

# SOUTH AFRICA

Gross disbursements of development cooperation: US\$209 million in 2011, 12th largest government provider of development cooperation outside the DAC  
 Gross ODA received: US\$1.5 billion, 22nd largest ODA recipient in 2011

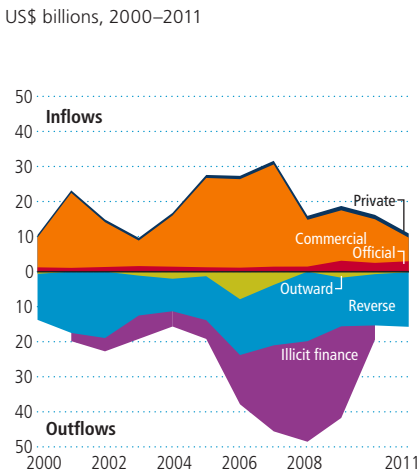
South Africa is both a provider of development cooperation and an aid recipient. Development cooperation flows from South Africa have been increasing over the last decade, by volume and as a share of national income.

- African development and contributions to international organisations are priorities for development cooperation from South Africa.
- The largest donors to South Africa are the United States, EU Institutions and Germany.
- ODA to health accounts for more than 55% of total ODA to the country.

## Resource flows to and from South Africa

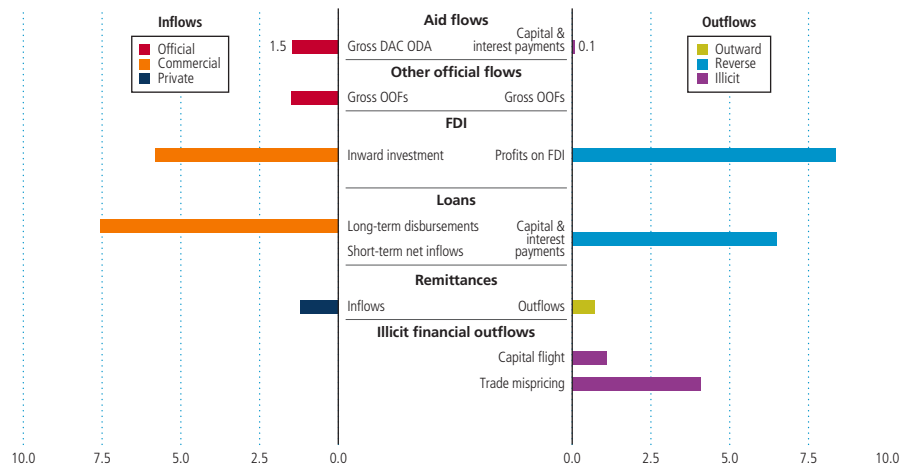
Commercial flows are the largest inflows to South Africa but have fluctuated considerably

US\$ billions, 2000–2011



Long-term loans are the largest inflow; profits on FDI are the largest outflow

US\$ billions, 2011

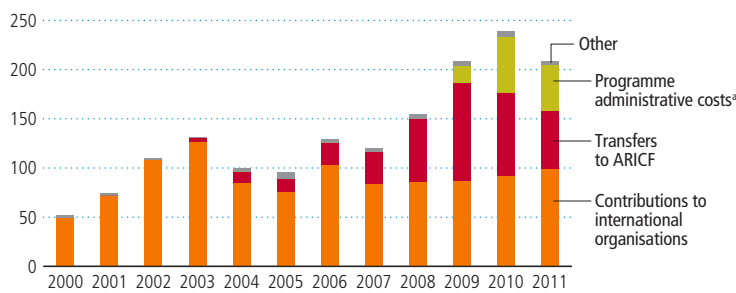


## SOUTH AFRICA AS A PROVIDER OF DEVELOPMENT COOPERATION

### How much wealth does South Africa share?

Development cooperation increased four-fold between 2000 and 2010 but decreased 12% in 2011

Gross disbursements, US\$ millions, 2000–2011



a. Data is available only from 2009 onwards.

The principal instrument of development cooperation from South Africa is the African Renaissance and International Cooperation Fund (ARICF). Established in 2001 to foster African development, it receives funds from the Treasury and is administered by the Department of International Relations and Cooperation.

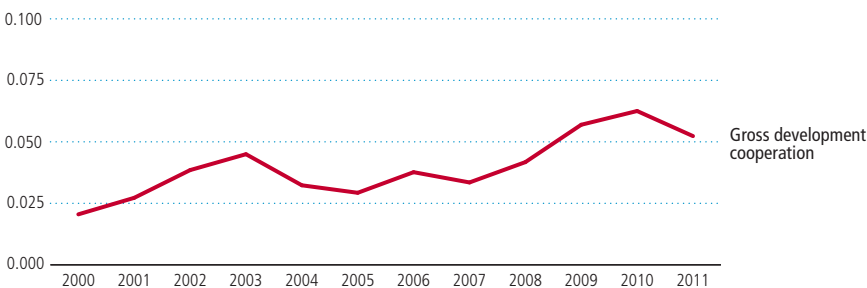
Core and earmarked contributions to international organisations from a number of ministries are the largest component of development cooperation from South Africa, amounting to US\$99 million in 2011. In comparison, governmental transfers to the ARICF are smaller (US\$59 million) but have grown quicker.

Other expenditures include a mix of humanitarian assistance, technical cooperation and non-transferred expenditures for programmes such as staff and administrative costs.

When established, the South African Development Partnership Agency within the Directorate of International Relations and Cooperation will manage future development cooperation from South Africa. Currently, numerous ministries and national bodies provide development cooperation. Their expenses are reported in the national budget under several headings, making it difficult to account for all of them. Details on recipients, sectors and composition are only partially available.

Development cooperation as a share of South Africa's income more than doubled over the last decade

% of GNI, 2000–2011



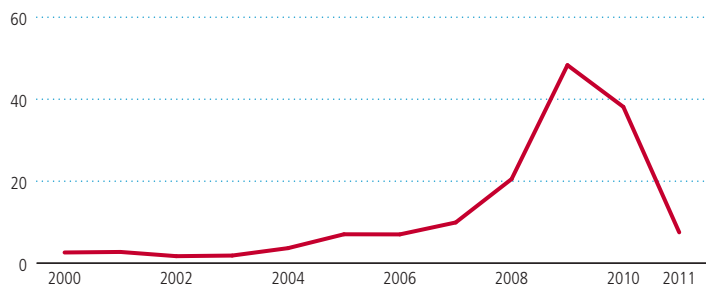
Development cooperation per capita was US\$4.13 and 0.05% of GNI in 2011



Gross development cooperation per capita per day: US\$0.01

## Humanitarian assistance from South Africa peaked in 2009 and then decreased 85% through 2011

Gross disbursements, US\$ millions, 2000–2011



## What is South Africa's commitment to aid reporting and transparency?

Bilateral development cooperation	Partially available
Humanitarian aid	Partially available
Technical cooperation	Partially available
Contributions to international organisations	Partially available

IATI	Non-signatory	<b>Key</b> <span style="background-color: #d9534f; color: white; padding: 2px;">Poor/no action</span> <span style="background-color: #f1c40f; color: white; padding: 2px;">Good/moving forward</span> <span style="background-color: #27ae60; color: white; padding: 2px;">Excellent/committed</span>
OGP	Steering Committee member	
EITI	Unsupportive government	

## SOUTH AFRICA AS AN ODA RECIPIENT

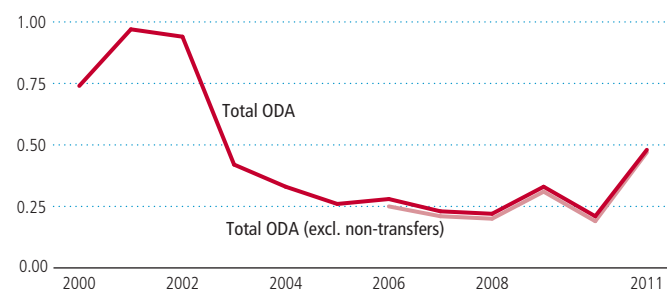
Gross ODA to South Africa has grown 79% since 2000, to US\$1.5 billion in 2011. As a proportion of national income, ODA has decreased from 0.5% to 0.4% over 2008–2011. Government expenditure per capita was PPP\$2,995 in 2011. Over 2000–2009 the number of people in South Africa living on less than \$1.25 a day decreased from 11.5 million (26% of the population) to 6.8 million people (14%).

- The United States accounts for 38% of ODA to South Africa (US\$564 million). Most ODA from the United States goes to health.
- Health accounted for more than half (55%) of overall ODA to South Africa. Education and other social services, governance and security, infrastructure, and banking and business accounted for other important areas.
- 53% of ODA to South Africa was delivered as mixed project aid through both in-kind and cash aid, mostly from the United States.

### ODA and poverty

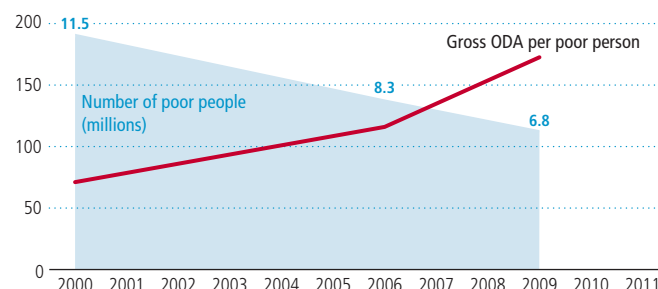
Gross ODA as a share of South Africa's income decreased from 0.5% in 2008 to 0.4% in 2011

% of GNI, 2000–2011



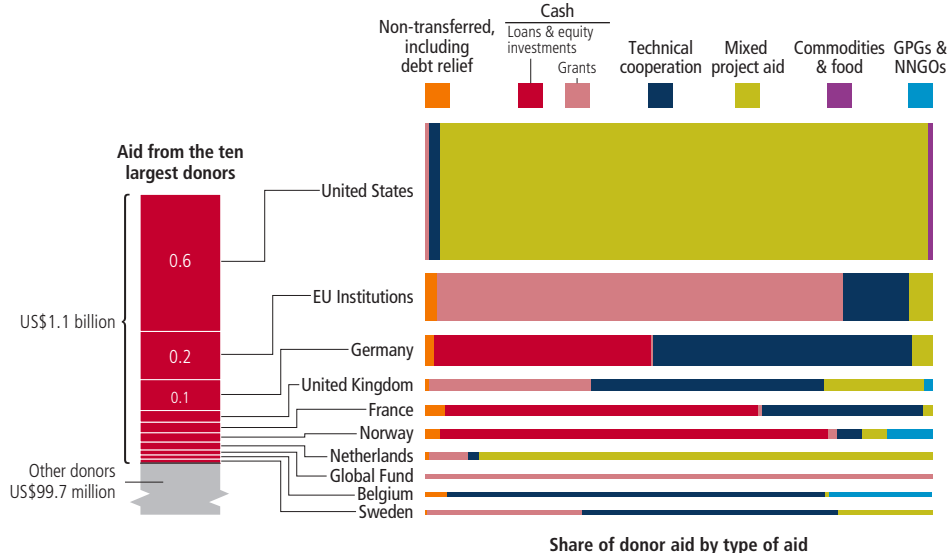
ODA per poor person has increased due to both higher aid volumes and fewer people living on less than \$1.25 a day

US\$, 2000–2011



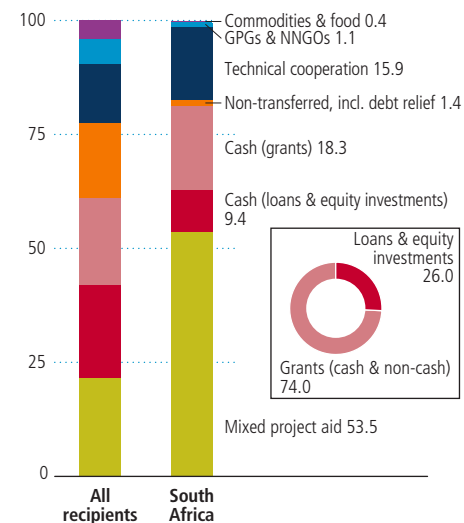
## The United States provides 38% of ODA to South Africa, most of it a mix of cash and in-kind project-related aid

Gross ODA, US\$ billions, 2011



## Mixed project aid accounts for more than half of ODA

% of gross ODA, 2011

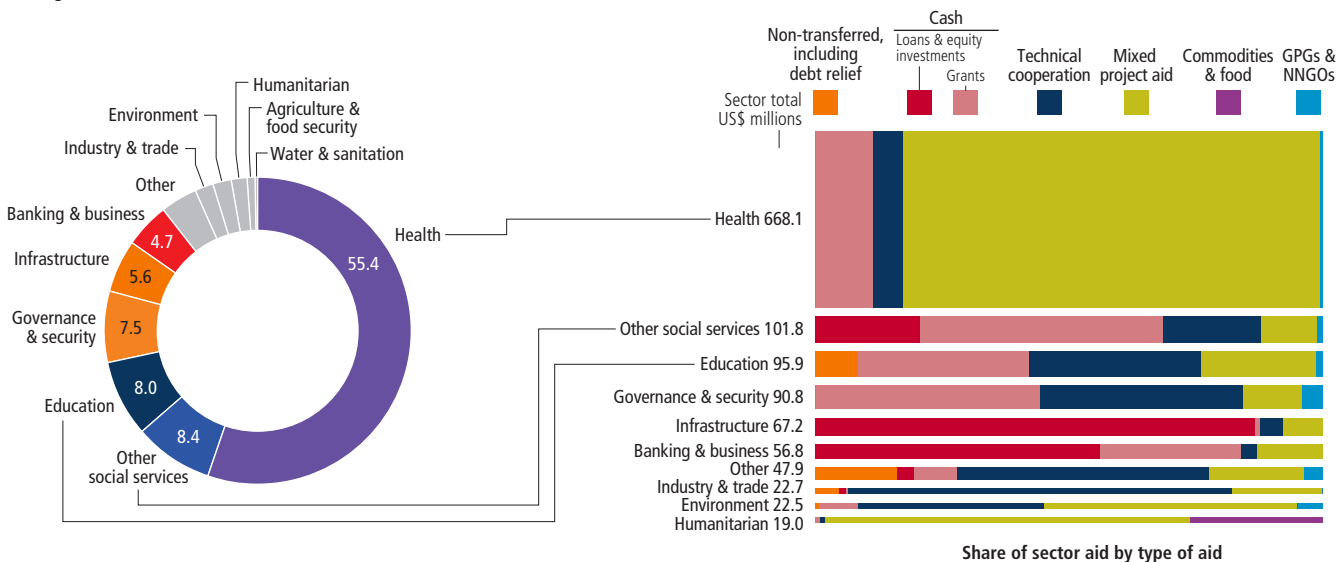


## What is aid to South Africa spent on?

55% of ODA to South Africa goes to health, most of it from the United States as mixed project aid and the rest as cash grants and technical cooperation. The composition of the aid bundle varies across sectors. Governance and security, education and other social services are funded mainly through cash grants and technical cooperation. Loans account for 87% of ODA to infrastructure and 56% of ODA to banking and business.

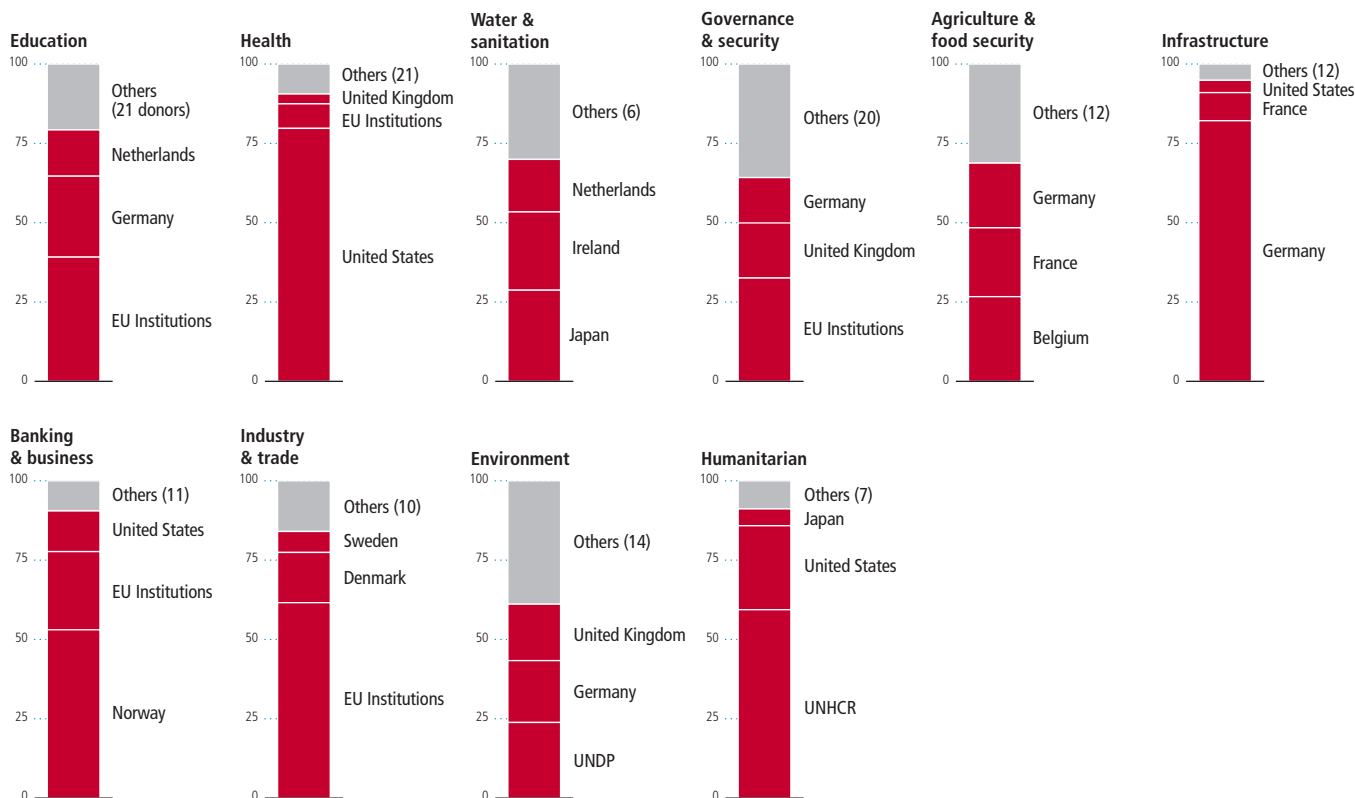
### ODA to health is more than six times ODA to the next largest sector; ODA to governance and security, education and other social services is mostly cash grants and technical cooperation

% of gross ODA, 2011



### ODA to health comes almost entirely from the United States

% of gross ODA, 2011



Note: Data is from national sources, including the Directorate of International Relations and Cooperation and the South Africa National Treasury, and African Renaissance and International Cooperation Fund Annual Reports (development cooperation disbursements), the DAC (ODA), the World Bank (remittances, GNI and poverty) and the United Nations Conference on Trade and Development (FDI). All data in US\$ is in 2011 prices. Some overlaps of international flows have been taken into account; see *Methodology*. 'Other' aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Data on ODA includes assistance from all donors that report to the DAC; aid bundle figures may not align with totals elsewhere as data is drawn from different OECD DAC data sets. DAC is the Development Assistance Committee of the Organisation for Economic Co-operation and Development. EITI is the Extractives Industries Transparency Initiative. FDI is foreign direct investment. Global Fund is the Global Fund to Fight AIDS, Tuberculosis and Malaria. GPGs are global public goods. IATI is the International Aid Transparency Initiative. NNGOs are Northern non-governmental organisations. ODA is official development assistance. OGP is the Open Government Partnership. PPP is purchasing power parity. UNDP is the United Nations Development Programme.

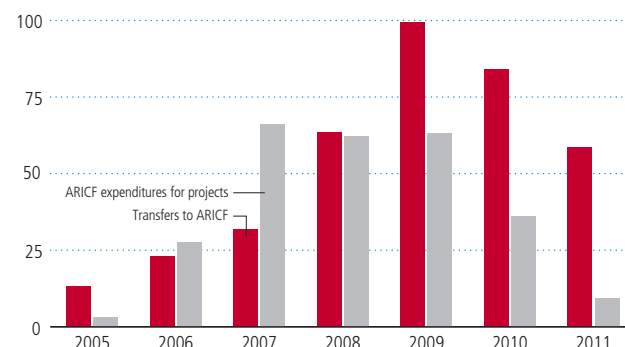
## The African Renaissance and International Cooperation Fund

The ARICF disburses both grants and loans for ad hoc projects, implemented through international organisations or bilaterally. Central government transfers to the ARICF and its disbursements for development cooperation projects follow different patterns and do not match on a year-by-year basis. The difference between the two can be due to a combination of factors such as administrative procedures, project cycles and implementation timing and does not necessarily indicate inadequate performance. However, disbursements decreased 85% between 2009 and 2011, twice as fast as transfers (41%).

Governance and democracy and humanitarian assistance are the two largest sectors that the fund has supported. Beneficiaries are all African countries, except Cuba, which received humanitarian assistance in 2011. With the establishment of the South African Development Partnership Agency, the ARICF will be replaced by a new fund, the Partnership Fund for Development.

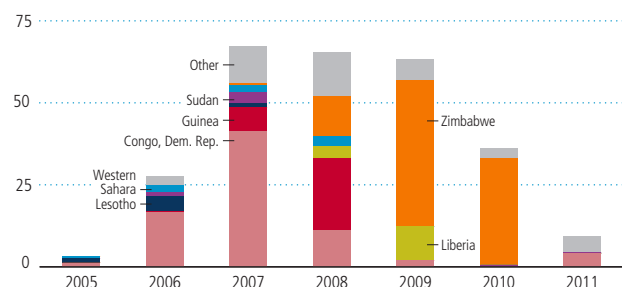
### Both transfers to and disbursements from the African Renaissance and International Cooperation Fund peaked in 2009, but subsequent falls have been faster for disbursements

US\$ millions, 2005–2011



### Zimbabwe has been the largest recipient of funds from the African Renaissance and International Cooperation Fund, receiving US\$93 million since 2005

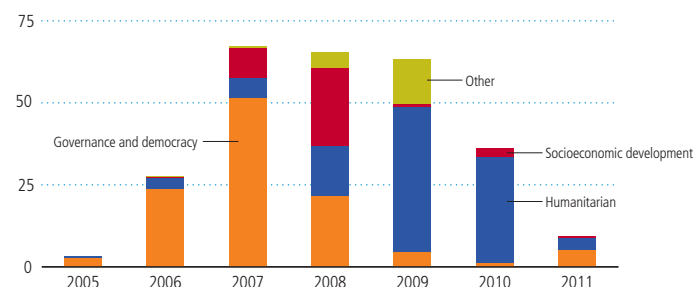
Gross disbursements, US\$ millions, 2005–2011



Note: Data refers only to ARICF, not South Africa as a whole.

### The African Renaissance and International Cooperation Fund has increased support to humanitarian assistance and to governance and democracy in recent years

Gross disbursements, US\$ millions, 2005–2011

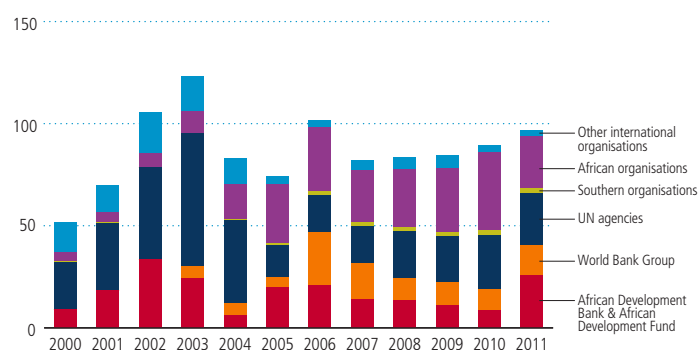


Note: Data refers only to ARICF, not South Africa as a whole.

## How is development cooperation from South Africa delivered?

### Contributions to Southern organisations increased 15-fold between 2000 and 2011, but African and UN organisations remain main recipients

Gross disbursements, US\$ millions, 2000–2011



Note: Details on core and earmarked funding is not available, so figure may include both flows.

Bilateral transfers from South Africa occur mainly under the ARICF and within continental programmes and development cooperation from non-DAC providers, but a breakdown of delivery channels is not available. Core and earmarked contributions to international organisations account for a substantial proportion of development cooperation from South Africa, 47% in 2011. The African Development Bank and Fund has been the single largest recipient of contributions from South Africa since 2000. African organisations and UN agencies received comparable amounts in 2011, but funding to the former grew more, fivefold between 2000 and 2011. Funding to Southern organisations such as the India, Brazil and South Africa Trust Fund and the African Caribbean, and Pacific Group of States increased the most over the same period but remains low. National sources show that humanitarian assistance peaked in 2009 and then decreased 84% through 2011.