

REPUBLIC OF SOUTH AFRICA

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# AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND BILL

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*(As introduced in the National Assembly as a section 75 Bill; explanatory summary of Bill  
published in Government Gazette No 21514 of 29 August 2000) (The English text is the  
official text of the Bill)*

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(MINISTER OF FOREIGN AFFAIRS)

**[B 65—2000]**

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# BILL

**To establish an African Renaissance and International Co-operation Fund in order to enhance co-operation between the Republic and other countries, in particular African countries, through the promotion of democracy, good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development; to repeal three Acts; and to provide for matters incidental thereto.**

**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:

## Definitions

1. In this Act, unless the context indicates otherwise—
  - “Department” means the Department of Foreign Affairs; 5
  - “Director-General” means the Director-General of the Department;
  - “Fund” means the African Renaissance and International Co-operation Fund established by section 2;
  - “Minister” means the Minister of Foreign Affairs;
  - “officer” means an officer as defined in the Public Service Act, 1994 (Proclamation 10
  - No. 103 of 1994);
  - “previous Fund” means the Fund established under section 2 of the repealed Act;
  - “repealed Act” means the Economic Co-operation Promotion Loan Fund Act, 1968 (Act No. 68 of 1968), repealed by section 9.

## Establishment of African Renaissance and International Co-operation Fund 15

2. (1) There is hereby established a fund to be known as the African Renaissance and International Co-operation Fund.

- (2) The Fund consists of—
  - (a) money appropriated by Parliament for the Fund;
  - (b) unexpended money in the previous Fund; 20
  - (c) money received by way of repayment of any loan made from the Fund;
  - (d) interest received on any loan made from the Fund, including interest derived from any investment of money standing to the credit of the Fund; and
  - (e) money accruing to the Fund from any other source.

## Unexpended money in previous Fund 25

3. (1) The previous Fund is hereby disestablished.
- (2) Any unexpended money held by or standing to the credit of the previous Fund immediately prior to its disestablishment is hereby ceded, assigned and transferred to the Fund.

## Objects of Fund 30

4. The money in the Fund must be utilised to enhance—
  - (a) co-operation between the Republic and other countries, in particular African countries; and

- (b) the promotion of democracy and good governance;
- (c) the prevention and resolution of conflict;
- (d) socio-economic development and integration; and
- (e) humanitarian assistance and human resource development.

#### **Utilisation of Fund**

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5. (1) The Minister must, in consultation with the Minister of Finance, establish an Advisory Committee consisting of the following members—

- (a) the Director-General or the delegate of the Director-General;
- (b) three officers of the Department appointed by the Minister; and
- (c) two officers of the Department of Finance appointed by the Minister of Finance.

(2) The Advisory Committee must make recommendations to the Minister and the Minister of Finance on the disbursement of funds through loans or other financial assistance as contemplated in subsections (3) and (4).

(3) The funds must be made available upon the recommendation of the Advisory Committee and approval by the Minister in consultation with Minister of Finance.

(4) Loans or other financial assistance, excluding assistance for the promotion of democracy and good governance or the prevention or resolution of conflict, must be granted—

- (a) or rendered in accordance with an agreement entered into between the relevant parties;
- (b) upon the recommendation of the Advisory Committee, subject to approval by the Minister in consultation with the Minister of Finance.

#### **Control of Fund and auditing of accounts**

6. (1) The Fund is, subject to the directions of the Minister, under the control of the Director-General, who must keep proper records and accounts of all payments into and out of the Fund and must prepare a statement of income and expenditure and a balance sheet, annually as at 31 March, for auditing by the Auditor-General.

(2) The Director-General must establish a Secretariat and appoint members consisting of officers to assist with the disbursement of the funds and administration of projects relating to the Fund.

(3) The Director-General is the accounting officer of the Fund.

#### **Unexpended balances in Fund**

7. (1) Any money in the Fund which is not required for immediate use must be invested by the Director-General, and may be withdrawn when required.

(2) Any unexpended balance in the Fund at the close of any financial year must be carried forward as a credit in the Fund to the next succeeding financial year.

#### **Writing off outstanding debts**

8. The Minister may, in consultation with the Minister of Finance and upon recommendation of the Advisory Committee, write off or convert to a grant any outstanding debts owed to the previous Fund.

#### **Repeal of laws**

9. (1) The laws set out in column 1 of the Schedule are hereby repealed.

(2) Anything done in terms of the repealed Act which can be done in terms of a provision of this Act is regarded as having been done under a corresponding provision of this Act.

#### **Short title and commencement**

10. This Act is called the African Renaissance and International Co-operation Fund Act, 2000, and comes into operation on a date fixed by the President by proclamation in the *Gazette*.

**SCHEDULE**

(Section 9)

| <b>Number and year of Act</b> | <b>Short title</b>                                            |
|-------------------------------|---------------------------------------------------------------|
| Act No. 68 of 1968            | Economic Co-operation Promotion Loan Fund Act, 1968           |
| Act No. 29 of 1986            | Economic Co-operation Promotion Loan Fund Amendment Act, 1986 |
| Act No. 16 of 1998            | Economic Co-operation Promotion Loan Fund Amendment Act, 1998 |

## **MEMORANDUM ON THE OBJECTS OF THE AFRICAN RENAISSANCE AND INTERNATIONAL CO-OPERATION FUND BILL, 2000**

### **BACKGROUND AND OBJECTS OF BILL**

1. The African Renaissance and International Co-operation Fund Bill, 2000, provides for the establishment of the African Renaissance and International Co-operation Fund for the purpose of the enhancing of international co-operation with and on the African Continent and to reaffirm the Republic's commitment to Africa. The Bill repeals the Economic Co-operation Promotion Loan Fund Act, 1968 (Act No. 68 of 1968).

2. The objective of the African Renaissance and International Co-operation Fund is to create a framework and basis for providing funds for projects approved by the Minister of Foreign Affairs. This will be effected through the replacement of the Economic Co-operation Promotion Loan Fund with the African Renaissance and International Co-operation Fund ("new Fund"), coupled with the transfer of the unexpended balance in the Economic Co-operation Promotion Loan Fund ("previous Fund") into the new Fund.

3. A major departure from the previous Fund will be the provision for funds to be utilised to provide financial assistance to organisations and parties other than the governments of countries. This provision will enable the new Fund to be utilised for the promotion of democracy and good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development in Africa, as well as any other area of the world that is deemed a priority by the Minister of Foreign Affairs, by the granting of loans or rendering of other financial assistance within the African Renaissance framework. Within this framework, it is envisaged that the new Fund will be utilised for the following:

- (a) promotion of democracy and good governance and the prevention and resolution of conflict;
- (b) socio-economic development and integration;
- (c) humanitarian and disaster relief in Africa and elsewhere in the world;
- (d) technical assistance projects;
- (e) capacity building, specifically in terms of human resource development, management training and student bursaries; and
- (f) projects relating to reaffirmation of South Africa's commitment to relations with Africa.

4.1 The new Fund will also create a mechanism through which donor (third party) funds would be channelled to recipients and joint tripartite projects.

4.2 Apart from the transfer of the unexpended money currently in the Economic Co-operation Promotion Loan Fund to the new Fund, money will also be appropriated by Parliament for the new Fund. The new Fund will also benefit from money received from repayment of any loan made from the new Fund; interest received on any loan made from the new Fund, including interest derived from any investment of money standing to the credit of the new Fund; and money accruing to the new Fund from any other source, such as donor funds.

4.3 The new Fund will be under the control of the Director-General: Foreign Affairs, who, as the accounting officer, will keep records and accounts of all payments into and out of the Fund. An Advisory Committee will be established to make recommendations to the Ministers of Foreign Affairs and Finance on the disbursement of funds as spelt out in the Bill.

4.4 Loans or other financial assistance, excluding assistance for the promotion of democracy and good governance and the prevention or resolution of conflict, must be granted or rendered in accordance with an agreement entered into between the parties and a project proposal, upon the recommendation of the Advisory Committee, for approval by the Minister of Foreign Affairs in consultation with the Minister of Finance.

### **5. FINANCIAL IMPLICATIONS FOR THE STATE**

The principal financial implication of the Bill will be occasioned by the disestablishment of the Economic Co-operation Promotion Loan Fund once that Fund's debit balance has been cleared by either changing outstanding loans into grants or writing-off of outstanding debt. The amounts owed by other countries in terms of loans under the previous Fund are: Central African Republic (R4,956 million), Comoros (R30,519 million), Gabon (R6,382 million), Lesotho (R4,449 million), Malawi

(R14,709 million), Mozambique (R8,369 million), Paraguay (R0,852 million) and Swaziland (R10,119 million). The total amount owed is R80,355 million. The Minister may, upon recommendation of the Advisory Committee, write off any outstanding debts owed to the Previous Fund in consultation with the Minister of Finance.

## **6. CONSULTATIONS**

The Department of Finance has been consulted regarding the Bill.

## **7. PARLIAMENTARY PROCEDURE**

The State Law Advisers and the Department of Foreign Affairs are of the opinion that the Bill must be dealt with in accordance with the procedure established in section 75 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), since it contains no provisions to which the procedure set out in section 74 or 76 of the Constitution applies.