



NATIONAL TREASURY  
**2024 RDP**  
RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND



FOR THE YEAR ENDED  
31 MARCH 2024



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





2024 RDP

**RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND**

for the year ended 31 March 2024

Published by National Treasury

Private Bag X115, Pretoria, 0001, South Africa | **Tel:** +27 12 315 5944 | **Fax:** +27 12 406 9055 | [www.treasury.gov.za](http://www.treasury.gov.za)

**Reconstruction And Development Programme Fund**

Annual Financial Statements 31 March 2024

is also available on [www.treasury.gov.za](http://www.treasury.gov.za)

ISBN: 978-1-77997-366-5 | RP: 327/2024

Layout: National Treasury Communications



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National Treasury  
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for the year ended 31 March 2024

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# EXECUTIVE OVERVIEW

NATIONAL TREASURY

## 2024 RDP

RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND



FOR THE YEAR ENDED  
31 MARCH 2024



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# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

The Reconstruction and Development Programme (RDP) Fund was set up to facilitate the reconstruction of the nation's social and economic infrastructure, promote equitable development, and improve the living standards of historically disadvantaged communities through prioritising:

1. Enhanced educational opportunities and vocational training to empower individuals and address skills shortages.
2. Access to healthcare and address health disparities, including combating diseases such as HIV/AIDS and tuberculosis.
3. Job creation and economic growth through support for small businesses, infrastructure development, and investment in various economic sectors.
4. The involvement of local communities in decision-making processes and project implementation to ensure that development was responsive to the needs of the people.

The RDP Fund is managed by the South African government in collaboration with various stakeholders including local governments, private sector entities, and international donors. This has resulted in significant improvements made for many South Africans. This includes housing, basic services enhanced educational and healthcare facilities and the development of infrastructure that supported economic growth.

While the country faced several challenges such as low economic growth, an energy crisis, and a high unemployment rate, the RDP Fund received grants and donations from various donors. These grants and donations increased by 97 per cent during the 2023/24 financial year and this focused on social equity and development. The RDP Fund continues to influence the country's approach to addressing historical injustices and promoting inclusive growth for all.

Funding received assisted South Africa in achieving the following:

## 1. DEPARTMENT OF HEALTH

### ZAF-C-NDOHP01-D02.0.2 AND CO-OPERATION IN THE PREVENTION AND CONTROLLING OF HIV/AIDS AND OTHER INFECTIOUS DISEASES (COAG 2) PROGRAMME

The health sector received R1 689 million from the international community for the following programmes:

- ZAF-C-NDOHP01-D02.0.2; and
- Co-operation in the prevention and controlling of HIV/AIDS and other infectious diseases (COAG 2) programme

ZAF-C-NDOHP01-D02.0.2 programme is mainly focused on implementing the 95-95-95 strategy for Tuberculosis (TB). Through this programme it is envisaged that there will be a 95% reduction in TB deaths by 2035 compared to 2015. Government needs to take the lead on this and:

- Increase engagement, collaboration and advocacy of key and vulnerable populations in the development and implementation of social and health support activities;

# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

- Provide an enabling environment to increase access to health services by vulnerable populations, to protect human and legal rights and prevent stigma and discrimination; and
- Optimise routinely collected strategic health information for data utilisation in decision making.

In this regard 102 463 cases were reported which includes new and relapsed cases. Preventative therapy was provided to 8 161 cases and 4 069 cases with rifampicin-resistant TB (RR-TB) and Multidrug-resistant TB (MDR-TB) began second-line treatment.

The objective of the COAG 2 programme is to ensure a long and healthy life for all South Africans. Through the HIV/AIDS programme the TB, primary health care services, human resources, and information systems are strengthened.

Attainment of this objective is increased life expectancy at birth, reduced maternal and child mortality, reduced burden of communicable diseases and strengthened health system effectiveness. In this regard the following was achieved:

- HIV Prevention Services were successfully implemented in most provinces;
- TB/HIV - Research, Information, Monitoring & Evaluation and Surveillance improved;
- Slight improvement regarding prevention of mother-to-child transmission;
- A training programme was launched on Voluntary Medical Male Circumcision (VMMC);
- TB/HIV Integration and Viral Hepatitis workshops were held to provide improved data;
- Adult HIV and Aids Care and Management improved;
- Health System Strengthening - Primary Health Care training was conducted;
- President's Emergency Plan for AIDS Relief (PEPFAR) Partnership Framework Implementation Plan Unit was aligned to 95-95-95 targets; and
- Software was refined and data quality improved to capacitate provincial officials.

