposed by DEAT and proposed changes in contracts, including terms of reference with consultants etc., may be agreed upon in writing during the year between Annual Meetings.

5. **PROGRAMME RISKS (ASSESSMENT OF ASSUMPTIONS)**

Both countries serve notice that they treat this Business Plan seriously in terms of the purpose and scope of this Business Plan outlined earlier. However, there are naturally certain risks and assumptions that arise in any far-reaching agreement of this nature. Among them (the list is not priority or even complete are:

- that certain components in South Africa resort under another department (following which a similar agreement would have to be developed);
- that the cordial relations between the two countries declines;
- that interest in the Programme wanes on either side;
- that the resources being managed suffer drastic declines for reasons unrelated to the success of environmental management;
- that the level of national funding ensuring South Africa's participation in the Programme is cut substantially;
- that the funding for the Programme by Norway is cut substantially as a result of changing Norwegian development funding priorities; and
- high staff mobility.

None of these risks (or any others not stated above) are considered insurmountable or even threatening to the likely success of the Programme. and action to preclude such a negative influence can be taken at any of the regular meetings between both Parties. This clause do not limit the Parties responsibility to do its utmost to honor the commitments described in this Business Plan.

6. HIV/AIDS

HIV/AIDS is recognized as being a problem that is generic to all people involved in regional and bilateral programmes. To the extent appropriate and possible, it will be attempted to introduce elements of HIV/AIDS awareness and prevention in projects, e.g. especially when communities are being dealt with such as in the subsistence sector.

The Programme will liaise with DEAT's HIV/AIDS Coordinator in order to harmonise programme activities in DEAT.

7. VALUE-ADDED TAX (VAT)

DEAT will approach SARS (South African Revenue Service) to certify this Programme as a zero-rated VAT Programme.

8. RESERVATIONS

Norway reserves the right to withhold disbursements at any time in case i.a.:

- The Programme or any of the projects under the Programme develops unfavourably in relation to the Goal, Purpose and Outputs;
- substantial deviations from agreed plans and budgets occur;
- resources to be allocated by South Africa are not provided as agreed;
- the documentation specified in Clause 4.4.3 above, is not delivered as agreed;
- the financial management of the Programme or any of the projects is not satisfactory.

Norway reserves the right to claim repayment in full or in part of funds from the Grant if the funds or part of the funds are found not to be used in accordance with the terms and conditions of this Business Plan or not satisfactorily accounted for.

Before withholding any disbursements or claiming repayment the Parties shall consult with a view to reaching a solution in the matter.

Norway will cancel this Business Plan or portion of this Business Plan and have the right to demand the cancellation of any contract financed under this Business Plan, with immediate effect if it determines, with respect to any contract to be financed under this Business Plan, that corrupt or fraudulent practices were engaged in by representatives of South Africa or of a beneficiary of the aid funds during procurement or during the execution of the contract without South Africa having taken timely and appropriate action satisfactory to Norway to remedy the situation.

Norway and South Africa agree to cooperate on preventing corruption within the Programme. Norway and South Africa undertake to take rapid legal measures in their respective countries to stop, investigate and prosecute in accordance with national law any person suspected of corruption or other intentional misuse of resources.

**9. ENTRY INTO FORCE AND TERMINATION**

This Business Plan shall enter into force on the date of its signature and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled shall be determined in consultations between the Parties.

Notwithstanding the previous clause, both Parties may terminate the present Business Plan by giving three months written notice to the other Party.