



2023 RDP

RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

for the year ended 31 March 2023



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



2023 RDP
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DEVELOPMENT PROGRAMME FUND**
for the year ended 31 March 2023

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2023 RDP
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2023 RDP

**RECONSTRUCTION AND
DEVELOPMENT
PROGRAMME FUND**

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EXECUTIVE OVERVIEW



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EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2023

South Africa needs to overcome great difficulties that will lay a foundation for the sustained recovery into the future. Through the Reconstruction and Development Programme (RDP), we need to focus on education, health, unemployment, and poverty.

South Africa sees access to quality education for all as the most powerful instrument to end poverty. It is vital to provide children with the foundation they need to write and read for meaning as well as to learn and develop. Furthermore, the Presidential Employment Stimulus has reached all provinces and districts in the country to improve work and livelihood opportunities.

Human Immunodeficiency Virus (HIV) and Tuberculosis (TB) infections and Sexual Transmitted Illnesses (STIs) affect economic growth by reducing the availability of human capital. People living with these are essential will not only be unable to work but will also require significant medical care. Therefore proper prevention, nutrition, health care and medicine are essential.

The country was assisted in the above issues by the donors and the following was achieved during the reporting period through funds received by the Reconstruction and Development Programme (RDP):

1. HEALTH SECTOR

International donors contributed R1 015 billion towards the health sector. This was mainly to accelerate prevention to reduce HIV and TB infections and Sexual STIs. A 95-95-95 strategy for Tuberculosis (TB) was implemented to ensure that 95% of people living with TB know their status and that they receive treatment. This is to also ensure that 95% of people on TB treatment have a suppressed viral load so that their immune system remains strong and the likelihood of their infection being passed on is greatly reduced.

Achievements made through the programme are:

- 90 557 notified cases of TB which were bacteriologically confirmed or clinically diagnosed were collected.
- 7 742 people in contact with TB patients commenced with the preventive therapy.
- 5 094 TB cases with Rifampicin-resistant TB (RR-TB) and Multidrug-resistant TB (MDR-TB) were notified.
- 4 003 TB cases with RR-TB AND MDR TB commenced with second-line treatment.

2. EU-SADC ECONOMIC PARTNERSHIP EMPLOYMENT PROGRAMME

The overall objective of the programme is to achieve increased, sustainable and inclusive economic growth with higher employment in South Africa. The main objectives are to unlock challenges related to quality infrastructure and technical capacity in agricultural value chains that are throttling exports to the European Union (EU) and to support increased responsiveness to opportunities under the European Union Southern African Development Community Economic Partnership Agreement (EU-SADC EPA). This is particularly for emerging exporters of agricultural products and those with recognised geographical indications.

EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2023

The proposed intervention and approach seek to protect human, animal, and plant life or health within the sister organizations of the World Trade Organization (WTO) animal and plant health (SPS) requirements. The immediate strategy is to:

- Implement actions that can enhance the capability of laboratory testing;
- Enhance the current traceability infrastructure and reduce the time it takes to conduct disease investigations;
- Enhance animal health officials' ability to quickly track back and trace forward a disease of concern; and
- Significantly increase the number of cattle identified at their birth premises in order to provide a starting point for disease investigations.

The economic sector received R111 million during the financial year ended 31 March 2023 towards the EU-SADC EPA.

3. NATIONAL SYSTEM OF INNOVATION (NSI) - SECTOR BUDGET SUPPORT (SBS) PROGRAMME

The international community contributed R65 million towards the systems and innovation sector. The main objective of the programme is to assist the South African (SA) Government to improve the functioning of a coherent and coordinated National System of Innovation (NSI) that will enable SA's development and transformation to respond to the priorities of the National Development Plan (NDP) and for poverty alleviation.

Three main components are:

- Research and Development Partnerships for Competitiveness;
- Viability and Validation of Innovation for Service Delivery (VVISDP); and
- International Innovation support.