## 2. SOCIAL SECTOR (DEPARTMENT OF BASIC EDUCATION / EMPLOYMENT AND LABOUR AND HIGHER EDUCATION AND TRAINING)

### EMPLOYABILITY (E4E) PLACEMENT SERVICES PROGRAMME

International donors contributed R109 million towards the social sector-Education for Employability (E4E) Placement services programme which is mainly aimed at improving a smooth pathway from basic and tertiary education as well as training to work.

The E4E programme is implemented by the Departments of Basic Education; Higher Education and Training; and Employment and Labour.

The programme necessitates a close collaboration and co-ordination between the three departments to create effectiveness and efficiencies in the schooling to post-schooling and post-schooling to employment value chain. This is required to address chronic youth unemployment, skills mismatches and marginalised groups such as rural youth, people with disabilities and women by providing a quality, inclusive and equitable curriculum in the schooling years. This is called the Three Stream Model (TSM).

# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

To address the schooling to post-schooling value chain, the TSM provides learners with multiple, equivalent learning pathways to fulfil their potential and contribute meaningfully to society. The TSM refers to multiple learning pathways for schooling within the academic, vocational, and occupational pathways towards:

- Multiple learning pathways enable greater learner choices in pursuance of the NSC, which is registered on the National Qualifications Framework (NQF) and articulates with the Post-School Education and Training (PSET) system.

Through the E4E Programme the following was achieved for the Educational Sector:

- The Community Employability Support Project (CESP) was implemented. The CESP focuses on assisting young people to prepare for, source, secure, create and maintain employment opportunities; and
- The CESP formed partnerships with 30 Community Resource Centres (CRCs) located in various provinces which offer career and employability services of variable quality.

Through the E4E Programme the following was achieved for the Employment and Labour Sector:

- An employability framework was developed to guide the understanding and standardisation of language and employability services;
- Regarding the research undertaken to explore Active Labour Market Policies (ALMPs) and other employment initiatives in order to tackle the challenge of an unemployment research report on employment schemes was completed;
- A research study on the current status of learner psychometric assessment tools across DBE, DHET, and DEL to identify gaps and system challenges in a report was completed;
- A research study in terms of employer needs regarding psychometric assessment tools across DBE, DHET, and DEL has been conducted and completed;
- An improved registration system for new (and existing) work seekers as well as employment opportunities on Employment Services of South Africa (ESSA); and;

A Terms of Reference (ToR) was developed for mobile app use for job seekers to view and apply for available opportunities thereby facilitating real time matching of work seekers

## 3. NATIONAL TREASURY: GENERAL BUDGET SUPPORT (GBS) 5TH CALL MUNICIPALITIES

The Department received R104 million from international donors during the 2023/24 financial year towards the General Budget Support (GBS) 5th Call Municipalities. This programme had the following activities implemented by various municipalities:

**3.1 Duncan Village Buy-Back Centre and Integrated Waste Management Services** had the following objectives:

- To improve waste management in the Buffalo City Metro, starting with Duncan Village as the initial focus area;

# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

- To manage plastic waste within the Metro and address other waste streams, such as glass, paper/cardboard, and metal, which are currently being transported out of the city; and
- To establish a recycling processing plant for paper and cardboard waste.

Some of the achievements were:

- Project beneficiaries were trained on recyclable waste collection;
- A selection criterion for the SMMEs was compiled and approved by ward councillors and the service provider were appointed; and
- Site visits to a plastic beneficiation plant which processes waste to produce South African Bureau of Standards (SABS) approved window and door frames, including planks to produce benches, bins, boardwalks and playground equipment was conducted.

## 3.2 Philippi Agri-Hub which aims to:

- Revitalise and expand the current Philippi fresh produce market into a multi-faceted Agri-hub through the physical expansion of the market infrastructure and the creation of a supportive ecosystem for small-scale agri-businesses;
- Facilitate training, mentorship, and business development services tailored to the needs of local entrepreneurs;
- Create jobs and stimulate the growth of small-scale commercial agriculture and related sectors and establish a holistic economic development for the benefit of the wider Philippi community; and
- The Philippi Economic Development Initiative (PEDI) was appointed as the implementing partner to support small scale agri-businesses in the Philippi community.

