

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE INTERNATIONAL LABOUR ORGANIZATION,

**THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA**

AND

THE GOVERNMENT OF FLANDERS

ON

**DEVELOPMENT OF A SOCIAL
ECONOMY POLICY IN SOUTH AFRICA**

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PREAMBLE

The International Labour Organization, herein represented by the International Labour Office, the Government of the Republic of South Africa herein represented by the Economic Development Department and the Government of Flanders herein represented by its Department of Foreign Affairs (hereinafter collectively referred to as the "Parties" and individually as a "Party");

RECALLING that in March 2015, the Government of the Republic of South Africa through the Economic Development Department entered into a Memorandum of Understanding with the International Labour Organization regarding Co-operation on the Development of the Social Economy Sector in South Africa (hereinafter referred to as "the existing MoU"), and that the specific purpose of the existing MoU is to create a mutual understanding and foster collaboration between the Economic Development Department and the International Labour Organization for the development of the social economy sector in South Africa;

RECOGNISING that conditions have changed considerably since the conclusion of the existing MoU, and that there is now a need for the implementation of a Project for the Development of a Social Economy Policy in South Africa (hereinafter referred to as the "Project");

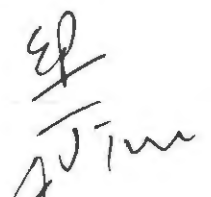
DESIROUS to conclude a Memorandum of Understanding (hereinafter referred to as the "MoU");

HEREBY AGREE as follows:

ARTICLE 1

PURPOSE

- (1) This MoU serves to describe the partnership principles between the Parties involved in the Project. The MoU outlines co-ordination, roles, commitments and contributions of the Parties and a time frame for the implementation of the MoU.
- (2) This MoU intends to formalise and strengthen the co-operation principles agreed to during the formulation phase of the Project.



ARTICLE 2
UNDERTAKINGS BY THE PARTIES

- 1) (a) The Economic Development Department is the main implementer of the Project, is responsible for setting up a Social Economy Policy Unit in its Economic Policy Development Branch to undertake the activities as described in the Project Document, and shall provide overall leadership in the planning, administration, implementation, monitoring and reporting in respect of the Project and the budget.
- (b) The Economic Development Department is providing in-kind and through financial means to the project a maximum of 4 870 410. 76 (Four Million Eight Hundred and Seventy Thousand Four Hundred and Ten and Seventy Six Cents) ZAR over 3 years which shall include contributions such as staff and office infrastructure, as described in the Project Document.
- (c) The Economic Development Department shall be responsible for:
- (i) coordinating the implementation of the Project across levels and spheres of government, in line with its policy coordination role;
 - (ii) establishing and managing the Social Economy Policy Unit;
 - (iii) implementing the Project in line with the Project Document;
 - (iv) enabling Project implementation through the use of its departmental legal, human resources and procurement policies, procedures and systems for the activities it carries out;
 - (v) steering the policy stakeholder consultations through intergovernmental, parliamentary and tripartite institutional arrangements and requirements and ensuring that the process complies with the relevant standards for public consultation and approval;
 - (vi) convening stakeholder meetings, canvassing stakeholder views and advocating the development of a social economy policy;
 - (vii) planning, monitoring, and reviewing implementation activities and deliverables on an on-going basis and in line with the planning and performance monitoring framework of the Economic Development Department;
 - (viii) drafting of the Social Economy Policy Discussion Document, Green Paper and White Paper;

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- (ix) receiving, collating, reviewing and analysing stakeholder inputs into the policy process;
- (x) providing the necessary office infrastructure to support the implementation of the Project; and
- (xi) Preparing financial and progress reports for submission to the Project Steering Committee to account for activities and outputs delivered in accordance with Article 3(4).
- (d) The Economic Development Department shall chair the Project Steering Committee, comprising of the Government of Flanders, the Economic Development Department and the International Labour Organization. The Project Steering Committee shall be established to provide oversight, monitoring and guidance on the implementation of the Project.
- (e) For the oversight of the policy formulation process, the Economic Development Department shall facilitate the establishment of an Inter- Governmental Steering Committee and a reference panel shall be established to work alongside the Inter- Governmental Steering Committee.

2)(a) The International Labour Organization shall provide advice, Project co-ordination and administrative support to the Economic Development Department under the existing MoU.

- (b) Specifically, the International Labour Organization shall appoint a Chief Technical Adviser to focus on content, knowledge and analysis of issues and options related to the range of social economy policy considerations.
- (c) To maximize the collaboration between the Parties, the Chief Technical Adviser shall be provided with office space in the Social Economic Policy Unit of the Economic Development Department.
- (d) The Chief Technical Adviser shall be recruited and employed in accordance with the regulations and rules of the ILO, and shall report to the Director of the International Labour Organization Country Office in Pretoria.
- (e) An administrative and finance assistant in the International Labour Organization Country Office in Pretoria shall support the Chief Technical Adviser with administrative and travel requirements and in managing the International Labour Organization contribution.
- (f) Specifically, the International Labour Organization shall be responsible for:

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- (i) providing policy advice and direction on the social economy policy processes and outputs;
 - (ii) capacity development of the Social Economic Policy Unit and national and provincial stakeholders on the social economy;
 - (iii) analysing, reviewing and influencing project implementation approaches and strategies;
 - (iv) advising on commissioning of research, reviewing studies submitted and making inputs toward their finalisation;
 - (v) undertaking appropriate research and analysis to develop policy options;
 - (vi) preparing policy notes setting out options and implications;
 - (vii) providing support for the co-ordination of the stakeholder consultation processes;
 - (viii) participating in the stakeholder consultation activities and providing guidance and advice;
 - (ix) developing capacity of the Social Economic Policy Unit in project management such as planning, monitoring, reviewing implementation activities and outputs;
 - (x) providing technical inputs to the drafting of the Social Economy Policy Discussion Document, Green Paper and White Paper;
 - (xi) providing analysis on the stakeholder submissions received and identifying the key policy issues, implications, and options; and
 - (xii) preparing financial and progress reports for submission to the Project Steering Committee to account for activities and outputs delivered in accordance with Article 3(4).
-) (a) The Government of Flanders shall contribute a total budget of €1 324 367 for the implementation of the Project and shall enter into two separate project agreements to structure the flow of funding from the Government of Flanders to the Economic Development Department and the International Labour Organization, respectively.
- (b) Funding from the Government of Flanders to the Economic Development Department of a maximum of €411 665 shall primarily support some personnel costs, stakeholder consultations, subcontracting of consultants for research, national and provincial awareness communication campaigns and some equipment.
- (c) Funding from the Government of Flanders to the International Labour Organization of a maximum of €912 702 shall primarily support the recruitment or deployment of international expertise to provide technical advisory services throughout the

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implementation of the Project and capacity development of national and provincial stakeholders.

- (d) Within the range of its capability, the Government of Flanders shall provide national and international linkages that support the Project as per request of the Economic Development Department or the International Labour Organization.

ARTICLE 3

CO-ORDINATION AND MUTUAL UNDERTAKINGS BY THE PARTIES

- (1) At the start of each Project year, a detailed Project plan shall be developed jointly and clearly distinguish the responsibilities of Economic Development Department and the International Labour Organization, respectively.
- (2) The Economic Development Department and the International Labour Organization shall be jointly responsible for the implementation of the Project, each managing the specific outputs and activities assigned to them and as identified in the Project plan.
- (3) Co-ordination of the Project shall be done through active participation of all the members in the Project Steering Committee.
- (4) Six-monthly progress reports shall be jointly submitted by the Economic Development Department and the International Labour Organization to the Government of Flanders and shall also provide the basis for the six-monthly meetings of the Project Steering Committee.
- (5) The Parties acknowledge that any material created under this MoU may be freely shared.
- (6) External communication by a Party on any matter relating to this MoU, either by media or by other oral, printed or electronic means to the local and international public must mention the contribution of the specific Parties whenever relevant.
- (8) Any activity or its evaluation carried out by the ILO under this MoU will be implemented in accordance with ILO regulations, rules and procedures and will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations and rules of the ILO.

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ARTICLE 4
SETTLEMENT OF DISPUTES



- (1) Any dispute between the Parties arising out of the interpretation, application or implementation of the provisions of this MoU shall be settled amicably through consultation or negotiations between the Parties.
- (2) Nothing in or relating to this MoU shall be deemed a waiver of any of the privileges and immunities of the ILO.

ARTICLE 5
PROJECT DOCUMENT

The Parties may agree to record such further technical and detailed terms as may be required for the successful execution of the Project in a Project Document that will, after approval by all the Parties, form an integral part of this MoU.

ARTICLE 6
AMENDMENT

- (1) This MoU may be revised, amended and supplemented by mutual consent of the Parties through an Exchange of Notes between the Parties.
- (2) All amendments shall enter into force on the date the last official reply notice has been received.


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ARTICLE 7

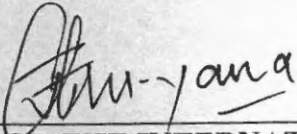
ENTRY INTO FORCE, DURATION AND TERMINATION

- (1) This MoU shall enter into force on the date of signature thereof.
- (2) The duration of this MoU shall correspond with the duration of the Project and the approved funding, and in the case of extension of the Project, the MoU shall be extended automatically or in a revised form depending on the needs of the Project and the Parties.
- (3) After consultations have taken place between the Parties, either Party may give the other Parties written notice of termination of this MoU. Termination shall take effect ninety (90) days after receipt of the notice by the other Parties.

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IN WITNESS WHEREOF the undersigned have signed and sealed this MoU in triplicate original in the English language.

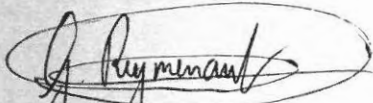
DONE at PRETORIA on this ^{30th}..... day of ...JANUARY..... 201...7



FOR THE INTERNATIONAL
LABOUR ORGANIZATION



FOR THE GOVERNMENT OF
THE REPUBLIC OF SOUTH
AFRICA



FOR THE GOVERNMENT OF
FLANDERS