The programme focused on the following activities:

- Call for Proposals - to source applications from industry associations for partnerships for Research Development and Innovation (RDI) Programmes to address competitiveness challenges.
- Innovative Technology Solutions for Basic Services - Demonstration of the technologies in Municipalities.
- Decision Support Tools.
- Innovation Capacity and Capability (Training to Municipalities),
- Integration of Innovation improves innovation inclusion in policy development in Municipalities.
- E-Participation and Policy Modelling Assistance.

EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2023

Some of the achievements were:

- Call proposal for the Research and Development partnerships for competitiveness were conducted and contracts were signed.
- 18 Decision support tools to validate innovation for service delivery were prioritized, selected, and recommended.
- Briefing workshops with Municipalities that submitted expressions of interest regarding participation in the VVISDP programme were held by the Department of Science and Innovation (DSI) in partnership with the South African Local Government Association (SALGA).
- The Council for Scientific and Industrial Research (CSIR) Smart Places to assist and improve innovation inclusion in policy development in 5 municipalities was contracted by DSI.
- The Human Science Research Council (HSRC) to manage the project was contracted; and
- The Covid-19 and Gender Based Violence (GBV) survey management plan and pilot summary report were completed.

4. EMPLOYMENT PROMOTION THROUGH SMALL, MICRO AND MEDIUM

ENTERPRISES (EDSE)

The programme received R58 million from the European Commission (EC) during the financial year which ended 31 March 2023. The main purpose of the EDSE programme is to contribute towards inclusive and sustainable economic growth and employment creation which is in line with Government's objectives as described in the National Development Plan (NDP).

To enable contribution towards the NDP the following activities were undertaken:

- Improvement of competitiveness of Small, Micro and Medium Enterprises (SMME's) and their ability to meet procurement requirements of large multinational /local corporations, government, and state-owned enterprises;
- Improved access to finance for SMMEs with limited or no access to finance and
- Enabling an inclusive policy, legislative and regulatory environment for SMME growth and development.

5. EDUCATION SERVICES: EDUCATION FOR EMPLOYABILITY (E4E)

There is a growing demand for basic education to become responsive to the social and economic needs of the country. The programme aims to create a differentiated schooling system through multiple learning pathways that will improve the performance and responsiveness of basic education to building an inclusive society, providing equal opportunities, and assisting learners to realise their full, potential, especially those previously disadvantaged such as Blacks, women, and people living with disabilities.

EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2023

It also aims to re-focus and strengthen basic education as part of developing a single, integrated and training education system as outlined in the National Education Act (1996).

An amount of R47 million was received towards the E4E programme during the 2022/23 financial year.

Main Components of the programme are:

- Research Design and methodology for the pilot studies.
- Systems requirements and Resource Development.
- Introduction of vocational subjects at Grade 8 and 9 in the General Education and Training (GET) Phase.
- Advocacy and Communication.
- Capacity Building and Training; and
- Project Management Unit.

The programme had the following achievements:

- Inclinations assessment was created for conceptual and digital development.
- The General Education Certificate (GEC) Monitoring and Evaluation (M&E) Dashboard was designed and developed.
- An audit to assess the readiness of the Department of Basic Education (DBE), provinces, districts, and schools to pilot the vocational subjects was conducted.
- Integrated psychometric assessment systems to enable the placement of learners into a range of learning pathways were developed and activated.
- South African School Administration Management System (SA-SAMS) to include the vocational and occupational subjects at Grades 8 & 9 were updated.
- Integrated systems for the pilots were created, trial -tested and activated.
- Various workshops with subject specialists for the development of curriculum policies and Learning and Teaching Support Material (LTSM) for the vocational and occupational subjects were conducted.
- Communication, advocacy and visibility strategy for the DBE was developed.
- Roadshows and activations in selected pilot provinces and schools were conducted.
- Radio campaigns were conducted.
- National Training Teams (NTTs) on the theoretical component of the vocational and occupational subjects were trained.
- Provided support to the Provincial Training Teams (PTTs) during training on the theoretical component of the vocational and occupational subjects.
- Provided training to 1 700 teachers and subject advisors in the theory component of CAPS.
- Three Stream Model (TSM) Project Manager was contracted; and
- The GTAC technical team to facilitate the development of a funding framework for the Three Stream Model was contracted.

EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2023

6. EMPLOYMENT AND LABOUR SECTOR: EDUCATION FOR EMPLOYABILITY (E4E) PLACEMENT SERVICES

The Employment and Labour sector received R35 million towards the Education and Employability Placement services to assist companies and workers to adjust to changing labour market conditions.

To contribute to decent employment creation for the youth, women and persons with disabilities the following were done:

- 850 000 job seekers registered on Employment Service of South Africa (ESSA).
- 105 000 Employment opportunities registered on ESSA.
- 240 000 Job seekers provided with Employment counselling.
- 55 000 job seekers registered on ESSA placed for Employment and Learning opportunities.
- 6 Physical Employment centres were completed.
- 7 mobile units were delivered and handed over to 7 Provinces; and
- 3 Policy dialogues on persons with disabilities were held in collaboration with the Department of Basic Education (DBE) and the Department of Higher Education and Training (DHET) to discuss:
 - School exit plan – Transitioning.
 - Prior Learning certification challenges.
 - Embracing the occupational stream.
 - Supported Employment Entreprises (SEE) factories as a conveyor belt to the open labour market; and
 - Way forward-engage employers and various Sector Education and Training Authority (SETA)s.

2023 RDP

**RECONSTRUCTION AND
DEVELOPMENT
PROGRAMME FUND**

for the year ended 31 March 2023

**REPORT OF THE
AUDITOR-GENERAL TO
PARLIAMENT ON THE
RECONSTRUCTION
AND DEVELOPMENT
PROGRAMME FUND**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Reconstruction and Development Programme (RDP) Fund set out on pages 17 to 39, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the RDP Fund as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Reconstruction and Development Programme Fund Act 7 of 1994 as amended in terms of Act 79 of 1998.

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the RDP Fund in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the Reconstruction and Development Programme Fund Act; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the RDP Fund's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the RDP Fund or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2023

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. In terms of the Reconstruction and Development Programme Fund Act 7 of 1994 the RDP fund is not required to prepare an annual performance report.

REPORT ON COMPLIANCE WITH LEGISLATION

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the RDP Fund's compliance with legislation.
12. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
13. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial management of the RDP Fund, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
14. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

15. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
16. My opinion on the financial statements and compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2023

17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

19. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
20. I did not identify any significant deficiencies in internal control

Auditor General

Auditor-General

Pretoria

5 December 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE TO THE AUDITOR'S REPORT— AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on the RDP Fund's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RDP Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the RDP Fund to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the RDP Fund to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2023

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Reconstruction and development programme Fund Act No 7 of 1994	Section 4 Section 6

**2023 RDP
RECONSTRUCTION AND
DEVELOPMENT
PROGRAMME FUND**

for the year ended 31 March 2023

**ACCOUNTING
OFFICER'S REVIEW**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2023

The Reconstruction and Development Programme Fund (RDP Fund) was established on 1 November 1994 in terms of the Reconstruction and Development Programme Fund Act, 1994 (Act No 7 of 1994) (RDP Act). An amended Act was promulgated on 28 October 1998 (Act No 79 of 1998).

The income of the RDP Fund consists of government grants and donations received. Although donor countries and spending agencies follow up continuously on deposits made into the RDP fund it was not feasible for the fund to institute accounting controls over funds received from donors before initial entry of the receipts in the accounting records.

The RDP Fund showed decreased activity during the 2022/23 financial year. Grants and donations received, decreased by 42% (compared to 2021/22) to R871 million from R1 505 million. Technical assistance represents a significant proportion of foreign aid, and a number of donors do not allow South African Spending Agencies to assume responsibility for the financial management of ODA.

Total accumulated funds in the RDP Fund decreased from R4 995 million to R4 923 million in 2022/23. This amount consists of a capital element of R2 373 million, and interest accrued on capital invested totalling R2 550 million.

The amounts transferred to the Spending Agencies from the RDP Fund decreased by 36% when compared to 2021/22 from R2 504 million to R1 605 million. As numerous programmes are approaching their close out phases most of the funds have been disbursed to the spending agencies. Of the said transfers, 76% (2021/22: 82%) was from grants and donations received during the year. These transfers enabled Spending Agencies to initiate and implement programmes in various sectors.