## 3.3 KwaDukuza Ease of Doing Business - Tools and Systems and the main objectives were:

- To implement systems and tools for online applications, document tracking and management of town planning applications, building plans, business licenses, and informal trading permits;
- Enabling a capacitated municipality to provide enhanced reliability of services through implementation of a Supervisory Control and Data Acquisition (SCADA) system;
- The SCADA system will ensure a stable and reliable electricity supply to consumers; and
- Implementation partners and Electrical Engineers were appointed for the supply, installation and commissioning of the SCADA system.

## 3.4 Nyandeni Animal Feed Processing Plant to implement measures to increase agricultural production within Nyandeni and to strengthen the economic contributions of the neighbouring municipalities by creating more employment opportunities within the agricultural sector. These were some of the project outcomes:

- 807 tons of total feed were produced per month; and
- 10 613 job opportunities were created.

# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

**3.5 Marburg Motor Mechanics Automotive Work** to set up a state-of-the-art mechanical workshop with advanced equipment which is intended to transition Marburg Motor Mechanics Automotive Cooperative from its current operational status to that of a fully functional and thriving business entity.

- Consulting Engineers to oversee the implementation of the project were appointed and the main buildings of the project were completed.

**3.6 Enhancing Sol Plaatje Local Municipality's economic governance & infrastructure for Business Expansion Attraction & Retention (BEAR)** and focuses on:

- Enhancing the economic governance and infrastructure within the municipality, specifically focusing on promoting Business Expansion, Attraction, and Retention (BEAR) initiatives;
- Implementing strategies to support the growth of existing businesses, attract new ventures, and ensure the retention of businesses within the municipality; and
- Addressing critical areas such as regulatory frameworks and physical infrastructure.

The following were achieved during the year:

- The Sol Plaatje Municipality (SPM) business application tested and piloted the e-One-Stop Shop to improve business efficiencies, reduce red tape, and decrease the cost and time of conducting business;
- Capacity building manuals and training materials were developed and training programmes for the municipal staff were conducted; and
- 5 modules covering town planning, building infrastructure, property development, service delivery, investment promotion, tourism and informal trading were developed.

**3.7 Winnie Madikizela Mandela Manufacturing Hubs** which aims to:

- Enhance the productivity of the manufacturing sector, thereby improving the overall local and district economy; and
- Create employment opportunities and reduce economic leakages as well as contributing to the Gross Domestic Product (GDP) by boosting production.

**Achievements made through the programme were:**

- Approval for Environmental Authorisation obtained;
- The recruitment of communities for capacity building was completed;
- A review of the project steering committee at ward 4 was conducted;
- Progress and technical meetings were organised;
- Business plans for 3 hubs were developed;
- The service providers for capacity building and a consultant for construction were appointed; and
- Inception meetings with the service providers were held and the service providers were introduced to the communities.

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FOR THE YEAR ENDED 31 MARCH 2024

## 4. DEPARTMENT OF SOCIAL DEVELOPMENT: GOVERNMENT TO GOVERNMENT (G2G) SUPPORT

The international community donated R79 million towards the G2G Programme. South Africa has the largest HIV epidemic in the world, contributing to 19% of the global number of people living with HIV. The increasing number of young people infected with HIV is a cause for concern among development workers, as it has negative implications for future economic growth. This programme aims to achieve the following objectives:

- The scale-up and implementation of the primary prevention of sexual violence and HIV activities among children and adolescents, and to reduce incidences of HIV infections and AIDS through social and behaviour change programmes;
- Capacitate the National Department of Social Development (DSD) and the five identified provinces namely, KwaZulu Natal, Gauteng, North West, Western Cape, and Free State to implement, fund, and monitor high quality HIV prevention programmes; and
- Support National DSD to add remaining provinces to the implementation plan.

## 5. SMALL BUSINESS DEVELOPMENT

### EMPLOYMENT PROMOTION THROUGH SMALL, MICRO AND MEDIUM ENTERPRISES

The economic sector received R75 million from the European Commission (EC) during the financial year ended 31 March 2024 mainly for the Ecosystem Development for Small Enterprises (EDSE) Programme aimed at ensuring inclusive and sustainable economic growth and employment creation in South Africa.

These are some of the achievements made through the EDSE Programme:

- An Enterprise Supplier Development (ESD) Community of Practice (CoP) case study webinar was held and the development of the ESD Practitioner eLearning course materials for pilot testing was finalised;
- Four Market Access for Digital Entrepreneurs (MADE) webinars were held;
- Global Enterprise Congress (GEC) Africa conference was supported by the programme where the National Entrepreneurship Strategy (NES) was presented and engagements with the ecosystem role players was possible. The NES strategy was developed and approved;
- Developed a Township economy revitalisation concept document informed by the work done by the Technical Assistance Team (TAT) on Townships;
- Finalisation of the food safety brochure development by the Department of Agriculture, Land Reform and Rural Development (DALRRD) and Small Enterprise Development Agency (Seda);
- Two Agri-businesses, namely, Veg on the Go (Pty) Ltd and Local Village Foods (Pty) Ltd. were assessed for certification readiness;
- Green Economy opportunity mapping and the stakeholder survey was completed;
- The Small Enterprise Amendment Bill was approved by Parliament; and

# EXECUTIVE OVERVIEW

FOR THE YEAR ENDED 31 MARCH 2024

- Roundtable discussions on women in business was held. Discussions focused on preparing and assisting women owned businesses to access export markets.

## 6. DEPARTMENT OF WOMEN, YOUTH AND PEOPLE WITH DISABILITIES

### GENDER EQUALITY AND WOMEN EMPOWERMENT (GEWE) PROGRAMME SECTOR REFORM PERFORMANCE CONTRACT

An amount of R73 million was contributed during the financial year ended 31 March 2024 towards the Department of Women, Youth and People with Disabilities

The GEWE programme seeks to strengthen the South African government's capacity to plan, budget and implement programmes that address gender equality and women's empowerment more comprehensively taking into consideration gender equality and realising social and economic rights, specifically for girls and women.

The key objectives are to:

- Strengthen the National Gender Machinery, especially line departments at national, provincial, and local level; and
- Facilitate the provision of comprehensive interventions to address Gender-Based-Violence (GBV) including through women economic empowerment at national, provincial, and local level.

The programme achieved the following during the financial year:

- Data are maintained against the National Strategic Plan (NSP) regarding Gender-Based-Violence and Femicide (GBVF);
- Training material was developed to promote understanding on NSP on GBVF within national, provincial and local spheres;
- 49 District and Local Municipality Ward Based GBVF Rapid Response Teams (RRT) were established, and training and capacity building was implemented in some centres;
- The conference for Lawyers and Magistrates focusing on implementing GBVF Laws and Child Maintenance Laws was held; and
- The Human Science Research Council (HSRC) was appointed as a service provider to undertake the Development of the National Gender Mainstreaming Strategy and Review of the National Policy Framework for Gender Equality and Women Empowerment (GEWE) as well as Development of the National Gender Policy.

## 7. DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT

### CATALYSING FINANCING AND CAPACITY FOR THE BIODIVERSITY ECONOMY AROUND PROJECTED AREAS

The Department of Forestry, Fisheries and the Environment received funding amounting to R46 million

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FOR THE YEAR ENDED 31 MARCH 2024

from international donors during the 2023/24 financial year. The aim of the project is to respond to the objectives of Global Environment facility? biodiversity focal area across all sectors including landscapes and seascapes through global wildlife programmes for sustainable development enhancing South Africa's capacity to combat illegal wildlife trade and improve protected areas and landscape management for increased community benefits.

The project is executed by the department through three Sub-Executing Agencies namely:

- South African National Biodiversity Institute (SANBI); and
- The iSimangaliso Wetland Park Authority (IWPA).

The project is implemented in three Biodiversity Economy nodes namely:

- The Greater Addo to Amathole Node in the Eastern Cape Province;
- The Greater Kruger-Limpopo Node in Limpopo Province; and
- The Greater-iSimangaliso Node in KwaZulu-Natal Province.

This project is set up to address high unemployment and limited livelihood options in and around Park Authorities. The project aims to balance biodiversity and natural resource protection with sustainable use for economic development and equitable distribution of benefits. Communities have been identified to participate in the programme and meetings and workshops were held. This project is now entering the implementation phase.

## 8. DEPARTMENT OF SCIENCE AND INNOVATION: NATIONAL SYSTEMS OF INNOVATION

Grants and donations amounting to R40 million were received by the Department of Science and Innovation sector towards the National Systems of Innovation (NSI) programme. This will assist South Africa to improve the functioning of a joined NSI which will enable development, competitiveness, and transformation within the country in line with the National Development plan.

This programme aims to strengthen policy around innovation and learning in the NSI by also including non-conventional partners thereby improving access to vulnerable groups. It will also use and build on models that were implemented successfully in the past.

**Components of the programme are:**

- Viability validation of innovation for service delivery which includes viable technologies to support basic service delivery i.e. water waste, sanitation, connectivity, and renewable energy projects. This will focus on specific off grid sanitation systems, hydroponic farming, biogas and hydropower detection in support of municipalities; and
- International innovation support for which proposals were received, evaluated and funding agreements signed for projects that met the evaluation criteria. The approved projects will receive the allocated funding during 2024, enabling the implementation of the agreed projects.



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

NATIONAL TREASURY  
**2024 RDP**  
RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND



**FOR THE YEAR ENDED  
31 MARCH 2024**



**national treasury**  
Department:  
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# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND

FOR THE YEAR ENDED 31 MARCH 2024

## 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 29 to 41, which comprise the statement of financial position as at 31 March 2024, 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 as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of 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 Standards of 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 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 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 2024

## 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 COMPLIANCE WITH LEGISLATION

10. In accordance with the 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 Fund's compliance with legislation.
11. 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.
12. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial management of the 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.
13. I did not identify any material non-compliance with the selected legislative requirements.

## OTHER INFORMATION IN THE ANNUAL REPORT

14. 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.
15. 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.
16. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
17. 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

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

FOR THE YEAR ENDED 31 MARCH 2024

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

18. 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.
19. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Pretoria

30 November 2024



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 2024

## ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

## 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 2024

## 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 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





# **ACCOUNTING OFFICER'S REVIEW**

NATIONAL TREASURY

## **2024 RDP**

**RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND**



**FOR THE YEAR ENDED  
31 MARCH 2024**



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REPUBLIC OF SOUTH AFRICA



# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

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 increased activity during the 2023/24 financial year. Grants and donations received, increased by 97% (compared to 2022/23) to R1 720 million from R871 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.

Receivables have been restated with R26 million. Total accumulated funds in the RDP Fund increased from R4 897 million to R5 002 million in 2023/24. This amount consists of a capital element of R2 053 million, and interest accrued on capital invested totaling R2 948 million.

The amounts transferred to the Spending Agencies from the RDP Fund increased by 54% when compared to 2022/23 from R1 605 million to R2 474 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, 98% (2022/23: 76%) 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 2024 are net of refunds to donors and include interest accrued

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

## TABLE 1

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

	TRANSFERRED FOR THE YEAR				ACCUMULATED FUNDS AS AT 31 MARCH 2024			
	2023/24		2022/23		2023/24		2022/23	
	R'm	%	R'm	%	R'm	%	R'm	%
Health	1 689	68	1 047	65	198	4	153	3
National Treasury	159	6	23	1	2 333	51	2 354	52
Agriculture, Land Reform and Rural Development	82	3	111	7	318	7	248	5
Basic Education	77	4	65	4	298	7	308	7
Small Business Development	75	3	58	4	106	2	127	3
Environmental Affairs, Forestry and Fisheries	75	3	19	1	107	2	127	3
Social Development	69	3	22	1	10	-	22	-
Employment and Labour	60	2	35	2	28	1	-	-
Science and Innovation	56	2	95	6	119	3	142	3
Women, Youth, and persons with Disabilities	53	2	-	-	-	-	81	2
Health Western Cape	21	1	14	1	-	-	-	-
Higher Education and Training	20	1	-	-	419	9	350	8
Home Affairs	18	1	18	1	-	-	-	-
Justice and Constitutional Development	15	1	-	-	89	2	96	2
Various Departments	4	-	12	1	119	3	99	2
Mineral Resources and Energy	-	-	32	2	147	3	131	3
Economic Development and Tourism (KZN)	-	-	28	2	-	-	-	-
Parliament	-	-	26	2	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	30	1	28	1
National Treasury (Solidarity Fund)	-	-	-	-	-	-	23	1
Tourism	-	-	-	-	20	-	18	-
Transport	-	-	-	-	19	-	17	-
Trade, Industry and Competition	-	-	-	-	76	2	70	2
Water and Affairs and Sanitation	-	-	-	-	21	-	20	-
Public Works	-	-	-	-	102	2	94	2
International Relations and Cooperation	-	-	-	-	29	1	31	1
<b>SUBTOTAL</b>	<b>2 473</b>	<b>100</b>	<b>1 605</b>	<b>100</b>	<b>4 588</b>	<b>100</b>	<b>4 539</b>	<b>100</b>
Receivables From departments	-	-	-	-	414	-	358	-
Payable to Department	1	-	-	-	(1)	-	-	-
Bank	-	-	-	-	1	-	1	-
<b>TOTAL</b>	<b>2 474</b>	<b>100</b>	<b>1 605</b>	<b>100</b>	<b>5 002</b>	<b>100</b>	<b>4 897</b>	<b>100</b>

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

## TABLE 2

Programmes for which Grant and Donations were received:

	RECEIVED FOR THE YEAR				TRANSFERRED FOR THE YEAR			
	2023/24		2022/23		2023/24		2022/23	
	R'm	%	R'm	%	R'm	%	R'm	%
ZAF-C-NDOHP01-D02.0.2	1 542	89	547	63	-	-	-	-
Government to Government (Milestone 1 and 2)	61	4	56	6	80	3	47	3
Catalyzing Financing and Capacity for the Biodiversity Economy around protected Areas	35	2	28	3	46	2	16	1
COAG I and II	33	2	-	-	33	1	21	1
EU-SADC Economic Partnership Employment Programme	19	1	-	-	-	-	111	7
Support to the Refugees Appeal Authority	18	1	17	2	18	1	17	1
Various other projects	12	1	25	3	46	2	29	2
Programme to Support the Transformation of the Wines and Spirit Sector in South Africa	-	-	92	11	-	-	-	-
Education for Employability(E4E)	-	-	68	8	109	4	47	3
Gender Equality and Women Empowerment Programme Sector Reform Performance Contract (GEWE)	-	-	38	4	73	3	-	-
The infrastructure Delivery Management System and Continued development of supportive body of knowledge	-	-	-	-	31	1	-	-
Systemic Improvement of Language and Numeracy in the Foundation Phase	-	-	-	-	23	1	-	-
iThemba Phakama People Model Development and Inclusive Environmental Economic Growth	-	-	-	-	17	1	-	-
Programme for Legal Empowerment and access to Justice (PLEAJ)	-	-	-	-	15	1	-	-
Education for Employability placements Services	-	-	-	-	-	-	35	2
SECO-Local Economic Development Support Programme	-	-	-	-	-	-	28	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
ZAF-C-NDOHP02-D01.0.4	-	-	-	-	1 656	67	1 015	63
Public Financial Management Capacity Building for improved service delivery	-	-	-	-	11	-	16	1
Employment Promotion through Small, Micro and Medium Enterprises (SMME'S)	-	-	-	-	75	3	58	3

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

	RECEIVED FOR THE YEAR				TRANSFERRED FOR THE YEAR			
	2023/24		2022/23		2023/24		2022/23	
	R'm	%	R'm	%	R'm	%	R'm	%
Enhancing Legislature Oversight Programme	-	-	-	-	-	-	26	2
GBS 5th Call Municipalities	-	-	-	-	104	4	-	-
To Support the Transformation of the Wines and Spirits sector in South Africa	-	-	-	-	82	3	-	-
SBS National System Innovation (SP4NSI)	-	-	-	-	40	2	65	4
Green Economy for Development Programme		-	-	-	14	1	20	1
Achieving a net-zero energy of wastewater treatment plants in South Africa	-	-	-	-	-	-	20	1
<b>SUB TOTAL</b>	<b>1 720</b>	<b>100</b>	<b>871</b>	<b>100</b>	<b>2 473</b>	<b>100</b>	<b>1 605</b>	<b>100</b>
Payable to Department	-	-	-	-	1	-	-	-
<b>TOTAL</b>	<b>1 720</b>	<b>100</b>	<b>871</b>	<b>100</b>	<b>2 474</b>	<b>100</b>	<b>1 605</b>	<b>100</b>

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

## TABLE 3

Analysis of Grants and Donations by Donor:

	RECEIVED FOR THE YEAR				ACCUMULATED FUNDS AS AT 31 MARCH 2024			
	2023/24		2022/23		2023/24		2022/23	
	R'm	%	R'm	%	R'm	%	R'm	%
Global Fund	1542	89	547	63	19	-	26	1
Usaid	61	4	56	6	35	1	73	2
CDC of United States	33	2	-	-	-	-	17	-
World Bank (IBRD)	33	2	16	2	-	-	11	-
EU	22	1	198	22	3 797	83	3 766	84
UNHCR	18	1	17	2	-	-	-	-
Various Donors	11	1	14	2	506	12	437	10
Flanders/Flemish	-	-	-	-	21	-	22	-
China	-	-	-	-	19	-	-	-
Greece	-	-	-	-	40	1	-	-
United Nations	-	-	23	3	32	1	36	1
Road Accident Funds (RAF)	-	-	-	-	-	-	17	-
Germany (GIZ)	-	-	-	-	15	-	12	-
African Renaissance Fund	-	-	-	-	13	-	12	-
France	-	-	-	-	20	-	18	-
Belgium	-	-	-	-	26	1	24	1
DFID/UK	-	-	-	-	21	0	23	1
UNEP	-	-	-	-	24	1	23	-
IBRD	-	-	-	-	-	-	22	-
<b>SUBTOTAL</b>	<b>1 720</b>	<b>100</b>	<b>871</b>	<b>100</b>	<b>4 588</b>	<b>100</b>	<b>4 539</b>	<b>100</b>
Receivables from departments	-	-	-	-	414	-	358	-
Bank	-	-	-	-	1	-	1	-
Payable to Department	-	-	-	-	(1)	-	-	-
<b>TOTAL</b>	<b>1 720</b>	<b>100</b>	<b>871</b>	<b>100</b>	<b>5 002</b>	<b>100</b>	<b>4 897</b>	<b>100</b>

