



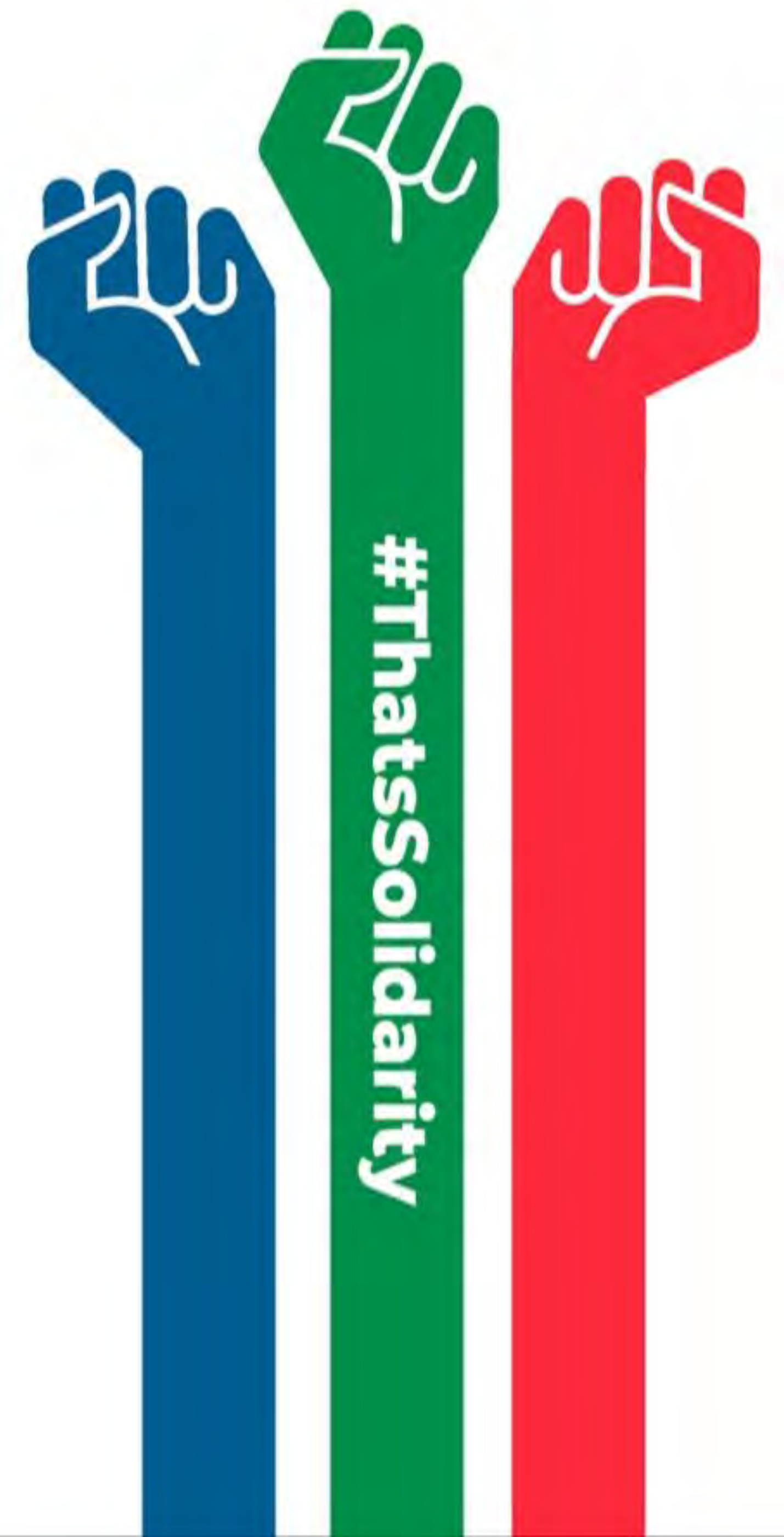
Solidarity

Solidarity Fund Governance Overview

April 2020

Solidarity Fund | Overview

- President Cyril Ramaphosa announced the Solidarity Fund on 23 March 2020 to unite the nation in our response to the COVID-19 crisis.
- The Fund has created a platform for all South Africans, from the public and private sectors, civil society, as well as the general public, to contribute to one consolidated effort.
- The Fund is a rapid response vehicle designed to fund impactful initiatives that will augment the national health response, contribute to a national humanitarian effort and mobilise South Africans to act to stop the virus and support their compatriots.
- While it will work closely with the Government and Business for South Africa, it is separate and independent from both Government and Business. It is a fund for all of South Africa.
- It is the custodian of money donated by many organisations and individuals across society and it is accountable to them.
- The Fund is independently administered and transparently governed. It aims to ensure that all contributions are responsibly administered and disbursed to have the greatest possible impact in combatting the COVID-19 pandemic and ameliorating its effects.



Solidarity Fund | Mandate & Goals

Mandate of the Solidarity Fund

- The Fund is required to mobilise and coordinate financial and in-kind contributions from all South Africans and members of the international community.
- The Fund is required to use funds raised and other in-kind contributions to ameliorate both the health crisis and the social consequences of the pandemic.
- The Fund is required to bring South Africans together to play their part in combatting COVID-19.

Goals of the Solidarity Fund

Unite the nation in solidarity behind the efforts of government, business and civil society to help South Africa through the COVID-19 challenge.

- 1 Detect & Prevent**
To understand the magnitude of the infection problem and support measures to flatten the curve by lowering infection rates.
- 2 Care**
To assist with the management of those people in hospital or requiring medical care.
- 3 Support**
To support those people whose lives are disrupted by COVID-19.

Focus Areas of the Solidarity Fund

The contributions of citizens, business and other donors will be pooled and put toward three clear focus areas where the Solidarity Fund can have the greatest impact.

- 1 Health Response**
Supporting urgent aspects of the health system response, and supporting and protecting front-line health workers.
- 2 Humanitarian Effort**
Providing humanitarian support to and strengthening the most vulnerable households and communities.
- 3 Solidarity Campaign**
A Solidarity Campaign that will unite the nation in action against COVID-19, and encourage behaviour change in local communities.

Solidarity Fund | Guiding Principles

Strong, independent board of directors

The Solidarity Fund is governed by an independent board of directors led by Ms. Gloria Serobe, and includes independent and experienced board members that can guide and oversee the Solidarity Fund.

Empowered executive leadership

The executive leadership team led by Ms. Nomkhita Nqweni are all contributing to the Solidarity Fund pro bono in their personal capacities.

This team operates in an agile manner aligned with the rapid response focus of the Solidarity Fund, but always subject to the governance required to ensure that all contributions to the fund are recognised, accounted for and effectively managed, and to ensure that all disbursements are aligned with the Fund's mandate and the impact thereof is measured and reported.

The Solidarity Fund will set challenging goals to change the trajectory of COVID-19 in South Africa, leveraging its impact as a catalyst for change.

The Solidarity Fund brings together broader South African society in donating to the Solidarity Fund and in funding the programs that are selected for action. We must hold ourselves accountable at every step of the way.

Guiding Principles of the Solidarity Fund

The Solidarity Fund decisions are guided by the following principles.

- Target interventions that are catalytic and complement, enhance or augment those provided by the State, where the State has limited capacity to undertake the interventions or insufficient procurement agility.
- Interventions that are delivered by non-state actors.
- Interventions that will support the most vulnerable citizens.

Solidarity Fund

Governance Ambition

The Fund will operate with independence and the highest principles of corporate governance with oversight of an independent Board.

The Fund will operate with the highest values and be guided by doing what is in the best interests of the nation as a whole.

The effectiveness of our governance, risk and compliance frameworks, policies and controls are judged on how they support the ability of the Fund to fulfil its purpose, responsibly and efficiently, and to ensure that the targeted impact is achieved.

The Fund is committed to complete transparency, reporting the source of funds and that funds are disbursed appropriately.

Governance Framework Overview

The governance framework outlined on the next page identifies the significant decision making, approval and oversight bodies within the Solidarity Fund, operating under the oversight of the independent Board of Directors.

Fund Raising Board Committee

- Oversight of the Fund Raising function.

Disbursements Board Committee

- Oversight of disbursements into Health Response, Humanitarian Effort, and the Solidarity Campaign.
- Supported by an executive disbursements committee.

Audit & Risk Board Committee

- Oversight over financial and other reporting, the control environment and overall compliance.

CEO

- The interim CEO is charged with the coordination of the end to end execution of the funds mandate coordinating with related functions in the fund and also with the partners and platforms that enable distribution, impact and reporting.

Solidarity Fund Areas of Focus

- The four primary areas of focus within the Solidarity Fund, each under accountable leadership, are Fund Raising and the three areas of disbursement: the Health Response, Humanitarian Effort and the Solidarity Campaign.

Operational Functions

- The operational Functions provide support in areas of Strategy, Coordination, Finance, Fund Administration and Communication to ensure effective delivery of the Fund's mandate through the four areas of focus.

Solidarity Fund | Governance Framework

National Command Council

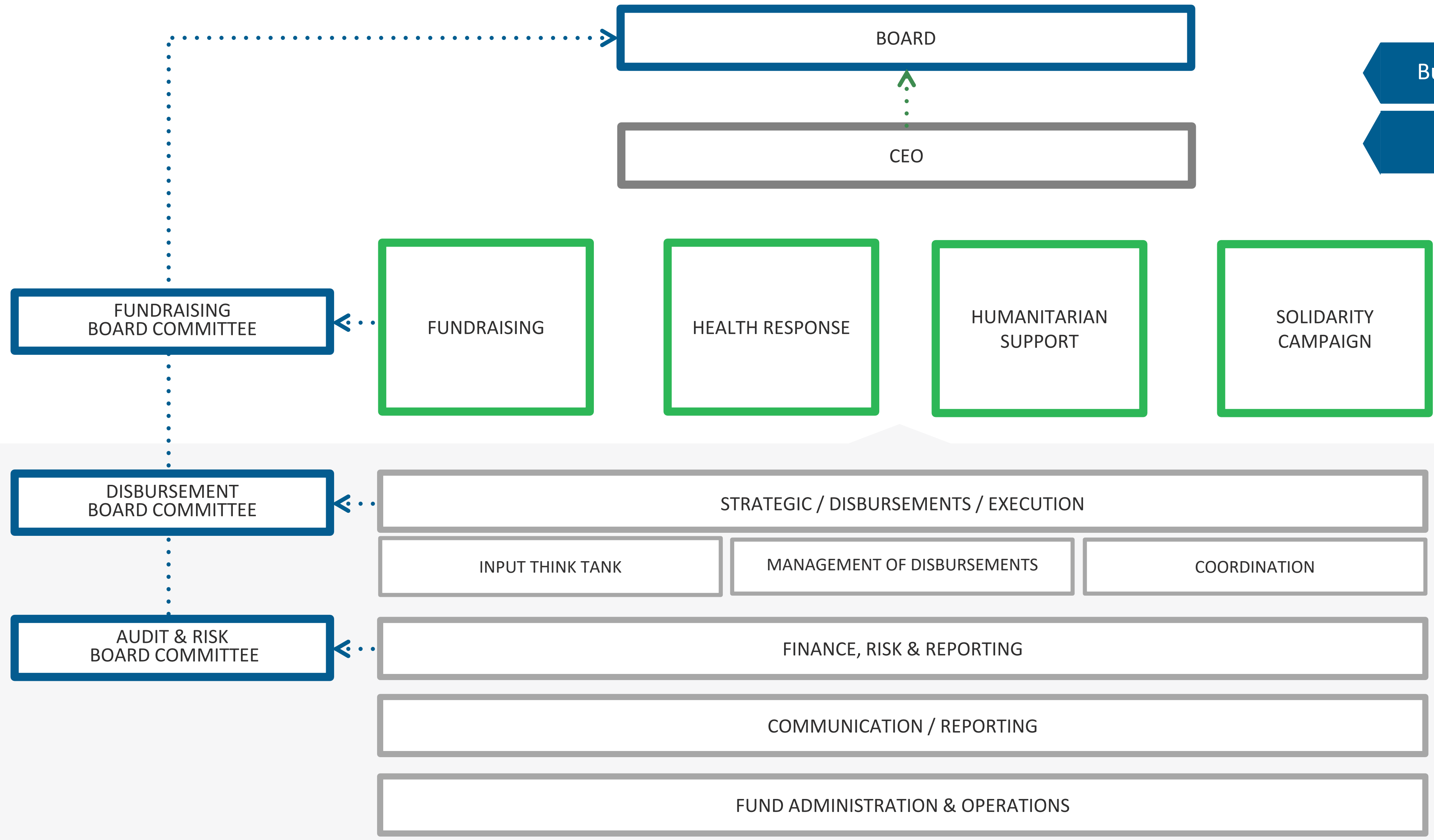
Minister Patel

Business for South Africa

Social partners

MAIN EFFORT

ENABLING FUNCTIONS



Solidarity Fund | Board of Directors & Board Committee Members

Board of Directors

Gloria Serobe
CHAIRMAN

Adrian Enthoven
DEPUTY CHAIRMAN

Tandi Nzimande
INTERIM CEO

Ayanda Ntsaluba
CHAIR DISTRIBUTION COMMITTEE

Tryphosa Ramano
CHAIR OF THE AUDIT AND RISK COMMITTEE

Sizwe Nxasana
CHAIR OF THE FUNDRAISING COMMITTEE

Michael Katz

Kgomotso Makhupola

Minister Tito Mboweni

Minister Ebrahim Patel

Thulani Tshefuta

Audit & Risk Board Committee

Tryphosa Ramano
CHAIRMAN

Michael Katz

Kgomotso Makhupola

Disbursements Board Committee

Ayanda Ntsaluba
CHAIRMAN

Adrian Enthoven

Sizwe Nxasana

Fundraising Board Committee

Sizwe Nxasana
CHAIRMAN

Adrian Enthoven

Thulani Tshefuta

Solidarity Fund

How we raise funding

Sources of funding

The categories of donors around which fund raising takes place includes corporates, foundations, high net worth individuals, crowd-funding and fundraising partners, and individual citizens. The fundraising team pursue a different approach for each category of donor, with a separate team driving the activity in each category.

Fund Raising Committee

The Fundraising Committee of the Board, under the guidance of the chair, Mr Sizwe Nxasana, provides oversight of the Solidarity Fund's Fundraising function. The committee meets at least quarterly, and more regularly in the early stages of establishing the Fund.

The Committee drives the Fund's fundraising efforts and ensures appropriate processes are in place to safeguard the highest levels of accountability to funders and donors.

Donor Policy

The Donor Policy guides the fundraising team and processes, including guidelines on acceptable sources of funding, the appropriate vetting of potential donors and the standards of communication and reporting.

Fundraising Team

The team coordinates approaches to potential donors in compliance with the Donor Policy and assist donors with the process of pledging and contributing to the Solidarity Fund.

A register of pledges and donations is maintained & reconciled with the Fund Administration records.

Role of the Fundraising Board Committee

The Fundraising Board Committee oversees the fundraising function within the Solidarity Fund.

The Committee members guide and support the fundraising team in maximising the capital raised for the Solidarity Fund, overseeing the fundraising strategy, the choice of fundraising team leaders and channels through which fundraising activities are pursued.

The Committee oversees the Solidarity Fund's fundraising teams to ensure they operate in a professional and ethical manner as they engage potential donors, both large and small.

The Committee ensures that there is transparency around where and how the Solidarity Fund raises capital, and ensures that there is appropriate risk management over the source of the funds donated to the Solidarity Fund.

The Committee guides the Solidarity Fund to ensure that all legitimate citizens, corporations or foundations that wish to contribute to the fund are able to do so, and that all contributions are recognised and celebrated.

The Fundraising Committee will have oversight over the process of reconciling funds committed to the funds reflected in the Fund's financial system and processes.

Solidarity Fund

How we disburse funds to programs of action

Disbursements Strategy

The Solidarity Fund's Disbursement strategy describes how the Fund will deliver against its mandate, providing the decision-making principles and criteria for selecting programs of action.