The main reasons why there is no immediate disbursement from the RDP Fund account to South African Spending Agencies are:

- Donors deposit funds into the RDP Fund prior to the project commencement whilst spending is spread over the life of the project.
- Time lags exist between deposits and transfer payments as most deposits into the RDP Fund account are prior to transfer payments being made to South African Spending Agencies.
- Funds in the RDP Fund account are transferred to Spending Agencies on their request. Until required, such funds are invested with the Public Investment Corporation (PIC) to earn interest.
- Donor-supported development projects are sometimes implemented slower than originally envisaged due to capacity constraints in implementing agencies and/or donor institutions, unrealistic planning and/or complicated implementation modalities in cases where donor rules and procedures have to be followed. All of these factors can contribute to funds remaining in the RDP Fund account longer than planned.

The tables below reflect grants and donations of R30 million and more. The amounts received for the year exclude interest, whilst amounts transferred for the year may include interest accrued and surrenders from Spending Agencies. Accumulated funds as at 31 March 2023 are net of refunds to donors and include interest accrued.

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2023

TABLE 1

Analysis of Grants and Donations by Spending Agency for the various programmes:

	TRANSFERRED FOR THE YEAR				ACCUMULATED FUND AS AT 31 MARCH 2023			
	2022/23		2021/22		2022/23		2021/22	
	R'm	%	R'm	%	R'm	%	R'm	%
Health	1 047	65	1 458	59	153	3	225	5
Agriculture, Land Reform and Rural Development	111	7	60	2	248	5	-	-
Science and Innovation	95	6	70	3	142	3	204	5
Basic Education	65	4	26	1	308	7	235	5
Small Business Development	58	4	162	6	127	3	89	2
Employment and Labour	35	2	-	-	-	-	-	-
Mineral Resources and Energy	32	2	-	-	131	3	157	4
Economic Development and Tourism (KZN)	28	2	-	-	-	-	-	-
Parliament	26	2	26	1			-	-
National Treasury	23	1	548	22	2 354	52	1 981	46
Social Development	22	1	20	1	22	-	19	-
Environmental Affairs, Forestry and Fisheries	19	1	18	1	127	3	139	3
Home Affairs	18	1	-	-	-	-	-	-
Health (Western Cape)	14	1	-	-	-	-	-	-
Various Departments	12	1	8	-	99	2	416	10
Higher Education and Training	-	-	40	2	350	8	335	8
Tourism	-	-	35	1	18	-	17	-
Women, Youth and Persons with Disabilities	-	-	23	1	81	2	19	1
Trade, Industry and Competition	-	-	-	-	70	2	66	1
National School of Governance (NSG)	-	-	10	-	-	-	-	-
Justice and Constitutional Development	-	-	-	-	96	2	90	2
Transport	-	-	-	-	17	-	16	-
International Relations and Cooperation	-	-	-	-	31	1	29	1
Water Affairs and Sanitation	-	-	-	-	20	-	19	1
Cooperative Governance and Traditional Affairs	-	-	-	-	28	1	26	1
National Treasury (Solidarity Fund)	-	-	-	-	23	1	-	-
Economic, Environment and Fisheries	-	-	-	-	-	-	148	3
Public Works	-	-	-	-	94	2	89	2
SUBTOTAL	1 605	100	2 504	100	4 539	100	4 319	100
Receivable from Departments	-	-	-	-	384		676	-
Bank	-	-	-	-	1		1	-
Total Capital Transfers	1 605	100	2 504	100	4 923	100	4 995	100
Interest Allocated								
Payables to Departments	-	-	-	-	-	-	-	-
TOTAL	1 605	100	2 504	100	4 923	100	4 995	100

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2023

TABLE 2

Programmes for which Grant and Donations were received:

	RECEIVED FOR THE YEAR				TRANSFERRED FOR THE YEAR			
	2022/23		2021/22		2022/23		2021/22	
	R'm	%	R'm	%	R'm	%	R'm	%
ZAF-C-NDOHP01-D02.0.2	547	63	1 165	77	1 015	63	1 412	56
Programme to Support the Transformation of the Wines and Spirit Sector in South Africa	92	11	-	-	-	-	-	-
Education for Employability (E4E)	68	8	-	-	47	3	20	1
Government to Government (Milestone 1 and 2)	56	6	23	2	47	3	13	1
Gender Equality and Women Empowerment Programme Sector Reform Performance Contract	38	4	-	-	-	-	23	1
Catalyzing Financing and Capacity for the Biodiversity Economy around protected areas	28	3	-	-	16	1	-	-
Various other projects	25	3	229	15	29	2	53	2
Support to the Refugees Appeal Authority	17	2	-	-	17	1	-	-
COAG I and II	-	-	58	4	21	1	43	2
SECO-Local Economic Development Support Programme	-	-	-	-	28	2	-	-
Education for Employability placements Services	-	-	-	-	35	2	-	-
Improving the energy performance of government buildings	-	-	-	-	12	1	-	-
Strengthening the smallholder essential oils value chains	-	-	-	-	11	1	-	-
Primary Health Care Sector Policy Support	-	-	-	-	11	1	-	-
Achieving a net-zero energy of wastewater treatment plants in South Africa	-	-	-	-	20	1	-	-
Green Economy for Development Programme	-	-	-	-	20	1	-	-
Adaptive Capacity Facility Programme	-	-	18	1	-	-	-	-
South Africa Air-Quality Management in the Greater Johannesburg Area Project	-	-	12	1	-	-	12	-
Humanitarian Crisis Relief	-	-	-	-	-	-	400	16
Baviaanskloof World Heritage Site Interpretive Centre	-	-	-	-	-	-	34	1
Enhancing Legislature Oversight Programme	-	-	-	-	26	2	26	1
Employment Promotion through Small, Micro and Medium Enterprises (SMME'S)	-	-	-	-	58	3	162	6
Teaching and Learning Development Reform	-	-	-	-	-	-	40	2
EU-SADC Economic Partnership Employment Programme	-	-	-	-	111	7	54	2
Public Financial Management Capacity Building for Improved Service Delivery	-	-	-	-	16	1	15	1
Public Service Training and Capacity Building Programme	-	-	-	-	-	-	10	-
SBS National System Innovation	-	-	-	-	65	4	68	3
GBS 5th Call Municipalities	-	-	-	-	-	-	119	5
SUB TOTAL	871	100	1 505	100	1 605	100	2 504	100
Receivable from Departments	-	-	-	-	-	-	-	-
TOTAL	871	100	1 505	100	1 605	1 605	2 504	100

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2023

TABLE 3

Analysis of Grants and Donations by Donor:

	RECEIVED FOR THE YEAR				ACCUMULATED FUNDS AT 31 MARCH 2022			
	2022/23		2021/22		2022/23		2021/22	
	R'm	%	R'm	%	R'm	%	R'm	%
Global Fund	547	63	1 165	77	26	1	27	1
EU	198	22	204	14	3 766	84	3 549	82
USAID	56	6	24	2	73	2	115	3
United Nations	23	3	-	-	36	1	21	-
UNHCR	17	2	-	-	-	-	-	-
World Bank (IBRD)	16	2	12	-	11	-	21	1
Various Donors	14	2	24	2	437	10	360	8
CDC of United States	-	-	58	4	17	-	32	1
Flanders / Flemish	-	-	18	1	22	-	31	1
Switzerland	-	-	-	-	-	-	30	1
Road Accident Fund (RAF)	-	-	-	-	17	-	16	-
Germany (GIZ)	-	-	-	-	12	-	12	-
African Renaissance Fund (ARF)	-	-	-	-	12	-	11	-
France	-	-	-	-	18	-	16	-
Belgium	-	-	-	-	24	1	23	1
DFID / UK	-	-	-	-	23	1	22	1
KFW (Germany)	-	-	-	-	-	-	12	-
UNEP	-	-	-	-	23	-	21	-
IBRD	-	-	-	-	22	-	-	-
SUBTOTAL	871	100	1 505	100	4 539	100	4 319	100
Receivables from Departments/Province	-	-	-	-	384	-	676	-
Bank	-	-	-	-	1	-	1	-
TOTAL	871	100	1 505	100	4 923	100	4 995	100

**2023 RDP
RECONSTRUCTION AND
DEVELOPMENT
PROGRAMME FUND**

for the year ended 31 March 2023

**ACCOUNTING
OFFICER'S APPROVAL**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2023

The Final annual financial statements have been approved by the Accounting Officer.



Shabeer Khan

ACCOUNTING OFFICER

Date: 5 December 2023

2023 RDP

ANNUAL FINANCIAL STATEMENTS

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 R'000	2022 R'000
ASSETS			
Current assets		4 923 469	4 995 353
Cash and Cash Equivalents	2	4 538 971	4 319 283
Receivables	3	384 498	676 070
Total Assets		4 923 469	4 995 353
LIABILITIES			
Current liabilities		4 923 469	4 995 353
Funds awaiting distribution	5.1	4 923 469	4 995 353
Total liabilities		4 923 469	4 995 353

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2023

	Notes	2023 R'000	2022 R'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS		-	-
EXPENSES		-	-
Funding of Reconstruction and Development Programme projects and programmes			
Surplus/(deficit) for the period		- <u> </u>	- <u> </u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 R'000	2022 R'000
Cash flow from operating activities			
Cash Receipts		1 865 356	2 168 895
Grants and Donations		1 589 713	1 978 086
Interest received		275 645	190 809
Cash Payments		(1 645 670)	(2 773 499)
Cash Paid to Spending Agencies		(1 645 669)	(2 773 499)
Cash flow from operating activities	6	219 689	(604 604)
Cashflow from investing activities		-	-
Cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents for the year		219 689	(604 604)
Cash and cash equivalents at the beginning of the year		4 319 283	4 923 885
		4 538 971	4 319 283

STATEMENT OF CHANGES IN NETT ASSETS

FOR THE YEAR ENDED 31 MARCH 2023

	2023
	R'000
Balance at 31 March 2019	-
Surplus/(deficit) for the year	-
Balance at 31 March 2020	-
Surplus/(deficit) for the year	-
Balance at 31 March 2021	-
Surplus/(deficit) for the year	-
Balance at 31 March 2022	-
Surplus/(deficit) for the year	-
Balance at 31 March 2023	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. BASIS OF PRESENTATION

The summary of principal accounting policies is presented to assist in the evaluation and appreciation of the annual financial statements. The financial statements are prepared on a going concern basis, using the historical cost basis except where stated otherwise. The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP).

1.1 FIGURES PRESENTED

1.1.1 ROUNDING

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.1.2 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements.

1.2 SERVICES RECEIVED IN KIND

The RDP Fund recognises services received in kind in the statement of financial performance at the fair value of these services received, when they are significant to the RDP Fund's operations and to the extent that fair value can be determined reliably. Where the services are not significant and / or the fair value cannot be determined reliably the nature and type of services received are disclosed. Services received in kind include shared services with the National Treasury in the public service. While these services are important for the RDP Fund 's operations, they are not significant and therefore not recognised.

1.3 FOREIGN CURRENCIES

Grants and donations received from foreign donors are recorded in Rand by applying to the foreign currency amount the exchange rate at the date of the receipt of the grants and donations.

1.4 FINANCIAL INSTRUMENTS

Financial Instruments include financial assets and liabilities.

Financial assets consist of cash and cash equivalents, investments and receivables.

Financial liabilities consist of funds awaiting distribution and payables.

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are initially recognised when the fund becomes a party to the contractual provisions of the relevant instrument and are initially recognised at fair value. Bank charges are expensed. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1.4.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at amortised cost, which, due to their short-term nature closely approximate their fair value.

Cash and cash equivalents comprise of cash on hand and balances held with the South African Reserve Bank (SARB).

1.4.2 INVESTMENTS

Funds awaiting distribution consist of amounts invested in financial instruments classified as cash investments by the Public Investment Corporation (PIC). From 1 December 2013 funds are also invested in money market accounts at ABSA, FirstRand, Nedbank and Standard Bank. Funds are available upon request. Investments are subsequently measured at amortised cost which includes the amount at which financial assets were measured at initial recognition, minus repayments plus interest received. This is adjusted for any write down for impairment in value.

1.4.3 RECEIVABLES

In the absence of any provision to the contrary in the technical assistance agreement this is raised for grants and donations transferred to the spending agencies, but not spend at financial year end.

1.4.4 LIABILITIES

Grants and Donations are recognised in the statement of position when the grants and donations are received and awaiting distribution to the spending agencies.

Interest income is recognized on a time proportionate basis using the effective interest rate method.

Management fees and operating expenses are recognised when due and payable.

1.4.5 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Entities included are members of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the other).

1.5 PRINCIPLE AGENT ARRANGEMENT

An entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present namely:

- a. It does not have the power to determine the significant terms and conditions of the transaction;
- b. It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit; and
- c. It is not exposed to variability in the results of the transaction.

The RDP Fund meets the criteria of an agent in the principal-agent arrangement as the Fund receives the grants and donations. Once the requirement of the donor is met by the Spending Agency then the funds are transferred to the Spending agency by the Fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

The RDP Fund invests the grants and donations received at the PIC until it is transferred to the Spending Agency. Being the agent, this investment will be recognized as an asset by the agent, with a corresponding liability in respect of the obligation to transfer the amounts to the principal. This will include revenue (interest) and expenses (management fees).

Revenue and expenditure incurred acting in its capacity as an agent is no longer reflected on the face of the statement of financial performance and is available in note 5.

	2023	2022
	R'000	R'000
2. CASH AND CASH EQUIVALENTS		
Investments with PIC	4 538 971	4 319 283
Cash with Standard Bank	372 044	586 242
Money Market accounts	4 166 927	3 733 040
Bank balance: SARB	1	1
Carrying value at year end	4 538 971	4 319 283
3. ACCOUNTS RECEIVABLE		
Due by Spending Agencies	384 498	676 070
Receivables relating to portfolios	384 498	676 070

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 R'000	2022 R'000
4. FUNDING OF RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND PROJECTS AND PROGRAMMES		
Amounts to fund projects and programmes		
Capital	1 597 418	2 469 908
Interest	7 383	35 070
	1 604 802	2 504 978

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 R'000	2022 R'000
5. CURRENT LIABILITIES		
5.1 FUNDS AWAITING DISTRIBUTION		
Accumulated Capital	2 373 355	2 706 529
Includes: Opening Balance*	2 030 459	2 744 081
Grants and Donations	871 481	1 505 293
Refunds from Spending Agencies		
Receivables	676 070	388 984
Refunds from Spending Agencies - Other	18 995	83 814
Refund from Solidarity Fund/SARB	2 561	-
Transfer to Spending Agencies	(1 597 418)	(2 469 908)
Refunds to Donors	(13 291)	(221 804)
Receivables	384 498	676 070
Accumulated interest	2 550 114	2 288 825
Includes: Opening Balance	2 288 825	2 179 803
Interest Payable	275 645	190 809
Transfer from Spending Agencies-Receivable	1 106	-
Refund from Solidarity fund	19 498	-
Transfer to Spending Agencies	(7 383)	(35 070)
Refunds to Donor - Interest (Note 4.3)	(19 675)	(38 683)
Accounts Payable	-	21
Management Fees	(7 902)	(8 055)
**	4 923 469	4 995 353
* Opening balance for current year for accumulated capital consists of:		
Closing balance as at 31 March 2022	2 706 529	
Less receivables	(676 070)	
	2 030 459	

** The total amount of R4 923 469 (2021-22 R4 995 353) for capital and accumulated interest includes the undermentioned. For more information also see note 8.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 R'000	2022 R'000
5.2 REFUNDS TO DONORS		
Capital		
Refund to Australia	9 125	-
Refund to Belgium	2 562	39
Refund to Canada	1 604	-
Refund to CDC	-	206 341
Refund to World Bank	-	12 540
Refund to Switzerland	-	1 183
Refund to Flemish	-	833
Refund to KFW	-	780
Refund to African Development Bank (ADB)	-	88
	13 291	221 804

5.3 REFUNDS TO DONORS

Interest		
Refund Belgium	19 498	-
Refund to Canada	177	-
Refund to Switzerland	-	37 539
Refund to Flemish	-	557
Refund to World Bank	-	464
Refund to KFW	-	121
Refund to African Development Bank (ADB)	-	2
	19 675	38 683

Any interest earned for unspent funds on donations may be required to be refunded to the donor upon completion of the contract, pending further negotiations with the donor.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 R'000	2022 R'000
6. RECONCILIATION OF NET CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	-	-
Add/deduct: Non cash movement	-	-
Interest Received	-	-
Add/(less) changes in working capital	219 689	(604 604)
Decrease/(Increase) in trade receivables	291 572	(287 088)
(Decrease)/ Increase in trade payables	(71 883)	(317 514)
Decrease/(Increase) in inventories	-	-
Net cash flow from operating activities	219 689	(604 604)

7. RELATED PARTY TRANSACTIONS

7.1 PUBLIC INVESTMENT CORPORATION (PIC)

Grants and donations received but not required for immediate use are invested with the PIC in terms of section 8(1) of the Reconstruction and Development Funds Act, Act 7 of 1994 (as amended by Act 79 of 1998).

Herewith a summary of the transactions with PIC:

Investments	4 538 971	4 319 283
Include: Interest	275 645	190 809
Management Fees	(7 902)	(8 055)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 R'000	2022 R'000
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7.2 NATIONAL TREASURY

Services Received in kind

The RDP Fund receives services in kind from National Treasury for the shared internal audit activity and remuneration paid to the members of the Audit and Risk Committee.

The National Treasury also pays the personnel cost, admin expenses, bank charges raised by the SA Reserve Bank and audit fees for the RDP Fund. These expenses are recorded in the Annual Financial Statements of the National Treasury.

The RDP Fund cannot reliably determine the fair value for the service it received in kind. Accordingly, no amount is recognised in the Statement of Financial Performance for the value of these services received.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. FINANCIAL RISK ANALYSIS

8.1 FINANCIAL RISK FACTORS

In terms of section 8 of the RDP act the investment of funds not immediately required may be invested with the Public Investment Commissioners (PIC).

It was therefore agreed with the PIC that the Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the financial performance of the Fund:

8.1.1 MARKET RISK

The RDP Fund have no exposure to earnings or capital adversely affected by changes in the level or volatility of market rates or prices such as foreign exchange rates and trade market risks.

The RDP Fund eliminates market risk by only investing in cash instruments.

8.1.2 CREDIT RISK

To manage the risk of the RDP Fund the signed investment policy with the PIC states that funds can only be invested in cash and money instruments. These transactions are limited to the PIC as determined in respect of section 8 of the RDP Act No 7 of 1994 (As amended by Act 79 of 1998). Funds are invested at variable interest rate.

Investments are only made with domestic issuers with a minimum credit rating of "AA or Higher" as defined by the National Long Term Fitch (IBCA) or an equivalent rating by any other recognised credit rating agency will be considered. These investments will be spread across domestic issuers. It was agreed with the Investment Manager that investments will be made in the money accounts of ABSA, FirstRand, Nedbank, and Standard Bank.

On the overall portfolio an amount of R4 million will be earned less or more per month when the interest rate is adjusted with a 100 basis points.

Receivables from National departments are all due within the short-term. These funds are recoverable from National departments which forms part of the account configuration of the National Revenue Fund. The RDP Fund is exposed to credit risk with regard to the receivables due from the Provincial departments as they do not form part of the account configuration of the National Revenue Fund.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	R'000	R'000
Cash and Cash Equivalents		
Standard Bank	372 044	586 242
SA Reserve Bank	1	1
Money Market accounts	4 166 927	3 733 040
Receivables	384 498	676 070

8.1.3 LIQUIDITY RISK

The RDP Fund is not exposed to liquidity risk. Funds are only transferred to the Spending Agencies when received from the donor and after requirements were met. Funds are invested in cash and money instruments and are immediately available.

2023RDP

**RECONSTRUCTION AND
DEVELOPMENT PROGRAMME FUND**

for the year ended 31 March 2023

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA