

Developed by National Treasury

November 2024



ANNEXURE TO NATIONAL TREASURY INSTRUCTION NO. 2 OF 2024/2025

1. Introduction

South Africa, a founding member of the Group of 20 (G20) since 1999, will hold the Presidency from December 2024 to November 2025. The National Treasury (NT) and South African Reserve Bank (SARB) will lead the Finance Track, while the Department of International Relations and Cooperation (DIRCO) will be the lead for the Sherpa Track and is the overall convenor of the SA G20 Presidency. The G20 plays a crucial role in shaping global architecture and governance on major international economic issues.

In addition to the member countries, each G20 Presidency invites other guest countries and international organisations (IOs) to participate in the G20 meetings. Throughout South Africa's G20 Presidency, South Africa will host multiple meetings under the two G20 parallel tracks, namely, the Finance and Sherpa Tracks. Therefore, South Africa's upcoming G20 Presidency presents a unique opportunity for sponsors and donors from all sectors of society to align themselves with a prestigious global event, enhancing their brand visibility and corporate social responsibility profile.

2. Purpose of the G20 Sponsorship Framework

- 2.1 The G20 Sponsorship Framework aims to establish processes for soliciting, accepting, disbursing, managing, and evaluating sponsorships during South Africa's G20 Presidency.
- 2.2 It ensures coherent coordination of sponsorships, minimises conflicting objectives, promotes transparency, facilitates efficient contracting, and distributes resources equitably across G20 priorities.
- 2.3 The G20 Sponsorships Framework outlines processes for mobilising external resources and define parameters to be followed in the sponsorship arrangements, ensuring alignment of expectations, objectives, messaging, branding, and rights and obligations in terms of the sponsorship or donor agreement to be entered into.
- 2.4 Funds raised through sponsorships will support activities aligned with South Africa's strategic objectives and are intended to supplement government

- financing efforts for the G20 Presidency.
- 2.5 Private institutions participate in G20 sponsorship arrangements to demonstrate corporate citizenship and responsibility, while international organisations contribute to broader international cooperation support.
- 2.6 Sponsorships may cover, among others, procurement of products, services, including the rendering of professional services, deployment of human resources, or event execution.

3. Statutory provisions on Gifts, Donations and Sponsorships

Treasury Regulation 21.2 sets the requirements for acceptance of gifts, donations, and sponsorships to the state, in terms of which:

- 3.1 The accounting officer may approve the acceptance of any gift, donation, or sponsorship to the state, whether such gifts, donations, or sponsorships are in cash or kind in terms of Treasury Regulation 21.2.1.
- 3.2 In terms of Treasury Regulations 21.2.4 and 21.2.5, all cash gifts, donations, or sponsorships must be paid into the relevant revenue fund, except those donations received in terms of the Reconstruction and Development Programme Fund Act (Act No. 7 of 1994 the RDP Fund Act), which must be dealt with as determined by the National Treasury.
- 3.3 Where it is not apparent for what purpose a gift, donation, or sponsorship should be applied, the relevant executive authority may decide how it must be utilised. All gifts, donations, or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of the institution.

4. G20 Sponsorship Mechanism

- 4.1 The Reconstruction and Development Programme Fund (RDP Fund) will be used as a G20 sponsorship mechanism for the distribution of funds received through sponsorship.
- 4.2 The RDP Fund was established to serve as a crucial mechanism within South Africa's development framework. The RDP Fund functions as a channel for receiving and disbursing grants and donations. These funds predominantly come from international development partners and are aimed at financing programmes and projects for which the South African government shares responsibility, either partially or fully. following the signing of technical assistance agreements.

- 4.3 Its main funding source is the international donor community (foreign grants). Other sources include domestic grants (i.e. private sources) and funds appropriated by Parliament.
- 4.4 Donor funding received in terms of the RDP Act must be dealt with as determined by the National Treasury from time to time and in accordance with specific technical assistance agreements with donors. The RDP Fund has existing administrative procedures, accountability, governance arrangements and working modalities which may be enhanced for the purpose of G20. An extract of the general requirements of the RDP Fund are enclosed as an Appendix to the G20 Sponsorship Framework.

5. Financial Sponsorships through the RDP Fund

- In terms of section 6(1) of the RDP Fund Act, the Accountant-General within the National Treasury is the accounting officer for the RDP Fund and is responsible for the administration of transactions pertaining to funds in the RDP Fund, in accordance with the RDP Fund Act, with the International Development Cooperation (IDC) Unit which is responsible for reviewing and preparing recommendations on financing of specific projects and programmes against the RDP Fund.
- 5.2 The IDC Unit is also responsible for overseeing and managing official development assistance (ODA) for the government. It coordinates ODA with development partners, government departments, and non-state actors, enhancing accountability and transparency through forums and ensuring effective program delivery.
- 5.3 The accounting officer or authority of a government institution that receives funds from the RDP Fund is accountable for the funds. Therefore, the responsibilities of the accounting officer or authority as stipulated in Chapter 5 and 6 of the PFMA are also applicable to the funds received by a government institution from the RDP Fund. Failure to comply to the statutory provisions placed on the spending institutions' accounting officers may constitute an act of financial misconduct
- Prior to any donor funding being facilitated through the RDP Fund, an agreement must be negotiated between a government institution (e.g. National Treasury) and the donor agency.
- 5.5 Therefore, there must be a technical assistance agreement in place between the foreign sponsor and the relevant government institution with details of the programme or project such as the amount of funds, the purpose of the funds, the roles and responsibilities of the parties, etc. Similar agreements will be

signed with domestic sponsors.

- 5.6 The RDP Fund is designed to accommodate both domestic and foreign grants, enabling various government institutions¹ to accept and utilise donor funding efficiently. This feature is particularly significant in the context of G20 sponsorships, where financial contributions in the form of grants and donations can be directed through the RDP Fund for the benefit of identified government institutions.
- 5.7 To access funds in the RDP Fund, the relevant government institution(s) must submit a draw-down request to the NT, specifically the International Development Cooperation Unit. The draw-down request must be accompanied by a set of supporting documents, which include:
 - Prescribed draw-down request form;
 - copy of the signed agreement between the sponsor(s) and the relevant government institution(s);
 - business plan (covering the entire project life cycle);
 - work plan (covering the draw-down amount);
 - financial/expenditure report (for subsequent drawdowns); and
 - progress report (for subsequent drawdowns).
- 5.8 The IDC Unit will review the abovementioned documentation, and if satisfied with the documents, recommend to the RDP Fund (in the Office of the Accountant-General) that the requested funds be paid to the relevant government institution(s). Failure to utilise the allocated sponsorship in accordance with intended purpose, or spending plans, may result in the repurposing of such sponsorship.
- 5.9 The applicable rules for administering the RDP Fund are detailed in the Appendix to the Sponsorship Framework. The relevant provisions in the RDP Fund Act, read together with the PFMA, Treasury Regulations and the agreement between the sponsor(s) and the relevant government institution(s) will inform all aspects pertaining to the receipt, allocation, disbursement and reporting of funds in the RDP Fund for the G20 Presidency.
- 5.10 The National Treasury requires all Accounting Officers to adhere to the reporting requirements in terms of the management of ODA. This includes disclosure of all funds received (grants and in-kind assistance).

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¹ Refers to all institutions subject to the Public Finance Management Act.

6. Criteria for the Sponsorships

- 6.1 All sponsorships must be aligned with South Africa's G20 Presidency priorities.
- 6.2 The sponsorships should be for the procurement of products and services for planned activities of the G20. It is advisable that government institutions align sponsorship requests and needs with spending plans and capacity to utilise sponsorships.
- 6.3 The types/forms of sponsorships that should be requested and accepted:
 - (i) Financial sponsorships;
 - (ii) in-kind sponsorships (goods and services, including professional services);
 - (iii) media sponsorships (airtime, advertising); and
 - (iv) strategic partnerships (collaborative initiatives and secondments).
- 6.4 **In-kind sponsorships are the preferred sponsorship option** as they enable the provision of direct support for G20 meetings and events. With regards, the in-kind sponsorship may entail, but not limited to the following:
 - (i) summit sponsorship: supporting the annual G20 Leaders' Summit;
 - (ii) G20 meetings and events sponsorships: supporting conferences/ workshops/ seminars, G20 working group meetings, Deputies and Ministerial meetings, cultural events and excursions;
 - (iii) initiative sponsorships: supporting specific initiatives/or thematic areas, working group, engagement groups (e.g. climate, education); or
 - (iv) knowledge partner sponsorships: supporting research and policy development.
- 6.5 No fees will be paid to sponsoring institutions and organisations for their sponsorships or branding. The sponsors will be granted recognition according to their contribution level.
- 6.6 There can be no advertising of the sponsorship provided on broadcast and print media.
- 6.7 Sponsorship agreements must be entered into with the sponsoring institution. The agreements must clearly define products or services that the sponsorship is intended for.
- 6.8 Sponsorship requests should exclude government-centralised functions like

- policing, which are crucial for state security and public order.
- Government institutions engaging in sponsorships for the usage of venues and conferencing facilities should prioritise the use of state-owned facilities. Only if these facilities are inadequate or deemed unsuitable for G20 gathering should commercial and or other facilities be considered.
- 6.10 Government institutions involved in sponsorship must adhere to sound financial management as envisaged in the PFMA and ensure they assess potential conflicts of interest and risk exposures as part of their due diligence in any sponsorship arrangement.

7. A Call for Sponsorship for G20

- 7.1 Government has issued a **Call for Sponsorship**, targeting local and international donors, development financial institutions, private organisations, and civil society groups.
- 7.2 The call is for gifts, donations, or sponsorships that are in cash or in-kind.
- 7.3 The call has been published in various government communication platforms and advertised on appropriate media platforms, for a specified period.
- 7.4 Eligible sponsors are required to submit their expression of interest using the G20 Sponsorship Repository email account (g20sponsorship@dirco.gov.za).
- 7.5 The Department of International Relations and Cooperation and South Africa's G20 Sherpa will oversee the official registry of government G20 sponsorship pledges.
- 7.6 Adjudication of sponsorships, approvals and disbursements will be done by the Accounting Officer of the National Treasury through the RDP Fund as outlined in paragraph 5 of this Framework.
- 7.7 Treasury Regulations 21.2 will apply to in-kind sponsorships.

8. Approaching Sponsors

- 8.1 The solicitation of sponsorships will be a centrally managed process, with government institutions expected to direct all sponsorship offers to the central G20 Sponsorship repository.
- 8.2 Government institutions that intend to approach sponsors directly must ensure that potential sponsors understand the purpose and scope of South Africa's G20 Presidency activities, and that they present sponsorship opportunities aligned with the government's key priorities and values, and

obtain all sponsorship offers in writing.

- 8.3 **Sponsorship acquisition:** The G20 Sponsorship Committee, through its delegated responsibilities from the Accounting Officer of DIRCO, will oversee the sponsorship acquisition process, ensuring transparency and equitable handling. Only sponsorships that are received centrally through the designated platforms and mechanisms of government will be recognised as official G20 sponsorships.
- 8.4 **Direct sponsorship offers:** Government institutions receiving sponsorship offers should direct them to the G20 Sponsorship Repository² for review and further processing for approval by the National Treasury and relevant accounting officers.
- 8.5 For a sponsorship arrangement to be valid, a sponsor needs to be in possession of a written acknowledgment, sponsorship acceptance letter and/or an agreement from government as contemplated in paragraph 2.3 and as mentioned in this Sponsorship Framework.
- 8.6 **Criteria for sponsorship allocation:** Where sponsorship(s) has no specified beneficiary/recipient, the G20 Sponsorship Committee will oversee that sponsorship resources are equitably distributed, based on the relevance of the sponsored activity to South Africa's G20 Presidency priorities.
- 8.7 No single initiative or project should disproportionately benefit from the sponsorship pool, ensuring equitable support across all G20-related activities. Government will negotiate for the possible repurposing of funds earmarked for a specific institution of government in instances where such an institution's sponsorship requirements are fully met. The redirection of the funds will have no negative impact on the benefits to sponsors.

9. Define Sponsors, Identity of Donors and Sponsors

- 9.1 A sponsor is an individual, organisation or entity that provides financial, material or technical support for the South African G20 Presidency.
- 9.2 Sponsors and donors could be multilateral and domestic corporations, financial institutions, intergovernmental agencies, regional and continental developmental agencies, international organisations, foundations, individuals, philanthropies, non-profit organisations or any of the G20 Member States and invited countries.
- 9.3 Sponsors and donors will be disclosed unless they have requested to remain

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² The official email address of the G20 Sponsorship Repository is: g20sponsorship@dirco.gov.za.

anonymous. When a donor or sponsor requests to remain anonymous, the accounting officer must submit to the relevant treasury a certificate from both the Public Protector and the Auditor-General, which states that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection.

9.4 Paragraph 9.3 does not limit the Auditor-General or the Public Protector from supplying this information to their staff, and where it is considered to be in the public interest, to report on this.

10. Governance and Institutional Arrangements for G20 Sponsorships

Sponsorships will be primarily governed by the PFMA, Treasury Regulations, the RDP Fund Act and all relevant legislative prescripts. Pursuant to this, government may set up administrative governance and oversight structures to support G20 processes and activities deemed relevant for South Africa's G20 Presidency.

11. Approval of Sponsorships

In terms of Treasury Regulation 21.2.1, the accounting officer may approve the acceptance of any gifts, donations and sponsorship to the state whether such gifts, donations or sponsorships are in cash or kind.

12. Parameters Applicable to the Sponsorship Arrangement

To ensure clarity, accountability, and compliance with the PFMA and Treasury Regulations, the following parameters will apply to any sponsorship agreements between the South African government and individuals, organisations or entities responding to a call for sponsorship, and any other sponsors and donors specified under paragraph 9.2 of the G20 sponsorship framework. This framework seeks to ensure that sponsorships are equitably directed, legally compliant, and transparent, enabling South Africa's G20 Presidency to achieve its goals efficiently, while upholding public accountability standards.

- i. **Sponsorship eligibility** requires individuals, organisations or entities to comply with South African laws and align with the objectives of the G20 Presidency.
- ii. A sponsor should, if applicable, be tax compliant under the South African laws and a citizen, natural person or juristic person in good standing.
- iii. **Types of G20 sponsorship contributions**: (i) financial sponsorships (ii) in-kind sponsorships (goods and services) (ii) media sponsorships (airtime, advertising) and (iv) strategic partnerships (collaborative initiatives) and direct support to

- South Africa's G20 Presidency goals.
- iv. The benefits of the sponsorship arrangements must be explicitly understood and transparent, supporting the common cause of the G20 Presidency.
- v. Government encourages that sponsorship arrangements should be sufficiently broad to allow funds to deployed to multiple G20 initiatives and activities.
- vi. Where appropriate, sponsorship arrangements can be earmarked for specific government institutions or activities, but they should be applied reasonably and with care, ensuring they don't disproportionately affect the overall G20 sponsorship distribution.
- vii. The terms and conditions of sponsorship include a detailed agreement outlining the sponsorship's nature, value, timelines, and expected deliverables.
- viii. The **sponsorship period** is clearly defined, with provisions for renewal or termination based on performance and compliance.
- ix. Further details on reporting requirements are set out in paragraph 15 of this Sponsorship Framework.

13. Granting of sponsorship rights to approved sponsors

Eligible and approved G20 sponsors and donors that enter into a sponsorship agreement, will be granted specific rights to participate in G20 activities, enhancing their visibility while aligning with the values and principles of South Africa's G20 Presidency.

These rights are designed to offer value while maintaining the integrity and impartiality of the G20 process. Sponsors and donors will be recognised in G20 event materials, such as brochures, websites, and event programmes, according to their sponsorship tier. They will also gain access to select side events that align with their contribution level, providing networking opportunities and engagement with key stakeholders.

Other rights include sponsor acknowledgment in media and communications and discreet branding opportunities at side events, gala dinners, and receptions. No branding is permissible at main G20 meetings. Sponsors and donors contributing to event-related gifts must ensure all items are branded with the G20 logo, with no visible company names or logos permitted to maintain the neutrality of the event.

14. Branding Guidelines

- 14.1 The branding should not be more visible than the G20 look-and-feel.
- 14.2 No banners, posters, or flyers can be erected in the meeting or event venue precinct.

- 14.3 There can be no advertising of the sponsorship that is provided in print or broadcast media, prior to the G20 Presidency and rollout.
- 14.4 No fees will be paid to sponsoring companies for branding.
- 14.5 Further details about G20 branding guidelines will be further set out in sponsorship agreements.

15. Monitoring and Reporting

The National Treasury will provide monitoring and reporting tools to track sponsorship funds and in-kind contributions, aligning with existing financial reporting tools. Sponsored departments will submit reports detailing sponsorship use, progress towards G20 objectives, and compliance with the PFMA, Treasury Regulations, and RDP Fund Act. Internal audit units in government institutions should consider conducting regular live performance and financial reviews for financial integrity, compliance, and transparency.

16. Conflict of Interest and Ethics

Conflict of interest occurs when decision-making abilities are impaired by conflicting obligations or incentives in another role, or when secondary interests, such as financial interests, are extraneous to primary interests. South Africa's G20 Presidency activity will ensure transparency in the sponsorship selection process, managing relationships between government officials and potential sponsors according to the PFMA and other regulations.

Sponsors and donors are expected to uphold the highest standards of ethical conduct, and any breach of ethical guidelines, including bribery, corruption, or improper influence, will result in the immediate termination of the sponsorship agreement in line with the relevant sponsorship agreement and/or technical assistance agreement.

17. Termination Clauses

Government reserves the right to terminate a sponsorship agreement and/or technical assistance agreement if the sponsor and/or receiving department violates the relevant legal prescripts. This will be further detailed in the relevant agreement.

APPENDIX 1

1. OPTIONS FOR DISTRIBUTION OF FUNDS TO GOVERNMENT INSTITUTIONS THROUGH THE RDP FUND

The two options available on how the funds in the RDP Fund can be distributed to government institutions:

1.1 Option 1: One single portfolio

- 1.1.1 Under this portfolio, all funds will be received into one single portfolio and invested as such;
- 1.1.2 The portfolio is managed by the IDC;
- 1.1.3 The IDC will approve and submit a request for distribution of the funds to the RDP office;
- 1.1.4 The RDP office will transfer these funds to the relevant spending agencies;
- 1.1.5 Unspent funds at the end of the financial year should be surrendered to the RDP Fund, unless the technical assistance agreement provides for roll-over of the funds;
- 1.1.6 Funds received by spending agencies must be disclosed in the annual financial statements of such agencies; and
- 1.1.7 The IDC must provide a performance report at the end of the G20 project for inclusion in the RDP Fund annual report.

1.2 Option 2: Portfolio per donation received

- 1.2.1 Under this portfolio, funds received will be invested per donor and per spending agency;
- 1.2.2 Request for funds will be submitted by the spending agencies to the IDC;
- 1.2.3 The IDC will approve and submit request for distribution of the funds to the RDP Fund office;
- 1.2.4 The RDP Fund office will transfer the funds to the relevant spending agencies;
- 1.2.5 Unspent funds at the end of the financial year should be surrendered to the RDP Fund, unless the technical assistance agreement provides for roll-over of the funds;
- 1.2.6 Spending agencies to whom funds were distributed must disclose these funds in their annual financial statements; and
- 1.2.7 Each spending agency must provide a performance report at the end of the G20 project to the National Treasury to form part of the RDP Fund annual report.

2. APPLICABLE RULES FOR ADMINISTERING THE RDP FUND

In accordance with the RDP Fund Act, funds can only be received if there is a technical assistance agreement, and the project is approved by Cabinet;

- 2.1 Funds received from the donor should clearly indicate department/spending agency and project;
- 2.2 Funds are invested as per IDC instruction in terms of the portfolio number;
- 2.3 Funds deposited in the RDP Fund are managed in terms of the RDP Fund Act;
- 2.4 Request for funds from spending agencies are submitted to the IDC and the IDC will consider approval for the transfer of funds;
- 2.5 The transfer to the spending agencies will be done in accordance with the approval of the IDC;
- 2.6 Once approval from the IDC has been received by the RDP Fund, then the transfer will be effected;
- 2.7 Each request for funds from the RDP Fund must be accompanied by proof of payment;
- 2.8 Transactions should be accounted for in the annual financial statements of the spending agencies and interest and capital transactions are accounted for separately in the RDP Fund;
- 2.9 Interest cannot be transferred without a written approval from the donor and this condition must form part of the technical assistance agreement;

- 2.10 Monthly management fees charged by the Public Investment Corporation (PIC) must be off-set against the portfolio
- 2.11 If the spending agencies require a reallocation of the funds, then such must be done in accordance with the signed instruction from the IDC.
- 2.12 The technical assistance agreement must clearly stipulate upon the project completion how the unspent funds should be dealt with;
- 2.13 Unspent funds at the financial year end should be surrendered, except if the technical assistance agreement provides for ides for a roll-over of funds;
- 2.14 Performance report on the G20 project must be submitted by IDC or spending agencies to the National Treasury for inclusion in the RDP Fund annual report; and
- 2.15 Refunds to donors must be managed by the IDC and the fund needs to be provided with the donor request and approval from the IDC. The refunds must be split between capital and interest portions.

3. ACQUIRING SPONSORSHIP PROCESS

- Review all Requests for Sponsorship (RFS) to clarify objectives, expectations, and criteria. Oversee the issuance of RFPs/RFQs or expressions of interest, ensuring compliance with regulations.
- Review and sign off on sponsorship agreements prior to final approval by the Accounting Officer.

Sponsorship Framework for South Africa's G20 Presidency

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