The strategy for each of the focus areas is described in the pages that follow.

Disbursements Board Committee

The Disbursements Board Committee, led by Dr Ayanda Ntsaluba, provides oversight of the Solidarity Fund's disbursement function. The committee meets at least quarterly, and more regularly in the early stages of establishing the Fund.

Executive & Technical Teams

The executive disbursements team coordinates the design and formulation of proposed disbursement programs, supporting the Disbursements Board Committee.

The executive is supported by technical teams drawn from Business for South Africa, working in concert with the Department of Health, non-governmental organisations and other stakeholders to ensure that all interventions and proposals are well considered, and respond to the primary needs that will assist in curbing the pandemic and ensuring effective and timeous response and delivery.

Role of the Disbursements Board Committee

The Disbursements Committee provides oversight over the Solidarity Fund's disbursement processes, team and programs.

The Committee approves the disbursement strategy for the Solidarity Fund, ensuring the strategy aligns with the overall mandate and purpose of the Solidarity Fund.

The Committee considers the programs of action presented to it, ensuring each program is aligned with the mandate of each of the three focus areas, is appropriately attributed, packaged, priced and will achieve the goals laid out in the program proposal.

The Committee provides oversight over the Fund's disbursement governance processes ensuring decisions are made effectively, ethically and within the boundaries of the Solidarity Fund's mandate.

The Committee is accountable for ensuring that the development of disbursement programs, the selection of distribution partners, and any associated procurement, meets the high standards of governance and transparency of the Solidarity Fund.

The Committee is responsible for ensuring the tracking of the disbursed funds and the measurement of the impact thereof, in line with the Fund's mandate.

The Committee will measure and track the level of spend and the ancillary downstream economic impact.

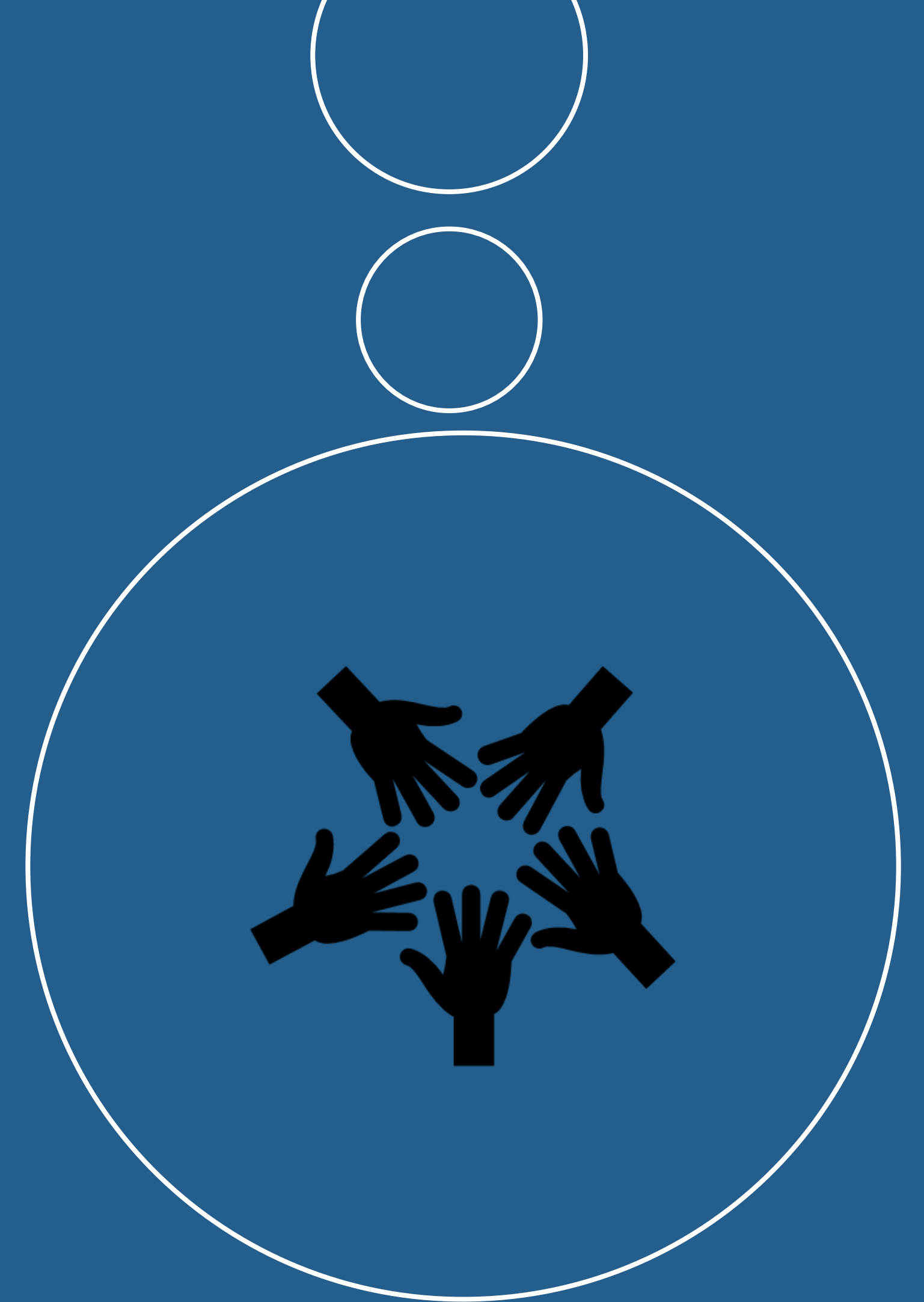
Solidarity Fund | Health Response

- The Solidarity Fund's focus is to augment Government's and the private sector's efforts to prepare the health system for the increased burden on our health services that will result from the pandemic, and to ensure that sufficient quantities of equipment and emergency supplies are available.
- Our intention is to be completely aligned with the national health response being led by the Department of Health with the support of Business for South Africa.
- The Fund seeks to significantly enhance the national effort led by our Government, not to create a separate effort. Our procurement priorities will therefore be determined by the national Government and Business for SA health work stream's highest priority areas that fit our mandate.
- The Fund's resources are comparatively smaller than the resources that are being mobilised by the Government, and it is not our intention to only marginally contribute to larger state health procurement.
- The Fund's resources will be carefully targeted at high-impact procurement where Government is not able to act with the speed required, or on critical products and services that fall outside the capacity of the state.
- The Solidarity Fund will seek to ensure there is additionality in each of our interventions; that is, the scale of impact would unlikely have happened were it not for the Fund's intervention.



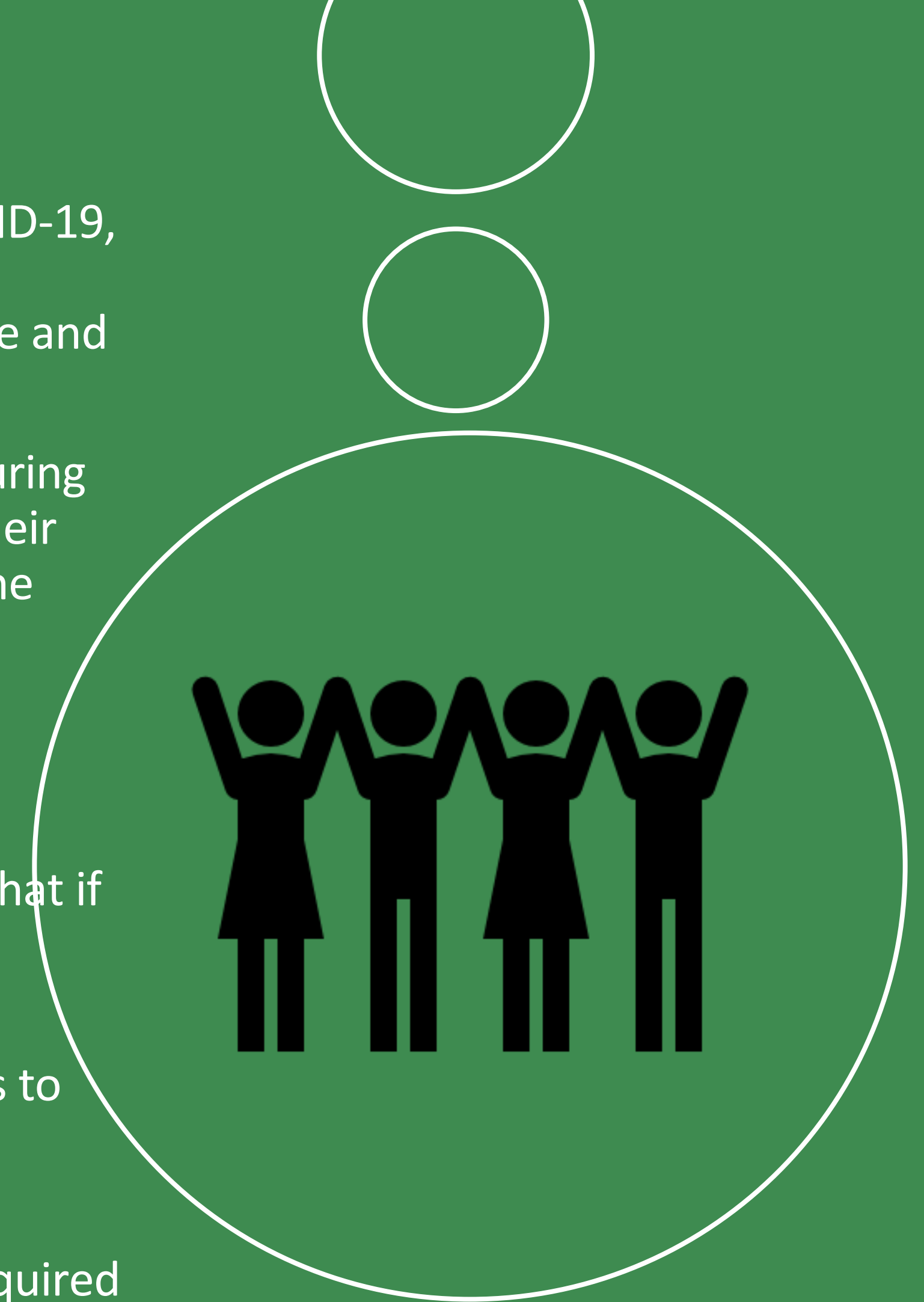
Solidarity Fund | Humanitarian Effort

- Whilst the socio-economic impact as a result of this pandemic will be vast, in an effort to bolster resilience, we have targeted our initial humanitarian response on providing support to food security relief for the most vulnerable communities, and working with various stakeholders to assist in interventions around the escalation of gender based violence as a consequence of the pandemic and lock down.
- Through our humanitarian effort, the Solidarity Fund aims to enable resilience through augmenting the efforts of Government and Business to provide various forms of humanitarian aid and support to the most vulnerable households and communities. We aim to enhance their ability to cope, through sustaining access to food and care.
- The Fund plans to mobilise and coordinate the resources of business, civil society and communities to respond to the humanitarian challenges we face.



Solidarity Fund | Solidarity Campaign

- The Solidarity Campaign is premised on the idea that Government alone will not stop COVID-19, or soften its blow. We need citizens, community organisations, schools, faith-based organisations, other civil society formations and businesses to act to slow the infection rate and flatten the curve.
- Without the small actions of every South African, to take measures like staying at home during the lockdown, self-isolating when they get sick, practising good hygiene and helping out their neighbours in need, the economic and social costs of the Government measures to slow the infection rate, will be in vain.
- The Solidarity Campaign will aim to inspire and mobilise South Africans to act, both individually and collectively, to flatten the curve and support those who are affected. In doing so, we hope to create a sense of unity in action. A belief that if we pull together as a country, and each play our part, we can and will succeed in beating the virus.
- The Solidarity Fund wants to capitalise on the unprecedented willingness of South Africans to lean in, to help direct that energy and those resources to where they can best support the national effort. We aim to celebrate acts, expressions or moments of solidarity.
- At its core, this is a behavioural change initiative to encourage the modified behaviours required to manage the pandemic. We need to replace fear, distrust and panic with hope, belief and calm determination. We can achieve this by uniting the nation in action through acts of service and solidarity.



Allocation of Funds

A significant proportion of the disbursement value will be directed toward supporting the Health Response. The Humanitarian Effort to support the most vulnerable households and communities, will also require significant funding, although it is anticipated that this will need to be complemented by substantial support from Business, Civil Society and Government to achieve national reach and impact. The Solidarity Campaign will require less resources and the Fund will seek to build the campaign as far as possible with in-kind contributions.

1

Health Response

Supporting urgent aspects of the health system response, and supporting and protecting front-line health workers.

Range of Disbursement Allocation

70-75%

2

Humanitarian Effort

Providing humanitarian support to the most vulnerable households and communities.

Range of Disbursement Allocation

20-25%

3

Solidarity Campaign

A Solidarity Campaign that will unite the nation in action against COVID-19, and encourage behaviour change in local communities.

Range of Disbursement Allocation

5-10%

Solidarity Fund Finance, Audit & Risk

Audit & Risk Board Committee

The Audit & Risk Committee of the Board, under the guidance of the chair, Ms Tryphosa Ramano, provides oversight of the Solidarity Fund's financial management, audit, risk and control environment. The Committee comprises three members, all of whom are independent.

The committee meets at least quarterly, and more regularly in the early stages of establishing the Fund.

Risk Management

The Committee will ensure the risks affecting the Solidarity Fund are effectively identified, documented and mitigated.

Financial Management & Internal Control Environment

The financial management and fund administration team will, under the oversight of the Committee, ensure that an appropriate internal control environment is established

Independent Auditors

PWC have been appointed as the independent auditors of the Solidarity Response Fund NPC.

Role of the Audit & Risk Board Committee

The Audit & Risk Board Committee oversees financial and other reporting, risk management, the control environment and other areas of compliance.

The primary objective of the Committee is to assist the Board in discharging its responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with legal and regulatory requirements and accounting standards, and the oversight of the external audit appointments and functions.

The Committee has an independent role with accountability to the Board.

The Committee will play an essential role in ensuring the Solidarity Fund remains independent, and that the donations to the Fund and disbursements made by the Fund are appropriately governed

Solidarity Fund | Operations Overview

Fund Administration & Reporting

Old Mutual provide independent and professional fund administration to the Solidarity Fund.

The Solidarity Fund is committed to complete transparency in the administration of the fund, and the fund administration function provides the most important record of incoming and outgoing funds.

- The Fund will report on donations received, in an appropriate manner, whilst respecting the rights of donors who wish to remain anonymous.
- S18A certificates will be issued to donors who request a certificate and who provide the required information.
- The Fund will report on disbursements made, in an appropriate manner, including the nature of the disbursements.
- The collection and disbursement of funds will be subject to normal vetting and oversight.

Fund Monitoring & Evaluation

The Solidarity Fund's commitment to transparency extends to monitoring the deployment of the Fund's programs and evaluating the impact of each program.

Tshikululu provide an experienced monitoring and impact evaluation function to the Solidarity Fund.

The monitoring and evaluation outcomes will be reported on regularly in an appropriate manner.

Internal Control Environment

The operations team have designed and documented the end to end functions, processes and associated controls across the Fund for the approval of the executive and the Board.

Legal Counsel

ENSAfrica are providing legal and contracting support to the Solidarity Fund.

Pro Bono Services

All service providers supporting the Solidarity Fund are providing their capabilities pro bono.

Solidarity Response Fund NPC

The Solidarity Response Fund NPC is constituted as a "Non Profit Company" without members under the Companies Act.

The Solidarity Fund is registered with the South African Revenue Service as a Public Benefit Organisation as set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act).

The Solidarity Fund has been granted Income Tax Exemption in terms of section 10(1)(cN) of the Act with effect from 25 March 2020.

#THAT'S SOLIDARITY



**Solidarity
Fund**

Unity in action