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024



# **ACCOUNTING OFFICER'S APPROVAL**

NATIONAL TREASURY

## **2024 RDP**

**RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND**



**FOR THE YEAR ENDED  
31 MARCH 2024**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2024

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



**Shabeer Khan**

**ACCOUNTING OFFICER**

**Date: 21 November 2024**

# ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2024

2024 RDP

## ANNUAL FINANCIAL STATEMENTS

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# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 R'000	2023 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>5 002 669</b>	<b>4 897 352</b>
Cash and Cash Equivalents	2	4 587 792	4 538 971
Receivables	3	414 877	358 381
<b>Total Assets</b>		<b>5 002 669</b>	<b>4 897 352</b>
<b>Current liabilities</b>			
		<b>5 002 669</b>	<b>4 897 352</b>
Funds awaiting distribution	5.1	5 000 826	4 897 352
Payable	7	1 844	-
<b>Total liabilities</b>		<b>5 002 669</b>	<b>4 897 352</b>

# STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2024

	Notes	2024 R'000	2023 R'000
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		-	-
<b>EXPENSES</b>		-	-
Funding of Reconstruction and Development Programme projects and programmes			
<b>Surplus/(deficit) for the period</b>		-	-

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 R'000	2023 R'000
<b>Cash flow from operating activities</b>			
<b>Cash Receipts</b>		<b>2 964 657</b>	<b>1 865 356</b>
Grants and Donations		2 556 353	1 589 711
Interest received		408 304	275 645
<b>Cash Payments</b>		<b>(2 509 503)</b>	<b>(1 645 670)</b>
Cash Paid to Spending Agencies		(2 509 503)	(1 645 670)
<b>Cash flow from operating activities</b>	<b>6</b>	<b>48 822</b>	<b>219 689</b>
Cashflow from investing activities		-	-
Cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents for the year		48 822	219 689
Cash and cash equivalents at the beginning of the year		4 538 971	4 319 283
	<b>2</b>	<b>4 587 792</b>	<b>4 538 971</b>



# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	2024 R'000
<b>Balance at 31 March 2020</b>	-
Surplus/(deficit) for the year	-
<b>Balance at 31 March 2021</b>	-
Surplus/(deficit) for the year	-
<b>Balance at 31 March 2022</b>	-
Surplus/(deficit) for the year	-
<b>Balance at 31 March 2023</b>	-
Surplus/(deficit) for the year	-
<b>Balance at 31 March 2024</b>	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 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 2024

## 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.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

	2024	2023
	R'000	R'000

## 2. CASH AND CASH EQUIVALENTS

<b>Investments with PIC</b>	<b>4 587 408</b>	<b>4 538 971</b>
Cash with Standard Bank	556 061	372 044
Money Market accounts	4 031 347	4 166 927
Bank balance: SARB	386	1
Carrying value at year end	<b>4 587 792</b>	<b>4 538 971</b>

## 3. ACCOUNTS RECEIVABLE

Due by Spending Agencies	414 877	358 381
Receivables relating to portfolios	<b>414 877</b>	<b>358 381</b>

	2024	2023
	R'000	R'000

## 4. FUNDING OF RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND PROJECTS AND PROGRAMME AMOUNTS TO FUND PROJECTS AND PROGRAMMES

Capital	2 472 486	1 597 418
Interest	2 304	7 383
	<b>2 474 790</b>	<b>1 604 802</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 5. CURRENT LIABILITIES

### 5.1 FUNDS AWAITING DISTRIBUTION

Accumulated Capital	<b>2 053 059</b>	<b>2 347 238</b>
<b>Includes:</b> Opening Balance*	1 988 857	2 030 459
Grants and Donations	1 720 130	871 481
Refunds from Spending Agencies		
Receivables	358 381	676 070
Refunds from Spending Agencies - Other	43 421	18 995
Refund from Solidarity Fund	-	2 561
Refund from Parliament	26 117	-
Transfer to Spending Agencies	(2 472 486)	(1 597 418)
Refund to Parliament	(26 117)	-
Refunds to Donors	(121)	(13 291)
Receivables	414 877	358 381
Accumulated interest	<b>2 947 768</b>	<b>2 550 114</b>
<b>Includes:</b> Opening Balance	2 550 114	2 288 825
Interest Payable	408 304	275 645
Transfer from Spending Agencies-Receivable	-	1 106
Transfer from Spending Agencies-Other	129	-
Refund from Solidarity fund	-	19 498
Transfer to Spending Agencies	(2 304)	(7 383)
Refunds to Donor - Interest ( <b>Note 4.3</b> )	-	(19 675)
Management Fees	(8 476)	(7 902)
<b>**</b>	<b>5 000 826</b>	<b>4 897 352</b>

\*Opening balance for current year for accumulated capital consists of:

Closing Balance as at 31 March 2023	2 347 238
Less receivables	(358 381)
	<b>1 988 857</b>

**\*\* The total amount of R5 000 826 (2022-23 R4 897 352) 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 2024

	2024 R'000	2023 R'000
<b>5.2 REFUNDS TO DONORS</b>		
<b>Capital</b>		
Refund to EU	121	-
Refund to Australia	-	9 125
Refund to Belgium	-	2 562
Refund to Canada	-	1 604
	<b>121</b>	<b>13 291</b>

## 5.3 REFUNDS TO DONORS

### Interest

Refund Belgium	-	19 498
Refund to Canada	-	177
	<b>-</b>	<b>19 675</b>

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.

	2024 R'000	2023 R'000
<b>6. RECONCILIATION OF NET CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	-	-
Add/deduct: Non-cash movement	-	-
Interest Received	-	-
Add/(less) changes in working capital	<b>48 822</b>	<b>219 689</b>
Decrease/(Increase) in trade receivables	(56 496)	291 572
(Decrease)/ Increase in trade payables	105 317	(71 883)
Decrease/(Increase) in inventories	-	-
<b>Net cash flow from operating activities</b>	<b>48 822</b>	<b>219 689</b>

## 7. ACCOUNTS PAYABLE

Due to Spending Agencies	1 844	-
<b>Payable relating to portfolio</b>	<b>1 844</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 8. RELATED PARTY TRANSACTIONS

### 8.1 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	4 587 792	4 538 971
<b>Include:</b> Interest	408 304	275 645
Management Fees	(8 476)	(7 902)

### 8.2 NATIONAL TREASURY

#### Services Received in kind

The RDP Fund receives services in 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 costs, 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 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 2024

	Restated Figures	Prior Year Figures	Difference
	2023 R'000	2023 R'000	R'000

## 9. PRIOR PERIOD ERROR

### 9.1 STATEMENT OF FINANCIAL POSITION

#### ASSETS

##### Current Assets

	4 897 352	4 923 469	26 117
Cash and Cah Equivalents	4 538 971	4 538 971	-
Receivables	358 381	384 498	26 117
<b>Total Assets</b>	<b>4 897 352</b>	<b>4 923 469</b>	<b>26 117</b>

#### LIABILITIES

##### Current liabilities

	4 897 352	4 923 469	26 117
Funds Awaiting Distribution	4 897 352	4 923 469	26 117
<b>Total liabilities</b>	<b>4 897 352</b>	<b>4 923 469</b>	<b>26 117</b>

Parliament confirmed in March 2024 that all funds were spent and receivable should not have been raised. Therefore, the amount of R26 117 raised as a receivable has been restated.

## 10. FINANCIAL RISK ANALYSIS

### 10.1 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:

#### 10.1.1 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.

#### 10.1.2 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



# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

of section 8 of the RDP Act No 7 of 1994 (As amended by Act 79 of 1998). Funds are invested at a 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 100 basis points.

Receivables from National departments are all due within the short-term. These funds are recoverable from National departments which form 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.

	2024 R'000	2023 R'000
<b>Cash and Cash equivalents</b>		
Standard Bank	556 061	372 044
SA Reserve Bank	385	1
Money Market accounts	4 031 347	4 166 927
Receivables	414 877	358 381

## 10.1.3 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.

**2024 RDP**

**RECONSTRUCTION AND  
DEVELOPMENT PROGRAMME FUND**

for the year ended 31 March 2024

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA