



2005-06

Annual Report



the dfa

Department:
Foreign Affairs
REPUBLIC OF SOUTH AFRICA



the dfa

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Foreign Affairs
REPUBLIC OF SOUTH AFRICA

Cover Pictures:

Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma (right) with the United Nations Secretary General Kofi Annan (left) during his official visit to South Africa, Cape Town..

Deputy Minister of Foreign Affairs, Mr Aziz Pahad (right) receiving Chinese Premier Wen Jibao (left) with Ambassador Ndumiso Ntshinga (middle) at Cape Town International Airport..

Deputy Minister of Foreign Affairs, Ms Sue van der Merwe with Ambassador Gert Grobler visiting the Cradle of Human Kind guided through the exhibits by Trish Hannekom. .

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PART 1: General Information

Submission of the Annual Report to the Executive Authority

To the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, I have the honour of presenting the 2005/06 Annual Report of the Department of Foreign Affairs.



Dr Ayanda Ntsaluba
Director-General:
Department of Foreign Affairs





The Director-General Dr Ayanda Ntsaluba hosting the secretaries of the Department for lunch at Lombardy Estates Pretoria.

EXECUTIVE SUMMARY BY THE DIRECTOR-GENERAL

During the year under review, South Africa worked extensively to ensure that new chapters in South Africa's international relations continue to open. In the main, South Africa continued to lobby and work towards a more people-centred and rules-based global system.

In pursuing South Africa's objective, the Department's foreign policy activities and interventions were guided by the Department's Strategic Plan 2005-2008 - a blueprint that outlines the service delivery of the Department as directed by the Minister of Foreign Affairs.

With regards to the African agenda, the Department helped to capacitate the Southern African Development Community (SADC) and the African Union (AU) and its structures. Furthermore, the Department with other sister departments were part of the process aimed at the operationalisation of the AU Specialised Technical Committees (STCs).

The reporting period also witnessed the African continent's women networks making valuable strides in promoting gender equality throughout the continent. In support of the struggle for women's emancipation across the continent, the Department of Foreign Affairs and The Presidency were part of an initiative to implement the Declaration on Gender Equality as adopted by the AU. Although more work still has to be done it is important to note that a firm foundation has been laid in this regard and it is up to all AU member countries,

including South Africa, to increase the gains in realising gender equality in the coming year.

Substantial work was carried out to engage other significant role-players in strengthening the functioning of the African Court of Justice and the African Court on Human and People's Rights. The Department in conjunction with the Department of Justice and Constitutional Development, organised a meeting of experts on the draft legal instrument for a merged court that subsequently took place in November 2005 in Algiers, Algeria. South Africa will remain engaged with this process to ensure an effective functioning of these courts.

With regard to the AU Peace and Security Council (PSC) the Department together with the Department of Defence, continued to offer support to the AU Peace and Security Council. South Africa, as the Chair of the PSC for the month of September 2005, convened and fully participated in the 4th Brainstorming Retreat held from 4 to 5 September 2005 in Durban to discuss the development of a Framework for post-conflict reconstruction and development.

In addition, during the year under review the AU adopted the Non-Aggression and Common Defence Pact and South Africa committed itself to examining the Pact for speedy ratification purposes. The country also joined efforts to establish the African Standby Force by 2010 consisting of five standby Brigades.

In operationalising the Early Warning System, the South African police were deployed to the African Mission in

Sudan in June 2005. Subsequently, South Africa participated in the workshop on the SADC Early Warning System which took place in Pretoria in November 2005 where proposed Information Communication Technology (ICT) systems and a draft Insecurity and Conflict Indicators document were unanimously adopted.

In supporting the regional development issues South Africa participated in efforts to complete the restructuring of SADC. The main challenge was to implement the SADC Programme of Action, in particular the Regional Indicative Strategic Development Plan (RISDP). The other challenges were the strengthening of the governance aspects and capacity-building within SADC, especially within the Secretariat. In this regard, officials from our government were seconded to Gaborone to help strengthen and capacitate the Secretariat.

In accelerating regional integration and working towards the full implementation of the RISDP there has been commendable progress. The Progress Report was presented to the SADC Council of Ministers in August 2005. Furthermore, South Africa continued to play a meaningful role as Chair of the SADC Organ on Security before handing over the Chairpersonship of the Organ to Namibia in August 2005. South Africa remains a fully committed member of the SADC Troika.

South Africa continued to mobilise support for the strengthening of Regional Economic Communities (REC's), including SADC, in order to strengthen the possibility of realising the drive for a strong African Economic Community. Hence, the Department, with the assistance of the Department of Trade and Industry (DTI), presented a Draft Protocol meant to further improve Relations between the AU and RECs to the AU Summit in July 2005.

The process of engaging the African Diaspora continued to accelerate during the year under review. South Africa remained convinced of the need to work closely with the Caribbean Community and Common Market (CARICOM). Necessary preparations were put in place for the African and Diaspora intellectuals meeting scheduled for Brazil in July 2006 as a precursor to the

African Diaspora Summit which will be hosted in 2007.


Our focus continued to be increasingly on active engagement and providing tangible support to Africa's regional peace initiatives and processes. During the year under review, the revised White Paper on South Africa's involvement in International Peace Missions and the draft AU Post-Conflict and Reconstruction Policy Framework were major instruments that were completed.

Furthermore, as part of the AU collective, South Africa was mandated by the AU to mediate a peace settlement in Côte d'Ivoire. In addition, through multilateral, continental, regional and bilateral engagements, South Africa continued to support peace building and reconstruction endeavours in Burundi, Somalia, the Democratic Republic of Congo, Rwanda, the Comoros, Eritrea-Ethiopia, Mauritania, Central Africa Republic, Liberia, and Sierra Leone.

A successful Asia-Africa Summit was held during April 2005 in Jakarta, which led to the birth of the New Asian-African Strategic Partnership (NAASP), co-chaired by both South Africa and Indonesia. Preparations were also finalised for the NAASP meeting to be held in South Africa in September 2006 to finalise concrete projects such as the establishment of a website, virtual secretariat to facilitate trade, tourism and investment, as well as the launching of a satellite and a capacity-building programme.

South Africa hosted a successful Conference on Progressive Governance in February 2006. South Africa contributed to the two main themes of the conference namely: development in Africa; and policy challenges of the 21st Century relating to economic growth, new security threats and building cohesive societies. The Department, with other sister Departments played a pivotal role in the planning, organising and execution of the proceedings at the event.

South Africa as an immediate past chair of the Non-Aligned Movement (NAM) and an active member of the NAM Troika, remained committed to the guiding principles of the Movement. As such, the country continued to



lobby for the centrality of multilateralism and application of the UN Charter in the resolution of international disputes. Minister Dr Nkosazana Dlamini Zuma participated in the various NAM meetings held in New York on the margins of the United Nations General Assembly's 60th regular session from 14 to 16 September 2005. Multilaterally, South Africa continued to promote world peace, security, justice, equality, democracy and development. South Africa remains prepared for the next 14th NAM Summit to be held in Havana in September 2006.

Within the World Trade Organisation, South Africa continued to support the implementation of the African development agenda, through actively negotiating as a member of the African Group, the Group of 20 (G20) (Agriculture) and the Cairns Group (Agriculture). South Africa led the NAMA-11, a group formed just before the Hong Kong Ministerial conference held in December 2005, focusing on negotiations in Non-agricultural Market Access. The Hong Kong Ministerial Conference signalled the possibility for collaboration to harmonise positions of developing countries within the WTO relating to important issues such as trade regulations.

In terms of the Group of Eight (G8) Summit, South Africa participated in the Africa Partnership Forum in London held in October 2005 to discuss the Joint Plan of Action and fast-track the implementation of agreed priorities and actions for the development of Africa. South Africa continued to lobby for the key African continent objectives in relation to its engagements with the G8 member-states. In this regard, South Africa partnered with countries that supported transformation of the South-North relationship so as to align it with Africa's priorities as outlined in the NEPAD Strategy and to induce the much-needed capital inflows in order to realise the NEPAD objectives for development.

Work in preparation for the 2010 FIFA world Cup proceeded as planned. Co-operation in the field of knowledge and skills transfer with Germany with regards to the 2010 World Cup Soccer also intensified. During the reporting period, a successful Business and Investor Congress, focusing on the 2010 Soccer World Cup, was held in Germany.

Discussions are underway to ensure that all the SADC member countries benefits from SA hosting 2010 FIFA World Cup and that this will truly be an event for the entire African continent.

Internally the Department's human resource management objectives were pursued more vigorously. The Branch: Foreign Service Institute & Human Resources Management managed to establish the human resource capacity needs in order for the Department to meet its diverse challenges. It is crucial to mention that the range of skills and competencies found to be required remain an enormous challenge that the Department and the Branch will work vigorously to attain in the near future.

Although a lot of effort went into increasing gender representativity within the Department, especially at Senior Management level and the number of people with disabilities in the organisation employment equity remained a challenge. To address this situation the Department started an internal process of developing an employment equity plan and undertaking a thorough analysis of the human resource policies as well as auditing the current organisational culture. This is crucial if the Department is to succeed in creating a cultural environment where employment equity will be sustainably achieved. These processes are expected to be completed by the end of the 2006/2007 financial year.

The country's representation abroad has also grown with the opening and operationalisation of the following missions: Colombo (Sri Lanka), Conakry (Bissau), N'djamena (Chad) and Suva (Fiji). In our quest to have an increased representation, especially in Africa more Missions will be opened in the coming year.

Sincere gratitude goes to the Minister Dr Nkosazana Dlamini Zuma, Deputy Minister Aziz Pahad and Deputy Minister Sue van der Merwe for their continuous tireless engagement in working for the views and positions of Africa and the entire developing world and ensuring that South Africa continued to make tremendous impact in positively shaping issues within the global arena.

The Department further fully appreciates the exceptional support and guidance of the International Relations, Peace and Security Cluster, the Portfolio Committee on Foreign Affairs and the National Council of Provinces.

To the Department's Audit Committee and Internal Audit team, all the staff at head office and in our Missions abroad, especially all the management members who gave their all to push the department to higher achievements, you are the valuable priceless assets and I thank you for your contribution to the success of the Department.

In general, there have been improvements in the work of the Department and this came about because of the continued commitment of all the staff to creating a better life, within a better Africa and a better world. But there are more challenges to deal with and all of us should re-commit more of ourselves in ensuring an improved performance in the coming year in dealing with other areas within the Department's ambit that still require improvement, while also sustaining the achievements of the past year. Let us all aim higher in working for a South Africa that exists within Africa and the world that we can all be proud of.



The Minister of Foreign Affairs
Dr Nkosazana Dlamini Zuma .

REPORT OF THE MINISTER OF FOREIGN AFFAIRS

The past year has again offered many challenges as well as opportunities for South Africa's foreign policy and for the Department of Foreign Affairs. Most notably, we were honoured to be involved in the process of preparing for the first democratic elections in the DRC in forty years, assisting international efforts to resolve the conflict in Sudan, and actively participating in the reform of the United Nations.


In all our activities we strived to be agents of progressive change and were inspired by the commemoration of 60 years of the United Nations, 50 years of the Freedom Charter, 50 years of organised African and Asian solidarity, 25 years of SADC and the first Decade of Democracy in South Africa.

In all our efforts, we were guided by a sound, shared,

long-term vision of South Africa's future. We continued to work with other like-minded parties to expand the existing political space for the realisation of a better life for all. We showed our commitment to engaging our people in the development and execution of our Foreign policy by holding an Imbizo in Cape Town under the theme of "A People United in Peace and Friendship towards a better Africa in a Better World" which was aimed at building a partnership between government, academia, students and surrounding communities.

We celebrated SADC's 25th Anniversary at a Summit, which sought to address common concerns in the fields of politics, economics and social engagement. Among other achievements, the Summit saw the admission of Madagascar as the 14th member of SADC, and the adoption of the Protocol on the Facilitation of Movement of Persons within SADC.

We continued our efforts to support the African



Agenda, including the promotion of more effective functioning of the Regional Economic Communities, the organs of the AU and NEPAD. We also focused on the further integration of SADC, as well as the establishment and permanent housing of the Pan African Parliament. We also continued our collective efforts to promote and entrench NEPAD as the primary framework for creating the conditions to stimulate development and growth.

Our continent made significant strides as we saw some African countries holding democratic elections for the first time in their history and stability emerging in previously war-torn countries. It was during this remarkable past year that Liberia elected Ms Ellen Johnson-Sirleaf as Africa's first female Head of State.

As part of our continent's struggle to bridge the distance between governments and their peoples, we worked together to operationalise the Economic, Social and Cultural Council (ECOSOCC) of the African Union. The two-day National Consultative Conference held on 28 September 2005, which included a broad spectrum of civil society (of the South African Chapter of the ECOSOCC), showed that we need a strong, viable, effective, sustainable and representative civil society to respond to current regional and global developments

We prioritised peace and stability as a condition for development through active participation in peace-keeping initiatives. In this regard, we embarked on a Common African Defence and Security Policy which emphasises multilateralism and collective security.

Through our commitment to the NEPAD process, we contributed capacity and political support for the implementation of NEPAD programmes and priority sectors.

Historically intractable conflicts on the continent are being addressed with African solutions being found. Mechanisms and agreements to ensure peace are in place in every instance of conflict on the continent and post-conflict reconstruction initiatives are being developed, as witnessed by our own contributions in the DRC, Burundi and the Sudan.

The India, Brazil, South Africa Dialogue Forum (IBSA) remains of strategic importance to our country. We believe that it provides an ideal platform to harmonise positions and views on a range of issues. Through active participation in this triangular strategic co-operation arrangement, we seek to make an important contribution to strengthening South-South co-operation and the development of innovative South-South co-operation programmes.

In September 2005, we were elected as Chair of the G77 and China for 2006. Our main objective as Chair remains that of promoting the development agenda of the South, including enhancing the standing of the Group as a constructive and responsible partner in promoting South-North relations.

In 2005, we actively supported and participated in the UN Secretary-General's initiative to comprehensively reform the United Nations, particularly on the occasion of the 60th anniversary of the establishment of the UN. This largest-ever Summit of the United Nations General Assembly took important decisions on UN reform, but did not meet all the expectations of the Member States.

As President Thabo Mbeki indicated in his address to the 60th Session of the General Assembly, "one of the facts that stands out sharply from the review is that in truth we have not made the decisive progress we thought we would make with regard to the critical issue of the reform of the United Nations." We



**The Deputy Minister of Foreign Affairs
Mr Aziz Pahad.**

continue to believe that a stronger and more efficient United Nations is the only hope for addressing the global challenges we face. United Nations reform therefore remains a work in progress and we continue to actively participate in this endeavour, particularly in support of the African Common Position (the Ezulwini Consensus).

We remain committed to the cause of international peace and security and will continue to work towards a world that is totally free of all weapons of mass destruction. In this regard, we fully recognise the inalienable right of all nations to the use of nuclear technology for peaceful purposes.

The situation in the Middle East still remains a major cause for concern and we continued to support the Middle East Peace Process by calling on all parties to commit to negotiating a comprehensive, just and lasting peace.

Our Government is of the firm conviction that the Road Map provides the best mechanism to address the Israeli Palestinian Conflict, and establish a viable and independent Palestinian state peacefully co-existing side by side with the State of Israel within secure border. We stand ready to share our own experience with a wide cross-section of Israeli and Palestinian civil society.



**The Deputy Minister of
Foreign Affairs
Ms Sue van der Merwe.**

Our work over the past year gave expression to our firm belief that the 21st century will bring peace, prosperity and cultural revival to the African Continent.

In conclusion, I would like to thank President Thabo Mbeki for his outstanding leadership in guiding our active role in international relations. My thanks also go to the Deputy President and the rest of my cabinet colleagues both for their guidance and support. The Committees of Parliament also deserve well earned recognition. I also wish to thank Deputy Minister Aziz Pahad and Deputy Minister Sue van der

Merwe without whose invaluable contribution our work would have been more difficult. Furthermore, I thank all the members of the Department of Foreign Affairs for their unwavering commitment to peace on the African continent and to work towards the realisation of the African Renaissance. As Kwame Nkrumah observed 43 years ago, "in Africa - the things that unite us are more than those that keep us apart and divided." I look forward to the next year with vigour and expectations for more achievements in the continental and international arena.



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Department:
Foreign Affairs
REPUBLIC OF SOUTH AFRICA

1.4 Mission Statement

Vision

Our vision is an African continent, which is prosperous, peaceful, democratic, non-racial, non-sexist and united and which contributes to a world that is just an equitable

Mission

We are committed to promoting South Africa's national interests and values, the African Renaissance and the creation of a better world for all

Strategic Objectives

- Through bilateral and multilateral interactions protect and promote South African National interests and values
- Conduct and co-ordinate South Africa's international relations and promote its foreign policy objectives
- Monitor international developments and advise government on foreign policy and related domestic matters
- Protect South Africa's sovereignty and territorial integrity
- Contribute to the formulation of international law and enhance respect for the provisions thereof
- Promote multilateralism to secure a rules based international system
- Maintain a modern, effective and excellence driven Department
- Provide consular services to South African nationals abroad

- Provide a world class and uniquely South African State Protocol service

Values

The Department of Foreign Affairs adheres to the following values:

- Patriotism
- Loyalty
- Dedication
- Ubuntu
- Equity
- Integrity
- Batho pele

1.5 Legislative Mandate of the Department

According to the South African Constitution the President is ultimately responsible for the foreign policy and international relations of South Africa. It is the prerogative of the President to appoint Heads of Mission, to receive foreign Heads of Mission, to conduct state to state relations and to negotiate and sign all international agreements. International agreements which are not of a technical, administrative or executive nature will only bind the Republic after being approved by Parliament. Parliament also approves ratification or accession of the Republic to multilateral agreements. All international agreements must be tabled in Parliament for information purposes.

The Minister of Foreign Affairs, in accordance with her Cabinet portfolio responsibilities, is entrusted with the



formulation, promotion and execution of South Africa's foreign policy and with the daily conduct of South Africa's international relations. The Minister assumes overall responsibility for all aspects of South Africa's international relations in consultation with the President. In practice, the Minister consults The Cabinet and individual Cabinet Ministers on aspects of importance, as well as on aspects that overlap with the priorities and programmes of other Ministries and Departments.

In view of the Ministers overall responsibility, the Minister advises the Presidency and Ministers on those international matters in which they should be involved, provides them with strategic information on developments in the international arena, facilitates their participation at international events, and advises them on policy options that they may pursue in the national interests. Other Cabinet Ministers are required to consult the Minister of Foreign Affairs on their international role. From this practice at Cabinet level, which is a Presidential instruction, it follows that there must be a similar interaction between Departments.

To facilitate interaction and collaboration, government has implemented the system of Clusters at both Ministerial and Departmental levels. Important issues of foreign policy and international relations, the development of sector priorities and the implementation of international relations programmes are the core foci of the clusters. In terms on this mandate, the Department participates in all five clusters and Co-chairs the International Relations, Peace and Security Cluster.

The Parliamentary Portfolio Committee on Foreign Affairs is an important mechanism to ensure oversight and accountability in the formulation and conduct of South Africa's foreign policy and relations.

The Department's overall mandate is to work for the realisation of South Africa's foreign policy objectives. More specifically, the Department's primary mandate is to assist the Minister in carrying out her cabinet and Ministerial responsibilities. The Department conducts its mandate by: monitoring developments in the inter-

national environment; communicating government's policy positions; developing and advising government on policy options, mechanisms and avenues for achieving objectives; protecting our sovereignty and territorial integrity, assisting South African citizens abroad; and by assisting partner Departments in navigating complex international dynamics.

South Africa's diplomatic and consular missions help to enhance our international profile, and serve as strategic mechanisms for the achievement of our national interests and for carrying out our mandate. South Africa maintains diplomatic relations with countries and organisations through 97 missions in 85 countries abroad, and through the accreditation of more than 160 countries and organisations resident in South Africa.

Defining South Africa's Foreign Policy

Foreign policy is a multidimensional set of policies, principles, strategies, objectives, and plans that cannot easily be packaged into a neatly described formula. However, it is necessary to consider in broad but clear terms the general orientation of our foreign policy – which serve to define our national values and benchmark our foreign policy decision-making and strategies.

Our Presidents and Foreign Ministers have enunciated the principles underlying South Africa's foreign policy since 1994 in various fora. These include State of the Nation addresses, budget vote speeches, addresses to international and regional bodies such as the United Nations, the African Union and the Non-Aligned Movement, as well as in various foreign policy discussion documents such as those for Heads of Mission Conferences and Strategic Planning initiatives. Despite some significant changes and developments in the global environment, these principles have remained consistent and enduring, and have taken on even greater significance given current international developments.

The following list of South Africa's foreign policy principles is a distillation from the aforementioned speeches, statements and documents on South Africa's foreign policy.

Principles Underpinning South Africa's Foreign Policy

The principles which serve as guidelines in the conduct of our foreign relations include:

- A commitment to the promotion of human rights
- A commitment to the promotion of democracy
- A commitment to the promotion of justice and adherence to international law in the conduct of relations between nations
- A commitment to international peace and adherence to internationally agreed upon mechanisms for the resolution of conflicts
- A commitment to the promotion of Africa in world affairs, and
- A commitment to economic development through regional and international co-operation in an interdependent (and globalised) world

In addition to the above principles the following tenets have been enunciated as guidelines to instruct our approach to foreign policy:

- Foreign policy is an integral part of government policy, aimed at promoting security and the quality of life of all South Africans
- A commitment that South Africa, as a member of the United Nations and as a responsible citizen of the world, will live up to its obligations in this regard and contribute to a peaceful world
- Commitment to the African Renaissance through the African Union and its programme for Africa's development, namely the New Partnership for Africa's Development.
- Commitment to economic development through regional integration and development in the Southern African Development Community and the Southern African Customs Union.
- Interact with African partners as equals
- Pursue friendly relations with all peoples and nations of the world
- Peace making and conflict prevention should

receive priority consideration. Preventive diplomacy and proactive initiatives should be the approach, and monitoring mechanisms with African partners are essential

- Actively engage in efforts to secure international peace and security, promote disarmament, prevent genocide, restrict the proliferation of arms and secure a new world security compact through the United Nations (as the primary global security body), the Non-Aligned Movement, the African Union, the Southern African Development Community, the Commonwealth and other multilateral fora.
- Promote multilateralism to secure a rules-based international system
- Promote the democratisation and reform of the United Nations system and the Bretton Woods Institutions (i.e. International Monetary Fund and World Bank).
- Promote a rules-based international trading regime through the World Trade Organisation.
- Combat racism, sexism, xenophobia and other related intolerances.
- Promote the Agenda of the South through South-South Co-operation and North-South Partnerships.
- Eradication of poverty through the attainment of the Millennium Development Goals by 2015, and through the implementation of the manifestos such as the WTO Doha Development Agenda, the Monterrey Finance for Development, World Conference Against Racism and the World Summit on Sustainable Development.
- Promote sustainable and people-centred development
- Support efforts to alleviate the plight of refugees and children in Africa, and elsewhere, and particularly support the work of the UNHCR
- Promote a positive image of South Africa.
- Safeguard South Africa's territorial integrity and sovereignty.



Ms Mathu Nompozolo, Chief Director Human Resources introducing the Director General, Dr Ayanda Ntsaluba during the new employees orientation programme, February 2005.

PART 2: Human Resources Management

Human Resources Management (HRM)

The year 2005/06 has been a fulfilling one for the Branch Foreign Service Institute & Human Resources Management. The desire to establish the human resource capacity the Department of Foreign Affairs (DFA) needs to meet its diverse challenges has been strong and focused. Finding the required range of skills and competencies remains an enormous challenge for the Department and the branch.

In this last year, much effort has gone into addressing the capacity needs of the Department. The Branch finalised the Skills Audit, and identified both strengths and gaps in terms of skills within the Department. The challenge for the next year is to address the identified skills gaps systematically.

In the last Annual Report, we alluded to a number of Human Resources (HR) challenges that needed to be tackled in the next financial year. These included:

- Talent Management
- Leadership Development
- Training and Development
- Repositioning of the Foreign Service Institute
- Employment Equity
- Development of a Cadet Programme
- HIV and AIDS

Indeed, a considerable amount of work went into addressing each one of those challenges. In addition, attempts by HRM to entrench the Performance Management and Development System (PMDS) into the department continues; so does its efforts to shorten the Recruitment and Selection process, improve the Human Resources administration as well as the Labour Relations challenges.

Talent Management

A Department such as Foreign Affairs must systematically attract, develop and retain good talent at all times. While various HR Directorates focus on different aspects of the HR value chain e.g. recruitment or training, the Department saw fit to establish a Talent Management Unit, to give attention to people management across various aspects of the HR value chain. The Talent Management Unit proposed innovative interventions, notably the Leadership Development Programme, the Cadet Programme, and aspects of an “Employer Brand”. By the end of its first year in July of 2006, the Unit had focused on producing important processes for the Department, among them, the Competency Framework for DFA, and a career path for employees who perform the Department’s core business.



Pictured here are the members of the Department's learnership programme during the graduation ceremony organised by the Foreign Service Institute.

Leadership Development

The Department was always aware of the development needs of our senior managers. Senior Managers are critical to the Department's ability to achieve its strategic goals and priorities. The Skills Audit confirmed the need to adopt a more systematic approach to the development of leadership skills within the Department. Time and energy was devoted to the design and development of a Leadership Development Programme, and after a number of consultations with various institutions, the DFA collaborated with the Gordon Institute of Business Science (GIBS) in implementing the Leadership programme. The programme will continue into the 2006/07 financial year.

Training and Development

Given the nature of the DFA's work, training takes on a central role in enabling Diplomatic and Support Staff to fulfil their roles. As mentioned earlier, during the year under review the Training Directorate has focused on designing and carrying out the skills audit. This useful exercise identified areas where more training is required, notably in the areas of people management and empowerment, financial management, analytical thinking and report writing.

In addition, the Chief Directorate has trained 928 individuals. We look forward to the next financial year where the training and development programmes will be informed by the outcomes of the skills audit. We were also successful in implementing four learnership

programmes in the Department involving 40 learners and employed 10 of them permanently.

Repositioning of the Foreign Service Institute

The DFA has decided to increase its investment in human resources by improving the quality of its training and creating systems and structures which encourage and reward life-long learning. During this year, a process and plans for improving the Foreign Service Institute (FSI) and turning it into a world class centre of excellence were established. Approximately 400 trainees in different fields such as Mission Administration, Diplomatic training, Heads of Missions, and special training with the DFA's partner Departments at national, provincial and local level received training. For the first time last year, a foundation course was introduced as a first step towards structured and systematic learning within the DFA. Further programmes for improving performance in missions, increasing the adequate supply of employees, and improving leadership and managerial skills and competencies at all levels are being considered. Additional resources and senior managers were deployed in the FSI during this year to enhance its capacity to deliver on its mandate.

Employment Equity

Attaining employment equity continues to be a challenge for the Department. An employment equity plan is being developed. In this regard, the Department is conducting a thorough analysis of its HR policies and



Delegates at the Foreign Service Institute's emotional intelligence workshop held at the Burgers Park hotel, Pretoria.

is also in the process of conducting a culture audit. Both processes will be completed by the end of the 2006/07 financial year. Much effort has gone into increasing gender representation at senior management level. However, we have to do more with regard to the number of people with disabilities that the Department employs.

Development of a Cadet Programme

The Department has re-introduced its Cadet Programme to address its HR needs. It has commenced with the process of identifying young, talented, unemployed graduates who will undergo a comprehensive International Relations and Diplomacy programme. After training and developing 50 graduates for a year, the Department will employ the best of them on a full-time basis. The FSI is working with UNISA in shaping and developing the curriculum. The programme commenced in mid-July 2006.

HIV and AIDS

Mainstreaming of HIV/AIDS in the workplace remains critical. We have succeeded in integrating issues of HIV and AIDS into our Wellness Model. During the year, our energies also went into conducting a Voluntary Counselling and Testing Programme (VCTP). We are pleased to announce that 11% of employees undertook the VCT and that the VCTP is ongoing.

Challenges for the Next Year

To enhance the achievement of the DFA's core business and improve service delivery, the Department needs to address challenges such as managing the impact of HIV and AIDS in terms of people planning, retaining the services of human talent, and enabling employees to apply newly acquired skills and competencies in the work environment. In addition, more effort should go into improving awareness of Labour Relations processes and compliance with the Employment Equity Act.

1 - Service delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 - Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Foreign Relations	Accredited Countries, International Organizations		Captured in Business Units' Business Plans	Outlined under Programme 2
Consular Services	South African citizens abroad, NGO's, International Organizations, Other Departments and Private Sector	To deliver a world class consular service to all customers in South Africa and abroad in line with Batho Pele principles	Captured in Business Unit's Business Plans	Outlined under Programme 1
Protocol Services	Presidency, Provinces, Missions Accredited to South Africa		Captured in Business Unit's Business Plans	Outlined under Programme 3

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Binational Commissions Join National Commissions Conferences Meetings Workshops Internet		Captured in Business Unit's Business Plans	Outlined under Programme 2 & 3

Table 1.3- Service delivery access strategy

Access Strategy	Actual achievements
Media briefings Official Incoming and Outgoing Visits	Outlined under Programme 3

Table 1.4 - Service information tool

Types of information tool	Actual achievements
Print and electronic media Publications and video material DFA website	Outlined under Programme 3

Table 1.5 - Complaints mechanism

Complaints Mechanism	Actual achievements
Surveys Toll Free Numbers Service rate cards	

2 - Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel cost by programme, 2005-2006

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1	457 980	150 320	12 519	7 529	33%	202
Programme 2	1 718 445	885 633	8 073	1 785	52%	295
Programme 3	109 180	36 418	336	1 494	33%	173
Programme 4	358 742	0	0	0	0	0
Total	2 644 347	1 072 371	20 928	10 808	41%	271

TABLE 2.2 – Personnel cost

Personnel Cost	Personnel Expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
Total as per Financial System	1 072 371	41%	271
Total	1 072 371	41%	271

PERSAL could not provide the figures by salary band, hence the information is provided for the entire range of salary bands.

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget utilised on these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005-2006

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	87 706	8	5 217	0.48	1 173	0.10	17 802	1.7
Programme 2	417 275	39	495	0.05	1 513	0.14	43 179	4
Programme 3	26 605	2	2 662	0.25	366	0.03	1462	0.13
Programme 4	0	0	0	0	0	0	0	0
Total	531 586	49	8 374	0.78	3052	0.28	62 443	6

3 – Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts as at 31 March 06	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Programme 1	1033	720	30	23
Programme 2	1491	1020	32	0
Programme 3	302	211	30	0
Total	2826	1951	31	23

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	224	164	27	0
Skilled (Levels 3-5)	258	193	25	0
Highly skilled production (Levels 6-8)	882	518	41	6
Highly skilled supervision (Levels 9-12)	1200	860	28	5
Senior management (Levels 13-16)	259	213	18	12
Political Office Bearers	3	3	0	0
Total	2826	1951	31	23

TABLE 3.3 – Employment and vacancies by critical occupations as at 31 March 2006

Critical occupations	Number of posts as at 31 March 06	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Heads of Missions	115	99	14	0
Diplomatic Corps	760	486	25	0
Senior Management	144	117	55	12
Total	1 019	702	31	12

4 – Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	224	0	0	0	0	0	0
Skilled (Levels 3-5)	258	2	1	2	100	0	0
Highly skilled production (Levels 6-8)	882	10	1	7	70	0	0
Highly skilled supervision (Levels 9-12)	1 200	17	1	2	12	0	0
Senior Management Service Band A	202	0	0	0	0	0	0
Senior Management Service Band B	45	0	0	0	0	0	0
Senior Management Service Band C	11	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	2 823	29	0	11	38	0	0

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Indian	Coloured	White	Total
Female	4	0	0	5	9
Male	2	0	0	0	2
Total	6	0	0	5	11

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation if any
N/A	None	N/A	N/A	N/A
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2005/ 06				0
Percentage of total employment				0

5 - Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Lower skilled (Levels 1-2)	224	19	15	7
Skilled (Levels 3-5)	149	36	11	7
Highly skilled production(Levels 6-8)	442	77	25	6
Highly skilled supervision(Levels 9-12)	851	68	60	7
Senior Management Service	206	23	13	6
Political Office Bearers	3	0	0	0
Total	1 875	223	124	7

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Heads of Mission	92	3	8	9
Diplomatic Corps	385	13	33	9
Senior Management	198	0	5	3
Total	675	16	46	7

Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	13	10
Resignation	51	41
Expiry of contract	07	6
Dismissal – operational changes	00	0
Dismissal – misconduct	02	2
Dismissal – inefficiency	00	0
Discharged due to ill-health	04	3
Retirement (incl. Early and Medical Retire)	25	20
Transfers to other Public Service Departments	22	18
Total	124	100
Total number of employees who left as a % of the total employment (1974) as at 31 March 2006		6

During the period under review, 124 employees left the Department due to various reasons as reflected in the table 5.3 above and the majority of these employees were from the highly skilled category (i.e. Levels 9-12). However, the Department recruited 108 employees on various levels to fulfil the core business of Foreign Affairs. It is important to report that the implementation of Resolution No. 7, which is aimed at the restructuring and transformation of the Public Service affected the recruitment drive of the Department.

Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Heads of Mission	92	0	0	2	2
Diplomatic Corps	385	56	15	350	91
Senior Management	198	12	6	9	5
Total	675	68	10	361	53

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	224	0	0	134	60
Skilled (Levels 3-5)	149	0	0	102	68
Highly skilled production (Levels 6-8)	442	49	11	321	72
Highly skilled supervision (Levels 9-12)	851	65	8	540	63
Senior management (Levels 13-16)	206	12	6	8	4
Political Office Bearers	3	0	0	0	0
Total	1875	126	7	1105	59

6 – Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Political Office Bearers	0	0	1	0	1	0	0	1	3
Legislators, senior officials and managers	243	17	32	99	133	14	17	58	613
Professionals	168	25	16	133	147	11	16	144	660
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	70	5	3	10	226	19	11	110	454
Service and sales workers	61	4	0	6	28	3	0	1	103
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	22	1	0	0	1	0	0	0	24
Elementary Occupation	47	0	0	0	68	0	0	2	117
Total	611	52	52	248	604	47	44	316	1974
Employees with disabilities	7	1	1	10	3	0	0	3	25

The total of 1974 includes the 23 employees additional to the establishment.

6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Political Office Bearer	0	0	1	0	1	0	0	1	3
Top Management	7	0	2	0	1	1	0	0	14
Senior Management	87	9	13	36	47	2	1	12	207
Professionally qualified and experienced specialists and mid-management	235	25	26	183	188	15	23	174	869
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	119	10	10	25	166	23	19	123	495
Semi-skilled and discretionary decision making	107	4	0	3	157	5	1	6	283
Unskilled and defined decision making	56	4	0	1	44	1	0	0	106
Total	611	52	52	248	604	47	44	316	1 974

6.3 Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	10	0	0	0	11	0	0	0	21
Professionally qualified and experienced specialists and mid-management	8	2	0	0	8	1	1	1	21
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	25	0	2	3	13	2	1	3	49
Semi-skilled and discretionary decision making	40	4	1	3	73	5	2	4	132
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	83	6	3	6	105	8	4	8	223

6.4 Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	6	2	0	1	1	0	0	1	11
Professionally qualified and experienced specialists and mid-management	5	1	2	8	4	1	4	10	35
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	15	1	1	1	6	0	4	3	31
Semi-skilled and discretionary decision making	11	0	0	0	20	2	3	13	49
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	37	4	3	10	31	3	11	27	126

6.5 Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	7	0	1	1	1	1	0	2	13
Professionally qualified and experienced specialists and mid-management	21	2	1	8	14	1	3	10	60
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	0	0	2	4	1	1	7	25
Semi-skilled and discretionary decision making	4	0	0	0	7	0	0	0	11
Unskilled and defined decision making	5	1	0	0	9	0	0	0	15
Total	47	3	2	11	35	3	4	19	124

6.6 Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	127	20	15	39	96	4	16	35	352
Professionals	17	3	3	4	14	2	4	3	50
Technicians and associate professionals	0	0	0	2	10	0	0	2	14
Clerks	136	4	2	1	247	9	8	12	419
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	24	0	0	0	67	0	0	0	91
Total	306	27	20	46	434	15	28	52	928

7 – Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per Beneficiary
African					
Male	182	611	30	1 721	9,45
Female	211	604	35	1 739	8,24
Indian					
Male	20	52	38	259	12,95
Female	19	44	43	219	11,52
Coloured					
Male	21	52	40	255	12,14
Female	12	47	26	82	6,83
White					
Male	157	248	63	3 008	19,15
Female	200	316	63	2 782	13,91
TOTAL	822	1 974	42	10 065	12,24

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of beneficiaries within salary band	Total Cost (R'000)	Average cost per Beneficiary
Lower skilled (Levels 1-2)	94	164	57	329	3,5
Skilled (Levels 3-5)	37	193	19	136	3,67
Highly skilled production (Levels 6-8)	209	524	40	1 734	8,29
Highly skilled supervision (Levels 9-12)	450	865	52	7 211	16,02
Total	790	1746	45	9 410	11,91

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees as at 31 March 06	% of beneficiaries within occupation	Total Cost (R'000)	Average cost per employee
Heads of Mission	6	99	6	119	19,83
Diplomatic Corps	350	486	72	543	1,55
Senior Management	26	117	22	544	20,92
Total	382	702	54	1 206	3,15

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees as at 31 March 06	% of beneficiaries within band			
Band A	20	165	12	327	16,35	0.15
Band B	9	49	18	213	23,66	0.22
Band C	3	10	30	124	41,33	0.38
Band D	0	1	0	0	0	0
Total	32	225	14	664	20,75	0.19

8 – Foreign Workers (Locally Recruited Personnel, LRP)

The tables below summarise the employment of foreign nationals in the department in terms of Branches. The tables also summarise changes in the total number of LRP's in each salary band and by each major occupation.

TABLE 8.1 – LRP's, 1 April 2005 to 31 March 2006, per Branches

BRANCHES	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Africa	680	32	745	38	65	8,7
Asia & Middle East	469	22	447	23	-22	-4,9
Americas and Canada	397	19	270	13	-127	-47
Europe	450	21	430	22	-20	-4,7
Multilateral	115	6	87	4	-28	-32,2
Total	2 111	100	1 979	100	-132	-6,7

TABLE 8.2 – LRP's, 31 March 2006 – Bonuses paid to LRP's employed in missions abroad

BRANCHES	1 April 2005		31 March 2006	
	Expenditure (R'000)	% of Total	Expenditure (R'000)	% of Total
Africa	1 170	8	35 488	15
Asia and Middle East	2 136	15	41 111	17
Americas and Canada	10 588	73	42 697	17
Europe			115 500	47
Multilateral	622	4	10 199	4
Total	14 516	100	244 905	100

9 – Leave utilisation for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	726	89	97	9	7	112
Skilled (Levels 3-5)	624	90	114	10	5	120
Highly skilled production (Levels 6-8)	2 506	77	326	29	8	959
Highly skilled supervision (Levels 9-12)	2 962,5	88	502	45	6	4 002
Senior management (Levels 13-16)	617	81	84	7	7	1 086
Total	7 435,5	85	1 123	100	7	6 279

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	24	100	3	6	8	4
Skilled (Levels 3-5)	31	100	3	6	10	7
Highly skilled production (Levels 6-8)	637	100	18	34	35	227
Highly skilled supervision (Levels 9-12)	973	100	24	46	41	701
Senior management (Levels 13-16)	220	100	4	8	55	376
Total	1 885	100	52	100	36	1 315

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	2 499	15
Skilled Levels 3-5)	2 634	14
Highly skilled production (Levels 6-8)	9 728	19
Highly skilled supervision(Levels 9-12)	16 032	18
Senior management (Levels 13-16)	232	1
Total	31 125	16

TABLE 9.4 – Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	54	6	66
Skilled Levels 3-5)	57	8	42
Highly skilled production (Levels 6-8)	322	5	47
Highly skilled supervision(Levels 9-12)	869	8	64
Senior management (Levels 13-16)	235	18	103
Total	1 537	8	62

TABLE 9.5 – Leave payouts for the leave period 1 January 2004 to 31 December 2005

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave pay out for 2004/05 due to non-utilisation of leave for the previous cycle	525	78	6,7
Capped leave pay outs on termination of service for 2004/05	1 694	37	45,78
Current leave pay out on termination of service for 2004/05	406	61	6,6
Total	2 625	176	14,9

10. HIV/AIDS & Health Promotion Programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Low and high risk categories of employees were provided with condoms	- Condom distribution - VCT and educational sessions on HIV and AIDS during May and December 2005

TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programmes
(tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to provisions contained in Part V1 E of Chapter 1 of the Public Service Regulations, 2001? If so provide his \ her name and position	x		- Ms. Mathu Nompuzolo, Chief Director: Human Resources was appointed
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees: If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	x		- The Employee Wellbeing Centre (EWC) consists out of two (x2) professionals. The annual budget - An operational budget of R924 000 was allocated to the Directorate: Organisational Development was divided between the Sub- Directorates: Transformation and Employee Wellness. There was no individual allocated budget for the Employee Wellness Center
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements / services of this Programme	x		Two programmes were introduced - The management and implementation of the HIV and AIDS workplace Programme - The management and implementation of the Employee Wellness Programme - The development of HIV \ AIDS and Employee Wellness policies
4. Has the department established (a) committee's as contemplated in Part V 1 E. 5(e) OF Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder (s) that they represent		x	- The Department has not established an HIV and AIDS committee. The Department provides and integrated Health and Wellness programme which includes HIV and AIDS. To this end, the process is underway to incorporate all issues pertaining to health and wellness into the Occupational Health and Safety Committee.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, lists the employment policies \ practices so reviewed	x		- All departmental policies are currently being reviewed as part of the Employment Equity audit
6. Has the department introduced measures to protect HIV- positive employees or those perceived to be HIV-positive from discrimination? If so, lists the key elements of these measures	x		The department has an approved HIV and AIDS policy which promotes the following: - non discrimination - Voluntary Counseling and Testing - the protection of employees living with HIV and AIDS - positive and supportive service delivery towards HIV infected and affected employees

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved	x		<ul style="list-style-type: none"> - Sixteen (16) VCT information sessions took place as to prepare employees for the initial departmental HIV testing drive <p>Results</p> <ul style="list-style-type: none"> - ± 10% of employees participated in this project - ± 87% participated because of their attendance of the VCT information sessions, - ± 9% was motivated by colleagues who attended the VCT information sessions, - ± 3% was motivated by the VCT counselors and - ± 1% was motivated by the EWC staff - The message "Know Your Status" is frequently being emphasized during our departmental awareness events - We have no employee that lives openly with his or her HIV status or declared their status.
8. Has the department developed measures \ indicators to monitor and evaluate the impact of its health promotion programme? If so, lists these measures \ indicators	x		<p>The following measures have been put in place to measure utilisation of the health promotion programme:</p> <ul style="list-style-type: none"> • Statistical records to measure repeats and referrals e.g. referrals from previous users indicates a positive impact; • Evaluation forms following a workshop or training programme to measure the quality and relevance of the workshop; • Attendance of annual Wellness Days (+/- 25% of employees attended) and steps taken by individuals to improve their health and wellbeing. <p>The impact is also measure through-</p> <ul style="list-style-type: none"> • Feedback from Managers observing positive changes in behavior following referrals to the Employee Wellness Centre; • Consumption of condoms; • Oral feedback from employees <p>The Employee Wellness Centre is in the process of developing clear indicators.</p>

11 – Labour Relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2005 to 31 March 2006

Subject Matter	Date
None	

TABLE 11.2 – Disciplinary action for the period 1 April 2005 to 31 March 2006

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	12	1	2	3	5	1	0	3	27

TABLE 11.3 – Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Written warning	3	11
Final written warning	4	15
Not Guilty	6	22
Recalled	4	15
Suspension without Pay	3	11
Dismissal	2	7
Case withdrawn	5	19
Total	27	100

TABLE 11.4 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Gross Negligence/ Negligence	5	19
Insubordination	1	4
Assault/Fighting	2	7
Absenteeism	2	7
Possession of unauthorised fire arms	1	4
Improper claims	3	11
Unbecoming/prejudicial/ Disrepute Conduct	4	15
Theft/Forgery	2	7
Abuse/Failure to follow procedures	7	26
Total	27	100

TABLE 11.5 – Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of grievances resolved	31	70
Number of grievances not resolved	13	30
Total number of grievances lodged	44	100

TABLE 11.6 – Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of disputes upheld	2	13
Number of disputes dismissed	6	38
Number of disputes pending	7	44
Number of disputes settled	1	6
Total number of disputes lodged	16	100

TABLE 11.7 – Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	N/A
Total cost (R'000) of working days lost	N/A
Amount (R'000) recovered as a result of no work no pay	N/A

TABLE 11.8 – Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	7
Number of people whose suspension exceeded 30 days	7
Average number of days suspended	138 Working Days (965 days divided by 7)
Cost (R'000) of suspensions	R221

12 - Skills development

This section highlights the efforts of the department with regard to skills development.

12.1 Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	207		332	0	332
Professionals	Male	380		405	0	405
	Female	295		212	0	212
Technicians and associate professionals	Male	341		304	0	304
	Female	0		0	0	0
Clerks	Male	0		0	0	0
	Female	339		270	0	270
Service and sales workers	Male	80		170	0	170
	Female	33		33	0	33
Skilled agriculture and fishery workers	Male	65		65	0	65
	Female	0		0	0	0
Craft and related trades workers	Male	0		0	0	0
	Female	0		0	0	0
Plant and machine operators and assemblers	Male	0		0	0	0
	Female	0		0	0	0
Elementary occupations	Male	21		0	9	9
	Female	75		0	15	15
Other	Male	36		0	29	29
	Female	1		0	1	1
	Male	2		0	2	2
Total		1875		1791	65	1847

12.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	207	9	142	0	151
Professionals	Male	380	6	195	0	201
	Female	295	0	23	0	23
Technicians and associate professionals	Male	341	0	27	0	27
	Female	0	0	12	0	12
Clerks	Male	0	0	2	0	2
	Female	339	31	245	0	276
Service and sales workers	Male	80	25	118	0	143
	Female	33	0	0	0	0
Skilled agriculture and fishery workers	Male	65	0	0	0	0
	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Plant and machine operators and assemblers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Elementary occupations	Male	21	0	1	1	2
	Female	75	0	24	43	67
Other	Male	36	0	11	13	24
	Female	1	0	0	0	0
	Male	2	0	0	0	0
Total		1875	71	800	57	928

13 – Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0 %
Temporary Total Disablement	0	0 %
Permanent Disablement	0	0 %
Fatal	0	0 %
Total	0	0 %

14. Utilisation of Consultants

Table 14. 1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Employment Equity analysis (MAYIKANA CONSULTING)	1	15 December 2005 to completion	R840 140.00
Employment Equity Analysis (COP BUSINESS INTELLIGENCE)	1	15 December 2005 until 30 June 2006	R255,816.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
2	2	See above	R1,095,956.00

Table 14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Employment Equity analysis	100	100	1
COP Business Intelligence	51	51	Not known

Table 14.3: Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None	None	None	-
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

Table 14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	None	None	-

PART 3: Programme Performance

	2005/06	2006/07	2007/08
	To be appropriated		
MTEF allocations	R2,693 766	R3 042 149	R3 409 363
<i>of which:</i>	<i>Current payments</i> <i>Transfers</i> <i>Capital payments</i>		
	R2 089 476 R373 013 R231 277		
Statutory amounts	–	–	–
Responsible Minister	Minister of Foreign Affairs: Dr NC Dlamini Zuma		
Administering Department	Department of Foreign Affairs		
Accounting Officer	Director-General of Foreign Affairs: Dr A Ntsaluba		

Aim: *The Department of Foreign Affairs is responsible for the formulation, co-ordination, implementation and management of South Africa's foreign policy and international relations programmes throughout the world.*

Programmes

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Conduct the overall policy development and management of the Department.

Programme 2: Foreign Relations

Purpose: Promote relations with foreign countries, and participate in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives.

Measurable objective: To promote South Africa's foreign policy internationally and within multilateral institutions, through effective diplomatic interventions to strengthen foreign relations.

Programme 3: Public Diplomacy and Protocol

Purpose: Promote an understanding, both domestically and internationally, of South Africa's role and position in international relations, and provide protocol services.

Measurable objective: To project a positive image of South Africa by marketing the Department's programmes and providing protocol services.

Programme 4: International Transfers

Purpose: Provide for the payment of membership fees to international organisations, transfer payments.

Measurable objective: To contribute to multilateral development co-operation.

STRATEGIC OVERVIEW AND KEY DEVELOPMENTS: 2002/03 – 2008/09

The Department of Foreign Affairs (DFA) continued to implement its strategic priorities as informed by the foreign policy objectives of the South African Government, and outlined in the Programme of the International Relations, Peace and Security Cluster. The broad priorities of the International Relations, Peace and Security Cluster are:

- Consolidating the African Agenda
- Global Governance
- South-South Co-operation and
- Strengthening Bilateral Relations.



A meeting of the Department's New Building Committee attended by Mr Mkhusele Apleni (centre), Ambassador Dries Venter (right), and Ms Grace Khoza (left), February 2006.

PROGRAMME 1: Administration

AIM: The programme conducts the overall policy development and management of the Department. It provides for policy formulation by the Minister, the Deputy Ministers, the Director-General, and other members of the Department's management. Other functions include organising the Department; rendering streamlined and co-ordinated administrative office support and parliamentary services; managing Departmental personnel and finances; determining working methods and procedures; exercising internal control; and providing the internal audit function. The programme also includes providing consular and agency services in Pretoria and abroad, and purchasing vehicles for the Department. The provision of secure, economical, representative housing and office accommodation to all staff members abroad (including partner Departments) and maintenance thereof is also accommodated within this programme.

CORPORATE SERVICES

The Branch Corporate Services (within Programme 1: Administration) identified the following seven strategic objectives for providing excellent support services to the line objectives of the Department:

1. Enhance the corporate governance model within the Branch.
2. Acquire a new head office building in Pretoria.
3. Modernise the Department's Information Communication Technology and ensure its optimum use.
4. Provide cost-effective infrastructure and accom-

modation to support the Department's work.

5. Provide consular services to South African citizens abroad.
6. Implement financial system reforms in line with the PFMA.
7. Intensify compliance with MISS and security policy requirements.

OUTPUT AND SERVICE DELIVERY TRENDS

CHIEF FINANCIAL OFFICER


Facilities Management

During the year under review, the Department continued with several new capital works projects such as the design, development and procurement phase of the chancery project in Addis Ababa and the chancery and staff housing project in Maseru. The design development for the chancery and official residence projects in Abuja is well advanced. The Department acquired a:

- residence in Maseru that will serve as the official residence for the head of mission
- plot of land in Kigali donated by the City Council of Kigali
- plot of land in Dar es Salaam on the basis of a 99-year lease.

The development of the plots of land acquired will commence in the 2006/07 financial year.

The Department made good progress with regard to its



project to acquire a new Head Office building. This project was initiated in 2004 and includes the following elements:

- a) The provision of office accommodation for the full head office staff complement, together with appropriate staff wellness facilities necessary for the Department to fulfil its mandate;
- b) A Foreign Service Institute to replace the existing FSI;
- c) Adequate conference facilities for the many local and international conferences hosted by South Africa through the Department;
- d) Upgrading of the existing diplomatic guest house; and
- e) The construction of a new guest house.

During this financial year, the focus has been on the procurement of services. As the project is procured as a Public Private Partnership, a two-stage procurement process was structured in accordance with the relevant Treasury Regulations. Following an open Request for Qualifications (RFQ) process, the Department selected three bidding consortia to participate in a Request for Proposal (RFP) procurement process. The RFP bidding process culminated in the closing of tenders on 27 November 2005, followed by a detailed evaluation. At the end of the evaluation, the Department opted not to appoint a Preferred Bidder but to embark on a Best And Final Offer (BAFO) process with two of the three short-listed bidders instead.

It is anticipated that the BAFO process, that commenced on 3 March 2006 with the issuing of BAFO documentation to the two selected bidders, will enable the Department to select the bidder that provides the Government with the most value for money within a defined affordability target while accepting significant technical, operational and financial risk in relation to the project.

The BAFO process will be concluded during the 2006/7 financial year and it is anticipated that the concession agreement will be negotiated and signed during the latter part of 2006, which will allow for the commencement of construction towards the end of the 2006/07 financial year.

During the year under review, the Department appointed

a consortium consisting of Akhona Properties, Gensec, and Pam Golding Properties to conduct a study, on its behalf, of the options available for the acquisition of properties in those cities where the Department has representation. The purpose of the study was to explore and investigate the different options available in different regions and countries of the world through which fixed property can be acquired, while simultaneously determining the best value for money solution and procurement options accessible to diplomatic missions in a specific region or country, that will fulfil the needs of the Department.

The study also focused on the following ten priority cities where more in-depth studies were done to establish options for acquiring properties: Tokyo, Beijing, New Delhi, Riyadh, Nairobi, Lagos, New York, Brussels, Geneva and Moscow.

The final reports are expected early in the new financial year and will form the basis of the Department's asset acquisition strategy and plan, which will be formulated and finalised in the 2006/07 financial year.

The Department has embarked on a programme to address the most urgent maintenance requirements at its missions abroad. For this purpose, the Department obtained professionally evaluated maintenance reports for all State-owned properties abroad. These evaluations form part of the Department's short-, medium- and long-term maintenance planning and programme. The maintenance requirements have been addressed in both the medium-term expenditure frameworks (MTEF) as well as the Department's long-term expenditure planning programme.

Generally, the Department's assets abroad are in fair condition with a few properties requiring urgent maintenance work. These properties have been specifically addressed in the Department's MTEF budget.

During the financial year under review, the Department undertook maintenance/structural works on the official residences in Brussels, Lilongwe, London, Rome, Windhoek, Vienna and Munich. Maintenance/structural works were carried out on chanceries in Milan, Lisbon, Ottawa

and Rome while maintenance was done on other classes of housing in Lilongwe, Maputo, London and Brussels.

During the 2005/06 financial year, the Department acquired plots of land in Kigali, Rwanda and Dar es Salaam. A residence was acquired in Maseru, Lesotho, and the Department investigated the feasibility of acquiring various properties in Nairobi, Kenya, Lubumbashi, in the Democratic Republic of the Congo; Mbabane, Swaziland, Gaborone, and Botswana. The results of the studies undertaken will be considered in the 2006/07 financial year and the necessary plan of action will be implemented.

During the year under review, in co-operation with the Department of Public Works, the DFA agreed on a strategy for the disposal of redundant and surplus properties abroad. All the properties were professionally evaluated in the 2005/06 financial year and their market values confirmed and approved by the Land Affairs Board. The disposal of these properties will commence in the 2006/07 financial year.

Projects to be carried over from the 2005/06 financial year include the renovation of the Official Residence in Vienna, the renovation and upgrading of the Chancery in Milan, the renovation and upgrading of the Chancery in Windhoek, renovation and upgrading of the Chancery and Official Residence in Rome. During the 2006/07 financial year, major maintenance/refurbishment will continue in Lilongwe, London, Harare, and Washington for which the necessary funds have been allocated.

During the 2006/07 financial year, the Department intends to develop an asset acquisition strategy and plan that will guide the Department in its efforts to provide efficient, effective and economical facilities to its missions abroad. The Department will also develop a maintenance strategy and will re-evaluate the condition and maintenance requirements of all its properties abroad in order to address the maintenance requirements in a cost-efficient manner.

Through the Department's medium and long-term forecast, financial planning has taken into account the proper maintenance of all state-owned assets falling under the

jurisdiction of the Department abroad. Financial provision has been made for all committed and planned projects for the 2006/07 financial year.

FINANCIAL MANAGEMENT

Financial Systems for the Missions

The Department continued with the development of Phase II, which included the general ledger, accounts payable, accounts receivable, fixed assets, multi-currency inter-company accounts. The system is geared towards the accrual-based accounting system and uses the Standard Chart of Accounts (SCoA) as the Basic Accounting System (BAS). The development of the mission financial package has been completed. Phase II also included the replacement of the foreign currency system, which will be completed in the next financial year. The mission financial system will be rolled out to missions in the next financial year.

Phase III will involve Business Cycle Process Automation and the Business Cycle Management. Phase III will be built on the development already undertaken in Phases I and II. Phase III will be implemented with effect from 1 April 2007.

Asset Management

During the previous financial year, the Department implemented an asset management system that enabled the production of a credible Asset Register for the Head Office.

During the year under review, the Department developed asset registers for the missions, with a unique bar code allocated per asset. Standard product catalogue information, location information of that asset as well as the personnel information of the user of the asset were recorded in the asset register. However, recording of monetary values in the asset register remains a challenge since the costs of the assets were expensed fully in the year of purchase. Consequently, it was difficult to allocate values to all assets in accordance with the respective invoice amount. However, the Department commenced with the recording of the monetary values in the asset register for the previous



The South African Embassy in Windhoek.

years and captured all the values for assets purchased in the 2005/06 financial year. The Department has finalised the drafting of the Asset Management Policy. Moreover, a dedicated unit has been assigned to deal with asset management and is located within the Supply Chain Management Directorate.

BUDGET MANAGEMENT

During the year under review, the Department implemented budget review sessions with all missions to ensure that individual missions operate within their allocated budgets and to strengthen the oversight function of the business units. The process also helped the Department to refine credible baselines for the missions and their respective business units.

The implementation of Phase I of the mission financial system enabled the Department to submit its monthly expenditure report to National Treasury and also tabled the financial report in the last quarter of the financial year at Departmental management meetings. A challenge still remains concerning performance monitoring. Nevertheless, the respective branches conducted their performance reviews as required. A clear process has been put in place to improve this aspect in the next financial year.

CHIEF INFORMATION OFFICER

Master Systems Plan (MSP)

The implementation of the MSP that commenced in February 2005 is still underway. The elements of the MSP are de-

finied below in the form of business plan strategic priorities.

Strategic Priorities

The Chief Directorate Information Communication Technology (ICT) business plan for 2005/06 defined and initiated four strategic priorities, namely:

- Voice over Internet Protocol (VOIP) global network;
- Windows 2003 Advanced Server;
- Data Warehousing/ Business Intelligence (BI); and
- Business Process Management focusing on two business units: Diplomatic Immunities and Privileges and Consular Services.

Project status VoIP global network

The implementation of the VoIP global network is being undertaken in partnership with Dimension Data, which was awarded the tender to provide the VoIP solution. The project involves the provision of equipment for all DFA Missions and the implementation of the solution. The implementation will be completed during 2006/07.

Windows 2003 Advanced Server

The project is being implemented in partnership with Microsoft, which was selected as the vendor of choice through SITA. The project involves the implementation of the primary deployment as defined below and the software licenses. DFA resources will complete the full implementation.

The implementation is divided into two phases:

- The primary deployment which is the deployment of a controlled number of sites that include Head Office; Washington; New York (UN); New York (CG); Chicago; Gaborone and Maputo; and
- The full deployment, which is the migration of the rest of the Missions to Windows 2003 Advanced server.

The DFA's ICT Chief Directorate will perform the full rollout. The implementation is to be completed during the 2006/07 financial year.

Data Warehouse / Business Intelligence (BI)

This project entails:

- Providing an executive business decision and analysis tool;
- Building and accessing information by topic (Data-marts);
- Collaborative information building;
- Sharing information;
- Developing a central repository for all DFA data;
- Introducing work-flow;
- Providing a common search engine;
- Having a split repository for secure and open information.

The preferred partner for the implementation of the BI project is SAS which was selected through a SITA transversal contract.

Business Process Management (BPM)

The preferred partner for the implementation of BPM is the consortium of TIBCO; NDT and Dimension Data. The consortium was selected through SITA Tender 59. The project, which costs R16 million, is in progress and will be completed during 2006/07.

Microsoft Operations Framework (MOF)

The DFA intended to implement a structured ICT operational framework based on the Microsoft Operations

Framework (MOF) to establish the following Service Management Functions (SMFs) by the end of July 2006:

- Service Level Management
- Service Desk
- Incident Management
- Change Management
- Release Management
- Security Management

Project Support

Implementing the four strategic priorities required an upgrade of servers in all missions and head office. The Department has invested R46 million for this purpose and the servers are being installed at the assigned offices.

A trained ICT workforce is being developed on a continuous basis through project planning and personnel development programmes. Currently the emphasis of the development programme is on equipping staff to deal with the new infrastructure through skills transfer by service providers.


Special Events Support

The Department recently facilitated ICT Planning and Support to the Progressive Governance Summit (PGS) hosted by the Presidency in March 2006.

SECURITY

Three more Vetting Officers were appointed to help alleviate the vetting backlog. Priority vetting areas were identified and are being dealt with accordingly. Subsidised vehicles for the Vetting Officers were approved to enable vetting interviews at any location and at short notice. A significant portion of the backlog in clearance certificates was attended to during the past year.

The tender for upgrading the physical security systems in all DFA buildings around Pretoria was advertised and a preferred supplier appointed.



The Physical Security Policy was submitted for approval by management.

The newly-established Information Security Subdirector is functional and is currently staffed by three officials. The Information Security Policy has been drafted. In an endeavour to make officials of the Department more security-conscious, security-awareness programmes were presented at the Orientation, Induction, and Foundation courses and via the internal communication system.

Consular Services

The Chief Directorate Consular Services continued to enhance consular services provided to South African citizens abroad. The challenges of the international environment coupled with the expectations of our citizens require that the Department continue to innovate and implement adequate measures to assist our citizen in distress abroad. There is an ever-growing number of South Africans working, travelling and studying abroad that seek consular assistance from South Africa's high commissions, embassies, consular and other missions abroad. The following are highlights of the consular activities for the 2005/06 financial year:

Summary of Consular Statistics

- Rendered assistance to 850 South African citizens detained or imprisoned abroad.
- Assisted with the return of mortal remains of 89 South African citizens from abroad.
- General assistance rendered to approximately 45 distressed South African citizens abroad (and their relatives in South Africa).
- Assistance rendered in 421 cases of Service of Process, evidence on commission and maintenance orders.
- Determined the whereabouts of 391 South African citizens abroad.
- Assisted with 16 social welfare cases, i.e. cases involving abductions and adoptions.
- Assisted in dealing with swindles, false documents and other fraudulent activities concerning approximately 27 cases.

- Assisted with 31 new extradition cases.
- Received and sent out 1 265 *note verbale*.
- Attended to 202 clients, received (approximately) 8 852 general consular enquiries and sent out (approximately) 7 426 telexes, letters and e-mails.

Development of a Consular Software Management System

The first phase of the development has been completed, including the user acceptance testing (UAT). Through this innovative programme South Africa and the Department have become the first to automate the legalisation process in the world.

Development of the second phase commenced towards the end of November 2005 and will be completed during the 2006/07 financial year. The main objective of the Consular Management System (CMS) is to improve service delivery to all role-players and improve record-keeping by using advanced technology. The system intends to ensure the introduction of the concept of case management for consular cases to be managed more effectively.

Consular Support: Highlights

There are a reported two million South Africans in the United Kingdom at any time. On 21 July 2005, over the space of approximately two hours, five bomb blasts were reported in London with resultant injuries and fatalities. Shortly after news of the blasts became known, the Consular Section activated its Consular Emergency Response Centre, taking more than 500 telephone calls from members of the public enquiring about family and friends. The Consular Chief Directorate, in co-operation with the High Commission in London, assisted concerned family members with information about loved ones believed to be in London at the time. Supported by the Department's Media Directorate, the public was given the latest information relating to South African citizens. There were many South Africans among those affected by the bomb blasts. There were no fatalities among our citizens.

A number of South Africans live and study in New Orleans. The storm surge that occurred on the eastern seaboard of the United States from 23 - 29 August 2005 caused catastrophic damage along the coastlines of Louisiana, Mississippi and Alabama, including the cities of Mobile, Alabama, Biloxi and Gulfport, Mississippi and Slidell, Louisiana. The surge breached levees separating Lake Pontchartrain from New Orleans, Louisiana. The Consular Directorate's Consular Emergency Response Centre was activated and together with missions in the United States was able to assist concerned families with information and help locate relatives thought to be in the area at the time.

Legalisation Services

Legalising or authenticating of documents entails affixing, signing and sealing official documents either with an Apostil Certificate (where countries are party to The Hague Convention of 5 October 1961), or with a Certificate of Authentication (where countries are not party to the Hague Convention). The following services are provided:

- Providing clients with information when telephone/mail enquiries are received regarding the legalisation of documentation;
- Providing clients with guidelines during personal interviews to help them complete the process

and obtain the correct signatures/documents;
and

- Authenticating official public documents executed within South Africa for use outside the Republic of South Africa by means of an Apostil Certificate or a Certificate of Authentication.

During the 2005/06 financial year, 20 610 documents were legalised, which is an increase of 15.3% over the the previous financial year.

Further objectives

During the financial year, the following high-level objectives were not attained completely:

- Leadership training for the Rapid Response Teams (RRTs). This issue was incorporated into the 2006/07 financial year business plan. The concept of RRTs is a new one for the Department. To address the matter, other foreign ministries will be consulted.
- Although some chapters were amended, the proposed Consular Handbook was not completely developed. It is intended that the matter will be dealt with comprehensively in the 2006/07 financial year. Capacity in terms of drafting and development of policy/procedure skills remains a major challenge.



Professor Alpha Omar Konare delivering a lecture to staff of the Department on “Confronting the Challenges Facing Africa”.

PROGRAMME 2: Foreign Relations

AIM: This programme promotes relations with foreign countries and facilitates the Department’s participation in international organisations and institutions, in pursuit of South Africa’s national values and foreign policy objectives. While all the objectives apply to all regions, the emphasis may differ depending on current circumstances or anticipated developments in a particular region.

OUTPUTS AND SERVICE DELIVERY TRENDS:

CONSOLIDATION OF THE AFRICAN AGENDA

Service delivery objectives and indicators

During 2005/06, much was achieved in promoting the African Agenda, including efforts to promote more effective functioning of Regional Economic Communities (RECs), the organs of the AU and Nepad. The Department focused on the further integration of the SADC, the establishment and permanent housing of the Pan African Parliament, and the further promotion and entrenchment of Nepad as the primary framework for creating the conditions for development and implementing projects and programmes designed to stimulate development and growth.

South Africa’s engagement in the African focussed on the following goals:

- Strengthening the African Union and its structures
- Promoting integration and development through the SADC
- Promoting the implementation of Nepad
- Supporting peace, security, stability and post-conflict reconstruction initiatives
- Strengthening bilateral relations.

Strengthening the African Union (AU) and its structures

The full Maputo Structure is 768 posts, 416 employees are already in posts and 114 were expected to commence duty in February 2006. In order to complete the full revised Maputo Structure, 208 employees need to be recruited in 2006. However, the implementation thereof would depend on the availability of funds.

The Commission made a proposal to the Sub-Committee on Structure regarding renaming some of the approved positions and requesting for additional positions in the Bureau of the Chairperson, the Special Unit in Charge of Intelligence and Security Matters, the AU Regional Delegation to Regional Economic Communities and 50 positions for the African Centre for Research and Studies on Terrorism, whose establishment was approved by the Summit in Sirte, Libya during the July 2005 Summit. The Executive Council requested the Commission to prepare the financial implications for the structure for consideration by the Executive Council.

South Africa still has a quota of posts at all levels, to be filled at the Commission. In order to fill these posts, the

National Secondment Policy has since been finalised and forwarded to Cabinet for approval to facilitate the process of seconding South Africans to key institutions such as AU and SADC.

Up to this point, an official from the Department of Defence has been seconded to the AU Peace and Stability Directorate from 1 January 2006 and another official has been seconded from NICOC to CISSA (i.e. the continental intelligence structure).

Following the adoption of the new scale of assessment during the AU Summit in Sirte, Libya, in 2005, that determines Member States' contribution according to its capacity, South Africa became one of the five major contributing countries towards the total AU Budget. This means that South Africa, Algeria, Nigeria, Egypt, and Libya would each contribute 15% of the total budget of the African Union while the rest of the member states would have to contribute the remaining 25%. The new scale of assessment was applicable since January 2006.

In terms of the Host Country Agreement, South Africa has committed herself towards ensuring the effective and successful working of the Pan African Parliament. In compliance with the provisions of the Host Country Agreement, South Africa has managed to temporarily accommodate the Pan African Parliament at Gallagher Estate in Midrand while proceeding with plans to establish the permanent seat of the Parliament.

Work has been ongoing in the Steering and Working Committees on the bids to carry out the Options Analysis regarding a suitable site for the Pan African Parliament Building. This process was concluded at the end of February 2006. The Steering Committee and the Working Group convened on 29 March 2006 at the Department of Public Works (DPW) on the Continental Competition for architectural design of the Parliament. The Inter Ministerial Committee, comprised of Foreign Affairs, Public Works, Gauteng Premier, Speaker of National Assembly, Environmental Affairs and other stakeholders oversee the workings of the Committees and task teams in the implementation of the PAP projects.

The process of engaging the Diaspora further received the AU's blessing during the Khartoum Summit. Following the hosting of the South Africa- Caribbean Diaspora Conference in Jamaica in March 2005, member states were encouraged to support and participate in the July 2006 Conference of Intellectuals of Africa and Diaspora. Furthermore, the Executive Council called on the Chairperson of the AU Commission to take necessary steps to facilitate the convening of the 2007 Conference to be hosted by South Africa.

Through interactions that her missions have had with the Diaspora, South Africa has played an active role in promoting NEPAD. Business sector support for NEPAD is being integrated as part of the country's bilateral mechanism.

Significant progress has been recorded since the process of Rationalisation of RECs was undertaken by Member States, RECs and the AU Commission. Following the Consultative meetings between the five regions of Africa on Rationalisation of the Regional Economic Communities, the African Union Commission organized joint Ministerial meeting of the regions from the 28- 31 March 2006 to consolidate the reports of the two groups namely the Western, Central and Northern regions as well as the Southern and Eastern Regions.


Ministers made recommendations pertaining to the work that is expected from Member States; the African Union; the African Union Commission; and Regional Economic Communities (RECs).

With respect to the Member States, the meeting, amongst others, requested that:-

- the capacities of existing RECs be strengthened to make them more efficient; and
- Urged Member States to honour their financial and other obligations to RECs.

The African Union was requested to, amongst others: -

- Retain the configuration of the eight RECs while harmonizing their programmes and policies within the framework of the Abuja Treaty; and
- Adopt a moratorium to halt the recognition of new RECs;



It is expected that these recommendations would be forwarded to the next meeting of Ministers of Economic Integration for adoption and presentation to next Heads of State and Government summit.

Pending the finalisation and adoption of the study on STC, sectorial ministerial meetings continued to take place. To date, a number of Ministerial meetings which have to be incorporated under the STCs have taken place which includes amongst others, the Conference of AU Ministers in Charge of Electric Power chaired by South Africa and held in Addis Ababa, Ethiopia from 23 -24 March 2006; the Conference of AU Ministers of Agriculture held in Bamako, Mali from 31 January to 1 February 2006; and the Conference of African Ministers of Integration held in Ouagadougou, Burkina Faso, from 30-31 March 2006.

South Africa has been actively involved in these processes and hosted several meetings of the Specialized Technical Committees. Through constant communication with the mission in Addis Ababa, Head Office has since been informed that the study on STCs has been finalized but awaits processing by the AU Commission.

Following the commissioning and financing of the Ernst & Young study on the AU Financial and accounting system by South Africa, the Assembly in Khartoum, the Sudan in January 2006, adopted it. The AU Commission is currently looking into the implementation of the recommendations of the study.

This South African initiative is aimed at restoring donor confidence and encouraging member states to honour their financial obligations towards the AU through the strengthening of the institutions financial and accounting systems.

The establishment of AU financial institutions which will provide funding for projects and programmes of the AU is currently in the pipeline. Three financial institutions are to be established namely; the African Central Bank to be hosted by the Western region; the African Monetary Bank to be hosted by the Central regions as well as the African Investment Bank to be hosted by the Northern region.

The African Court on Human and People's Rights has been operationalised. Regarding the election of judges to the Afri-

can Court on Human and Peoples' Rights (ACHPR), the AU Assembly in Khartoum in January appointed eleven judges, two of whom are from Southern Africa (Justice Bernard Ngoepe from South Africa on a 2-year term and Mrs. Kellelo Justina Mafoso-Guni from Lesotho on a 4-year term). It has since been recommended that the number of judges for the combined court be set at fifteen (15) while giving the Assembly the power to review the number of judges on the recommendation of the court.

South Africa submitted her inputs to the Draft Instrument on the Merger of the African Court of Justice and African Court on Human and Peoples' Rights. It is expected that the AU Commission would submit the instrument to the next Ordinary Session of the African Union for consideration and adoption.

South-North Co-operation

South Africa continued promoting South-North co-operation in support of the implementation of the African Agenda through the Group of 8 (G8), the Commission for Africa, the Africa Partnership Forum, the United Nations (UN), the European Union (EU), the Organisation for Economic Co-operation and Development (OECD), the World Trade Organisation (WTO), the International Monetary Fund (IMF), World Bank and the World Economic Forum (WEF).

The Department serves as the focal point for South-North dialogue, engaging key global economic institutions such as the World Trade Organisation (WTO), the Organisation for Economic Co-operation and Development (OECD), and the World Intellectual Property Organisation (WIPO). To achieve its objective, South Africa ensures that the development agenda remains part of the focus of key economic forums, particularly the annual G8 Summit and World Economic Forum (WEF) meetings.

The most important developments during 2005/06 were the outcomes of the G8 Gleneagles Summit, South Africa becoming a member of the OECD's Development Centre, ongoing negotiations to establish a Development Agenda for WIPO and the WTO Ministerial Conference in Hong Kong, where



President Thabo Mbeki greeting the President of the European Commission, Jose Manuel Barroso during the latter's visit to Pretoria, June 2005.

the compromise that was reached was regarded as a workable platform to keep the Doha Development Agenda afloat.

South Africa's presence at and participation in South-North Dialogue fora enhances its commitment to attaining and maintaining the millennium development goals (MDGs).

The year 2005 presented unparalleled opportunities because the G8 Summit in Gleneagles and the Commission for Africa, chaired by British Prime Minister, as well as the World Economic Forum, focused the world's attention on mobilising partnerships and the necessary resources for Africa's development challenges. Action, delivery on commitments and innovative partnerships were necessary if Africa were to meet the MDGs. South Africa played a significant role in driving this agenda.

Africa-European Union Co-operation


The EC ascribes the positive progress being achieved in Africa in no small measure to the leading role that South Africa and President Mbeki are playing. As a member of the AU enlarged Troika, South Africa continued to play an influential role in ensuring that Africa-Europe dialogue is based on the principles of equality, partnership and ownership. President Mbeki underscored these basic principles when he met with the European Commission's President José Manuel Barroso in June 2005 and Commissioner Louis Michel in February 2006. At these meetings, President Mbeki also

reiterated South Africa's commitment to the pursuit of a peaceful, stable and prosperous African continent.

A significant event, in the context of AU-EU relations during the reporting year, was the adoption of the EU Strategy for Africa by the EU Council in December 2005. This was preceded by the African Union's endorsement of the Strategy at the AU-EU Ministerial Troika meeting held in Bamako, Mali on 2 December 2005. The Strategy intends to complement and strengthen the framework for dialogue and co-operation that already exists between the EU and Africa.

The Strategy builds on the Cairo Summit Declaration that is aimed at enhancing political dialogue between Africa and the EU and support for African initiatives for attaining the continent's socio-economic development. Its primary objectives are the achievement of the MDGs and the promotion of sustainable development, security and good governance in Africa. The Strategy builds on important progress made by the African continent. Its core principles are partnership based on international law and human rights, equality and mutual accountability. The Strategy's underlying philosophy is African ownership and responsibility, including working through African institutions.

The Bamako Ministerial Troika meeting, as well as the AU Summit held in Khartoum in January 2006, decided that the EU Strategy for Africa should be converted to a joint Africa-EU Strategy, which could be presented for adoption at the Second Africa-EU Summit. Meanwhile, a joint implementation matrix, encompassing all com-



mitments made by both Parties, within the context of the AU-EU Dialogue since the Cairo Summit in 2000, has been developed. The implementation matrix is a living document that will be updated regularly.

Of these commitments, the most far reaching was the EU's commitment to replenish the Africa Peace Facility (APF) with €50 million from the Ninth European Development Fund (EDF), to finance the AU Mission in Sudan and a further provision of €300 million from the Tenth EDF, to continue the life of the APF from 2008 - 2010.

Negotiations between the SADC and the European Community (EC) on the Economic Partnership Agreement (EPA) picked up pace in 2005, following the SACU Ministers resolve, at their meeting of November 2004, that southern Africa's trade relations with the EU need to be harmonised. The Review of the TDCA and the SADC-EC EPA negotiations presented an ideal window of opportunity to initiate this process. To this end, in March 2006, the SADC Senior Officials met with their EC counterparts to explore how to achieve this. The negotiations are expected to be concluded in December 2007, ahead of the expiry of the WTO waiver permitting the EU to give preferential market access to products from the African, Caribbean and Pacific (ACP) Group of countries to 31 December 2007.

On the issue of the new EU chemicals legislation called REACH (Registration, Evaluation and Authorisation of Chemicals), the Embassy in Brussels interacted with various European commissioners, parliamentarians, council presidencies, Brussels-based embassies and non-state actors to lobby against specific concerns in the draft REACH Legislation. Furthermore, within the context of consolidating the South-South partnership, the Embassy was instrumental in highlighting the potential negative effect of REACH on the ACP States. Consequently, the ACP Council of Ministers of June 2005, as well as the ACP-EU Joint Parliamentary Assembly of November 2005, respectively adopted resolutions on REACH. These resolutions called on the EU to be considerate of the plight of developing economies and to ensure that REACH does not inhibit their export

potential and concomitant sustainable development goals.

In support of the objectives of the AU and Nepad, the Department ensured that priority was given to these issues on the agendas of all discussions held during President Thabo Mbeki's state visit to Italy and working visit to Portugal, as well as during high-level consultations and senior officials meetings with France, Portugal, Spain and Greece.

The governments of Portugal, Spain and Greece were actively engaged on the new EU Strategy for Africa and the urgent need for a summit of the EU and AU to engage the strategy.

On 6 June 2005, a conference aimed at addressing the issues related to Nepad was held in the Netherlands. Dutch Development Co-operation Minister Agnes Van Ardenne was a guest of honour and delivered the keynote speech. Prof W Nkuhlu of South Africa attended the conference.

Prof. Nkuhlu participated in a Nepad seminar held in Denmark, and President Mbeki attended the Africa Initiative hosted by President Kohler in Bonn, Germany, in November 2005.

Implementation of the New Partnership for Africa's Development (Nepad)

Over the last five years, South Africa has been a prominent driver of the Nepad process. In this regard, South Africa continues to facilitate the implementation of projects and programmes in priority Nepad sectors, namely: infrastructure; agriculture; environment; tourism; ICT; health; human resources; and science and technology.

At national level, there are specific national structures in place to champion, co-ordinate, implement and popularise Nepad, to ensure South Africa's effective engagement in the Nepad process nationally, regionally, continentally and internationally. South Africa continues to support the Nepad and APRM Secretariats based in

South Africa and to participate in all structures of the AU, Nepad and SADC designed to promote the implementation of Nepad.

The African Renaissance and International Co-operation Fund has been utilised as an instrument to support African development projects, particularly in the DRC, Sudan and Burundi, in accordance with the vision of an African Renaissance and in terms of Nepad's objectives. For the first time, trilateral co-operation projects have also been finalised, for example with Sweden in support of the DRC Public Service Census project.

In terms of strengthening co-ordination of the Nepad process in South Africa, and to ensure integrated mobilisation and alignment of resources and institutions nationally, regionally, continentally and internationally, a National Nepad Implementation Strategy is being developed. The Strategy will serve as a framework to guide the work of all stakeholders, particularly the clusters, Departments, provincial and local government, Parliament and SOEs in the Nepad process.

The Review of South Africa within the African Peer Review Mechanism (APRM) has commenced and should be completed by the end of 2006. A National Self-Assessment Report and a National Programme of Action have been developed with the involvement of the broad spectrum of South African stakeholders. The APRM Country Review Team is scheduled to visit South Africa in July 2006. The National Programme of Action, plus APR Forum recommendations will have to be implemented nationally once the review process for South Africa has been completed.

As one examines progress in implementing Nepad, it is clear that the conditions for development enunciated by Nepad are being addressed. Unconstitutional changes of government are no longer tolerated in Africa. Previously intractable conflicts on the continent are being addressed with African solutions being found, African resources being utilised and African leadership being brought to bear on the prevention, management and resolution of conflict. Mechanisms and agreements to ensure peace are in place in every instance of conflict

on the continent and post-conflict reconstruction initiatives are being developed, as witnessed by South Africa's own efforts in the DRC, Burundi and the Sudan. Good governance, democracy and the promotion of human rights are becoming the norm around Africa rather than the exception and the number of peaceful elections being held continues to grow. The African Peer Review Mechanism (APRM) has commenced and the first sets of reviews been completed.

On the economic front, trends that existed before are being reversed. The economic outlook for the African continent is the best it has been for many years. There is an increase in countries following sound macro-economic planning, policies and management. The commodity boom has had a positive impact on foreign direct investment (FDI) capital flows. These rose to \$18 billion during 2005 from \$14.7 billion in 2002 and \$6.6 billion in 1998. The IMF is projecting that growth in 2006 could be as high as 5.9% compared with 4.5% during 2005 and 5.3% during 2004. The IMF projects growth rates of 9.9% in the Horn of Africa, 9.5% in southern Africa, 8.3% in the Great Lakes region, and 5.3% in West Africa. Africa still has a relatively low share of global FDI flows, but the resource-rich countries are benefiting from the need to increase output of oil, copper, and other commodities from Africa. Africa's foreign exchange reserves have increased to \$118 billion from \$84 billion in 2003 and only \$36 billion during 2000. Africa's exports have increased from \$117 billion in 1999 to \$178 billion in 2004. There is no official data yet for African exports in 2005, but rising commodity prices suggest they now exceed \$200 billion. ODA and FDI into Africa continued to increase during 2005, reversing a declining trend during the 1990's to 2001.

These positive trends are not anomalies, but reflect a reversal in negative trends due to the new ways of conducting affairs in Africa. The fundamentals, as well as the costs and risks of doing business in Africa are being addressed slowly but surely and has resulted in growing levels of optimism and confidence in Africa's prospects, as opposed to the pessimism expressed previously.

These achievements also point to the progress made in



President Thabo Mbeki and DRC President Joseph Kabila during a state visit to the DRC, January 2006.

redefining international partnerships with Africa, in moving from a donor-recipient relationship to a partnership in the true sense of the word. Although not going far enough and not being comprehensive enough, significant gains on Africa's critical issues, i.e. aid, trade, debt and financing for development, particularly infrastructure, were registered as outcomes of the G8 Summit in Gleneagles in July 2005, the UN Millennium + 5 Review Summit in New York in September 2005 and the WTO Ministerial in Hong Kong in December 2005. This resulted partly from work done in the context of the Africa Partnership Forum, the Commission for Africa and with the United Nations in the production of a number of significant reports during the year. South-South co-operation and support for Nepad has advanced, as illustrated by the creation of the New Asian-African Strategic Partnership in April 2005 and the outcomes of the South Summit in Qatar. New resources are being mobilised, albeit not on the scale and at the pace required, and Africa's messages regarding debt relief, aid and trade are being heard, as illustrated by the new EU Strategy for Africa.

In terms of progress on project implementation, the Comprehensive African Agricultural Development Programme (CAADP) provides the clearest example of progress being made on projects. Countries are formulating national agriculture development programmes and striving to reach the agreed target of 10% of the national budget prioritised to agriculture, thereby exhibiting ownership and political will. A tracking mechanism is in place. Clear projects in terms of food security and food reserve systems have been developed. Cassava, New Rice for

Africa (NERICA), Banana Tissue Culture projects and the School Feeding Programme (using local producers) are being implemented. The need for agricultural research has now been accepted and regional centres of excellence are being developed, such as the International Livestock Research Institute in Kenya. International support and resources have been mobilised through the CAADP Support Group and targeted interactions with international partners are being held. USAID has been convinced to support CAADP and interactions are taking place with the private sector on the development of agribusiness. The United States of America (USA) is allocating \$200 million per annum over five years in support of CAADP. The World Bank-GEF have allocated \$700 000 as a grant for the Nepad Secretariat and the FAO to plan a sustainable land management programme. The Bank has also established a \$60 million fisheries seed fund for the sustainable management of large marine ecosystems in selected countries under CAADP.

Another significant area of achievement has been in the ICT sector. The rollout of the e-schools programme began during the second half of 2005 in a number of pilot countries and schools. There was also progress in the implementation of the East African Submarine Fibre Optic Cable System project.

Some progress has also been registered with other projects in the four sectors of the infrastructure programme, which include the following:

- AU/Nepad Spatial Development Programme (including the identification of six high potential SDIs).

- Formation of an Investment Climate Facility
- Japan agreeing to fund 14 projects in infrastructure.
- Agreement reached concerning ADB support for Kazungula Bridge.
- Rehabilitation of the Mocademes railway in Angola.
- The ADB mobilising funds for the development of the Naimbe Corridor Transport System. Similarly, the ADB is mobilising funds for the development of the Lobito Corridor transport system.
- The Trans-Kalahari Express Project feasibility study has been carried out with funding from the US Trade and Development Agency (US TDA).
- The Grand Inga Project study.
- West African Gas Pipeline.
- Kenya-Uganda Oil Pipeline (Northern Corridor).
- The Western Power Corridor Interconnection (WESTCOR) Project is operational and managed by an implementing institution stationed in Botswana.
- Kenya-Tanzania-Uganda Interconnection Project.
- Mozambique-Malawi Interconnection Project.
- An Infrastructure Consortium for Africa was inaugurated in October 2005. The instrument for expanding the Nepad Infrastructure Project Preparation Facility (IPPF) into a multi-donor facility was approved by the ADB in September 2005.
- 13 projects at an estimated cost of \$522, 7 million are in the 2006 Lending Programme of the ADB.
- A number of African countries, including Senegal, are accessing the \$200 million credit line from India that was secured by Nepad.
- The USA has provided a \$370 000 grant to help the Nepad Secretariat prepare three of the key infrastructure projects for investors.


Having said all of the above, significant challenges remain, not least in the realm of convincing the African people that Nepad is relevant to them, can address poverty, can ensure sustainable socio-economic de-

velopment and growth and can make a significant impact on the quality of their daily lives. So, while addressing conflict and ensuring good governance, it is also about providing the conditions for socio-economic development and growth and does have an impact on people's lives. Only by implementing Nepad priority sector projects will this challenge be addressed. People need to see tangible infrastructure projects, an agricultural revolution, and improved health and education delivery systems. It is in these areas that the greatest challenges for Nepad are to be found. The scale and pace of delivery in these priority sectors remains frustratingly low.

Strengthening the Southern African Development Community (SADC)

While the cluster will continue with its work under this priority, it is worth emphasising that support for the harmonisation and rationalisation of Regional Economic Communities (RECs), as well as for the regional integration process will be critical in the coming year. To this end, it is important to indicate that the IRPS Cluster shall soon review the South African policy position on both regional and continental integration by considering the appropriateness of the evaluation as well as the benefits and costs of economic integration to SADC Member States. This shall be done by engaging both the Chair of the SADC and the Executive Secretary to commission the evaluation of progress made by the SADC. The Cluster should continue playing a leading role in promoting South Africa's engagement with African Multilateral organisations (including the SADC), in order to promote the agreed South African positions in the economic integration of the RECs.

The Cluster shall continue prioritising the implementation of the SADC Protocols related to trade, finance, infrastructure and services (including water, energy and tourism), food security and HIV/AIDS in order to implement the RISDP. Furthermore, the South African Government shall continue giving priority to the completion of the Nepad/RISDP national strategy in order to align national, SADC and continental programmes of



action. Within the strategy, pilot programmes/projects have to be developed with the aim of launching effective projects that highlight South Africa's participation in the SADC, AU and Nepad.

A continued priority is the current recruitment process in the SADC Secretariat, for which South Africa should ensure that the right persons are appointed; and that suitable South Africans are appointed within the framework of the quota system; and placing South Africans in critical positions using the new secondment policy. This will be implemented after the adoption of the Secondment Policy by Cabinet

Peace, stability and post-conflict reconstruction in Africa

Increasingly, the focus is on active engagement and providing tangible support to Africa's regional peace initiatives and processes. Such focus is based on the need to create an enabling environment that is conducive to sustainable peace and socio-economic development in Africa. The revised White Paper on South Africa's involvement in International Peace Missions and the draft AU Post-Conflict and Reconstruction Policy Framework are major instruments that will facilitate South Africa's effective engagement in the continental peace and development agenda. Furthermore, as part of the AU and SADC collective, South Africa is involved in creating an African Standby Force, the regional SADC Brigade and SADC and National Early Warning Centre. In this regard, South Africa has established strong strategic partnerships with Tanzania, Rwanda, Burundi, and the Democratic Republic of Congo (DRC). As part of the AU collective, South Africa is currently mandated by the AU to mediate a peace settlement in Côte d'Ivoire. South Africa is also Chairing the AU mandated Committee on Post-Conflict Reconstruction in the Sudan and continues to support and contribute to AMIS. In addition, through multilateral, continental, regional and bilateral engagements, South Africa continues to support peace building and reconstruction endeavours in Burundi, Somalia, the DRC, Rwanda, the Comoros, Eritrea-Ethiopia, Mauritania, the Central African Republic, Liberia, and Sierra Leone.

POLITICAL AND ECONOMIC RELATIONS

AFRICA

Southern Africa Angola

Relations between South Africa and Angola remain cordial. South Africa has indicated its readiness and commitment to assisting Angola with post-conflict reconstruction projects and preparations for the next presidential and parliamentary elections, which were expected to take place during 2006.

Since the official visit of the Prime Minister of Angola, Mr HE Fernando dias da Piedade dos Santos during February 2005, there have been a number of other high-level visits between South Africa and Angola. A ministerial delegation from South Africa, led by the Minister of Transport, Mr Jeff Radebe, attended Angola's 30th Independence Celebration on 11 November 2005. Deputy Minister of Science and Technology, Mr Derek Hanekom, Minister of Agriculture, Ms Thoko Didiza and Deputy Minister of Social Development, Ms Benjamin, also visited Angola during 2005.

Botswana

Since the signing of a Joint Permanent Commission for Co-operation (JPCC) between South Africa and Botswana, several meetings concerning implementing the JPCC have taken place.

During September 2005, the Director-General of Foreign Affairs led a South African delegation of senior officials from various Departments in preparation for the ministerial meeting and state visit by President Festus Mogae, which took place on 13 October and 26 October 2005 respectively. The state visit was President Mogae's first official visit to South Africa since his election as President of Botswana in 1998. President Mogae addressed a Joint Sitting of the South African Parliament on 26 October 2005.

Agreements and memoranda of understanding in the fields of sports development, aeronautical search and rescue services, agriculture and livestock farming, pro-

vincial and local government, health, arts and culture, and science and technology were signed during the course of 2005.

An Intergovernmental MoU on the Development of the Mmamabula Coal-Fired Power Station (MCFPS) in Botswana is under consideration.

The Fifth Session of the South Africa-Botswana Joint Permanent Commission on Defence and Security (JPCDS) was held from 29 November - 2 December 2005 in Kasane, Botswana.

Democratic Republic of the Congo (DRC)

The DRC remained one of the priority countries for South Africa's engagement with Africa. South Africa continued to assist the DRC in organising the democratic election scheduled for 30 July 2006. This was done within the framework of the RSA-DRC Bi-National Commission (BNC), established in August 2004 between the two countries. The BNC paved the way for engagement in the DRC by the South African Government Departments of Foreign Affairs, Public Service and Administration, Defence, Home Affairs, the South African Police Service and the Independent Electoral Commission. Priority was given to areas critical to supporting governance structures, electoral support, and security sector reform.

The Second BNC, co-chaired by Presidents Mbeki and Kabila, was held in Pretoria from 28 - 29 April 2005. During the BNC, the two leaders set up a quarterly review mechanism, to review progress made in the implementation of commitments made at the BNC. The review meetings, chaired by the Foreign Ministers of both countries, convened in Kinshasa, from 28 - 29 July 2005, 29 November 2005 and on 15 March 2006 respectively. The meetings identified challenges in implementing critical support projects already mentioned here.

The third BNC took place in Kinshasa on 16 March 2006. Agreements and MoUs were signed in the fields of maritime transport, decentralisation (to assist the DRC in the devolution of powers to the provinces) and education.

The two countries have signed 26 agreements since 2004.

The DRC made progress towards the conclusion of its transition, extended to 30 June 2006, to allow more preparations for the elections. The draft Constitution was endorsed in a national referendum from 18 - 19 December 2005 and was promulgated on 18 February 2006. The draft electoral law was adopted on 21 February 2006, thus paving the way for the first general elections to be held in that country in 40 years.

South Africa remains committed to assisting the DRC in addressing its post-conflict reconstruction and development challenges.

Lesotho

South Africa and Lesotho's Joint Bilateral Commission for Co-operation (JBCC) that was signed in April 2001 was automatically renewed in April 2006 for the next five years. Several meetings have taken place at the level of senior officials to develop mechanisms and identify projects which would assist Lesotho in graduating from its current least-developed-country status. There has been significant progress in several areas, including towards the establishment of the Maloti-Drakensberg Transfrontier project. The two countries inaugurated the Defence Cooperation Agreement during May 2006.

Malawi

The Department of Trade and Industry is negotiating the Bilateral Investment Protection and Promotion Agreement, as well as an Agreement within the context of the SADC on textiles. Negotiations concerning establishing a Joint Permanent Commission for Co-operation between the two countries, which is due to be signed before the end of 2006, were concluded.

Mozambique

South Africa and Mozambique share strong relations that are underpinned by the countries' growing ties in trade, investment, tourism, migration and security. South Africa has emerged as Mozambique's main trad-



Deputy Minister of Foreign Affairs, Aziz Pahad and Mozambique Deputy Minister of Foreign Affairs, Eduardo Koloma (left) attending the South Africa-Mozambique- 4th Joint Permanent Commission for Co-operation , October 2005.

ing partner and its main source of FDI. The Mozambique Investment Promotion Centre (CPI) indicated that South Africa doubled the amount of FDI into Mozambique in 2005, thus retaining its position as the single largest foreign investor in the country. Total exports by South Africa to Mozambique for 2005 were valued at R6, 402 billion. South Africa imported goods from Mozambique to the value of R 199, 282 million in the same period.

The international community regards Mozambique as a development success story. Since the first multiparty elections in 1994, the Mozambican Government and its donor partners have stimulated impressive economic growth. Statistics for 2005 show Mozambique's economic growth rate at 7, 7% while the growth rate for the African continent averages just over 5%.

During a state visit to Portugal in November 2005, President Guebuza entered into a MoU with Portugal after a landmark deal was reached with Portugal allowing Mozambique to acquire majority control of Cahora Bassa. Under the deal, Mozambique is to gain 85% of shares in HCB, with Portugal retaining 15%. Mozambique is expected to pay US \$ 950 million. Mozambique will have to finance the additional \$ 700 million at the transfer date. The total transaction is to be completed by July 2007. The transfer of the HCB's ownership has always been regarded as crucial for the long-term economic development of Mozambique and the Zambezi Valley region in particular.

The Fourth Joint Commission for co-operation between

South Africa and Mozambique took place in Pretoria on 31 October and 1 November 2005 and focused on increased co-operation in a number of spheres. To date, the two countries have entered into 26 agreements. MoU was signed between the two countries' Departments of Sport and Recreation in May 2006.

Namibia

On 21 March 2005, President Mbeki attended the inauguration of President Hifikepunya Pohamba. On 3 May 2005, President Pohamba paid President Mbeki a courtesy call. Relations between South Africa and Namibia remain cordial. This is due to the historical ties and excellent political and socio-economic co-operation that exist between both countries. There are two bilateral commissions between South Africa and Namibia, namely the Heads of State Economic Bilateral Meeting and the South Africa-Namibia Joint Commission on Defence and Security. The Fifth Session of the Joint Commission was held in Cape Town from 14 - 16 September 2005.

Swaziland

The JBCC (Joint Bilateral Commission for Co-operation) between South Africa and Swaziland was established on 20 December 2004 in Swaziland to institutionalise and improve bilateral relations between the two countries. The Commission has yet to be inaugurated. Senior Officials have met and mapped out areas of possible co-operation, *inter alia* in the fields of justice, education, transport, agriculture and security.

A new constitution, that came into effect on 8 February 2006 after a lengthy drafting process, replaced the

1968 Constitution which was suspended in 1973.

Tanzania

A number of exchanges took place at the level of officials in various fields between South Africa and Tanzania, with the purpose of enhancing co-operation. During a state visit on 22 September 2005 in Pretoria, Presidents Mbeki and Mkapa led their countries' delegations in the First Meeting of the Presidential Economic Commission. The Commission provides the necessary co-operative framework to manage the development and implementation of bilateral projects as well as Spatial Development Initiatives (SDIs). Trade between South Africa and Tanzania showed a steady increase in 2005.

Zambia

South Africa has established a political, social and economic relationship with the government and people of Zambia, as evidenced by existing bilateral agreements and an annual increase in trade and investment flow between the two countries.

Former Deputy President Jacob Zuma travelled to Zambia from 2 - 3 June 2005 for an official visit to enhance bilateral co-operation between the two countries. During this visit, the former Deputy President informed the Zambian Government of South Africa's sincere effort to re-establish co-operation between the two countries.

South African and Zambian Deputy Ministers of Foreign Affairs met on 3 October 2005 to prepare for discussions between their countries' Foreign Ministers. The meeting was followed by a meeting of senior officials on 14 October 2005, where various sectors within both governments met to establish areas of co-operation and future development.

The Agreement to establish a Commission for the Operation of the 1996 General Agreement was signed on 18 October 2005 by Minister of Foreign Affairs, Dr Dlamini Zuma, and Zambia's Minister of Foreign Affairs, Mr Ronnie Shikapwasha.

The Departments of Foreign Affairs will meet during 2006/07 to inaugurate the Commission for the Opera-

tion of the 1996 General Agreement, and to discuss how structured bilateral co-operation will be implemented.

Zimbabwe

Deputy President Mlambo-Ngcuka headed the SADC Parliamentary observer team during 31 March 2005, while Minister Mdladlana headed the National Observer Mission. South Africa formed part of the SADC Election Observer Mission which participated in Zimbabwe's senate elections in November 2005.

Deputy President Phumzile Mlambo-Ngcuka visited Zimbabwe on 12 July 2005 as part of ongoing consultations between the two countries, and held discussions with her counterpart, Vice-President Joyce Mujuru. She also paid a courtesy call on President Robert Mugabe.

Central Africa

President Mbeki, accompanied by Mrs. Zanele Mbeki, paid a successful state visit to the Republic of Gabon during 2 - 3 August 2005. The Ministers of Transport, Trade and Industry, Education and Arts and Culture, as well as a business delegation accompanied President Mbeki on the visit. During the visit, the following agreements were signed: the Agreement on the Reciprocal Protection and Promotion of Investments; the Merchant Shipping Agreement; the Agreement on Co-operation in the Field of Education, Training and Higher Education; and the Agreement on Co-operation in the Fields of Arts and Culture. This brings to nine the number of agreements signed between South Africa and Gabon since 2003.

As part of strengthening relations with other African countries, South Africa opened an embassy in Brazzaville, Republic of Congo in 2005. South Africa's first resident ambassador in the Republic of Congo, presented his credentials to President Denis Sassou-Nguesso on 22 July 2005.

President Mbeki paid a state visit to the Republic of Congo on 30 November - 1 December 2005. Mrs. Mbeki and the Ministers of Transport, Arts and Culture and Trade and Industry as well as the Deputy Ministers of Foreign Affairs accompanied him. The two Heads of



State witnessed the signature of the following Agreements: the Protocol on Regular Diplomatic Consultations, the Trade Agreement, the Agreement on the Promotion and Reciprocal Protection of Investments, the Agreement on Health Matters and a Memorandum of Understanding on the implementation of Cultural Co-operation.

The Minister of Foreign Affairs, Dr NC Dlamini Zuma, visited the Democratic Republic of Sao Tomé and Príncipe from 8 - 9 April 2005. During this visit, a co-operation agreement was signed, that aims to strengthen relations between the two countries. Following a request by the Sao Tomé and Príncipe Government, four officials of the Ministry of Foreign Affairs, Co-operation and Communities, including the Chief of Protocol, visited South Africa for training from 24 October - 2 December 2005. The group received English language training and attended courses on protocol and etiquette, organising conferences, and diplomatic immunities and privileges.

Good progress was made in establishing a South African Diplomatic Mission in Equatorial Guinea when South Africa's first ambassador resident in Malabo, presented his credentials to President Teodoro Obiang Nguema M'basogo on 2 June 2005.

The recently established South African High Commission in Yaoundé, Cameroon, has played an active role in strengthening relations between the two countries and especially in fostering increased economic activity. A successful South Africa Week was hosted in September 2005, with cultural events, South African cuisine and a commercial display. A number of South African companies participated in the Promote 2005 trade exhibition held in Yaoundé in December 2005, reaching a wide range of business people from the region. There is substantial potential for trade between the two countries, with Cameroon having a diversified manufacturing base and being an important supplier of timber products. A number of South African companies are active in the Cameroonian economy and the Cameroon government is following a privatisation programme that offers many opportunities for South African investment.

Following elections early in 2005, Francois Bozize was inaugurated as President of the Central African Republic (CAR) in June 2005. The South African High Commissioner in Cameroon is currently responsible for relations with the CAR and represented South Africa at the inauguration.

The economy of the CAR is in a precarious state after many years of internal political instability. The African Union has appealed for assistance from the Multinational Force of the Central African Economic and Monetary Community (FOMUC) in the CAR and for the restructuring of the Armed Forces of the Central African Army. Financial and economic assistance from bilateral and multilateral partners will also be necessary to ensure that stability is maintained. It is expected that South Africa will respond to the appeal of the AU and play a role in mobilising support for the Central African Republic.

During the course of 2005, South Africa established its first resident diplomatic mission in N'djamena, Chad. The Chadian Government has expressed its intention to appoint an honorary consul in Pretoria. Establishing direct relations between the two governments by way of official representation will create opportunities to implement the Co-operation Agreement signed in 2004 between South Africa and Chad.

Already there is an increasing flow of businesspeople between the two countries and a number of Chadian ministers have travelled to South Africa recently to attend various conferences. There has been interaction between the two governments on the volatile situation in the east of Chad, where over 250 000 refugees from the Darfur region of Sudan are being sheltered.

East Africa

South Africa is committed to the realisation and promotion of democracy, peace and prosperity in the region thus contributing to the consolidation of the African Agenda.

The Department continues to strengthen bilateral relations with countries of the region. The Department is in

the process of establishing structured bilateral relations with Kenya, Uganda and Sudan. The establishment of a Consulate General in Juba, Southern Sudan is advancing well. South Africa's trade and investment in the region continue to show growth. South Africa remains committed to assisting Burundi with its efforts in post-conflict reconstruction and development.

The implementation of the Comprehensive Peace Agreement (CPA) in Sudan continues apace. The Government of National Unity and the Government of Southern Sudan are in place. However, significant challenges remain in the path of lasting peace and unity in the country. The conflict in Darfur continues and has assumed a worrying spill-over effect, which has led to a sharp rise in tension between Chad and Sudan. South Africa is working through the African Union to assist the parties in Darfur to find a lasting solution to the crisis. Furthermore, South Africa has deployed troops and civilian police as part of the AU Mission in Sudan (AMIS) to monitor the cease-fire agreement signed in 2004. South Africa's role in the Sudanese peace efforts is mainly focused on capacity and institutional building with regard to Southern Sudan.

The escalation of the crisis between Ethiopia and Eritrea is a cause for concern. It is in the interest of both countries and the region that urgent steps be taken to de-escalate the current situation and to allow for progress toward the demarcation of the border between them in accordance with the findings of the Boundary Demarcation Commission. It has become essential that the two countries engage in a dialogue with the aim of normalising the relations between them.

The much-heralded Transitional Federal Government of Somalia (TFGS) has not delivered on the promise to return the country to a path of peace, stability and functioning state institutions. The TFGS should be encouraged to return to the capital, launch the vital process of national reconciliation and establish the necessary institution of governance.

South Africa, as the co-ordinator of the countries of the region under the auspices of the African Union, is sup-

porting the efforts of the Comoros to bring peace, stability and post-conflict reconstruction and development to the country. In this regard, South Africa led the AU (AMISEC) effort to provide support and security to the presidential elections held during April and May 2006. Initially three hundred South African military personnel were deployed to provide security during the election period. The eventual complement was bolstered with additional 600 troops.

In December 2005, President Thabo Mbeki co-chaired the Roundtable Donors Conference on the Comoros in Mauritius during which the international community pledged about USD200 million to support the post-conflict reconstruction and development of the Comoros. In the wake of the successfully held presidential elections, the main challenge would be to secure the realisation of the pledges and initiate sorely needed projects aimed at national reconciliation.

South Africa, in fulfilment of its AU mandate, has contributed significantly towards the attainment of peace and stability in Burundi. This was also done in pursuance of its own foreign policy objectives of creating a continent that is prosperous and peaceful. South Africa's facilitation of and support for peace efforts in Burundi have borne fruit with the holding of democratic elections in 2005 in accordance with the Comprehensive Power Sharing Agreement. The progress achieved during the short space of time has been encouraging. Critical though, would be the continued engagement and involvement of international role-players in the reconstruction and development of Burundi. It is against this background that South Africa continues in its endeavours to secure lasting peace and stability in that country, the aim of which is to prevent a retrogression of the democratic and peace process in Burundi.

Kenya is an important partner for South Africa on the African continent, particularly in the East African region. Kenya's geo-political location as well as its leadership and mediating role through the Intergovernmental Authority on Development (IGAD) in conflicts, i.e. in Sudan makes it a strategic ally in securing peace and stability in the East African region.



President Thabo Mbeki meeting with the Sudanese Vice President Salva Kirr in Sudan during a state visit, January 2006.

There is a healthy exchange of visits between South Africa and Kenya. Technical visits between government departments have become a regular occurrence. Currently the two countries are working on structuring bilateral relations through a Joint Commission on Co-operation (JCC) which will further enhance and consolidate the existing cordial relations.

Uganda held its first multi-party elections, in 26 years, on 23 February 2006. The concerns of instability prior to and during the election period were unfounded as the elections took place in a peaceful atmosphere with few incidents of violence. The post-election period remains peaceful. President Thabo Mbeki was one of 11 Heads of State who attended President Yoweri Museveni's inauguration on 12 May 2006. This visit not only strengthened South Africa's relations with the Republic of Uganda but also reaffirmed its commitment to multi-party politics, democracy and good governance. South Africa has signed an agreement with Uganda to establish a Joint Permanent Economic Commission (JPEC), and this structure will soon be activated.


The Government of President Kagame of Rwanda has managed to achieve considerable progress in terms of reconciliation, nation-building and political stability. Rwanda can be described as a stable emerging democracy. In terms of the structured bilateral relations between South Africa and Rwanda, the 4th South Africa/Rwanda Joint Commission of Co-operation (JCC) will be held in Kigali, Rwanda in August 2006. The presence of the Forces for the Liberation of Rwanda (FDLR) in alliance with the Interahamwe Rwandan

militia groups in the Eastern Democratic Republic of Congo continues to pose a challenge. However, Rwanda remains strategically positioned and contributes positively towards development in the Great Lakes region and the continent. At the beginning of 2006 Rwanda successfully held its Second Local Government Election. It also hosted the Second Children's Summit facilitated by UNICEF, ensuring the protection of children's rights.

North Africa

South Africa continues to view the Arabic North Africa region as strategically important because of its critical role in the economic interests of the continent especially in relation to energy as well as its involvement in the reconstruction and development of Africa as a whole. South Africa also interprets the region's contribution as vital to the Peace and Security Agenda of the African Union through constructive peace-making, peace-keeping and peace building efforts as well as its intensified involvement and support for Nepal.

In terms of South Africa's bilateral and multilateral relations with individual countries of the region, a solid international legal framework for expanded political dialogue as well as intensified economic, trade and investment relations has been established. Given that the countries of the region are at various stages of economic and socio-political transition, South Africa will intensify its political dialogue and economic interaction towards normalising and consolidating our bilateral and multilateral relations with the North African countries concerned.



Algeria remains South Africa's strategic partner in North Africa based on economic and political criteria. Bilaterally, South Africa and Algeria have developed close co-operation in the field of defence and intelligence. South African defence companies such as Denel and Avitronics are continuing projects with Algeria and tendering for new contracts. The second Joint Committee in charge of Co-operation in the Field of Defence was held in March 2006 where it was agreed to extend a range of interactions such as training programmes, joint exercises, technology transfer and exploring military production capabilities and partnerships. This area continues to be one of the most productive BNC Technical Working Groups. Bilateral trade between the two countries remains essentially underdeveloped and amounted to R580 million in 2005. South African exports to Algeria totalled R427 million while imports from Algeria amounted to R149 million. Strong potential exists for South African multinationals PetroSA and Sasol to participate in international joint ventures in the hydrocarbons sector in Algeria.

Three important African Union institutions were established in Algeria during the period under review including the Centre for the Study and Research on Terrorism (CSRT), the African Energy Commission (AFREC), and the Pan African Youth Union (PYU). South Africa has been asked to provide senior seconded staff for these respective structures.

The 30-year international dispute over the Western Sahara remains at an impasse and there continues to be a lack of agreement on how to enable the people of the Western Sahara to exercise their right to self-determination. President Thabo Mbeki, during a working visit to Algeria on 23 March 2006, discussed with his counterpart President Bouteflika the status of Western Sahara and emphasised that the "implementation of the right for self-determination" of the Saharawi people is the "key element for any solution" to the conflict of the "decolonisation" of the Western Sahara

The two presidents also called for a rapid resolution to the conflict in Western Sahara "within the framework of the international legality that makes possible the right for self-determination of the people of this autonomous terri-


tory, the key element for any solution". In addition, South Africa's senior-level attendance of Polisario's 30th anniversary celebrations on 14 February 2006 strengthened relations with the SADR. South Africa therefore continues to support the UN's multilateral efforts to find a peaceful and lasting resolution to the conflict between the Saharawi Arab Democratic Republic and the Morocco Kingdom as contained in the Baker Plan adopted by the United Nations Security Council in Resolution 1495.

With respect to Libya, South Africa, played a pivotal role in the resolution of the Lockerbie issue and subsequent lifting of international sanctions. Although a Joint Bilateral Commission on Co-operation is functioning at ministerial level, relations lack strategic focus in terms of many outstanding bilateral issues, implementation of agreements and synergy on matters relating to the resolution of conflicts in Africa, the peace and security agenda of the AU, and the socio-economic reconstruction and development programme of the continent.

South Africa and Egypt enjoy cordial relations. Despite a substantive legal framework (29 bilateral agreements), the South Africa-Egypt Bilateral Commission lacks substance and strategic focus. The maintenance of a partial ban by Egypt on South African meat and meat products, despite numerous undertakings to remove them, is a problem. Several high-level visits from the South African side took place during the period under consideration.

South Africa has been asked to assist Mauritania in its democratic transition and socio-economic development. Although the country remains suspended from the AU, it engages in regular consultation with the AU and UN on assistance during the upcoming elections in 2006 and 2007. South Africa has also been invited to become involved in developing Mauritania's vast potential in the oil and gas, minerals (iron ore, diamonds, cobalt, and gold), fishing, and tourism sectors.

Political relations between South Africa and Tunisia remain strong. Tunisia views South Africa as a strategic partner on the continent and wishes for South Africa to form closer economic and trade ties, and to serve



as a springboard into Western Europe. Economic and trade relations are expanding, but bilateral annual trade turnover remains under R100 million. South Africa has established a friendly and mutually beneficial political relationship with the Tunisian Government, which can be relied upon to be supportive on issues that are important to both Africa and the African Renaissance. As it is one of the 15 core countries of Nepad, good relations with Tunisia remain imperative, not only in terms of its strategic position within North Africa, but also in terms of its position within Francophone Africa.

The participation of President Mbeki in the World Summit on the Information Society (WSIS) in November 2005, as well as the large South African delegation from both the public and private sector, contributed substantially to the successful outcome of the WSIS. This also led to Tunisia proposing that a joint ICT task team be established to follow up on the outcomes of the WSIS, as well as to explore other possibilities for co-operation in the field of ICT between South Africa and Tunisia.

Mr. Essop Pahad, Minister in the Presidency, visited Tunisia in December 2005. An agreement was reached with the Tunisian Ministry of Culture and Heritage Preservation that a trilateral MoU would be concluded with Mali, to provide for the training of archivists (Mali and South Africa) as well as the preservation of manuscripts of Timbuktu, to be housed in the new conservation centre being constructed within the framework of the South Africa-Mali Project.

SOUTH-SOUTH CO-OPERATION

The Non- Aligned Movement:

As immediate past chair of the Non- Aligned Movement (NAM) and member of the NAM Troika, South Africa has remained committed to the guiding principles of the NAM, supported consensus-seeking, close South-South co-operation and maintained her resistance to the marginalisation and impoverishment of the South. As such, South Africa has lobbied, both inside and outside the Movement, for the centrality of multilateralism and application of the UN Charter in the resolution of international disputes.

At their last Summit in Kuala Lumpur, heads of state/government of the NAM sought multilaterally to promote peace, security, justice, equality, democracy and development underlined by relations based on sovereignty, territorial integrity and political independence within the framework of international law. South Africa in particular has sought to use the NAM forum to further the African Agenda, UN MDGs, reform of the UN and its organs and other issues of importance to the country's foreign policy.

This was pursued *inter alia* through the work of the NAM Co-ordination Bureau (COB) in New York, where its Permanent Representative to the UN represents South Africa. Not only was the agenda of the South propagated, but close collaboration between the NAM and the G77 & China was also encouraged through a joint Monitoring Committee of the NAM and G77 (JCC) and ongoing dialogue with *inter alia* the EU. The Minister participated in the various NAM meetings held in New York on the margins of the UN General Assembly's 60th regular session.

In pursuit of the aforementioned goals, in particular South Africa has closely monitored debates on Palestine, Iran and other global areas of concern. South Africa remains active and supportive of the Movement's traditional and long-standing solidarity with the Palestinian people. As a member of NAM Committee on Palestine, South Africa supports all initiatives of the Movement aimed at the realisation of the inalienable rights of the Palestinian people, including their right to return to their homeland.

South Africa has commenced preparations for participation in the XIV NAM Summit, which will be hosted by Cuba in Havana in September 2006.

The Group of 77 and China and the South Summit

Progressively, the importance of South-South Co-operation is being understood, especially in terms of global, regional and country-level efforts to achieve international development goals, including the MDGs. Rather than being a substitute for South-North co-operation, the South African position is that the modalities of South-South co-operation are complementary. South

African foreign policy seeks, *inter alia*, to persuade the international community to support the efforts of developing countries to expand such co-operation.

South Africa plays a prominent role in advancing the development agenda of the South by strengthening South-South co-operation through active participation in groupings of the South, such as the NAM and the Group of 77 and China (G77).

The G77 is an alliance that was established in 1964 by 77 developing countries. Membership of the Group has now expanded to 132, despite the symbolic name of the coalition being retained. It is the largest coalition of developing countries in the United Nations and deals primarily with economic, environment and development issues. The main aim of the Group is to promote South-South co-operation and help to strengthen economic and technical co-operation among developing countries themselves. The Group provides a high-profile platform for the countries of the South to articulate and promote their collective interests and enhance their joint negotiating capacity on all major economic and development issues in the UN system, including poverty-related issues. The G77 has made a notable contribution to the effective functioning of the United Nations and can legitimately claim a large part of the credit for the UN system moving towards becoming a global convening power in the economic and social fields.

South Africa participated in the Second South Summit, a G77 meeting at the level of heads of state and government, in Doha, Qatar, from 13 - 16 June 2005. A senior officials meeting, on 12 June 2005, and a ministerial meeting on 13 June 2005 preceded the Summit. The Summit delivered two outcome documents, namely the Doha Plan of Action and the Doha Declaration, respectively. The Doha Plan of Action followed a review of the Havana Plan of Action, which was adopted at the First South Summit in Havana, held in Havana, Cuba, in 2000. The Doha Plan of Action is an action-oriented programme for addressing the issues of:

- (a) Globalisation;
- (b) Knowledge and technology;
- (c) South-South co-operation;

- (d) South-North relations; and
- (e) Implementation and follow up.

The Doha Declaration is a declaration on the state of the world economy, the needs and aspirations of developing countries and the challenges that they face.

Minister Dlamini Zuma participated in the interactive session of the Ministerial Meeting that preceded the Summit and delivered a statement during the plenary meeting of the Summit. The Minister also participated in the NAM Ministerial Meeting that took place on the margins of the Summit on 13 June 2005. President Mbeki had originally accepted the invitation to attend the Summit, but had to cancel his participation in order to address a joint sitting of Parliament on 14 June 2005. In her subsequent statement to the Summit, Minister Dlamini Zuma focused on the need to strengthen global multilateralism and the example that developing countries can set with stronger South-South co-operation. The minister also referred to the serious need for resources to achieve the MDGs and how South-South co-operation could augment the resources expected to be provided by the North.

South Africa assumes the Chair of the G77 and China for 2006

In September 2005, South Africa was elected to chair the G77 and China in New York during 2006. The main objective for South Africa as Chair is to promote the development agenda of the South, by, among others, enhancing the standing of the Group as a constructive and responsible partner in promoting South-North relations, to further the interests of the South.

As Chair of the G77, the South African Representative to the United Nations in New York has the responsibility of leading the G77 on a daily basis. The Chair of the G77 also makes statements in the General Assembly, UN Economic and Social Council (ECOSOC), and other subsidiary bodies, sponsors and negotiates resolutions and decisions at major conferences and other meetings, held under the aegis of the UN, that deal with international economic co-operation and other aspects of sustainable development.



President Thabo Mbeki addressing the media with President I Susilo Bambang Yudhoyono of Indonesia after the Asian-African Summit, Jakarta, April 2005.

Assuming the Chair of the G77 presents tremendous responsibilities for South Africa given that the year 2006 holds many challenges and opportunities for advancing the development agenda of the South. Numerous international meetings are scheduled to take place, which will demand the sustained and collective focus of the Group, facilitated by the Chair. Within the context of the follow-up to the 2005 World Summit Outcome, there has been much international debate on the need to reform the UN and make it stronger and more effective. This has resulted in ongoing processes to reform the operational activities of the UN and the structures and mandates of its many organisations. The context in which South Africa assumed the Chair of the G77 is an unprecedented one in terms of the number of new important issues that the Group has to deal with, these flowing primarily from the follow-up to the 2005 World Summit Outcome. These new issues, which are expected to dominate the economic, development and social agenda of the UN, and work of the G77 in New York, include:

- establishing the Peace Building Commission, the Common Emergency Response Fund and the Human Rights Council
- following-up on the development elements in the Summit Outcome
- reforming the ECOSOC, management and secretariat
- reviewing mandates, system-wide coherence, the budget and expenditure cap.

A particular challenge for South Africa will be dealing with the mounting difficulty of generating consensus among Member States on a wide variety of issues. This

growing problem is the result of the increasing diversity within the Group, due to different levels of development among Member States, which drives respective national interests and priorities. Also, the rich cultural and religious variety within the G77 and China further contributes to divergent priorities and interests among member States.

South Africa has already proven its ability to generate consensus within the Group where it has previously been difficult, if not impossible. Examples in this regard during the reporting period include the generation of a common G77 and China position on reform of ECOSOC, as well as united G77 and China support for a resolution on “Strengthening Statistical Capacity” in the Statistical Commission concerning indicators for the achievement of the MDGs. To date, South Africa has sought to provide effective and skilful leadership to the Group and will continue to do so in what promises to be a very demanding and challenging year.

Strengthen relations with countries of the Pacific Islands Forum and Caribbean around ACP and Commonwealth issues

South Africa continued to strengthen relations with the Pacific Islands. As developing countries in the South they have much in common with South Africa, and the establishment of relations with them is in line with South Africa’s major foreign policy objective of increased South –South co-operation. A Roving Ambassador was appointed on 1 August 2004, was accredited to the Independent State of Papua New Guinea, the Republic of the Fiji Islands and

the Solomon Islands in September-October 2005. A micro-mission was opened in Suva, Fiji, in December 2005. South Africa's High Commissioner in Canberra, was accredited to the Federated States of Micronesia and the Cook Islands, in addition to the Marshall Islands, Vanuatu and Samoa. In terms of South-South co-operation, New Zealand is a strong ally of South Africa especially in terms of multilateral relations. South Africa and New Zealand are both members of the Valdivia Group, which aims to promote Southern Hemisphere views in international environmental meetings and to enhance scientific co-operation. The two countries also enjoy a close working relationship within the context of the Antarctic Treaty and Indian Ocean Fisheries, and interact within the context of the WTO and the Cairns Group. South Africa and New Zealand also work closely on Commonwealth issues, particularly those affecting Africa.

Strengthen economic relations with countries of the South and Central America, Indian Ocean Rim

South Africa participated in the IOR-ARC Council of Ministers meeting in Tehran in February 2006. The various meetings of Committees and Working Groups of the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) took place in Tehran, Iran, from 16 - 22 February 2006. The Eighth Committee of Senior Officials met from 19 - 20 February 2006, followed by the Sixth Meeting of the Council of Ministers of the IOR-ARC from 21 - 22 February 2006. Deputy Minister Sue van der Merwe successfully represented South Africa at the Council of Ministers meeting.

During the deliberations, South Africa raised its concerns over the slow rate at which the implementation of the projects and programmes of the Association are progressing, especially in view of the IOR-ARC's Tenth Anniversary next year. South Africa made a strong plea for the mandate and positions of the Chair and the Executive Director to be strengthened. South Africa also shared her views on the need for raising the international profile of the IOR-ARC and for reinvigorating the Association's tremendous potential to deliver gains to all Member States.

In this regard, South Africa reiterated its commitment to placing a DFA official at the Secretariat in Mauritius this year to strengthen the Secretariat's institutional capacity and to deliver tangible results. The current Chair, the Islamic Republic of Iran, made a similar commitment. A country that seconds an official to the Secretariat traditionally bears the cost thereof. Mauritius has agreed to continue sponsoring accommodation for the Secretariat, and to facilitate its ongoing personnel needs.

The Council decided to set up a working group to review the periodic work programme presented by the Chair of the Council as a measure to fast-track the work programme of the IOR-ARC. The working group will consist of Heads of Diplomatic Missions of the IOR-ARC based in Pretoria since all member countries have diplomatic missions in South Africa.

The Council of Ministers also approved a MOU on the draft blueprint for the establishment of an IOR-ARC Special Fund. The Council of Ministers further noted that it would be important to initiate a pledging session at its future meetings that should enable Member States to announce voluntary contributions, including non-monetary contributions. The possibility of obtaining financial support from private sector business organisations in the region should also be explored.

It was also decided to retain the present formula of equal contributions per Member State, instead of using the UN formula, and that annual membership fees for 2006 be raised to US\$ 11 000.

Enhance the capacity of IBSA and promote its programmes

South Africa's foreign policy seeks, *inter alia*, to persuade the international community to support developing countries in their efforts to devise and implement national strategies for development and sustained economic growth. Through active participation in triangular co-operation arrangements such as the India-Brazil-South Africa (IBSA) Dialogue Forum, South Africa seeks to make an important contribution to strengthening South-South co-operation



Deputy President Phumzile Mlamba-Ngcuka and Indonesian Vice President Jusuf Kalla attending the South Africa-Indonesia Business Forum in Pretoria, September 2005.

and developing innovative South-South co-operation programmes. Minister Nkosazana Dlamini Zuma together with the Minister of State for External Affairs of India, Mr Anand Sharma, and the Minister of External Relations of Brazil, Mr Celso Amorim, met in Rio de Janeiro on 30 March 2006, for the Third Meeting of the Trilateral Commission of the IBSA Dialogue Forum. They discussed a wide range of critical global issues and reaffirmed the importance of the IBSA Dialogue Forum as a mechanism for political consultation and co-ordination as well as strengthening co-operation in sectoral areas and improving economic relations between India, Brazil and South Africa.

One of the important initiatives to emanate from the inception of the IBSA Dialogue Forum in 2003 was the creation of the IBSA Facility Fund for the Alleviation of Poverty & Hunger. This funding instrument intends to contribute to alleviating poverty and hunger in a concrete manner by means of improved international co-operation. Each IBSA Member State contributes US \$1 million to the IBSA Fund annually, which is used for replicable and scalable projects for eradicating poverty and hunger in developing countries, by providing improved access to education, health, and sanitation and food security.

The India-Brazil-South Africa Dialogue Forum (IBSA) remains of strategic importance to South Africa. IBSA provides an ideal platform to harmonise positions and views on a range of issues. Through IBSA, the partner countries provide a forum for the developing world to prioritise technological co-operation

and to counter the marginalisation of poor nations. The IBSA Summit of Heads of State or Government is planned for Brazil in September 2006.

Participate in Summit in Bandung in 2005

A successful Asia-Africa Summit (AASROC) was held during April 2005 in Jakarta, which led to the birth of the New Asian African Strategic Partnership (NAASP), co-chaired by South Africa and Indonesia. The NAASP focuses on practical, achievable and concrete ways of addressing the development of Asian and African countries in a pragmatic fashion. In this regard, flowing from an offer made by President Abdul Kalam of India on a state visit to South Africa in September 2004, South Africa and India will continue to co-operate on a project to connect all 53 states of the African Union by satellite and fibre-optic network.

Following on the outcomes of the April 2005 Summit, various proposals and offers that were made during the Summit and a number of studies that were commissioned, South Africa and Indonesia, the two Co-Chairs have been developing a Plan of Action to ensure concrete follow-up and implementation under the partnership. An Africa-Asia senior officials meeting would be held in South Africa at the International Conference Centre in Durban from 1 - 3 September 2006 to finalise this process and ensure sustained momentum for specific projects, such as establishing a website and virtual secretariat to facilitate trade, tourism and investment, and launching a satellite and a capacity-building programme. The meeting would also prepare for the next Asia-Africa Ministerial meeting scheduled for 2007.

South Africa will continue working towards synchronising the activities of several existing Africa-Asia co-operation forums, such as the Tokyo International Conference on African Development (TICAD) and the Forum on China-Africa Co-operation (FOCAC), with the programmes of Nepad within the broad framework of NAASP, in order for these forums to serve as implementing institutions. A FOCAC Summit is scheduled for Beijing in November 2006.

The Commonwealth

President Mbeki, accompanied by Deputy Minister Aziz Pahad, represented South Africa at the Commonwealth Heads of Government Meeting (CHOGM) held in Malta from 25 - 27 November 2005. This biennial meeting is the most important event on the Commonwealth calendar. The theme for the Malta CHOGM was "Networking the Commonwealth for Development". It also i.a. devoted attention to world trade, migration, terrorism and different issues of concern to the Commonwealth. Aside from the Malta Communiqué, heads of government issued the Malta Declaration on Networking the Commonwealth for Development, the Valletta Statement on Multilateral Trade and the Gozo Statement on Vulnerable Small States. South Africa contributed to the Communiqué, in particular on issues relating to the MDGs, the African Agenda and Nepad and addressing health, education and debt relief. South Africa otherwise supported strong positions on trade liberalisation, climate change and terrorism.

Uganda will host the CHOGM in 2007 and Trinidad & Tobago will be the host in 2009.

Commonwealth Foreign Ministers met on the margins of the 60th Session of the UNGA and South Africa actively participated in other ministerial meetings, such as of Ministers of Finance, Health, Sport, Tourism and Justice. South Africa has further, through participation in the London meetings of the Commonwealth's Board of Governors and Executive Committee, on which it serves, remained a leading advocate within the Commonwealth for the African Agenda and implementation of the development mandate given to the Commonwealth Secretariat by the Abuja CHOGM in 2003.

ASIA AND THE MIDDLE EAST

Asia


Japan has remained South Africa's largest trading partner in Asia and third most important in general. Japan is also a large investor in South Africa. Total trade between South Africa and Japan totalled more than R 57 billion in 2005. South Africa increased its surplus with Japan to more than R9 billion. Japan considers South Africa a very important trading partner for two reasons: of the total sub-Saharan region's GDP, South Africa's economy accounts for 40%, and South Africa is rich in natural resources. Japan sees South Africa as the gateway to Africa and as such, opportunities in trade and investment are being expanded considerably. South Africa exported vehicles worth more than R 7 billion to Japan in 2005.

The World Expo in Aichi, Japan, took place from 25 March – 25 September 2005. It was a high-profile event with participation by 127 countries and international organisations. The broad theme of the Expo was "Nature's Wisdom." Over 2 million people (roughly 10% of all visitors to the Expo) visited the South African Pavilion, which won a silver medal for its interpretation of the theme

In June 2005, South Africa hosted the Third Session of the South Africa-Korea Policy Consultative Meeting in Pretoria. Deputy Minister of Foreign Affairs, Aziz Pahad, visited the Republic of Korea in September 2005, while former Prime Minister, Mr Lee Hae-Chan visited South Africa in February 2006 to attend the Progressive Governance Summit. Mr Lee Hae-Chan also had a bilateral meeting with President Mbeki.

Relations between South Africa and the Democratic Peoples Republic of Korea (DPRK) were boosted in March 2005 by the visit of Mr Yang Hyong Sop, Vice-President of the Presidium of the DPRK, to South Africa and the subsequent visit of Deputy Minister Aziz Pahad to that country in September 2005.

South Africa's engagement with Central Asia was enhanced by the appointment of South Africa's first am-



bassador to the residential mission in Almaty, Kazakhstan, which serves to promote the interests of South Africa in a region with vast potential.

China is now the world's seventh-largest economy and among the fastest growing. As a developing country, China shares similar positions with South Africa with regard to the reform and governance of the global economic system. China's industrialisation and economic growth hold significant opportunities for South Africa's own development as well as the regeneration of the African continent, in which China has shown great interest.

Since the establishment of diplomatic relations in 1998, trade between China and South Africa has grown significantly, with China becoming South Africa's second largest import trading partner in 2005, comprising 9% of total imports and eighth largest export partner, comprising 3% of total exports from South Africa. Both imports and exports grew 30% in 2005 compared with 2004. China still enjoys a massive trade surplus with South Africa. In 2005, imports from China totalled R31, 476 million, while exports came to R8, 763 million. There is a sizeable trade imbalance in favour of China in our bilateral trade.

Chinese investments into South Africa currently amount to US\$ 130 million, mostly in a chromium mine, while South African investments in China amount to US\$ 400 million, including investments by Anglo American (funded from the United Kingdom), SAB Miller, MIH, and a US\$ 120 million investment by property group LRPS.

In addition to the frequent ministerial visits that took place during 2005, Mr. Li Changchung, a very senior member of the CPC, visited South Africa during November 2005, thus further cementing the excellent relations between South Africa and China, also on a party-to-party level.

India is by far South Africa's most important political and trading partner in South Asia. Trade with India has increased substantially, with the trade balance slightly in South Africa's favour. In 2005, total bilateral trade amounted to R14.4 billion, which is an increase of 75%

on the figure for 2004. The emphasis in bilateral relations lies on economic growth and job creation in South Africa and trade and investment opportunities, particularly in pharmaceuticals, ICT, the film industry, energy and textiles. The vast Indian market also holds much potential for agricultural exports. A successful visit by the Minister of Tourism and Environmental Affairs to India in March 2006, following the establishment of a South African Tourism Office in Mumbai early in 2005, has underpinned the importance attached to India as one of the fastest-growing sources of tourism to South Africa.

A team headed by Public Service and Administration Minister Geraldine Fraser-Moleketi and Minister in the Presidency, Dr EG Pahad, visited India in November 2005 with the purpose of identifying scarce skills to address human resource development needs in South Africa. The visit focused on mentoring programmes, training programmes, short-term exchanges and secondment of experienced Indian civil servants to build management capacity and transfer skills, with a specific focus on local government and education. This initiative has all the potential to become a significant area of co-operation between South Africa and India and will augment the objectives of AsgiSA and JIPSA. This was cemented by the signing of a MOU between the two countries' Public Service Administration Ministers in 2006.

In December 2005, the sixth session of the India-South Africa Joint Ministerial Commission (JMC) was held in New Delhi. It was decided to set up two new sub-committees on ICT and Human Resource Development in view of the substantial potential for co-operation between the two countries in these areas. Also, two important bilateral agreements were signed in the fields of health and merchant shipping.

The Commonwealth's lifting of Pakistan's suspension in May 2004 paved the way for South Africa to normalise relations. The first Bilateral Joint Commission between South Africa and Pakistan, which had to be postponed owing to the earthquake disaster in 2005, is scheduled to take place in Islamabad in 2006. The devastating impact of this earthquake disaster, as well as the Tsunami that struck South Asia and South East Asia on 26 De-



ember 2004, is still being felt in the region. The Department's involvement in disaster relief and humanitarian operations, including in Thailand, Indonesia, Sri Lanka, the Maldives, Seychelles, Somalia and Kenya, lessened after the first critical months, but continued where necessary and required. In line with the undertaking given by the South African government to assist with post-Tsunami water supply reconstruction, the Department of Water Affairs (DWA) was asked to assist Sri Lanka and the Maldives with an integrated water resource management strategy and other support services. These were initiated in a series of ongoing projects that use the skills of South African water supply and reconstruction experts, working in co-operation with the UN and NGOs in the field.

To enhance overall objectives and increase South Africa's presence in South Asia, a dedicated directorate was established in September 2005 and a roving ambassador appointed to develop relations with Sri Lanka, Bangladesh, the Maldives, Nepal and Bhutan. The Inaugural Session of the Partnership Forum with Sri Lanka was held in October 2005 following the signing of the Partnership Forum Agreement on 1 December 2003. Mr Ebrahim Ebrahim and Mr Roelf Meyer continued with peace efforts in Sri Lanka.

A successful senior official's meeting and an official visit to South Africa by the Indonesian Vice President, Mr. Jusuf Kalla, marked bilateral relations with Indonesia in September 2005. In turn Deputy President Mlambo-Ngcuka paid an official visit to Indonesia during April 2006, thus further enhancing the excellent relations between the two countries. During 2005, the MoU on Scientific and Technological Co-operation was signed with Indonesia.

Relations with Malaysia yielded a state visit by Prime Minister Badawi in July 2005, followed by the first session of the Joint Ministerial Commission and Senior Officials Meeting in Kuala Lumpur in June 2005. The momentum was carried into 2006 with a planned visit to Malaysia by the Deputy President and a number of delegations including parliamentary portfolio committees. An agreement on the avoidance of double taxation and


the prevention of fiscal evasion with respect to taxes on income was signed in July 2005 with Malaysia.

Singapore received President Mbeki on an official visit in April 2005 and a MoU on bilateral co-operation was signed. To cement relations with that country, the first resident High Commissioner of Singapore in Pretoria was appointed. A further important development was the announcement that Singapore would be investing in Coega.

A number of high-level official visits were paid to the Socialist Republic of Vietnam during 2005, i.a. by the Minister for Intelligence, Mr Kasrils (resulting in the signing of the MoU on Intelligence Services), and Ministers Pahad (Presidency), Sisulu (Housing) and Lekota (Defence). The Vietnamese Deputy Minister of Trade visited South Africa in November 2005 to attend and assist with the successful hosting of the First Session of the Joint Trade Commission between the two countries.

Relations with the Philippines have been enhanced by the appointment of South Africa's first resident ambassador to Manila in March 2006.

In May 2005, a South African delegation attended the second meeting of the Thailand-South Africa Joint Trade Commission in Pattaya, Thailand, and in July, a delegation from the Thai House of Representatives visited South Africa. This was followed by a visit of the Principal Adviser on Foreign Affairs to the Thai Minister of Information and Communications Technology, who led a delegation from the Ministry of Information and Technology to attend the Women's Mutingati on the Information Society meeting in Cape Town in August 2005. Deputy Minister RT Mabudafhasi delivered a keynote address at the Third Global Summit on Peace through Tourism in Pattaya in October 2005, and Minister Sisulu attended and addressed the World Habitat Day Event and the International Housing Conference in Bangkok in the same month. Also in October, three MECs and the Director-General of the Free State Province, as well as members of the Johannesburg and Tshwane City Councils attended an Executive Management Training Course in Thailand from 2 - 10 October 2005. Dr



Virachai Virameteekul, Vice Minister of Foreign Affairs, visited South Africa from 14 - 15 November 2005.

Relations between South Africa and New Zealand remained on a sound footing. South Africa hosted a senior officials meeting between South Africa and New Zealand from 2 - 3 August 2005. The Prime Minister of New Zealand, Ms Helen Clark, visited South Africa during 9 - 12 February 2006 to attend the Progressive Governance Summit. She held a round of very successful talks with President Mbeki, Deputy President Mlambo-Ngcuka and Foreign Affairs Minister Dlamini Zuma on 10 February during which it was agreed that steps would be taken to further strengthen relations between the two countries. Furthermore, a delegation from New Zealand visited South Africa in March 2006 to discuss closer co-operation between the two countries in the fields of Bio-Diversity and Environment.

Australia is now ranked as South Africa's seventh largest trading partner globally with trade valued at R17, 058 billion. A senior officials meeting between South Africa and Australia was hosted in Pretoria between 21 - 22 September 2005. One of the major outcomes of that meeting was an agreement to resuscitate the South Africa-Australia Joint Ministerial Committee.

Levant

The current government inherited strong bilateral relations with Israel that have been constructively transformed and built upon. The South African Government is also held in high regard by the Palestinian people and their leadership for its achievements in the struggle against apartheid and in nation building. South Africa contains sizeable Jewish and Muslim minorities, both of which ensure that South African civil society is concerned with the issues that dominate the region. South Africa has remained consistent in its approach and, due to our own experience of negotiating a comprehensive, just and lasting peace, has credibility with those Israelis and Palestinians who are genuinely committed to forging their own peace agreement.

On 25 January 2006, the Palestinian people cast their

vote to elect members of the Palestinian Legislative Council for the first time in 10 years. A South African observer mission was deployed in all election districts. There was unanimity among members of the Observer Mission that the election, during which Hamas gained an overwhelming majority, was well organised and conformed with all the technical and procedural requirements for holding a free and fair election. These elections marked an important milestone in the process aimed at the realisation of an independent Palestine co-existing side by side with Israel in conditions of peace and mutually beneficial co-operation. The South African Government has urged the PLO and Hamas to ensure that the transition in government proceeds swiftly and smoothly.

President Thabo Mbeki invited Palestinian President Mahmoud Abbas to pay a state visit to South Africa during March 2006. The two presidents reiterated their commitment to working towards a peaceful resolution to the conflict between Palestine and Israel. President Mbeki also publicly accepted an invitation from President Abbas to visit Palestine.

Three significant events during 2005 contributed to the democratisation process in Iraq and the constitutional restoration of Iraq's sovereignty. These events were the election of the Transitional Government in January 2005, the adoption of Iraq's new Constitution in a referendum held in October 2005 and the national elections for the Council of Representatives that took place in December 2005. The expected outcome is the selection of a four-year coalition government and restoration of sovereignty during the first half of 2006. These developments took place amidst ongoing political and sectarian violence in that country.

In principle, South Africa supported constitutional and democratic efforts to restore peace, sovereignty and prosperity to the Iraqi people. Regrettably, opportunities for exploring participation in reconstruction and rebuilding efforts in Iraq have been undermined by continuing insecurity and instability. South Africa has nevertheless been able to contribute in a concrete manner to the restoration of Iraq by contributing financially to capacity-



The Minister of Foreign Affairs Dr Nkosazana Dlamini Zuma and her Cuban counterpart Felipe Perez Roque attending the 4th session of the Joint Consultative Mechanism between the Republic of South Africa and the Republic of Cuba, January 2006.

building programmes for trauma relief under the auspices of the Iraqi Red Crescent.

During a visit by the Iraqi Deputy Foreign Minister, Mr Talib Hamid Al Bayati in October 2005, the South African Government reiterated its intent to establish a mission in Baghdad as soon as possible. President Thabo Mbeki was among the first world leaders to host an Iraqi parliamentary delegation in March 2006.

Gulf States

South Africa recognises that from an economic perspective, the Gulf region is of major strategic importance due to its oil wealth. The Department is working very closely with the Department of Trade and Industry to identify potential areas of co-operation for South Africa. Such efforts include participation in the massive infrastructure projects currently being undertaken in countries such as Saudi Arabia, the United Arab Emirates and Kuwait, as well as in skills development and tourism promotion. Of particular concern is the finalisation of bilateral agreements with countries of the Gulf. In this regard, three agreements were signed with Kuwait in the latter part of 2005, i.e. the Bilateral Trade Agreement, the Promotion and Reciprocal Protection of Investments Agreement, and the Economic, Technical and Trade Agreement. A trade agreement was also signed with Yemen at the beginning of 2006. South Africa has established joint bilateral commissions with the two major powers in the Gulf region, Iran and Saudi Arabia. These Commissions allow for matters of bilateral and multilateral concern to be addressed at ministeri-

al level annually. The second joint bilateral commission with Saudi Arabia took place in Riyadh during March 2006. South Africa is also pursuing similar structured relationships with several other Gulf countries.


THE AMERICAS

Latin America and the Caribbean

South Africa has sought to strengthen its bilateral relations with Mexico, Central America, the Andean Community and the Caribbean region since 1994. South Africa's democratisation gave new impetus to existing relations with Brazil, Argentina, Uruguay and Paraguay.

At the same time, the Joint Bilateral Commission (JBC) and Consultative Mechanism with Cuba and the JBC with The Bahamas were used to promote a common agenda, as were the discussions at Deputy Foreign Minister level under the Joint Consultative Mechanism with Chile. South Africa, Latin America and the Caribbean share a strategic need to create a more equitable world order, which balances the impact of globalisation. The approach South Africa and key countries from the region take in pursuing similar global agendas needs to be co-ordinated in order to serve the interests of developing countries. The pursuit of this objective entails a more regular and united engagement with multilateral institutions such as the WTO, the UN, and the Bretton-Woods Institutions.

Alongside Cuba, Colombia is the most active Latin American member of the NAM. Their support for the re-



vitalisation of the Movement makes them South Africa's natural partners among the countries of the South in the search for consensus and solutions to global problems.

Mexico, Venezuela and Peru are also important partners in promoting the Agenda of the South. The institutionalisation of formal partnerships with these countries received extensive attention during the past year. Brazil, too, both bilaterally and in the IBSA context, remains a strategic partner for South Africa regarding issues of the South. President Mbeki's State Visit to Chile moreover provided a useful opportunity for our respective leaderships to explore further avenues of co-operation on South-South issues.

South Africa's relations with the 15 members of CARICOM (Antigua and Barbuda; The Bahamas; Barbados; Belize; Dominica; Grenada; Guyana; Haiti; Jamaica; Montserrat; St Kitts and Nevis; St Lucia; St Vincent and the Grenadines; Suriname; and Trinidad and Tobago) are based principally on common membership of various multilateral organisations like the UN, NAM, G-77, Commonwealth and the African, Caribbean and Pacific Group (ACP) of developing countries. Through reciprocal support of and by CARICOM members in these organisations, South Africa has fostered healthy relations with the Caribbean nations.

South Africa and Latin American economies share many similarities, which means that a strategic approach from South African exporters is necessary. Furthermore, to increase exports, obstacles such as tariff and non-tariff barriers in Latin American countries need to be identified in order to increase market access for South African products.

During the past year, several outbound and inbound delegations, aiming at promoting trade, were assisted. A business delegation accompanied President Mbeki on his state visit to Chile in June and proceeded on to Argentina and Brazil. Missions were also encouraged to reverse negative trade balances. The DFA is exploring the possibility of a more direct transport link between South Africa and the countries of Latin America and the Caribbean. At the same time, the transfer of technology and


training for capacity building with especially the African Diaspora was progressively promoted and encouraged.

United States of America

The bilateral relationship with the United States of America (US) remains strong, with co-operation expanding on matters of common interest and mutual benefit. Since 1994, business, civilian and government links with the US have expanded exponentially and a strong and long-term SA-US working partnership has been established. High-level government-to-government interaction has intensified significantly over the last year with various high-level delegations from the US visiting South Africa. This is especially evident in the outcome of the meeting between Presidents Mbeki and President George Bush on 1 June 2005. The joint declaration published after the meeting highlighted the wide range and increasing areas of co-operation between the two countries on matters of mutual interest on a bilateral, regional and multilateral level and indicated areas of co-operation to be explored. The Department and the US Embassy reviewed the progress of such joint work programmes with reference to the joint statement during April 2006 and Deputy Minister Pahad and Deputy Assistant Secretary for Africa, Dr. Frazer, jointly considered the reports.

Areas of expanding co-operation between South Africa and the US include trade and economic development; eradicating poverty; combating communicable diseases including HIV/AIDS, malaria and tuberculosis; promoting human rights, global co-operation against terrorism and the proliferation of weapons of mass destruction; debt reduction in Africa and building democracy, and peace and security in Africa. Further areas of co-operation include SA-US military-to-military co-operation, with an emphasis on developing enhanced capacity in support of South Africa's role in peace-keeping and peace-building initiatives in Africa.

Ongoing interactions have served to highlight the important role that the US can play in supporting key



initiatives of national importance such as AsgiSA, the Nepad, and the fight against communicable and infectious diseases, including HIV and AIDS. Support for Nepad within the American Administration and Congress and business sector, with particular focus on the implementation of infrastructure development projects, remained high. This is evident in the successful negotiation of a US\$ 360 000 grant by the US Trade Development Agency (USTDA) to the Nepad Secretariat for preparing infrastructure projects. Furthermore, the African Growth Opportunity Act (AGOA) continues to provide significant benefits to eligible African countries. In 2005, US imports from AGOA-eligible countries increased by 44% to US\$ 38 billion.

The US remains one of the largest single foreign investors in the South African economy since 1994 and the largest trading partner, taken as an individual country, as well as the largest donor of official development assistance. The SA-United States Agency for International Development (USAID) partnership aims to achieve sustainable development conditions. Activities under the USAID partnership reached approximately 827 000 individuals with basic services and provided a capital investment of R40 million. The impasse that has been experienced with the SACU-US FTA negotiations was addressed at the trade deputies meeting held on 18 April 2006, during which time it was agreed that the range of substantive issues that arose during the negotiations required a more in-depth approach than previously thought. Furthermore, it was agreed to pursue concrete trade- and investment-enhancing agreements over the short-term that will establish the basis and act as building blocks for a broad FTA over the longer term.

Canada

South Africa-Canada bilateral relations continue to remain cordial under the new Conservative Government of Canada. There are ongoing interaction and exchanges between South African line-function Departments and their Canadian counterparts, including at provincial level, most of which is aimed at capacity-building and skills exchange. The prospects for strengthening this

area of the relationship are promising, especially in the light of Canada's positive response to South Africa's skills needs as identified in the Joint Initiative for Priority Skills Acquisition (JipSA). Other areas with significant scope for co-operation include health, science and technology, and transport.

As a member of the G8, Canada will continue being a valuable partner to South Africa at multilateral level. Canada's commitment to assisting South Africa and Africa with development-related issues, including peace-support operations and the combating of HIV/AIDS, tuberculosis and malaria, underscores the importance of maintaining and enhancing the relationship with Canada. Through the CIDA (Canada's development agency), Canada has been funding co-operation in the areas of governance, rural development and health, both in South Africa and on the continent for a number of years.

South Africa is Canada's main trading partner in Africa, although there is further scope to increase bilateral trade. The sub-Saharan region is also very important to Canada. Bilateral trade with South Africa has grown significantly since 1994. In 2005 alone, it increased from R3, 2 billion to R4, 7 billion. The trade balance shifted marginally in Canada's favour during 2005 due to the strengthening of the Rand, which caused a decrease in the price of base metals. The diversification of bilateral trade away from the volatile mining sector is an important focus area for South Africa in the medium to long term. During the recently held Third Annual Consultations in May 2006, Canada indicated that it has prioritised the transportation, information technology and mining sectors in South Africa. South Africa also used the consultations to address various concerns raised by Canadian investors regarding BEE and the finalisation of a legal framework for the protection of investments. These concerns will continue to be addressed by the Departments of Trade and Industry and Minerals and Energy, in close consultation with their Canadian counterparts.

Canada has expressed a keen interest in the Nepad,



which could be exploited by South Africa in forging partnerships with Canadian companies that would want to invest in Africa. With the benefits of the AGOA extended until 2015, and should the anticipated SACU-US FTA materialise, these would give impetus to Canadian companies considering doing business in the SACU market, and/or who wish to use South Africa as a gateway into Africa. Opportunities also exist for partnerships between companies from Canada and the US to expand their operations in SACU.

Canada is the largest foreign investor in the South African mining sector, with 17 active Canadian exploration and mining companies, representing capital assets of Can\$ 1.4 billion. South Africa has earmarked the food and beverage, ICT and film industry as areas that could assist the two countries as South Africa and Canada both seek to diversify their investments and trade away from the saturated mining sector. The launch of an incentive scheme for the film industry in South Africa and the signing of an audio-visual co-operation agreement between the two countries has contributed to the film industry in both countries.

Canada's tourism figures to South Africa continue to show growth. Preliminary estimates indicate that the figure for 2005 will be in the region of 66 000. South African Tourism (SAT) has identified Canada as an investment market and expressed interest in establishing an office in Canada once the benchmark figure of 50 000 tourists per annum is reached. In 2006, a MoU was signed between SAT and the Tour Operators Promoting Africa in Canada (TOPAC), thereby laying a solid basis to intensify tourism co-operation. In addition, the South African High Commission in Ottawa continues to play an important role in promoting tourism to South Africa by participating in events such as the annual Montreal Travel Show and the Travel and Vacation Show in Ottawa. Opportunities for co-operation between SAA and Air-Canada have improved markedly now that South Africa is also a member of the Star Alliance. The establishment of a direct flight remains the primary objective.

Canada is very active in the field of development assistance in South Africa. A Country Development Programme Framework (CDPF) was signed in 2005 and its technical assistance facility for the period 2005 – 2010 amounts to approximately R500 million. This assistance is aimed at fostering social upliftment, policy development, welfare transformation and training programmes. Canada has also undertaken to double its ODA levels by 2008/10 from the current 2003/04 figures. During the Third SA-Canada Annual Consultations held in May 2006 in Pretoria, three declarations of intent, dealing with HIV/AIDS, governance, and capacity building, were signed. Canada, through the CIDA, also makes a huge contribution to capacity-building in Africa, especially in the areas of governance, HIV/AIDS and rural development.

The new Canadian government remains supportive of the AU and the Nepad. Canada is a valuable partner for South Africa in bringing about a stable, peaceful and prosperous Africa. Support for Africa, and the developing world in general, is a pillar of Canada's foreign policy. Canada is involved in peace-support operations in the Sudan and the DRC, where it has appointed special envoys to assist with peace efforts. Canadian civil society, through the extensive Diaspora network, is also actively involved in ensuring that the Canadian government responds to Nepad in a concrete fashion.

The Programme for Building African Capacity for Trade (PACT) is a joint programme of the International Trade Centre (ITC) and the Trade Facilitation Office of Canada (TFOC) which aims at enhancing the capacity of South Africa's SMMEs to conduct international trade. The PACT is funded by CIDA and managed by Trade and Investment South Africa (TISA). As a consequence of the strong gender focus of the PACT programme and the propensity for women entrepreneurs in the cosmetics sector, 10 small companies in this sector benefited from technical and marketing support in the preparation, organisation and follow-up of a market mission to Canada during October 2004.



President Thabo Mbeki with Commissioner Louis Michel of the European Union in Pretoria, February 2006.

EUROPE

European Union

The Trade, Development and Co-operation Agreement (TDCA), which was signed in 1999 and came into force in January 2000, governs South Africa's relations with the European Union (EU). The Agreement is to be reviewed within five years of its entering into force in order to address the possible implications of other arrangements or events that may affect the Agreement. The process of the Review of the TDCA thus commenced in 2005 and a joint progress report was presented to the 2005 Joint Co-operation Council (JCC) Ministerial. The 2005 JCC gave the mandate for formal negotiations over the review of the TDCA to commence, with a view to final adoption of the changes before the end of 2006. The parties were subsequently to establish the working groups following the granting of a negotiation mandate to the EU interlocutors. The working groups have yet to be established, as the European Commission's mandate for the review remains outstanding.

The TDCA was ratified on 1 May 2004 and co-operation on the articles of the TDCA that were put in abeyance pending the completion of ratification procedures must be activated. The 2004 Ministerial JCC decided that the full implementation of new areas of co-operation of the TDCA should be pursued. Consequently, several inter-Departmental meetings were held, after which the South African proposal for new areas for full implementation were communicated to the Delegation of the European Commission. The Delegation indicated that the Euro-

pean Commission was not yet in a position to enter into discussions on the proposed new areas of co-operation, pending a Council mandate.

The second meeting of the SA-EU Ministerial JCC was held on 7 November 2005. Trade and development issues were discussed in plenary format. The political discussion at the Council meeting took place in troika format, under the Co-Chair of Dr Nkosazana Dlamini Zuma, Minister of Foreign Affairs of South Africa, and Mr Jack Straw, Secretary of State for Foreign and Commonwealth Affairs of the UK. The South African delegation also included Ms Thoko Didiza, Minister for Agriculture and Land Affairs and Dr Rob Davies, Deputy Minister for Trade and Industry. On the EU side, the delegation also included Mr Hans Winkler, State Secretary of Austria, Mr Louis Michel, European Commissioner for Development and Humanitarian Aid and Dr Javier Solana, EU High Representative on Common and Foreign Security Policy (CFSP).

The sixth SA-EU JCC cemented the strong and productive relationships in trade, development and political dialogue. The parties welcomed the progress which had been made in implementing the joint conclusions of the fifth JCC, and agreed to build on this progress by working towards a truly strategic partnership based on political, trade, development and economic co-operation. The parties also welcomed the additional protocol to the Free Trade Agreement (FTA) between South Africa and the EU that includes the 10 new partner countries in the institutional provisions of the TDCA. The parties re-emphasised their intention to further liberalise trade and consider widening the scope and ambition of the Agreement to extend



into other areas of mutual importance. South Africa and the EU asserted their commitment to an ambitious and balanced outcome of the Doha Development Agenda, which they considered a unique opportunity to further liberalise trade, while supporting development, based on stronger and fairer multilateral rules.

The strong relations between South Africa and the European Union were further underlined during the year by the visits to South Africa of Mr José Manuel Barroso, President of the European Commission, Dr. Javier Solana, High Representative for Common Foreign and Security Policy, as well as Mr. Louis Michel, EU Commissioner for Development and Humanitarian Aid, who held meetings with President Thabo Mbeki and Minister Dlamini Zuma on a range of bilateral, regional, continental and global issues of common interest. Commissioner Michel also handed the President a non-paper on developing a possible SA-EU Strategic Partnership, the thrust of which was broadly welcomed, in principle. Although a comprehensive formal response is being developed, it is already recognised that the proposed enhanced and elevated partnership between South Africa and the EU is desirable, seen from a national, regional, continental as well as global perspective.

Furthermore, the EU Commissioner for Trade, Mr. Peter Mandelson, visited South Africa in February 2006, where he met with the Minister of Trade and Industry, Mr MBM Mphahla and Minister Dlamini Zuma to discuss developments surrounding WTO talks and issues of bilateral trade between South Africa and the EU. In March 2006, the Minister for Environmental Affairs and Tourism, Mr. M van Schalkwyk, paid a visit to Brussels to brief the Commissioner for the Environment, Mr. Stavros Dimas, as well as EU Parliamentarians, on the issue of the management of elephant populations in South Africa and the region.

United Kingdom

The UK is one of South Africa's most important economic partners. It is the largest foreign investor in South Africa and in 2005, the two biggest single foreign direct investments since 1994 were from the UK: the R33 billion acquisition by Barclays Bank of a majority share in ABSA, and

the R18 billion investment by Vodafone of the UK in South Africa's Vodacom (through Venfin). British companies in South Africa employ more than 40% of all South Africans employed by foreign firms and nine of the top 20 foreign companies in South Africa are from the UK. More than 200 South African companies have a presence in the UK. The UK also has consistently been one of South Africa's major export markets, occupying the second position both in 2004 (total exports of R20 129 842 million) and in 2005 (R32 377 308 million). In addition, the UK is South Africa's most important source of foreign tourists outside of Africa, a position it has held uninterrupted for the last 15 years.

The British Government emphasised the importance of Africa's development in their foreign policy by designating 2005 the "The Year of Africa".

The UK's Commission for Africa, established in 2004 with Mr Trevor Manuel, Minister of Finance, as one of the members, published its report in March 2005, setting out a comprehensive plan to reduce poverty and achieve sustainable development.

In 2005, the United Kingdom also hosted the G8 Summit at Gleneagles and held the Presidency of the European Union (second half of the year). African Development was a primary theme on the agenda of the G8 Summit at Gleneagles, as well as during the UK's EU Presidency.

A number of high profile business seminars were held by the South African Mission in London to coincide with the G8 Gleneagles Summit. Minister Trevor Manuel and leading South African business personalities participated in these seminars. The implementation of the Commission for Africa Report also was a central theme of these important deliberations.

In addition, the Mission in London held a follow-up meeting to the 2003 Ten Years of Freedom Solidarity Conference to reinvigorate SA-UK relations and to assess challenges and opportunities presented by the G8 Gleneagles Summit. A number of prominent UK government, business and civil society leaders attended the conference. The Minister of Social Development, Dr Z Skweyiya, and Mr Hilary Benn, the UK Secretary of State for International Development, attended the event.



President Thabo Mbeki receiving a courtesy call from Prince Philippe of Belgium, Pretoria, March 2006.

A Homecoming Revolution Seminar was held in London on 14 May 2005, focusing on business opportunities in South Africa, the creation of employment, gaps in the industrial and enterprise market, and BEE requirements.

Ireland

Total South African exports to Ireland in 2005 amounted to R1.12 billion, increasing by 9,5% from exports of R1,02 billion in 2004, while imports from Ireland in 2005 totalled R4.07 billion, which is a small increase from imports of R4,053 billion in 2004. The trade balance has traditionally been strongly in Ireland's favour but is steadily narrowing.

The Irish Deputy Prime Minister, Ms Mary Harney, visited South Africa from 15 - 18 March 2006. During the visit, Deputy Prime Minister Harney met with Deputy President Mlambo-Ngcuka to discuss issues relating to AsgiSA and JipSA. A number of high-level visits to Ireland also took place, including that of the Minister of Housing, Ms L Sisulu, in April 2005 and KwaZulu-Natal's MEC for Transport, Safety and Community Liaison, Mr B Cele in September 2005.

As part of implementing the AU Gender Declaration, the South African Embassy hosted an event to mark International Women's Day with the support of Women Ambassadors and Charges d' Affaires in Ireland. Approximately 120 women, including representatives from government, NGOs, the professions, academia and business as well as members of the Anti-Apartheid Movement attended the event.

The Netherlands

The Dutch Foreign Minister, Dr Ben Bot, visited South Africa in October 2005. During the visit, Minister NC Dlamini Zuma and Minister Bot signed a Declaration of Intent (DoI). The DoI identifies areas of co-operation to be further developed, support for South Africa's peace and security efforts in Africa, business expansion, support for the second economy, training, and support for black economic empowerment. In addition, two Defence Agreements and an Avoidance of Double Taxation Agreement were signed during the visit.


Interaction continued with the Dutch Ministry of Economic Affairs as well as with organised industry, key Dutch companies and South African companies, such as PetroSA, SAT and SAA. Consultations were held with the South Africa-Netherlands Chamber of Commerce (SANEC) to discuss various aspects related to SANEC's work.

A number of visits by provincial representatives from Gauteng, Limpopo and the Western Province, among others, also promoted economic diplomacy.

South Africa also participated in meetings of the Board of Trustees of the Dutch Group of Friends of the Great Lakes Region, which supports South Africa's efforts in conflict resolution and peace-building in that region.

Belgium

Co-operation in the economic arena was high on the agenda of the Belgian Federal and Regional Govern-



ments in the period leading up to the successful visit to South Africa of HRH Prince Philippe and a 190-strong economic delegation in March 2006.

During 2005, a number of provincial delegations visited Belgium, including the Premiers of the Free State, Kwa-Zulu-Natal and Northern Cape. This inter-regional-provincial co-operation is particularly significant in the case of Belgium, because the Belgian regions have international competencies and development co-operation agreements with South Africa. In addition, both Flanders and Wallonia supported programmes to ensure the transfer of skills in specialised areas where they have achieved high standards of excellence.

Good progress was made with the implementation of the South African-Flemish Declaration of Intent on SMME development and on gemmology and diamond beneficiation as well as with the MoU with Wallonia on transport logistics training.

In the year under review, South Africa participated in six tourism fairs in Belgium. At the Antwerp Fair, South Africa was the guest of honour and its pavilion was awarded several prizes based on a poll of the 120 000 visitors.

For historical reasons, Belgium takes a keen interest in African Affairs in general and the Great Lakes Region in particular. It was therefore a key European partner in South Africa's ongoing efforts to advance the African Agenda, within the context of the EU. During the past year, good progress was made towards formalising South African-Belgian co-operation across this spectrum. This included the signing of a defence co-operation agreement and preparations for the activation of the Joint Commission, which was established by a protocol signed by President Mbeki and Prime Minister Verhofstadt, during the former's visit to Belgium in November 2004.

German-Speaking and Nordic Countries

Good relations were established with the new governments in Germany and Norway.

Germany remains one of South Africa's most important

trading partners (South Africa's largest import partner and fourth largest export partner) with substantial new investments (amongst the top three) since 1994. German commitments towards development in South Africa so far amount to approximately €262 million in bilateral financial and technical assistance. Since its inception in 1996, the South Africa-German Binational Commission has become the most important instrument through which bilateral relations are conducted.

Developing support for the African Union, Nepad and peace missions in Africa demonstrates a positive involvement in several regions, as well in the deliberations of the G8.

A successful Business and Investor Congress, focusing on the 2010 Soccer World Cup, was held in Germany. A luncheon on BEE, addressed by the Deputy Minister of Trade and Industry, provided quality information and opportunities for interaction with key role players in the foreign business community to address misconceptions about South Africa. South Africa also successfully participated in several trade fairs in Germany that resulted in the conclusion of sales of close to R30 million. Additionally four German investment projects with a total investment value of R748 million were secured from the automotive and metal industry. President Mbeki attended the Africa Initiative hosted by President Kohler in Bonn, Germany, in November 2005. Co-operation with Germany in the field of knowledge and skills transfer concerning the 2010 World Cup Soccer intensified in preparation of the 2006 World Cup Soccer. In this regard, several visits by delegations to Germany from all spheres of government were facilitated successfully.

The annual senior officials' Working Group with Switzerland was held in Berne in October 2005 and was co-chaired by Deputy Minister Pahad. Trilateral co-operation and the African Agenda were the main topics of discussion. The successful visit of the Minister of Science and Technology to Switzerland in May 2005 resulted in closer co-operation and guaranteed skills transfers.

Biannual consultations with Finland at senior officials' level were held to review relations. Particular attention was given to developments in Africa and the possibilities of trilateral co-operation. Relations were also established between



The Minister of Foreign Affairs Dr Nkosazana Dlamini Zuma briefing the media after holding discussions with the French Minister of Co-operation Bridgette Girardin (left) at the Union Buildings, March 2006.

the Finnish and South African Correctional Services. The Fourth South African-Swedish Binational Commission was co-chaired in South Africa by Deputy President Mlambo Ngcuka and Deputy Prime Minister Ringholm. The three committees of the BNC discussed a wide range of issues of mutual interest including possible joint-co-operation in Africa. A South African Tourism and Trade event was held in Stockholm as well as a South Africa Fashion Show.

Mediterranean Europe

Bilateral relations with all the countries of the region are good and were enhanced during 2005/06.

Greece

Concrete follow-up activities emanating from President Mbeki's recent state visit to Greece include the conclusion of the bilateral Cultural Co-operation Agreement on 26 July 2005, signed by Minister Jordan and the previous Greek Ambassador, Mr. John Economides. Two-way trade between South Africa and Greece has increased gradually in both volume and value, but there is still room for improvement. Greece's outward investment activities in South Africa are estimated at US \$350 million. The main sectors are financial services, shipping, foodstuffs, manufactured products and commerce.


France

Relations between South Africa and France are sound, and have deepened and strengthened through extensive interaction and co-operation on the full range of foreign

policy issues. There is policy convergence on issues such as regional integration, North-South co-operation, debt relief, the rule of law, multilateralism, UN Reform and financing for development. South Africa and France also have extensive interaction on issues relating to Africa, in particular on EU and G8 programmes relating to the AU and Nepad, conflict resolution and peace-building initiatives. Relations are characterised by on-going high-level contact, expanding development co-operation initiatives and significant growth in economic co-operation. During the year under review, an agreement was concluded between the French Embassy, the Alliance Française and the Foreign Service Institute for the training of South African diplomats in the French language.

Italy

South Africa and Italy enjoy excellent bilateral relations, with extensive contact among political principals, the business sectors and civil society. President Mbeki visited Italy twice during 2005 and Minister Nkosazana Dlamini Zuma met with former Minister Foreign Fini in Rome in November. President Mbeki also concluded a very successful state visit to Italy in March 2006 where he held bilateral discussions with President Ciampi, Prime Minister Berlusconi and the leader of the opposition coalition, Mr. Romano Prodi. Discussions focused on issues of mutual interest such as peace and conflict resolution in Africa, Nepad, the G8 Africa Plan, the AU-EU Summit and economic co-operation. A large government and business delegation accompanied President Mbeki. A proposal for Africa to host the Third International Centre for Genetic Engineering and Biotechnology was endorsed by the



G8, and South Africa presented its candidature to host the centre during the state visit to Italy.

On the bilateral front there were several very positive developments including closer co-operation in various technical fields such as science and technology, health, poverty alleviation, SMME development and education, as well as significant growth in economic relations. Economic relations also continue to develop at a satisfactory rate. Bilateral trade grew at a very significant level: South African exports to Italy grew by a healthy 18.9% while Italian imports grew by 13.5%. A substantial number of Italian companies do business in South Africa, and Italian investments now exceed R1.2 billion. Several new initiatives are underway, including investment projects by Paggio, Ferrero and COOP Italia.

Spain

Spain and South Africa have shared views on most important foreign policy issues, as well as a host of domestic issues such as gender, civil rights, rights of immigrants, economic policy and social development issues. The new Spanish government is displaying a much greater awareness of the challenges and issues pertaining to the developing world and more particularly to Africa. Deputy Minister Pahad participated in a conference on Africa hosted by Spain as part of that country's programme for expanding relations with Africa.

Bilateral relations are good, but there is further room for expansion, particularly in the economic sector. Given the healthy growth of the Spanish economy and the strong international outlook of Spanish companies, there exists significant potential for increased FDI from Spain to South Africa in the following sectors: automobile, agro-food processing, textiles, chemicals, tourism infrastructure and base metal sectors. During May 2005, the Spanish chain store El Corte Ingles held a South African promotion month through which South African merchandise was promoted throughout their 60 stores. The promotion focused on the products of mainly small and medium enterprises, and total sales were estimated at more than R60m. The significant growth in tourism by approximately 26% is also a very positive development.

Portugal

President Mbeki's visit to Lisbon during March 2006 for the inauguration of President Cavaco Silva follows significant developments in South Africa's relations with Portugal since the election of the new government in 2005. Reciprocal visits by the countries' respective Deputy Ministers of Foreign Affairs for bilateral discussions in Lisbon and Pretoria during 2005, as well as bilateral discussions at Directors-General level during February 2006 have consolidated and renewed momentum for further strengthening of relations.

Central Europe

In the year under review, bilateral relations, both political and economic, with Central European countries which were established only as recently as the early 1990s, developed apace.

Established forums for political dialogue were extensively utilised at the levels of deputy minister and senior officials to convey South Africa's policies and intentions in respect of important issues, such as the consolidation and implementation of the African Agenda, to the governments in the region. Such consultations at deputy foreign minister level were held with Bulgaria, Hungary and Romania, while senior officials' meetings were held with counterparts from Hungary, the Slovak Republic and the Czech Republic.

President Vaira Vike-Freiberga of Latvia paid a private visit to South Africa during January 2006. She also had bilateral discussions with President Thabo Mbeki, and inaugurated the Latvian Honorary Consulate in Johannesburg.

Trade and economic interaction between South Africa and countries in Central Europe continued to develop steadily during 2005/06, but has not yet reached anything near its full potential. However, the promotion of trade and tourism remained a priority for South African diplomatic missions in the region and aspects such as participation in trade fairs and exhibitions as well as regular contact with chambers of commerce in their countries of accredi-

tation played a pivotal role in their respective business plans. The relative lack of first-hand knowledge about the Central European market in South African business circles, no direct communication links between South Africa and countries in the region and the persistent strength of the rand, continued to inhibit stronger trade flows to the region. South Africa nevertheless remained the most important trading partner on the African continent of the large majority of the Central European countries.

South Africa achieved notable successes in the fields of science and technology in the region during 2005/06. The Minister of Science and Technology, Mr Mosibudi Mangena, led an official delegation to the Republic of Hungary during March 2006 to participate *inter alia* in the South Africa-Hungary Joint Committee on Science and Technology. The Deputy Minister of Science and Technology, Mr Derek Hanekom, visited the Slovak Republic and Romania in April 2006, also in terms of bilateral agreements on scientific and technological co-operation between the two countries. The Minister of Health, Dr Manto Tshabalala-Msimang, paid a successful official visit to Bulgaria during September 2005 to initiate a Programme of Co-operation in terms of the Health Agreement signed in December 2004.

EASTERN EUROPE

Russia

The strategic nature of South African-Russian relations was consolidated significantly over the past year through continued high-level political dialogue with the Russian Federation. Bilateral relations also expanded significantly under the umbrella of the Intergovernmental Trade and Economic Committee (ITEC) between South Africa and Russia. Strategic direction and a structured and disciplined policy framework have resulted in substantive action taken by the respective governments in the minerals and energy sectors through, among others, the establishment of a joint Task Force on Minerals in support of BEE objectives.

An Inter-sessional Ministerial ITEC meeting was held in Pretoria on 15 July 2005 between the two Co-Chairpersons of ITEC, Minister N Dlamini Zuma and the Russian Minister of Natural Resources, Mr Yuri Trutnev. The pur-

pose of the meeting was to monitor progress with ITEC-related matters. It was agreed, *inter alia*, to have a media exchange programme between South Africa and Russia. As a follow-up on this decision, a group of South African journalists and media institutions visited the Russian Federation prior to and during the Fifth ITEC Session, leading to good media coverage in South Africa.

The Fifth Session of ITEC took place in Moscow on 4 - 5 October 2005 and was co-chaired by Ministers Dlamini Zuma and Trutnev. Minister Dlamini Zuma also held meetings with the Russian Prime Minister, Mr Mikhail Fradkov, and the Foreign Minister, Mr Sergey Lavrov. A business summit was held on 03 October 2005, prior to the ITEC Session, at the Chamber of Commerce and Industry of the Russian Federation. Prominent representatives of the business circles of the two countries participated in the event. During the Summit, a South African-Russian Business Council was established.

A number of bilateral agreements were concluded in the fields of maritime transport, nuclear research, radio astronomy and space observation

Turkey

Much progress has been achieved in the bilateral relations between South Africa and Turkey since the official visit of Turkish Prime Minister Recep Tayyip Erdogan to South Africa in March 2005. According to Turkish trade statistics, bilateral trade between South Africa and Turkey is strongly in favour of South Africa and reached a record high of US\$1, 56 billion in 2005 (US\$ 1 billion in 2004). Bilateral trade in goods and services (excluding gold) reached almost US\$ 1, 0 billion in 2005. Turkey's FDI in South Africa totals US\$ 60 million and is expected to grow further in 2006. Turkey is currently South Africa's largest trade and investment partner in Central and Eastern Europe, including the Russian Federation.

The official visit to South Africa in March 2005 by Turkish Prime Minister Erdogan created the opportunity at strategic level to identify key dimensions of South African-Turkish relations and pave the way forward. The visit also saw the conclusion of important bilateral agree-

ments in trade and economic co-operation; customs co-operation and the avoidance of double taxation. Bilateral consultations further reflected solid progress in other sectors of co-operation including defence; trade and industry; mining and minerals, energy, the expansion of bilateral tourism as well as progress towards the establishment of formal bilateral military relations. In order to promote South Africa's economic interest in terms of defence industries, the South African Secretary of Defence extended an invitation to the Turkish Under-Secretary for Defence, Mr. Murat Bayar, to visit South Africa officially for consultations, operational demonstrations and site inspections, during 5 - 8 February 2006. Mr. Bayar was accompanied by a business delegation from the Turkish military industrial industry.

A draft MOU on military industrial co-operation, as well as a proposal to establish a Joint Defence Committee between South Africa and Turkey, was presented to the Turkish authorities for consideration.

The meeting in March 2005 between the Turkish Minister for Energy and Natural Resources, Dr. Hilmi Guller, and the South African Deputy Minister for Minerals and Energy, Ms. Lulu Xingwana, succeeded in narrowing the focus of expanded co-operation between South Africa and Turkey in the areas of the peaceful use of nuclear energy (including the PBMR process), mining and beneficiation, coal to liquid technology, joint oil exploration in third countries, and domestic capacity-building in jewellery manufacturing.

Bilateral Agreements signed between 1 April 2004 and 31 March 2006

Date signed	Country	Title
AFRICA		
20041006	Algeria	Agreement on Educational Co-operation. (Higher)
20041006	Algeria	Agreement on Educational Co-operation. (National)
20041006	Algeria	Executive Programme in the Field of Sport for the Years 2004 – 2006
20041006	Algeria	Memorandum of Understanding concerning Co-operation in the Field of Health
20050217	Angola	Agreement concerning Co-operation in the Field of Electricity
20050217	Angola	Agreement for the Reciprocal Promotion and Protection of Investments
20050217	Angola	Agreement of Co-operation in the Field of Social Protection and Re-Integration. Entered into force: 17.2.2005
20050217	Angola	Protocol on Defence Co-operation
20040813	Benin	Joint Communiqué On the working Visit of Deputy President Jacob Zuma. (Not an agreement)
20040713	Burkina Faso	Agreement on a Framework of Co-operation. Entered into force: 13.7.2004
20040713	Burkina Faso	Memorandum of Understanding on Co-operation. Entered into force: 13.7.2004
20040505	Burundi	Memorandum of Understanding contributing resources to the African Union Mission in Burundi (AMIB). Entered into force: 5.5.2004
20041207	Chad	General Co-operation Agreement
20040618	DRC	Agreement on Defence Co-operation. Entered into force: 18.6.2004
20040618	DRC	Memorandum of Understanding on Practical Assistance on the Integration of the Armed Forces of the DRC in accordance with the terms of the Defence Co-operation Agreement signed between them. Entered into force: 18.6.2004
20040831	DRC	Agreement for the Reciprocal Protection and Promotion of Investments
20040831	DRC	Agreement on Health Matters
20040831	DRC	Memorandum of Understanding on Co-operation in the Field of Public Administration. Entered into force: 31.8.2004
20040831	DRC	Memorandum of Understanding on Economic Co-operation
20040831	DRC	Protocol for regular Diplomatic Consultations. Entered into force: 31.8.2004

Date signed	Country	Title
20041130	DRC	Memorandum of Understanding on Co-operation in Immigration and Population Matters. Entered into force: 30.11.2004
20041130	DRC	Memorandum of Understanding on Co-operation on Matters relating to Elections. Entered into force: 30.11.2004
20050322	Gabon	Protocol for regular Diplomatic Consultations. Entered into force: 22.3.2005
20041102	Ghana	Agreement on the Establishment of a Joint Commission for Co-operation. Entered into force: 2.11.2004
20041102	Ghana	Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains
20041008	Guinea	Agreement on Co-operation in the Field of Education. Entered into force: 8.10.2004
20040810	Kenya	Agreement regarding Scientific and Technological Co-operation
20040810	Lesotho	Addendum to the Bilateral Monetary Agreement of 1 April 1989
20041009	Lesotho	MOU for the Implementation of the Geochemical Mapping Project. Not a formal agreement between the governments
20050308	Namibia	Agreement regarding Scientific and Technological Co-operation. Entered into force: 8.3.2005
20040705	Rwanda	Memorandum of Understanding concerning Military Co-operation
20040728	Rwanda	Agreement on the Waiver of Visa or Permit Requirements for holders of Diplomatic and Official/Service Passports.
20040728	Rwanda	Memorandum of Understanding with regard to Co-operation in Training, Legislation, in the use of Information Technology and Exchange of Information in Immigration. Entered into force: 28.7.2004
20040915	Saharawi Arab Dem. Republic	Joint Communiqué on the Establishment of Diplomatic Relations. Entered into force: 15.9.2004
20041230	Sudan	Memorandum of Understanding on Political Consultations and Co-operation. Entered into force: 30.12.2004
20040709	Tunisia	Agreement regarding the Waiver of Visa Requirements for the holders of Diplomatic and Special or Official Passports
20040709	Tunisia	Programme of Co-operation in the Field of Sport for the years 2004 - 2005
20041013	Tunisia	Agreement concerning the Programme of Co-operation in the Fields of Arts and Culture for the years 2004 - 2007
20041013	Tunisia	Memorandum of Understanding on Co-operation in the Field of Employment

AMERICAS

20040430	Bahamas	General Co-operation Agreement
20041110	Cuba	Agreement on the Employment of Cuban Technical Advisors by the relevant South African Provincial Departments of Housing. Entered into force: 10.11.2004
20050204	Cuba	Letter of Intent on Education

ASIA

20040629	China People's Rep. of	Agreement on Co-operation in the field of Education. Entered into force: 29.6.2004
20040629	China People's Rep. of	Exchange of Notes to Implement the Human Resources Co-operation Project. Entered into force: 29.6.2004
20040629	China People's Rep. of	Memorandum of Understanding on Sanitary and Phytosanitary Consultation Mechanism. Entered into force: 29.6.2004
20040629	China People's Rep. of	Protocol of Phytosanitary Requirements for Export of Citrus Fruit. Entered into force: 29.6.2004
20040915	India	Memorandum of Understanding on Co-operation in the Field of Communications and Information Technologies. Entered into force: 15.9.2004

Date signed	Country	Title
20041124	Japan	Exchange of Notes concerning the Supply of Sound Equipment to the South African State Theatre. Entered into force: 24.11.2004
20041124	Vietnam	Agreement concerning the Establishment of an Inter-Governmental Partnership Forum for Economic, Trade, Scientific, Technical and Cultural Co-operation. Entered into force: 24.11.2004
20041124	Vietnam	Joint Announcement on the Establishment of the Joint Trade Committee.
20041124	Vietnam	Joint Declaration on Partnership for Co-operation and Development.

EUROPE

20040429	Bulgaria	Convention for the Avoidance of Double taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income. Entered into force: 27.10.2004
20041202	Bulgaria	Agreement on Co-operation in the fields of Arts and Culture
20041202	Bulgaria	Agreement on Police Co-operation. Entered into force: 2.12.2004
20040820	Croatia	Bilateral Trade Agreement
20041214	Finland	Agreement on Finland's support to the Higher Education Sector in South Africa. Entered into force: 14.12.2004
20041116	Flanders (Belgium)	Declaration of Intent to enhance co-operation in the fields of Small, Medium and Micro Enterprises
20041117	Germany	Agreement on Audio-Visual Co-Productions. Entered into force: 4.1.2005
20040402	Ireland	Declaration of Intent
20041111	Norway	Agreement regarding Mutual Assistance between their Customs Administrations
20040915	Romania	Agreement on Scientific and Technological Co-operation
20040915	Romania	Memorandum of Understanding on the Statute of the Joint Commission for Economic and Technical Co-operation
20041120	Russian Federation	Agreement on Co-operation in the Peaceful uses of Atomic Energy. Entered into force: 20.11.2004
20050318	Russian Federation	Agreement concerning Protection of Classified Defence and Defence-Industrial related Information. Entered into force: 18.3.2005
20040614	Sweden	Specific Agreement on Swedish - South African Culture Partnership Programme 2004 - 2008. Entered into force: 14.6.2004
20050315	Turkey	Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
20050315	Turkey	Agreement regarding Mutual Assistance between their Customs Administrations
20050315	Turkey	Agreement on Trade and Economic Co-operation
20040802	United Kingdom	Memorandum of Understanding concerning the Provision of Personnel to Advise on Aspects of Democratic Defence Management and Peace Support Operations. Entered into force: 2.8.2004
20040802	United Kingdom	Supplementary Arrangement concerning the Provision of Support during Exercises, Training and Operations. Entered into force: 2.8.2004
20050228	United Kingdom	Memorandum of Understanding on Bilateral Co-operation in the Field of Sport and Recreation

MIDDLE EAST

20040831	Iran	Extradition Treaty
20040831	Iran	Treaty on Mutual Legal Assistance in Criminal Matters
20041013	Iran	Memorandum of Understanding on Co-operation in the Field of Housing. Entered into force: 13.10.2004
20041214	Iran	Agreement on Co-operation in the Field of Health. Entered into force: 14.12.2004
20041214	Iran	Protocol to the Agreement on Co-operation in the Field of Health regarding Employment of Iranian Health Professionals in South Africa. Enters into force: 14.3.2005



Date signed	Country	Title
OTHER		
20040916	African Union	Host Agreement on the Seat of the Pan-African Parliament
20050309	African Union	Memorandum of Understanding contributing South African Police Service monitors to the Civilian component of the African Union Mission in Darfur Region of the Republic of Sudan. (AMIS) Entered into force: 9.3.2005
20041126	Southern African Development Community	Memorandum of Understanding concerning the Implementation of Phase 2 of the Southern African Development Community Hydrological Cycle Observing System: Consolidation and Expansion if SADC-HYCOS. Entered into force: 26.11.04 (Environment)
20040720	United Nations	Memorandum of Understanding relating to Co-operation in the United Nations On-Line Network of Regional Institutions for Capacity Building in Public Administration and Finance. Entered into force: 20.7.2004

Multilateral Conventions/Agreements ratified or accede to since 1 April 2004

Date signed	Country	Title
19900626	Multilateral	Convention on Temporary Admission. (Istanbul Convention) RSA acceded: 18.5.2004
19921127	Multilateral	Protocol of 1992 to amend the International Convention on Civil Liability for Oil Pollution Damage, 1969. RSA acceded: 1.10.2004
19921127	Multilateral	Protocol of 1992 to amend the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971. RSA acceded: 1.10.2004
19970917	Multilateral	Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. (Montreal Amendment) RSA acceded: 11.11.2004
19990626	Multilateral	Protocol of Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures. RSA acceded: 18.5.2004
19991203	Multilateral	Amendment to the Montreal Protocol on Substances that deplete the Ozone Layer. (Beijing Amendment) RSA acceded: 11.11.2004
20030711	Multilateral	Protocol of the Court of Justice of the African Union. RSA ratified: 17.12.2004 (AU)
20030711	Multilateral	Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa. RSA ratified: 17.12.2004 (AU)
20031031	Multilateral	United Nations Convention Against Corruption. RSA ratified: 22.11.2004

Ministerial visits abroad:

Place	Date	Purpose
Niger	5 - 6 April 05	Official visit
Mali	7 – 8 April 05	Official visit
Sao Tome & Principe	8 April 05	Official visit
Norway	11-12 April 05	Donor Conference on Sudan
Indonesia	17-25 April 05	Asian-African Ministerial Meeting + Summit + Golden Jubilee of the Bandung Asian African Conference of 1955
Singapore	21 April 05	Working Visit
Senegal	1 – 2 May 05	African Gender Award & Forum
Ethiopia	4 – 5 May 05	Follow-up Committee Meeting of 10+3 on UN Reform
Comoros	6 - 7 May 05	AU Ministerial Committee Meeting in preparation for the Comoros Donor Conference

Saudi Arabia, UAE,	9-12 May 05	Bilateral visits
Ethiopia	13 May 05	AU Ministerial Meeting on the Reform of the UN
USA, Washington	31 May – 1 June 05	Presidential Working Visit to Washington
UK, London	3 – 4 June 05	London Solidarity Conference
Chile	7 - 8 June 05	State Visit to Chile
Nigeria	9 June 05	AU Meeting on UN Reform
Qatar	13 June 05	South Summit Ministerial Meeting
	14 – 16 June 05	Group of 77 and China Second South Summit
Brunei	21-23 June 05	Bilateral
Malaysia	23-24 June 05	SA/Malaysia JMC
Libya	30 June 05	Meeting of the follow-up mechanism on UN Reform composed of the core group of 3+ the Committee of 10
	1-2 July 05	AU Executive Council Meeting
	4-5 July	AU Summit (5th Ordinary Session of the Assembly)
Russia	12 July 05	Bilateral meeting with Russian Foreign Minister in Moscow
France	13 July 05	Bilateral meeting with French Foreign Minister
USA, NY	16 July 05	Meeting of Africa's Foreign Ministers
	17 July 05	G4 Meeting
UK, London	25 July 05	AU-G4 Ministerial Meeting
DRC, Kinshasa	29 July 05	Ministerial Meeting: Progress made to Commitment to DRC
Sudan	2 August 05	Official visit
Ethiopia	4 August 05	AU Extraordinary Meeting Regarding UN Reform
Botswana	14 - 16 August 05	SADC Ministerial Meeting
	17 – 18 August 05	SADC Summit
USA, NY	10 – 16 September 05	High Level Summit: Millennium Declaration
	17 – 23 September 05	UNGA 60
Bahamas	24 September 05	JBC Meeting in the Bahamas
Cuba	28 Sept – 1 Oct 05	JBC in Cuba
Russia	5 October 05	SA/Russia ITEC Meeting
Ethiopia	31 October 05	Extra-ordinary AU Summit
Belgium	7 November 05	SA/EU Co-operation Council Meeting
Italy	8 - 9 November 05	Europe and Americas Regional Heads of Mission Conference
Nigeria	12 –13 November 05	Regional Conference on Africa & the Challenges of the Changing Global Order: Desirability of the Union Government
Guinea, Conakry	15 November 05	Working Visit
DRC, Kinshasa	29 – 30 November 05	Working Visit
Mali	1 – 2 December 05	Meeting of Follow-Up Committee on UN Reform
	3 – 4 December 05	Franco-African Summit
Guinea	5-6 December 05	Working Visit
Ivory Coast	6 – 7 December 05	Official Visit
UAE	9 – 10 December 05	Asia, Middle East & Africa Regional Heads of Mission Conference
Uganda	12 – 13 December 05	State Visit: Uganda
Tanzania	21 December 05	Presidential Inauguration
USA, Washington, NY	11 January 06	Handing over donation to victims of Hurricane Katrina

	12 January 06	Turn-over ceremony of the Chairpersonship of the G77
Ivory Coast	15 January 06	International Working Group Meeting (IWG) on Cote d'Ivoire
Liberia	16 January 06	Inauguration of President-elect HE Ellen Johnson-Sirleaf
Sudan	17 – 18 January 06	AU Ministerial Committee on Post Conflict Reconstruction of the Sudan
	19 January 06	AU Extraordinary Session Ministerial Budget Committee Meeting
	20 – 21 January 06	8th Ordinary Session of the AU Executive Council
	23 – 24 January 06	6th Ordinary Session of the AU Summit
Namibia	6 February 06	Ministerial Troika of the Organ
Ivory Coast	16 February 06	Meeting: President of Ivory Coast
	17 February 06	International Working Group Meeting (IWG) on Cote d'Ivoire
Botswana	23 – 24 February 06	SADC Council of Ministers Meeting
France	28 Feb – 1 March 06	Conference on Innovative Financing and Development
Ethiopia	10 March 06	Peace and Security Council Meeting
DRC, Kinshasa	15 - 16 March 06	Presidential Visit DRC & BNC
Ivory Coast	17 March 06	International Working Group Meeting (IWG) on Cote d'Ivoire
Niger	18 March 06	Official Visit
Mali	19 March 06	Official Visit
Italy	21 – 23 March 06	State Visit
Brazil	30 March 06	IBSA Foreign Ministers Meeting



President Thabo Mbeki meeting with the Prime Minister of Ivory Coast Charles Konan Banny in Pretoria, December 2005.

GLOBAL GOVERNANCE: POLITICAL ISSUES

Multilateralism and the Reform of the United Nations

The year 2005 marked the 60th anniversary of the creation of the United Nations. To commemorate this event a High-Level Plenary Meeting of the United Nations General Assembly (2005 World Summit) was convened in New York in September 2005. The Summit endorsed an outcome document outlining a series of reforms to the UN as agreed by Member States. While the Summit took important decisions on reform, it did not meet the expectations of all Member States. The Summit failed to pronounce on issues of disarmament and non-proliferation and could not conclude the issue of the reform and enlargement of the UN Security Council.

President Mbeki, in his address to the 60th session of the General Assembly stated that “one of the facts that stands out sharply from the review is that in truth we have not made the decisive progress we thought we would make with regard to the critical issue of the reform of the United Nations.”

Despite an uneven outcome, the Summit did endorse a number of important decisions aimed at strengthening the UN as the primary organisation for promoting a rules-based multilateral system. These included the following:

- Decision to establish a Peacebuilding Commission

- Decision to establish a Human Rights Council
- An endorsement of the MDGs as a framework for measuring progress towards addressing the challenge of underdevelopment and poverty.
- Reaffirmation of the Special Needs of Africa
- Decision to strengthen co-operation between regional organisations and the UN, in particular on peacekeeping. The Summit concluded that it was important to implement capacity-building to enable regional organisations such as the AU, to contribute better to conflict management and resolution.

The Summit postponed many decisions and requested that they be revisited during the remainder of the 60th session of the General Assembly. The Summit accepted that it was not possible to arrive at a decision on the reform of the UN Security Council (UNSC) by September 2005; however, it endorsed the South African amendment to review the progress on the reform of the Council before 31 December 2005. The Summit called on Member States to continue with efforts to revitalise the General Assembly in order to fulfil its role as a truly representative organ of the UN. Many Member States, including South Africa, were critical of the Summit for not pronouncing on disarmament and non-proliferation.

South Africa played an active role in the preparations for the Summit including through organisations such as the African Group, the Group of 77 and China and the NAM. Importantly, the African Group sought to convey common positions on all the issues before the Summit.

Peacebuilding Commission

Following the 2005 World Summit, the Peacebuilding Commission was established in December 2005 by simultaneous resolutions of the UN General Assembly and the Security Council.

The broad objectives of the Commission are to ensure that post-conflict peace-building, reconstruction and development are facilitated through a smooth transition of states emerging from conflict to development, in order to prevent such states from relapsing into conflict, thereby achieving sustainable peace.

South Africa and African countries have to ensure that the work of the Commission is in line with similar initiatives and policy approaches that the AU would be formulating, especially as the Commission's work could predominantly focus on African countries.

Compliance with UN Security Council on Sanctions Regimes

The Department continued to co-ordinate all actions required for ensuring that South Africa fully complied with UN Security Council resolutions on sanctions regimes in terms of national policy. In this regard, the Department continued to interact with the UN Security Council and other relevant entities to facilitate the implementation of all the relevant measures pursuant to the Security Council resolutions. There are currently UN sanctions measures against the following countries and groups:

- Côte d'Ivoire;
- Democratic Republic of the Congo (DRC);
- Liberia;
- Rwanda;
- Sierra Leone;
- Somalia;
- Sudan; and
- Al-Qaeda and the Taliban.

Administrative and Budgetary

South Africa played a prominent role in United Nations administrative and budgetary negotiations during 2005, hav-


ing served on the Bureau of the Administrative and Budgetary Committee (Fifth Committee) of the 59th Session of the UN General Assembly (UNGA59) until September 2005 and completed a three year term (2003 – 2005) on the 34 member Committee for Programme and Co-ordination (CPC).

The South African Auditor General continued to serve on the UN Board of Auditors (2000 - 2006) and was re-elected in 2005 as the External Auditor for the United Nations Industrial Development Organisation (UNIDO) for the period 2006 – 2008. Minister Geraldine Fraser Moleketi, Minister for Public Service and Administration, completed her tour of duty on the First UN Committee of Experts on Public Administration and Finance (UN CEPA) for the period 2002 - 2005.

Through active participation in processes of the UN, South Africa promoted its own national interests as well as those of the continent. System-wide support in the UN for Nepal is catered for, to the fullest extent possible, in the UN Secretariat programmes and in the 2006 –2007 budget negotiated at the end of 2005. Other priority areas on which South Africa focused while participating in negotiations concerning programmes and budgets included the funding of UN structures and programmes that focus on the economic and social development of Africa; the UN Settlements programme (HABITAT); the co-ordination role of the UN Chief Executives Board, especially in terms of the attainment of the MDGs and UN support for Nepal; as well as sufficient funding for peacekeeping operations in Africa.

South Africa also worked closely with other developing countries to ensure that multilateralism is enhanced through proper programme guidance to the UN Secretariat and the adequate and equitable allocation of resources for the implementation of international security and development goals.

For the 2005 regular budget of the UN South Africa's assessed contribution was US\$ 5,196 million. Its contribution to the UN peacekeeping budget was US\$ 2,647 million. It also contributed US\$ 503 648.00 to the International Criminal Tribunals for Rwanda and former Yugoslavia.



South Africa was honoured, once again, by having its name included in the Secretary General's "Roll of Honour" of countries that paid their dues in full, on time and without pre-conditions.

South Africa is active in a number of UN bodies and functional committees. South Africa or South African experts have been elected to serve on the following during 2005/06:

- Economic and Social Council (ECOSOC) - (1995 - 1997; 2001 - 2003; 2005 - 2007)
- International Law Commission - (2002 - 2006)
Professor - John Dugard
- International Criminal Tribunal for Yugoslavia - (2005 - 2009) - Judge J Moloto
- International Tribunal for the Law of the Sea - (2005 - 2014) - Adv AJ Hoffmann

Treaty Bodies :

- International Criminal Court - (2003 - 2009)
- Judge M Pillay
- Committee on the Elimination of Racial Discrimination - (2005 - 2008) - Ambassador P January-Bardill

South Africa served on the following Subsidiary bodies of ECOSOC:

- Commission for Social Development - (2001 - 2005)
- Statistical Commission - (2002 - 2005)
- Commission on Human Rights - (2004 - 2006)
- Commission on Status of Women - (2002 - 2006)
- Committee for Programme and Co-ordination - (2003 - 2005)
- Governing Council on Human Settlements - (2004 - 2007)
- Inter-governmental Working Group of Experts on International Standards of Accountancy and Reporting - (2003 - 2005)
- Commission on International Trade Law (UNCITRAL) - (2005 - 2007)
- Commission on Sustainable Development - (2002 - 2005)

International Law

The dynamism of contemporary international relations continues to present challenges to international law. The interdependence between states in an increasingly complex world requires inter-governmental co-operation, with diplomacy and international law being the key instruments for this. In Africa, the continent's multilateral systems have been overhauled and new ones introduced. The continued development of these structures and systems is based on international law. Contributing to the formulation of international law and enhancing respect for its provisions therefore remain strategic objectives of the Department. The Office of the Chief State Law Adviser (IL) ("the Legal Office") continued with its core business of providing legal advice and services, to government as a whole in support of the strategic objectives set by government. During the financial year ending March 2006, the Legal Office provided 1 058 written legal opinions on a wide variety of international and South African law subject matters requested by its clients. One hundred and fifty seven (157) international agreements or treaties were certified for the purposes of obtaining the President's authorisation for their conclusion. The Legal Office also provided advice to the Department on all aspects of South African law and was responsible for co-ordinating all legal actions taken against and by the Department. All Departmental contracts, whether concluded in South Africa or abroad, have been scrutinised by the Legal Office.

As far as international law matters are concerned, a few highlights can be mentioned: The Legal Office continued its involvement in counter-terrorism initiatives in various fora, including participating in the meetings of the InterDepartmental Counter Terrorism Committee; participating in negotiations in the Ad Hoc Committee on Measures to Eliminate International Terrorism in the UN Sixth Committee and providing inputs in bilateral and multilateral counter-terrorism meetings. Following Parliament's approval of accession to the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and the Fixed Platforms Protocol, the Legal Office assisted in obtaining an In-

strument of Accession. Accession to this Convention and its Protocol is welcomed, as they constitute two of the 12 counter-terrorism treaties. South Africa has thus become party to 11 of the 12 counter-terrorism conventions, bringing it more fully into compliance with its counter-terrorism obligations.

The Legal Office provided advice on the status of the Order of Malta, a unique grouping. The Sovereign Order of Malta, a knightly order dating back to medieval times and which controlled the island of Malta for a period in the eighteenth century, has over the last decade approached the Department on a number of occasions with the request to be accorded diplomatic immunities and privileges. These requests were denied, on both policy and legal grounds, as the Order, which is essentially a non-government organisation, is neither a state nor an international organisation, and therefore does not qualify in terms of the Diplomatic Immunities and Privileges Act, 2001 (No. 37 of 2001) for immunities and privileges. The Order approached the Department again with legal arguments based on a large number of historic examples aiming to prove that the Order is "sovereign" and hence qualifies for immunities and privileges, but the status of the Order was confirmed as not qualifying for any form of diplomatic protection.

The Legal Office participated in the negotiations of a Liability Annex to the Protocol on Environmental Protection to the Antarctic Treaty that was adopted by the Antarctic Treaty Consultative Meeting. The adoption of the Annex is significant as this is the first new instrument adopted under the Antarctic Treaty System since 1991 and is the product of prolonged and complex negotiations. The negotiations have also been legally complicated in the sense that rules of international law as well as national laws on procedure, tort and insurance were involved. In summary, the Annex obliges each party to require its operators, defined in the Annex as including government or non-government entities that organise activities to be carried out in the Antarctic Treaty area, to undertake preventative measures to reduce the risk of environmental emergencies. The operators are also required to establish contingency plans to respond to accidents with a potential adverse impact on the area. Parties are further

obliged to require operators to take prompt and effective action in response to environmental emergencies arising from the activities of the operator.

The Legal Office actively participated as part of a Task Team of African legal experts established by the AU Commission to draft recommendations on the implementation of Security Council Resolution 1593 of 31 March 2005, in which the situation in Darfur was referred to the International Criminal Court. The meeting was chaired by the AU Legal Counsel and delegations from South Africa, Nigeria, Ghana and Sudan attended. The Nigerian delegate intimated that Nigeria, as the AU Chair, has taken an initiative in the matter and tabled a paper containing three options for the way forward: challenging the legality of Resolution 1593, challenging the jurisdiction of the ICC, or trying suspects of war crimes and crimes against humanity violations under Sudanese jurisdiction. The paper found the first two options unacceptable and proposed that the third option be further explored, with which the Task Team concurred. It further concurred that the present courts in Sudan were inadequate to adjudicate on these matters, and that new institutions with international credibility should be set up in order to allow the AU to approach the Security Council not to renew the referral to the ICC when it came up for consideration on 31 March 2006. The Task Team proposed that a Special Court, a Special Court of Appeal and an African Panel for Peace and Reconciliation be set up and be staffed by both Sudanese and African experts, and that a prosecutor and deputy prosecutors be appointed by the AU Commission from Member States other than Sudan.

The Legal Office provided legal advice on the question, referred by President Wade of Senegal, of the extradition of the former ruler of Chad, Hissene Habre, to the AU Summit. Habre, who fled to Senegal after being deposed in 1990, has been the subject of an extradition request by Belgium addressed to Senegal. This is because victims of alleged human rights abuses perpetrated by his government who have become Belgian citizens laid charges against him in Belgium. A Belgian law, which provides for universal jurisdiction for human rights crimes under certain conditions, formed the basis



Deputy Minister of Foreign Affairs Sue van der Merwe meeting with the United Nations Special Envoy for Humanitarian Affairs Mr Jan Egeland in Pretoria, December 2005.

of the extradition request. President Wade then referred the matter to the AU Summit to recommend a “competent jurisdiction” for a trial. A practical way to resolve this unprecedented matter was proposed whereby an AU decision to refer the matter to an African panel of legal experts with the mandate to investigate the question of a suitable jurisdiction, with a view of reporting back to the next Summit, was drafted and adopted by the Summit.

The Legal Office met with the Prosecutor of the International Tribunal for Rwanda to discuss the possibility of the referral of cases from the International Criminal Tribunal for Rwanda (ICTR) for trial in South Africa. In 2003, the Security Council adopted a resolution (1503) in which it calls on the ICTR to complete its investigations by the end of 2004 in order to complete all its work in 2010. Under the completion strategy of the ICTR, the need for referral of middle- and low-level indictees by the Tribunal to national jurisdictions for prosecution has now been emphasised. This strategy was also endorsed by the Security Council resolution. The ICTR engaged South Africa on its willingness to take some cases for trial in South Africa by the South African courts. The requirements for referral and the acceptance of cases by South Africa were explained, including the need for legislation in order for South African courts to have jurisdiction over the offences.

Representatives of the Legal Office attended the Diplomatic Conference on the Adoption of a Third Protocol Additional to the Geneva Conventions, which was held in Geneva from 5 – 7 December 2005. The Conference

aimed to adopt the Protocol providing for a third emblem to be used by national societies to the Red Cross Movement, namely a red crystal. The adoption of the red crystal as additional symbol would allow the Israeli national society, the Magen David Adom (MDA), which presently uses the Star of David as its symbol, to be admitted to the Red Cross Movement. An agreement was reached shortly before the Diplomatic Conference between the MDA and the Palestinian Red Crescent Society forming the framework for all operational activities of the two organisations, including those taking place in the occupied territories, thus paving the way for the simultaneous admission of these two societies to the Red Cross Movement. The aim of Switzerland as Chair of the meeting was to have the Protocol adopted by consensus, but the Conference ran into early problems when the Syrians proposed a number of amendments to the text, aimed at restricting national societies to using emblems only within “internationally recognised borders”, a position aimed to prevent the MDA from operating in the Golan Heights, which were annexed by Israel after the 1967 war against Syria. The Syrian position was supported by the Organisation for the Islamic Conference and despite arduous efforts by the Norwegian Ambassador, who was appointed by the Chair to conduct negotiations parallel to the Plenary with a view to obtaining a consensus outcome, no consensus could be reached. Eventually, a vote had to be called and the draft Protocol was adopted by vote, with most (but not all) OIC countries voting against it.

The Legal Office is also deeply involved in various international environmental law negotiations such as on

climate change, biodiversity, law of the sea, etc. A legal advisor of the Office was elected as a member of the Compliance Committee established under the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The purpose of the Compliance Committee is to enhance compliance by parties to the Kyoto Protocol with their obligations under the Protocol.

A legal advisor of the Legal Office has also been elected as a member of the International Tribunal for the Law of the Sea in elections held during the Tenth Meeting of States Parties to the United Nations Convention on the Law of the Sea in 2005. The Tribunal is a specialised judicial body established under the Convention and provides an important forum for the peaceful settlement of disputes between States concerning the interpretation and application of the Convention. The Convention provides a comprehensive legal framework for the regulation of all ocean space, its uses and resources and contains *inter alia* provisions relating to the territorial sea, continental shelf, exclusive economic zone, high seas and the protection and preservation of the marine environment. South Africa has been a state party to the Convention since 1997 and although it has been involved in the various bodies and activities within the framework of the Convention this is the first time that South Africa will be represented in the Tribunal.

The Legal Office is the leading source of information concerning treaties and international law, dealing with a large number of inquiries daily. Treaty and Information Management Services played a vital role in this regard. It delivered a virtual information service on the Departmental Intranet and on the homepage of the Legal Office. As the custodian and administrator of all international agreements or treaties to which South Africa is party, the Treaty Section bound 59 international agreements or treaties and instruments of ratification or accession. It added to the Treaty Record 66 international agreements concluded by South Africa.

The Legal Office also made presentations on various aspects of international law to many government Departments. Manuals on the services offered by the Legal Office, on the procedures for the conclusion of

agreements and on the binding of international agreements were compiled and published for the benefit of its clients in the Department and government in general, while information sessions on agreement procedures were also offered.

Human Rights

South Africa has played a key role in shaping the international human rights agenda including the constant development of international human rights and humanitarian law. A central consideration in South Africa's foreign policy is the commitment to the promotion, protection and fulfilment of human rights and fundamental freedoms and the advancement of democracy. The political vision of the democratic government in South Africa is predicated on a fundamental principle, which affirms the inextricability of economic, social and cultural rights on the one hand, and civil and political rights on the other.

During the period under review, the South African government actively engaged the processes of UN reform in the area of human rights. South Africa was one of the two Co-Chairs and played a critical role in the formation of the UN Human Rights Council, which was established by the adoption of UN General Assembly resolution 60/251 on 15 March 2006 in New York.

Consistent with a decision of the South African Cabinet on 22 October 2002, South Africa has received the Special Procedures and Mechanisms of the Commission on Human Rights. South Africa has made regular financial contributions to the UN Office of the High Commissioner on Human Rights (OHCHR) for the effective operations of the Office, and in support of important funds and programmes within the OHCHR aimed at advancing the cause of human rights globally, such as the Voluntary Fund for Victims of Torture, the Voluntary Fund for the Victims of the Contemporary Forms of Slavery and the recently established United Nations Democracy Fund (UNDEF).

The position of the South African government is to advocate a balanced sustainable development pro-



gramme within the human rights framework, which reflects, among others, the primacy of achieving the realisation of the right to development as well as moral human rights issues such as the eradication of poverty and underdevelopment. The outcome document (Programme of Action) of the World Summit on Sustainable Development hosted by South Africa (Johannesburg, 2002) is regarded globally as an instructive document for achieving sustainable development.

South Africa is among the leading countries at the UN who continually evaluate the effectiveness of existing human rights treaties and propose additional instruments in a process of setting norms and standards with the view to updating and strengthening such treaties. In this regard, in collaboration with other member states of the AU, South Africa is leading a process which will initiate the elaboration of complementary standards to update and strengthen the International Convention on the Elimination of All Forms of Racial Discrimination. This process is undertaken within the framework of the mechanisms established to follow up to the World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance (WCAR) hosted by South Africa in Durban in 2001. South Africa, in line with its international obligations, has submitted its country reports to the human rights treaty monitoring bodies of the UN, and to the African Charter on Human and Peoples' Rights.

South Africa also plays a meaningful role in the process of deepening the core values of democracy, good governance and the rule of law, both at the national, regional and international levels, through its membership and active participation in the following Democracy Forums:

- Community for Democracies
- International Institute for Democracy and Electoral Assistance
- Human Security Network
- Progressive Governance in the 21st Century

President Mbeki hosted the Progressive Governance Summit in February 2006 in South Africa.

Consistent with the commitment to advancing the African

Agenda, South Africa works within the African Group at the level of Geneva and New York in the area of human rights. South Africa plays a primary role in advocating the agenda for development through intergovernmental structures of the NAM and the Group of 77 and China (G77).

The DFA has participated in the UN process aimed at evolving international human rights law within the sphere of economic social and cultural rights and the rights of people with disabilities. Its engagement in these processes is guided by the government's vision, strategic objectives and values that are enshrined in the South African Constitution and elaborated in different government policy documents. The Department seeks to incorporate South African human rights values in international human rights law and instruments.

In the above context, the Department has been involved in the elaboration of the following new international human rights instruments:

- The Optional Protocol to the International Covenant on Economic, Social and Cultural Rights (ICESCR)
- The Draft Integral International Convention on the Promotion and Protection of the Rights and Dignity of Persons with Disabilities.

Regarding the implementation of international human rights instruments, the Department has participated in the Working Group on the Right to Development tasked with seeking an international consensus on implementing the rights to development. Furthermore, the Department has also hosted the Special Rapporteur on the Rights of People with Disabilities which is tasked with monitoring the implementation of the Standard Rules for the Equalisation of Opportunities for Persons with Disabilities.

The UN Open-Ended Working Group to consider options regarding the elaboration of an Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, February 2006

The Department attended the third session of the above-mentioned meeting that discussed elements for an Optional Protocol to the International Covenant on Economic, Social and Cultural Rights on the establishment

of an individual's complaints procedure. South Africa, together with the majority of the delegates, was of the opinion that the process has reached the stage where negotiations on a draft text can begin. Given that there was a small number of countries who were opposed to this or needed more time for further consultation, it was decided that the Chairperson should produce a narrative report that will be brought before the Human Rights Council. It is anticipated that, in due course, the Human Rights Council should take a decision authorising the process of negotiating a draft optional protocol.

The Seventh UN Ad Hoc Committee meeting on the Draft Integral International Convention on the Promotion and Protection of the Rights and Dignity of Persons with Disabilities, January 2006

The Ad Hoc Committee continues the process initiated by the General Assembly to develop a comprehensive and integral convention on the protection and promotion of the rights of persons with disabilities. South Africa, in close consultation with the Africa Group, continues to play an effective role in the negotiations. To this end, South Africa represents Africa on the UN Bureau of the Ad Hoc Committee on Disability that oversees all administration and logistics of its meetings.

The UN Working Group on the Right to Development January 2006

South Africa participated in the Seventh Session of the UN Working Group on the Right to Development in close consultation with members of NAM and the African Group. The Working Group reformulated the 15 criteria on periodic evaluation of global partnership necessary for selecting partnership to mainstream the right to development in the policies and the operational activities of relevant actors at national, regional and international level including multilateral financial, trade and development institutions. The Working Group examined regional review initiatives, such as Nepad's African Peer Review Mechanism and the OECD-Nepad Mutual Review on Effectiveness. It considered these regional mechanisms to be of potential value for partnership in assessing the role of human rights in the development process. The NAM

was concerned that there was lack of progress in moving the process from conceptualising to operationalising the right to development. The NAM was of the view that the Working Group should evolve the implementation mechanism for the realisation of the right to development.

Disaster Management

The Department played an active role in facilitating South African assistance to a number of countries affected by natural and complex humanitarian disasters. During August 2005, the Department supported a humanitarian flight to Niger, organised by the "Gift of the Givers Foundation".

During August 2005, Hurricane Katrina struck the Mexican Gulf area of the US, causing severe damage, destruction and death. The Department, in a gesture of solidarity and support, contributed R2 million to assist victims who were students at Howard University.

On 12 October 2005, the Department led the humanitarian assistance mission to Pakistan, following a devastating earthquake in the state of Kashmir. The "Gift of the Givers Foundation" supplied medical personnel as well as approximately 30 tonnes of relief supplies comprising medicines, tents, tinned food and blankets. The Department paid for and facilitated the relief flight to Pakistan and is still involved in longer-term assistance, such as psychotherapeutic trauma intervention for survivors of the earthquake Psychological Relief South Africa in association with the "Al-Imdaad Foundation".

The Department also participated in different conferences and fora, regarding disaster management and assistance, including the:

- SADC Disaster Assessment Meeting in Windhoek from 19 - 20 September 2005
- UNDAC Advisory board meeting in Geneva from 27 - 29 February 2006.
- Third International Early Warning Conference in Bonn, Germany, from 27 - 29 March 2006.

The Department also played a leading role in the nomination of Ambassador SG Nene, Deputy Director-Gen-



The acting Minister of Foreign Affairs Mr Jeff Radebe signing an agreement with the Executive Director of the United Nations World Food Programme Ms Shiela Sisulu, Pretoria May 2006.

eral Multilateral, Department of Foreign Affairs, to the Central Emergency Relief Fund Advisory Group. Ambassador Nene has since been appointed Co-Chair to the Advisory Group.

Humanitarian Assistance

In addition to disaster management, the Department co-ordinated the provision of humanitarian assistance to a number of international causes. An amount of R8.7 million was provided to a number of UN agencies and international organisations to address the most critical needs of vulnerable groups, war-displaced children, refugees, internally displaced persons and the needs of women on the African continent.

Contributions in respect of humanitarian assistance.

During 2005, South Africa contributed R140 million to the Food and Agriculture Programme (FAO) and the World Food Programme (WFP). This contribution was in response to appeals from the FAO-WFP for assistance in providing emergency support to food security and livestock programmes in Swaziland, Lesotho, Zimbabwe, Zambia, Malawi, Mozambique and Namibia. In addition, R500 000 was paid to the International Organisation for Migration for shelter-related programmes to support internally displaced people in Zimbabwe.

Human Security Network (HSN)

The Deputy Director-General of the Department, Mr

AS Minty, represented the Minister at the Seventh HSN Ministerial Meeting in Ottawa from 18 - 20 May 2005. The Seventh Ministerial Meeting adopted two important outcomes namely a "Chair's Summary" and the "Ministerial Statement on Human Security and UN Reform: May 2005". The South African delegation succeeded in securing consensus on a number of important issues for South Africa and the African Region. The final outcome of the Ministerial Meeting included issues such as the widening of the Human Security Network agenda to include development concerns, poverty eradication, gender equality, conflict prevention, the destruction of light and related arms as well as the importance of regional organisations in addressing human security-related challenges.

GLOBAL GOVERNANCE: SOCIO-ECONOMIC ISSUES

Work for the reform of the international financial architecture

The increasing importance of the socio-economic dimension of globalisation and the current insufficiency of institutional arrangements for global economic governance demonstrate the need for a new improved framework to address the attendant challenges, the strengthening of the UN institutions and the promotion of its normative instruments on issues such as social and economic development, peace-building, security, justice and the promotion of human rights.

South Africa, as one of the G20 countries within the In-

ternational Financial Institutions (IFIs), Bretton-Woods Institutions (BWIs), World Bank and International Monetary Fund (IMF), is committed toward achieving the MDGs and continues to pragmatically develop the global partnership among developed and developing countries. Within this context, the evolution of the international economy and global financial markets requires a continuing review of the representation, operations and strategies of the BWIs and it remains committed to the democratisation of the BWIs and the reform of the global financial system.

The main outcome of the Fourth World Trade Organisation's (WTO) Ministerial Conference, held in Doha in November 2001, was an agreement to launch a new round of multilateral trade negotiations, which would ensure that measures were oriented towards development and poverty alleviation. The Doha Declaration has given members of the WTO the mandate to engage in negotiations on a variety of market access issues.

Progress since Doha, however, has been slow with a series of missed deadlines, followed by the failed Cancun Ministerial Conference in 2003, but negotiations were put back on track following the adoption of the July 2004 package.

The focus in 2005 was to build on what was agreed in the July package, moving towards a first approximation in July and agreement on full modalities in agriculture and industrial market access for the Hong Kong Ministerial (held from 13 - 18 December 2005). It was, however, clear early on that expectations for Hong Kong had to be scaled down and the focus was to deliver a "development package".

In Hong Kong, the deal focused primarily on agriculture and the need to secure developmental outcomes in the other areas of negotiations. The compromise deal that was reached was regarded as a workable platform for keeping the Doha Development Agreement afloat. For the major developing countries in the G20, the view was that the agreement was no major breakthrough, but a small and significant step forward. For Least Developed Countries (LDCs) and other small, weak and vulnerable

countries, there were some incremental gains, but no breakthrough on their major demands.

The most important decisions taken in Hong Kong were that:

- The Doha Round was to be concluded by the end of 2006;
- Agricultural export subsidies were to be eliminated by 2013;
- Full modalities in agriculture and non-agricultural market access (NAMA) were to be agreed on by April 2006;
- A new schedule of commitments in agriculture and non-agricultural market access was to be submitted by July 2006;
- There would be duty- and quota-free access to 97% of products from LDCs from 2008; and
- Aid for Trade package details would be finalised in 2006.

As part of its efforts to promote the African and Development Agenda, South Africa negotiated as a member of the African Group, the G20 (Agriculture), the Cairns Group (Agriculture) and led the NAMA-11. The latter group was formed just before the Hong Kong Ministerial focusing on negotiations concerning non-agricultural market access. The main objective of the group was to reclaim and emphasise the development content of the round, including flexibility and special and differential treatment for developing countries.

The immediate focus during the first three months of 2006 was on reaching an agreement on full modalities in agriculture and NAMA, in line with the Hong Kong agreed deadline of April 2006.

However, it was clear early on that the deadline was going to be missed, thus jeopardising the envisaged conclusion of the Doha Development Round by the end of 2006, unless political intervention could speed up negotiations.

World Trade Organisation (WTO)

In the World Trade Organisation, South Africa support-



ed the implementation of the African and development agenda, by actively negotiating as a member of the African Group, the Group of 20 (G20) (Agriculture) and the Cairns Group (Agriculture). South Africa also led the NAMA-11, a group formed just before the Hong Kong Ministerial, focusing on negotiations in non-agricultural market access. The main objective of the group was to reclaim and emphasise the development content of the round, including flexibility and special and differential treatment for developing countries.

In respect of developing country alliances, another important, historic development at the Hong Kong Ministerial Conference in December 2005 involved a meeting of all developing country groupings (G20, G33, ACP, Africa Union, LDCs, Caribbean Community) on one platform. This meeting (the G110) signalled the possibility for collaboration in harmonising the positions of developing countries relating to important issues, such as trade regulations, that may impede sustainable development.

Group of 8 (G8)

The two key objectives for Africa in relation to the G8 member-states were to transform the South-North relationship to align it with Africa's priorities as outlined in the Nepad Strategy and to induce the much-needed capital inflows needed to realise Nepad's objectives.

At the G8 2005 Gleneagles Summit, various commitments were announced in the areas of aid, debt and trade, as well as some sector interventions.

Aid: A commitment was made to double aid over the next five years by an annual amount to equal US \$50 billion by 2010, with conditions being set with respect to governance, democracy and transparency. About half of the increase was to go to Africa.

Debt Relief: The G7 Finance Ministers announced a US \$40 billion debt write-off for 18 Heavily Indebted Poor Countries (HIPC) and "completion point" countries which include 14 African countries. These debts were mainly International Development Agency (IDA) con-

cessional loans, although some IMF and World Bank loans were also included.

Trade: The G8 leaders committed to a "credible date" by which trade-distorting domestic subsidies would be significantly reduced. They also committed to improving non-agricultural market access for LDC products and called on World Trade Organisation member-states to work with urgency towards a conclusion of the Doha Development Round by 2006.

Climate Change: The G8 acknowledged the UN Framework Convention for Climate Change as the appropriate forum for negotiating future action and the commitment to ensuring the success of the Kyoto Protocol by those who ratified it. The importance attached to realising the commitments made was through the creation of a G8 +5 Outreach forum. South Africa, India, Brazil, China and Mexico formed this Outreach Partnership as a first step towards more formalised interaction.

Sector Interventions: Commitments were announced regarding peace and stability, promoting good and responsive government, human resources, development, health, science and technology, agriculture and infrastructure.

G8 2006 + 5 dialogue: The Climate Change G8 +5 engagement created a new platform of engagement for 2006 between the G8 and the five emerging developing countries, China, India, Brazil, Mexico and South Africa.

G8 2006 brought the Russian Federation to the chair for the first time. The +5 emerging developing countries were engaged as Strategic Outreach Partners in preparation for the July Summit in Saint Petersburg. Engagement centres on the development of the three central themes for 2006: International energy security; health care: fighting communicable diseases - HIV and AIDS: Tuberculosis, malaria, polio and avian flu and education development. These themes link the G8 developed world and the developing world's development concerns. To date, the G8 +5 dialogue has been manifested in a series of G8 Ministerial meetings following

set themes for the 2006 Summit. It was envisaged that a special outreach dialogue or session would form part of the Summit programme in Saint Petersburg with this being considered an acknowledgement of the importance of the G8 +5 engagement to ensure sustainable development.

G8 Africa Action Plan: At Gleneagles, the G8 Africa Personal Representatives presented a comprehensive G8 Africa Implementation Progress Report which provided an integrated account by G8 members with respect to their progress since Kananaskis. Some of the challenges — as a result of each G8 member country having its own bilateral initiative to implement the 110 commitments made at Kananaskis, rather than an integrated G8–Africa intervention — relate to measurability and accountability. In addition, bilateral G8 country interventions are not always in synergy with Nepad priorities while double counting pledges made with respect to debt and aid inflates reporting.

Africa Partnership Forum (APF): As a traditional G8 African partner, South Africa uses its Strategic Outreach Partnership position to further G8 commitment to the African Agenda. The joint mechanism of co-operation between the G8 and Africa, the African Partnership Forum, will report to the Russian Presidency in October 2006 on progress made regarding the implementation of agreed African-G8 initiatives. The key interest for Africa is ensuring sustained commitment to the outcomes as far as G8-Africa initiatives for development are concerned. Areas to be focused on are the development of infrastructure in Africa, the development of agriculture, food and water security and addressing AIDS. The key interest for the G8 is to see the enactment of commitments made.

Organisation for Economic Co-operation and Development (OECD):

Over recent years, South Africa has steadily developed closer ties with the OECD. As such, South Africa has formally indicated the inclination to enter into a more structured relationship with the OECD. In line with the decision taken by cabinet, national Departments have been encouraged to actively explore the work of and

pursue applications for official observer status in those individual OECD committees that are relevant to their portfolios. A programme of policy alignment, or “accession path” to the OECD would allow for gradual alignment of South Africa’s economic and social policies with those of the OECD agreements and instruments, so that a future decision to become a full member would not require any major adjustments.

Developments in South Africa-OECD relations during 2005/6:

- In April 2005, the Department of Foreign Affairs participated in the Global Dialogue in Paris;
- In May 2005, South Africa was invited by the OECD Council to become a full participant in the Working Group on Bribery in International Business Transactions. Application for accession to the Convention on Combating Bribery of Foreign Public Officials in International Business was launched in Parliament;
- In May 2005, the Minister of Trade and Industry participated in the Annual Ministerial Council Meeting in Paris, ensuring access to intensified dialogue among trade policy makers to ensure concrete WTO Doha Round results in preparation for the Hong Kong Ministerial;
- In June 2005, a South African delegation attended the 142nd Session of the Committee on Agriculture and the High Level Meeting of the Committee;
- South Africa’s observer status on the Committee for Fiscal Affairs (CFA) was renewed to 2007. The South African Revenue Service also attended the 69th Session of the CFA in June 2005 in Paris;
- In September 2005 the South African Revenue Service participated in the 10th Annual International Taxation meeting on Tax Treaties and Transfer Pricing;
- In November 2005 a South Africa-OECD Workshop on International Science and Technology Co-operation for Sustainable Development was held;
- The Committee for Employment, Labour and Social Affairs decided not to invite South Africa to participate as a regular observer, but offered ad

hoc observership, related to theme-specific South African interests.

- In February 2006, South Africa's membership of the Development Centre was approved;
- South Africa was invited to apply for observer status on the Committee on Statistics; and
- South Africa was invited to apply for observership to the OECD Committee on Steel;

World Economic Forum (WEF)

The World Economic Forum continues to be an important forum for dialogue between political and business leaders and civil society. Its Annual Meetings in January and the Africa Economic Summits in June have proved to be important events in keeping Africa on the global agenda.

The World Economic Forum also branded 2005 the "Year of Africa", starting early in the year with its Annual Meeting in Davos, Switzerland. Its 15th Africa Summit was held from 1 – 3 June 2005 in Cape Town, with about 700 registered participants from 42 countries. The theme of the Summit was "A Call To Action – Help make 2005 the Year of Africa".

The focus of the Cape Town Summit therefore was the UK's Commission for Africa (CfA) report and its recommendations. In addition, 400 business delegates signed a declaration endorsing the CfA recommendations in preparation for the G8 Gleneagles Summit.

Neither the President nor any cabinet minister participated in the WEF's January 2006 Annual Meeting in Davos, Switzerland.

Facilitate implementation of the outcomes of the major international conferences

In its international engagements, South Africa participated actively in ECOSOC Special High Level Meetings with the BWIs, WTO and UNCTAD on 18 April 2005 at the UN Headquarters, in New York. The overall theme of the meeting was "Coherence, co-ordination and co-operation in the context of the implementation of the Monterrey Consensus : Achieving the internationally

agreed development goals, including those contained in the Millennium Declaration."

South Africa also participated in the second High-level Dialogue on Financing for Development from 27 - 28 June 2005 at the UN in New York, which was a follow-up to the International Conference on Financing for Development, the first General Assembly High-level Dialogue on Financing for Development that took place from 29 - 30 October 2003, also in New York.

South Africa noted the outcomes of the 2005 UN Millennium Review Summit, which has its origins in the MDGs and the progress that the international community has made toward achieving the MDGs. President - Mbeki led the South African delegation, which also included Foreign Minister Dlamini Zuma, and Minister of Social Development Dr Zola Skweyiya, to the World Summit in New York in September 2005. The Summit culminated in the adoption of the 2005 World Summit Outcome document. It encapsulated, inter alia, important concerns of Africa and the developing world in general relating to socio-economic development and security affairs.

The outcome of the 2005 Millennium Review Summit was disappointing in that little progress was made in promoting the development agenda of the UN. One significant positive outcome of the Summit was the universal acceptance of the MDGs as benchmark measures of progress in development. However, the Summit failed to meet earlier expectations that a realisable, pro-active plan for an international partnership for the achievement of the MDGs would be forthcoming. Following the 2005 World Summit, South Africa will continue striving and working towards the focus of international dialogue remaining on implementation.

Monterrey Consensus

In participating in international engagements, the DFA solicited the international community to fulfil its Monterrey Commitments and recognise the need for increased and more predictable resources for development. The historic UN International Conference on Financing for

Development (FfD) that took place in Monterrey, Mexico, in March 2002 reinforced the objectives established by the MDGs. The implementation of Monterrey is vital to achieving the MDGs and the agreements of the International Summits (such as the 2002 WSSD Johannesburg Summit) and conferences that underpin the MDGs. The successful implementation of the objectives contained in the Millennium Declaration, particularly those aimed at improving the economic and social conditions of the people of Africa, is of specific importance to South Africa. It constitutes one of the key elements in the country's interaction with the UNGA as well as with the other bodies of the UN.

Progress in achieving the MDGs has been exceptionally slow, most notably in Sub-Saharan Africa. This can be attributed primarily to the fact that current international efforts to assist developing countries in their efforts are inadequate to meet the need. The ongoing efforts to identify and utilise innovative new sources of financing for development are critical to overcoming the financing constraints that limit progress towards attaining international development objectives. Heeding South Africa's shared responsibility and to underscore its determination to act against hunger and poverty, in March 2006 South Africa joined the Action Against Hunger and Poverty Initiative (the Initiative). This Initiative called for more international action to identify concrete measures and solutions to the problem of insufficient financing, as well as for further co-ordination between different financing mechanisms.

To further enhance the international consensus on innovative sources of financing for development to realise the MDGs, within the framework of the Monterrey consensus, and specifically to emphasise the fight against transmissible diseases, the French Government hosted an International Ministerial Conference in Paris from 28 February – 1 March 2006 to discuss innovative sources of financing, including the proposal for a solidarity levy on air tickets. Minister Dlamini Zuma led the South African delegation to the conference, and pledged South Africa's support by joining the "Leading Group on Solidarity Levies" to fund development within the framework of the Forum. The Paris Conference


produced a new dynamic for the process of "Innovative Instruments for Financing Development" and was an important milestone on the road to expanding the circle of countries that support innovative mechanisms for financing development and the fight against poverty and to establishing a pilot group of countries ready to implement such financing in a short time. Various options, such as the international financing facility, co-development and facilitation of transfers of migrants, the tax on financial transactions and the fight against tax evasion were considered.

Many of the commitments to be undertaken to ensure the implementation of the Monterrey Consensus could be undermined by restrictive policies such as the imposition of political conditions in providing development assistance and concessionary financing. South Africa will continue to promote their removal as they impede further progress in recipient countries.

European Union (EU)

South Africa's relations with the EU are governed by the Trade, Development and Co-operation Agreement (TDCA), which was signed in 1999 and came into force in January 2000. The Agreement is to be reviewed within five years of its entering into force, in order to address the possible implications of other arrangements or events that may affect it. The process of the Review of the TDCA commenced in 2005 and a Joint Progress Report was presented to the 2005 Joint Co-operation Council (JCC) Ministerial. The 2005 JCC gave the mandate for formal negotiations for the Review of the TDCA to commence, with a view to final adoption of the changes before the end of 2006. The parties were subsequently to establish the working groups following the granting of a negotiation mandate to the EU interlocutors. The working groups have yet to be established, as the European Commission's mandate for the Review remains outstanding.

The TDCA was fully ratified on 1 May 2004 and co-operation on the Articles of the TDCA that were put in abeyance pending the completion of ratification procedures must now be activated. The 2004 Ministerial



JCC decided that the Full Implementation of new areas of co-operation of the TDCA should be pursued. Consequently, the Department held a series of inter-Departmental meetings, after which the South African proposal for new areas for Full Implementation were communicated to the Delegation of the European Commission. The Delegation indicated that the European Commission was not yet in a position to enter into discussions on the proposed new areas of co-operation, pending a Council mandate.

Western Europe

During annual donor consultations with the countries of Western Europe it was ensured that socio-economic issues in South Africa and the region were pertinent on the agenda and this led to several trilateral development aid projects being initiated. South Africa also participated in the Helsinki Process to promote the MDGs.

Similarly, the annual consultation mechanisms with these countries were used to facilitate dialogue and consultations in support of the multilateral programme on the WTO Doha (Hong Kong) Round, ODA and Debt Relief.

Co-operation with Germany in the field of knowledge and skills transfer regarding the 2010 World Cup Soccer intensified in preparation for the 2006 World Cup Soccer. In this regard, several visits by delegations from all spheres of government to Germany were successfully facilitated.

Square Kilometre Array (SKA) Bid

South Africa is committed to playing a constructive role in advancing international co-operation in the peaceful uses of outer space.

The Department of Science and Technology has identified astronomy and space science as a key strategic focus and the Department of Foreign Affairs has identified the bid to host the SKA as one of its priorities. The Square Kilometre Array (SKA) is a US \$1 billion

international project to construct a radio telescope with a receiving surface of a million square metres, which would make it one hundred times larger than the largest receiving surface currently in existence anywhere in the world. South Africa has indicated that if its bid is successful, it intends to host the SKA in the Northern Cape. A comprehensive bid document was submitted during December 2005 with additional supporting technical documents submitted during March 2006. The country's bid enjoys the support of neighbouring countries on the continent.

Australia, China and Argentina have also submitted bids to host the SKA. This mega-project requires that many nations pool their expertise and resources, but the telescope must ultimately be constructed in the best possible location. An independent international site selection committee, made up of international experts, has been established and has now been tasked with evaluating and comparing the bids of all four countries in order to rank the potential sites and ultimately select the host country. A final decision on the outcome of the bid is expected in 2008.

Southern Africa is fast becoming a hub of activity in the field of astronomy and related technologies. Winning the SKA bid would be a major step forward for the government's Astronomy Geographical Advantage Programme (AGAP).

World Summit on the Information Society (WSIS)

It is widely acknowledged that information communication technologies (ICT) play a pivotal role in socio-economic development as defined by Nepad and as an instrument for achieving the MDGs. To give effect to this objective, the Department actively participated in the World Summit on the Information Society (WSIS). The WSIS took place in two phases: the first was hosted in Geneva in 2003 and the second phase took place in Tunisia from 16 - 18 November 2005. Various preparatory meetings were held during 2005 to finalise the texts of the Tunis Commitment and the Tunis Agenda for the Information Society, which were adopted by the



Deputy Minister of Foreign Affairs Sue van der Merwe with the Deputy Minister of Science and Technology Derek Hanekom attending the National Climate Change Conference in Midrand, October 2005.

Heads of State and Government at the WSIS on Friday 18 November 2005.

Three important issues dominated the last preparatory meeting which was held prior to the Summit, namely, internet governance, financing mechanisms and implementation mechanisms for the Plan of Action developed during the first phase of the WSIS in Geneva.

During the Summit itself, Internet governance and the WSIS Plan of Action became the recurrent themes in many of the statements by heads of state and government and leaders of delegations. President Thabo Mbeki, who led the South African delegation to the WSIS, emphasised the need to establish a system for Internet governance that is legitimate, transparent and accountable.

Climate Change

The Eleventh Conference of the Parties (COP11) to the UN Framework Convention on Climate Change (UNFCCC) and the First Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP1) took place in Montreal, Canada, from 28 November - 10 December 2005. At COP/MOP1, parties discussed and adopted decisions on the outstanding operational details of the Kyoto Protocol, including a package of decisions known as the "Marrakech Accords". These decisions contain guidelines on how the Protocol will function, such as those relating to the flexible mechanisms intended to help parties reach their emissions targets in a cost-effective way and a compliance mechanism. Adv S De Wet, Chief State Law


Advisor (International Law) of the Department was elected as a member of the Compliance Committee. COP/MOP1 also took decisions on a process for considering further commitments for post-2012, when the Protocol's first commitment period will end.

COP11 addressed issues such as capacity building, technology development and transfer, the adverse effects of climate change on developing and least developed countries and several financial and budget-related issues, including guidelines for the Global Environment Facility (GEF), which serves as the Convention's financial mechanism. The COP also agreed on a process for considering future action beyond 2012 under the UNFCCC.

A joint COP and COP/MOP high-level segment was held from 7 - 9 December 2005, in which the Minister and Deputy Minister of Environmental Affairs and Tourism participated.

South African Extended Continental Shelf Claim Project

Good progress continues to be made by the Steering Committee (Project Team) on which the Department is represented, in the preparation of South Africa's claim for an extended continental shelf. In terms of the UN Convention on the Law of the Sea (UNCLOS), coastal states would be entitled to an extended continental shelf beyond their national jurisdiction, provided such claims could be substantiated in accordance with the provisions of said Convention. South Africa is one of more than 55 coastal states that have potential claims.



States have until 13 May 2009 to prepare and submit their claims to the Commission on the Limits of the Continental Shelf (CLCS). The South African continental shelf claim project started in 2003 and has six (6) potential claims situated on its west, south and east coasts as well as around Marion and Prince Edward Islands. It is estimated that a successful claim will add many thousands of square kilometres to South Africa's existing landmass. A successful claim will also allow South Africa to exploit natural resources such as oil, gas and diamonds, and biological organisms on the seabed for pharmaceutical purposes.

International Maritime Organisation

The International Maritime Organisation (IMO) is the UN's specialised agency responsible for international maritime matters with the primary objective of ensuring high standards of safety and security at sea and preventing the pollution of the oceans caused by ships. South Africa's involvement in IMO matters has increased considerably over the past few years, especially since it was elected to the IMO Council in 1997.

In order to enhance its involvement in the IMO, South Africa accredited the South African High Commissioner in London as South African Permanent Representative to the IMO on 26 May 2005. A permanent representative of a member government is the official link between the organisation and the government in respect of all political, diplomatic, administrative and technical issues. An official from the Department of Transport based at the South African High Commission in London was accredited as South Africa's Alternate Permanent Representative to the IMO.

During the Regular Session of the IMO Assembly, which was held from 21 November - 2 December 2005, South Africa was re-elected to serve in Category C of the IMO Council for the 2006 - 2007 biennium. The South African Alternate Representative to the IMO was elected as Vice-Chair of the IMO Council.

The UN Convention on Biodiversity

The Eighth Conference of the Parties (COP8) of the

Convention on Biological Diversity (CBD) took place in Curitiba, Brazil, back-to-back with the Third Meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP3). The large number of participants is seen as an indication of the growing importance of the conservation of biodiversity as a tool in global actions to alleviate poverty, transfer knowledge, capacity building in especially developing countries and the protection of traditional knowledge systems globally. Furthermore, this COP also created new ground for the G77 and China to pursue common positions on substantive issues. South Africa chaired all G77 and China meetings.

South Africa's policies and programmes recognise that the conservation of biodiversity goes hand-in-hand with meeting its social and economic obligations as contained in the Johannesburg Plan of Implementation (JPOI), Nepad and the UN MDGs.

One of the most important recent achievements in addressing South African biodiversity concerns was the publication in 2005 of the National Spatial Biodiversity Assessment. It revealed that many of South Africa's terrestrial ecosystems; main rivers and estuarine biodiversity are critically endangered.

As required by Article 6 of the CBD, and to reinforce the protection of South Africa's natural heritage and in keeping with South Africa's commitments under the Convention on Biological Diversity, the National Biodiversity Strategy and Action Plan (NBSAP), which guides the conservation and management of biodiversity in South Africa, has been launched. The NBSAP aims to ensure sustainable and equitable benefits for all communities. It also provides for the entrenchment of biodiversity considerations in the production sectors, for example the agricultural, forestry and mining industries.

Publishing a National Biodiversity Framework will mark the first time that an ecosystem approach to biodiversity management will be introduced and secured in South Africa.

Cartagena Protocol on Biosafety (COP/MOP3)

On 29 January 2000, the Conference of the Parties to the

Convention on Biological Diversity adopted a supplementary agreement to the Convention known as the Cartagena Protocol on Biosafety. The Protocol seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. It establishes an advanced informed agreement procedure for ensuring that countries are provided with the information necessary to make informed decisions before agreeing to the importation of such organisms into their territory. The Protocol contains reference to a precautionary approach and establishes a Biosafety Clearing-House to facilitate the exchange of information on living modified organisms and to assist countries in the implementation of the Protocol.

The Biosafety Clearing-House (BCH) is an information exchange mechanism established to implement its provisions and to facilitate sharing of information on, and experience with, living modified organisms (LMOs).

As a party to the Cartagena Protocol on Biosafety, South Africa participated in the Third Meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP3) in Curitiba, Brazil. The implementation of the Cartagena Protocol is of great importance to South Africa since the country is a producer, importer and transit country of Genetically Modified Organisms (GMOs).

COP/MOP-3 considered several reports on ongoing activities within the Protocol's mandate and adopted decisions on requirements for the handling, transport, packaging and identification (HTPI) of living modified organisms (LMOs); risk assessment and risk management; liability and redress; compliance; the need to establish subsidiary bodies; monitoring and reporting; and assessment and review of implementation.

The South African government adopted a national biotechnology strategy in 2001 and committed an initial R450 million from 2004 - 2007 for biotechnology development. The strategy highlights the importance of a "bio-economy" calling for the development of commercially viable biotechnology products. South Africa has made huge strides in developing agricultural biotechnology and has approximately 500 000 hectares under genetically modified crops.

South Africa is leading the way in Africa in the field of GMOs by commercialising the production of GM crops in agriculture.

The percentage of crops that are genetically modified is as follows:


- White maize : 8.2%
- Yellow Maize : 24.1%
- Soya : 50%
- Cotton : 85%

The traits approved in South Africa for commercial cultivation are insect-resistant cotton, herbicide-tolerant cotton, herbicide-tolerant Soya, and insect-resistant white and yellow maize.

South Africa recognises the potential benefits that can arise from the use of biotechnology and to this end it has adopted a National Biotechnology Strategy that identifies biotechnology as a tool for sustainable development. South Africa believes that in future the application of biotechnology may contribute to the mitigation of environmental impacts on agriculture and therefore continues to invest in capacity-building initiatives to this end. The positions that South Africa has adopted under the Cartagena Protocol on Biosafety have been informed by the policy imperatives of eradicating poverty, food security, the Nepad goals, and promoting the sustainable development agenda and the MDGs.

UNESCO : African Heritage Experts meeting and the creation of an African Fund

Relevant authorities and Departments were preparing for an African World Heritage Fund donor Conference and launch in May 2006. Heritage Experts from around the Continent gathered in South Africa in March 2005 to discuss the state of African World Heritage and to finalise an African Position Paper. The African Position Paper is both a vision and a 10-year action document with specific recommendations designed to enhance the preservation and promotion of Africa's heritage, as well as the sustainable usage thereof in promoting economic development and the eradication of poverty. At the AU Special Summit on Culture and Education in



January 2006 the mandate was given to go ahead with the creation of an African World Heritage Fund.

UNESCO : The 29th World Heritage Committee Meeting in Durban, 10 - 19 July 2005

South Africa was elected as the Chair and host country for the World Heritage Committee's 29th Session, which was held in Durban in July 2005 by the signatories to the 1972 UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, popularly known as the World Heritage Convention, at the 28th Session of the World Heritage Committee held in Suzhou, China in July 2004.

Forty African States Parties to the Convention resolved to draft an African Position Paper and a 10-year Plan of Action to deal with challenges facing Africa in conserving its World Heritage. It was agreed that South Africa's hosting of the 29th Session was an African event that provided an opportunity not only to give profile to pertinent issues related to the conservation of Africa's heritage, but also an opportunity to link Africa's cultural and natural heritage with the socio-economic development of the Continent.

UNESCO: 33rd General Conference

Three South African ministers attended the 33rd General Conference of UNESCO in October 2005 thus providing a high profile to the country's efforts within the organisation.

The Minister of Education, Ms N Pandor, participated in the Plenary, plus parts of the discussions of Commission II (Education), as well as the Ministerial Round-Table on Education for All. She also attended meetings of the African Group; and held a number of bilateral meetings with her counterparts from strategically important countries. By a large majority, speakers in the Plenary voiced their support for refocusing UNESCO's attention and resources on implementation of the Education for All Programme, the major flagship programme of the organisation, especially in Africa, to meet the MDGs related to education. Also to receive more focus and attention are

teacher training in Africa; the provision of quality education; and capacity-building in education in Africa.

The Minister of Arts and Culture, Mr P Jordan, attended the debate in Plenary on the draft Cultural Diversity Convention and held bilateral meetings with his Brazilian and Canadian counterparts.

The Minister of Social Development Zola Skweyiya was elected President of the Inter-Governmental Council of UNESCO's MOST Programme (Management of Social Transformations). He was elected specifically to regenerate the MOST Programme, which has been neglected for the past few years.

South Africa is part of a steering group formed at the initiative of Member States, to liaise with the Secretariat to work at ensuring that the needs of the developing countries are actually addressed in the programmes implemented by the Sciences Sector of UNESCO.

UNESCO : Drafting of a new Convention on the Protection of Cultural Contents and Artistic Expression

Former Minister Kader Asmal chaired the UNESCO Intergovernmental Meeting to draft a new Convention on the Protection of Cultural Content and Artistic Expression. The Intergovernmental Committee met during 2004/05 and presented the draft convention for adoption to the UNESCO General Conference. The Convention seeks to protect national cultural goods, including film production, radio, traditional properties, book publications, and music, by way of national policies, subsidies and support for indigenous cultural goods. African and G77 countries were strongly in favour of the Convention that was finalised in time for adoption in October 2005 by the UNESCO General Conference. The Convention was adopted under the name Protection and Promotion of the Diversity of Cultural Expressions.

UNESCO Conventions Ratified

The General Conference adopted three normative instruments, namely the:



The family is a powerful agent for political, economic and social change as evidenced by President Thabo Mbeki during his visit to this family during an *Imbizo* to the Northern Cape, March 2005.

- Convention on the Protection and Promotion of Cultural Diversity
- Convention against Doping in Sport. This was adopted unanimously and is the first legally-binding, universal instrument aimed at eradicating doping in the sport environment
- Universal Declaration on Bioethics and Human Rights (adopted by acclamation).

The General Conference also decided to develop a standard setting instrument, in the form of a Declaration of Principles, on the cultural objects displaced during the Second World War, and to develop a strategy to facilitate the restitution of stolen or illicitly-exported cultural property.

A number of Member States have called for a period of cooling-off in the drafting and adoption by UNESCO of new normative instruments, and the focus for the future will be on seeking to ensure ratification and implementation of those Conventions already adopted.

African World Heritage Fund: Regarding cultural heritage, at the Plenary Session the resolution approving the African Position Paper and the creation of the African World Heritage Fund was adopted. The fund will provide capacity-building for African governments to conserve their World Heritage sites, and to protect those sites that are on the Endangered List.

UNESCO Executive Board and Subsidiary Bodies

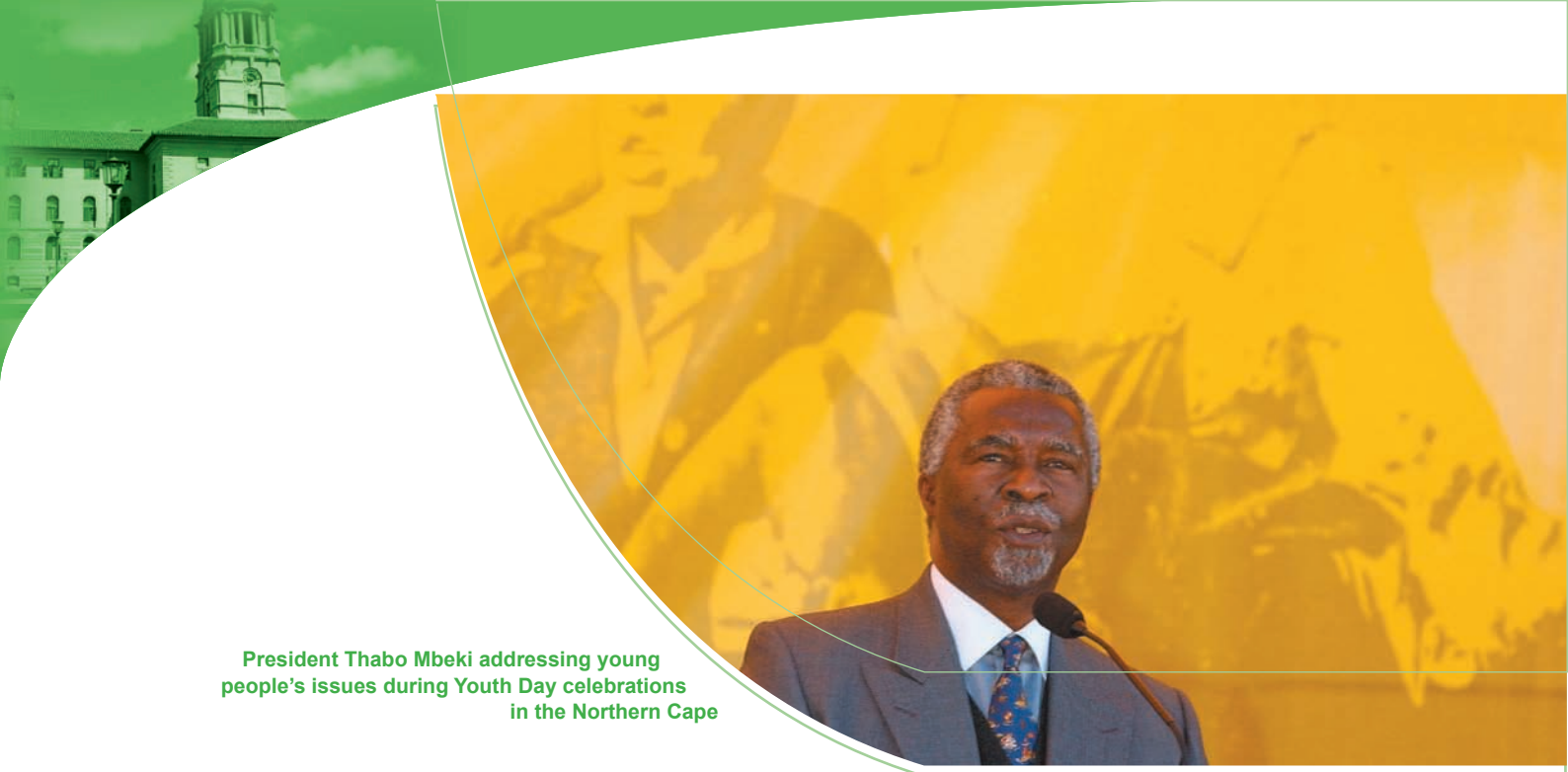
South Africa was successful in lobbying support for her

election to the Executive Board: Professor Brian Figaji was elected to serve from 2005 – 2009 and Minister Z Skweyiya was elected to serve on the Inter-Governmental Council (IGC) of the MOST Programme, and the Council of the International Hydrological Programme. South Africa was successful by wide majorities in the above mentioned positions and was also re-elected to the International Oceanographic Commission. Minister Skweyiya as Chair of the Management of Social Transformation Programme (MOST), which is a subsidiary body of UNESCO, participated in the successful International Forum of Social Sciences that was held in Argentina and Uruguay in February 2006.

UN Commission for Social Development (UNC-SocD)

The UN Commission for Social Development met in New York in its annual session as a follow-up to the Copenhagen Declaration and Programme of Action, from 8 - 7 February 2006. The priority theme for the 44th Session was the Review of the first United Nations Decade for the Eradication of Poverty (1997 – 2006). Delegates also discussed:

- The relevant United Nations plans and programmes of action pertaining to the situation of social groups;
- World Programme of Action concerning Disabled Persons;
- World Programme of Action for Youth to the Year 2000 and Beyond;
- Madrid International Plan of Action on Ageing;
- Family Issues; Policies and Programmes.



President Thabo Mbeki addressing young people's issues during Youth Day celebrations in the Northern Cape

At the conclusion of the Commission, it adopted the following resolutions by consensus: Methods of work, youth employment, ageing, disability and family. The only outstanding issue was the outcome (Chairman's text) on the priority theme "Review of the First United Nations Decade for the Eradication of Poverty (1997 – 2006)".

The Group of 77 and China (G77 + China) and the European Union's attempts to produce an outcome were successfully defeated by the US delegation. The main objection of the delegation from the US was centred on the notion that social development issues should be separated from economic issues.

South Africa will introduce a resolution, containing all the important issues related to poverty reduction, during the Third Committee (September/October 2006)

Five-year strategic plan for families in South Africa

The family is a powerful agent for political, economic and social change. The government of South Africa is overseeing the process to develop a 5-year Strategic Plan for Families in South Africa that is aligned to the Plan of Action for Families in Africa, endorsed by the African Parliamentary Union in 2004. A National Family Policy that will promote integrated services for families in order to address the needs of families is due to be finalised by the end of 2006. South Africa is committed to strengthening and preserving families within communities for a better life for all. The most vulnerable

members of families are identified as children, youth, older people, people with disabilities, people living with HIV, as well as members of child-headed households and households affected by disasters. The strategy will soon be finalised and will guide service delivery to families.

International Meeting of Delegates/Experts of the Commission for Social Development, "The Family: Care-Giving and Social Integration"

The International Meeting of Delegates/Experts of the Commission for Social Development took place in Murcia, Spain, from 27 - 30 June 2005. The Conference was organised by the Foundation for the Rights of the Family, in collaboration with the UN Division for Social Policy and Development, Department of Economic and Social Affairs (DESA). This was a follow-up to the Tenth Anniversary of the UN International Year of the Family. The programme focused on the family within the framework of the UN Commission for Social Development. The main objective of the Conference was to assist governments and international organisations in identifying priority needs, concrete measures and recommendations for action to promote the role of the family in social integration. South Africa reported at the aforementioned Conference on the Regional Conference on Families held in Durban, from 1 - 4 March 2005. This Regional Conference sets the tone for the implementation of the AU Plan of Action for Families in Africa. The United Nations Commission for Social Development (38th Session) re-affirmed the Copenhagen Declaration and Plan of Action in its Declaration on the Tenth Anniversary of the World

Summit for Social Development and recommitted itself to promoting social integration. The Commission also reiterated that one of the major challenges towards “a society for all” was to develop and implement effective policies, strategies and partnerships, which this International Conference successfully achieved.

Rights of Older Persons

The 1982 Vienna Plan of Action on the Aged was the first international agreement to commit governments to act on the rights for older persons, to end age discrimination, protect the human rights of older persons and specify that ageing should be mainstreamed into the global development agenda. It was replaced by the 2002 Madrid Plan of Action on the Aged. The UN Second World Assembly on Ageing, held in Madrid in 2002, was a turning point in international policy debate and action on ageing. The Assembly recognised ageing as a global development phenomenon and supported the inclusion of ageing in the international development agenda. The Madrid Plan clearly focuses on developing countries that will have to respond to ageing with limited economic resources and an increasingly strained social base.

Older Persons Bill

The Madrid Plan provides a policy framework for governments to develop country-specific plans of action on ageing. In August 2004, South Africa hosted an Africa workshop in which the Africa Declaration on Ageing (“the Africa Declaration”) was developed. Pursuant to these policy frameworks the Older Person Bill was passed in June 2005 and public hearings conducted with civil society. However, the National Assembly must still approve the draft Bill.

The World Programme of Action for Youth (WPAY) to the Year 2000 and Beyond

The UN General Assembly recommends that Member States include a youth representative in their delegations to the annual general assembly sessions. A youth delegation from South Africa participated in the 10th Anniversary of the World Programme of Action

for Youth (WPAY) to the Year 2000 and Beyond (5 - 6 October 2005).

The Charter of the United Nations commits all member countries to work towards enabling young men and women to enjoy full participation in all societies. The declaration of 1985 as the United Nation’s International Year of the Youth (IYY) was an important development that sought to place youth development in the context of human development and rights and as an important sector in all societies.


To further this objective, the UN adopted world action plans for youth, the most recent of which is the World Action Plan for Youth (WAPY) to the Year 2000 and Beyond, which was adopted by the General Assembly in 1995. The WAPY aims to foster the well-being of all young people, and their full and active participation in the society in which they live.

As a member of the United Nations, South Africa is also a signatory to a number of other international covenants that incorporate youth development goals , including Goal 16 of the MDGs that calls for member countries to develop strategies to ensure ‘decent work for young people’. Another significant covenant is the Copenhagen Summit for Social development.

With regard to the African Agenda, the human developmental and rights thrusts of the African Union, Southern African Development Community (SADC) and the New Partnership for Africa’s Development (Nepad) should contribute to providing an enabling environment for the development of the continent’s young people. These institutions are still in the process of developing youth policy frameworks, which would provide a basis for mainstreaming youth development in continental and regional institutions and policies .

2005 UN Youth Assembly 3 - 5 August 2005

South Africa participated in the 2005 Youth Assembly from 3 - 5 August 2005. The Youth Assembly was a gathering for and about youth and their future relations to the UN. The Assembly was organised by the Friendship Ambassadors’ Foundation, in collaboration with the Executive



Committee consisting of non-government organisations affiliated to the UN Department of Public Information, and the UN Foundation.

The 2005 Assembly was a special conference aimed at addressing and celebrating the youth movement in taking action to make the MDGs a reality on an international scale. It came at a crucial time when the UN was set to undertake a 10-year review of the World Programme of Action for Youth, the 60th UN Anniversary and International Youth Day celebrations.

During the Assembly, respective youth delegates met members of the UN Secretariat, Missions, and NGOs affiliated with the UN, and heard presentations from UN Agencies, such as United Nations Children's Fund (UNICEF) and the United Nations Education, Scientific and Cultural Organisation (UNESCO). The delegates also learnt about major issues facing the UN during its period of major reform and at the time of its 60th anniversary. The Youth Assembly further focused on young people championing humanitarian causes around the world and how youth can be involved in helping to achieve the MDGs.

Visit to South Africa by the UN Special Rapporteur on Disabilities, Hissa Khalifa A Al Thani, November 2005

The UN Special Rapporteur on Disabilities visited South Africa from 21 - 25 November 2005 to fulfil her mandate under the UN Standard Rules on the Equalisation of People with Disabilities, which is to monitor the implementation of these rules. The Special Rapporteur met with five government ministers, the Chairperson of the South African Human Rights Commission, parliamentarians, NGOs and visited facilities for people with disabilities. She acknowledged that South Africa's Constitution and legislation lend support to the promotion and protection of rights and dignity of persons with disabilities. The Special Rapporteur encouraged South Africa to fast-track the implementation of its disability legislation. She was impressed that 4.5% of members of parliament are people with disabilities.

Women's Rights and Children's Rights

The Department has been actively involved in global efforts to improve the protection and promotion of women and children's rights. To this end, South Africa attended the United Nations Commission on the Status of Women in New York from 27 February - 10 March 2006 and also acceded to the Optional Protocol to the UN Convention on the Elimination of All Forms of Discrimination against Women on 18 October 2005. South Africa also held three consultative meetings in South Africa with stakeholders to prepare responses to the questionnaire from the United Nation's Secretary General's Study on Violence against Children.

The United Nations Commission on the Status of Women

South Africa participated in the 50th Session of the United Nations Commission on the Status of Women held in New York from 27 February - 10 March 2006. During the Session, action was taken on all but one of the five resolutions which were adopted by consensus. These included texts on a draft resolution on the:

- Future Methods of Work,
- Azerbaijan-sponsored resolution on the release of women and children taken hostage,
- G77-sponsored resolution on the situation of and assistance to Palestinian women,
- Slovenia and Rwanda-sponsored resolution on the Special Rapporteur on laws that discriminate against women, and the
- SADC resolution on Women, the Girl Child and HIV/AIDS.

In accordance with its multi-year programme of work for the period of 2002 - 2006, the Commission focused on two themes during the 50th session, namely:

- Enhanced participation of women in development: an enabling environment for achieving gender equality and the advancement of women, taking into account inter alia, the fields of education, health and work;
- Equal participation of women-and men in decision-making processes at all levels.



President Thabo Mbeki at the National Children's day celebrations in Soweto.

During the 50th Session of the Commission on the Status of Women, the Group of 77 and China (chaired by South Africa) decided not to have a position on the two thematic issues, as consensus on a number of issues could not be achieved. The African Group also did not reach a common position considering the fact that North African countries such as the Sudan and Egypt already supported the positions of the Like-Minded Group as well as the Arab Group. As a result, Member States of this Group negotiated in their national capacities or supported the positions of representatives of their regional groups.

Optional Protocol to the United Nations Convention on the Elimination of All Forms of Discrimination against Women

On 18 October 2005, South Africa acceded to the Optional Protocol to the UN Convention on the Elimination of All Forms of Discrimination against Women. The Optional Protocol to the Convention empowers the Committee on the Elimination of Discrimination against Women to consider communications submitted by individuals or groups of individuals alleging violations of the Convention in state parties and the Optional Protocol.

Helsinki Process on Globalisation and Democracy

South Africa, as a Friend of the Helsinki Process, was identified in 2005 as the facilitator for the development of a roadmap and base document on 'gender equality and violence against women'. South Africa drew on its

own challenges and experiences to introduce the following elements into the road map:

- A national score card based on the African Gender and Development Index (AGDI) introduced in March 2003, a working document for the production of the African Women's report, a publication of the Economic Commission for Africa;
- Strengthening the existing international and regional mechanism, including the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women ((INSTRAW), the United Nations Population Fund, and the Pan African Women's Organisation (PAWO);
- An International Coalition led by influential women in the global arena, for instance Nobel prize-winners, current and former women heads of state and government, and prominent women in business and the private sector;
- The idea of a development agenda for women, to empower women and allow them to better protect themselves against violence and other abuses;
- The South African Thuthuzela Centres as an example of a one-stop support mechanism for female victims of violence; and
- A linkage to the roadmap on human trafficking, a scourge women are more susceptible to suffering due to their vulnerability.

Consultation meetings on information gathering to respond to the Questionnaire from the United Nation's Secretary General's Study on Violence against Children

The Department of Foreign Affairs participated in national consultation meetings in March, June and July 2005 respectively that were aimed at gathering information to respond to the questionnaire received from the UN Secretary General's Study on Violence against Children. These seminars aimed at gathering information on government's legal, institutional and policy framework to how it response to violence against children. The information is being collated into a formal response that will be forwarded to the UN.

World Good Programme (WFP)/ Food and Agricultural Organisation (FAO)

During 2005, the Department conducted discussions with the National Department of Agriculture to find the best way of addressing food shortages in the region. The objective of South Africa's aid package is to support the Nepad objectives and the MDGs by concentrating on interventions that safeguard the sustainable development of affected communities thus assisting in reducing their dependency on long-term aid. The South African government has contributed R140 million to the Food and Agricultural Organisation and World Food Programme (FAO and WFP) to support food relief and rehabilitation projects in seven Southern African Development Community (SADC) countries namely, Lesotho, Malawi, Mozambique, Swaziland, Zambia, Zimbabwe and Namibia.

Food and Agricultural Organisation (FAO) CONFERENCE

The Department participated in the 33rd Session of the FAO Conference, which was held in Rome from 19 - 26 November 2005. Minister of Agriculture and Land Affairs Ms AT Didiza the led the South African delegation. The Minister of Water Affairs and Forestry, Ms B Sonjica, also participated in the Conference, particularly in the roundtable discussions on the issue of water for agriculture.

The Conference discussed and reviewed the state of food and agriculture in the world; reported on policy issues, evaluated budgetary matters and discussed legal, administrative and financial matters.

The current Director-General of the FAO, Dr Jacques Diouf of Senegal, was re-elected for the period 2006 - 2011 during the 33rd Session. The AU endorsed his candidature. The Iranian candidate was elected Independent Chair of the Council and South Africa was elected to the Council to take up the seat that will be vacated by Angola for the period 1 January 2007 - November 2009.

Migration, Refugees, Internally Displaced People and Human Security

The United Nations High Commissioner for Refugees (UNHCR)

South Africa served as a member of the Executive Committee of the UNHCR. South Africa also co-chaired the Convention Plus strand on the irregular secondary movement of asylum seekers and refugees with Switzerland. The Convention Plus Initiative was launched by the former UNHCR with the objective of establishing more effective and equitable systems to address and resolve refugee problems globally by international burden-sharing and durable solutions to refugee situations. Significant progress was achieved during the negotiations on the sensitive issue of irregular secondary movement before the Convention Plus Initiative was suspended.

A senior South African delegation, led by the Deputy Minister of Home Affairs, participated in the 56th Executive Committee (Excom) of the UNHCR in Geneva during October 2005. The Deputy Minister of Home Affairs stated that only a holistic approach to the challenge of refugees and IDPs, which placed development at its core, would yield durable solutions. He cautioned against seeing development and humanitarian assistance as mutually exclusive options. He finally called for the early involvement of all UN actors (security, humanitarian and development) in pursuing comprehensive solutions.

The DFA supported humanitarian projects of the UNHCR in order to contribute to the consolidation of the African Agenda. South Africa also participated in the UNHRC's annual donor consultations.

Tripartite Commission for the Voluntary Repatriation of Angolan Refugees from South Africa

The signing of the MoU between the Government of Angola and UNITA during April 2002 heralded a new era of peace in Angola and paved the way for the voluntary repatriation of Angolan refugees and asylum seekers. The South African government, the Angolan government and the UNHCR held the Second Tripartite Commission meeting in Luanda, Angola, 23 - 24 June 2005 to discuss the Plan of Operation for the Voluntary and Organised Repatriation of Angolan Refugees in the Republic of South Africa. It is estimated that there are approximately 13 626 Angolan refugees and asylum-seekers in South Africa and that 4 000 may avail themselves of the opportunity presented by the tripartite voluntary repatriation process to return to Angola before October 2006.

International Organisation for Migration (IOM)

South Africa served on both the Council and Executive Board of the IOM where it participated, among others, in negotiations concerning the IOM's annual budget. The South African delegation to the 90th Session of the Council highlighted progress towards achieving policy coherence at national, regional and continental levels.

The Deputy Director-General of the IOM, Ms Ndioro Ndiaye, met with Deputy Minister Sue van der Merwe on 22 April 2005. They agreed that the issue of international migration was growing in importance and briefed each other on important regional and continental developments.

The Department contributed to hosting and actively participating in the Migration Dialogue for Southern Africa (MIDSA) workshop on "Building Capacity to Manage Migration" in Centurion from 18 - 22 July 2005, as well as the MIDSA workshop on "The Report of the Global Com-

mission on International Migration and the Harmonisation of Policies and Practices on Migration in Southern Africa" in Sandton, from 12 - 14 December 2005.

The DFA financially supported IOM projects aimed at policy development, such as the MIDSA process, as well as for IOM humanitarian projects in southern Africa.

High-level Dialogue on International Migration

The United Nations will host a high-level dialogue (HLD) on international migration and development at the start of the Sixty-first Session of the General Assembly, from 14 - 15 September 2006 in New York. South Africa will also be chairing the G77 and will lead this group of 132 countries both in preparing for and participating in this important dialogue on migration and development. The Department established an interDepartmental sub-committee on migration, under the auspices of the G77 InterDepartmental Co-ordinating Committee. The aim of the sub-committee is to facilitate co-operation between Departments to ensure an integrated South African approach to the events and issues in preparation for the HLD as well as the international events preceding the HLD.

Population and Development

South Africa is playing an increasingly important role in international and development affairs. Specifically, South Africa was a member of the UN Commission on Population and Development until 2001, and served on the Bureau of the Commission in 2001/02. South Africa was elected to the Commission again in April 2006, for a four-year term. South African delegations have participated in bureau meetings throughout. South Africa will also Chair the African Union's Population Commission from 2005 - 2007. As Chair, the country led the review and adoption of a new set of rules and procedures for the Commission, as part of the overall review of the AU, its structures and functions.

UN Commission on Population and Development (UNCPD)

The 39th Session of the UN Commission on Popula-



Deputy Minister of Foreign Affairs Aziz Pahad with his Iraqi counterpart M Talib Hamid Al-Bayati, during a media briefing after holding discussions in Pretoria, October 2005.

tion and Development was held at the United Nations Headquarters from 3 – 7 April 2006. The special theme for the 39th Session was “International Migration and Development”. The Session also reviewed the “Methods of Work of the Commission on Population and Development”. The formal resumed session was held on 10 May 2006, during which the resolutions on international migration and development, working methods and themes were adopted, by consensus.

The importance of the resolution on Migration and Development lies in the fact that for the first time issues that span both the Second and Third Committee were adopted, by consensus. The report of the 39th Session will now also be part of the High-level Dialogue on Migration that will be held in New York from 14 – 15 September 2006.

United Nations Population Fund (UNFPA)

Ms Thoraya Obaid, Executive Director of the United Nations Population Fund (UNFPA), visited South Africa from 18 – 25 October 2005. Deputy Minister Sue Van der Merwe met Ms Obaid on 24 October 2005. The purpose of her visit to South Africa was to interact with the government on population and development matters; engage with key leaders on general UN matters; represent the UN Secretary General at the UN 60th Anniversary Celebrations hosted by the South African government; and represent the UN Secretary General at the opening session of the Common Country Assessment-United Nations Development Assistance Framework Symposium.

Report on the International Union of the Scientific Study of Population (IUSSP) International Population Conference

The IUSSP in partnership with the Government of France held an International Population Conference in Tours, France from 18 - 23 July 2005. This Conference was the second in the new millennium and as such it took on particular significance given the global community’s renewed commitment this year to the Millennium Declaration and the achievement of the MDGs. The MDGs are a unifying global force for action to reduce extreme poverty and hunger, to combat high levels of maternal and child mortality and the spread of HIV/AIDS, and to promote gender equality and sustainable development. This Conference was also of significance because it took stock of 11 years of implementation of the Programme of Action adopted by governments in Cairo at the 1994 International Conference on Population and Development (ICPD).

Health

South Africa committed itself to the UN Declaration of Commitment on HIV/AIDS adopted at the 26th Special Session of the General Assembly in 2001. In line with goals and targets emanating from these international commitments, South Africa’s position is outlined in its HIV, AIDS and STI (Sexually Transmitted Infections) Strategy Plan (2000 - 2005), which focuses on a multi-sectoral and comprehensive response to HIV, AIDS and STIs. South Africa re-affirmed its position contained in the Comprehensive HIV and AIDS Care, Management and Treatment Programme.

The Global Fund is a public-private partnership dedicated to attracting and disbursing additional resources to prevent and treat HIV/AIDS, tuberculosis and malaria. South Africa has pledged to contribute R36 million over the next three years to the Fund. Also, South Africa supports the Roll-back Malaria Partnership in terms of the agreed Roll-back Malaria Global Strategic Plan 2005 –2015. This includes establishing universal protection of young children and pregnant women in areas in Africa where malaria is endemic.

Because no country is exempt from the spread of avian flu and because preventing a pandemic depends on countries' ability and willingness to share information about outbreaks, co-operation is essential. A Multilateral Meeting on Avian Influenza and Human Pandemic Influenza took place from 7 – 9 November 2005 in Geneva at the World Health Organisation's (WHO) headquarters. In South Africa, the Department collaborated with the Department of Health on an Influenza Preparedness Plan.

Furthermore, the Department provided health inputs upon request, to be used in bilateral and multilateral forums, among them to the Netherlands and for the February 2006 Human Security Network Meeting in Bangkok.

GLOBAL GOVERNANCE: SECURITY ISSUES

Concrete Actions to Combat International Terrorism

South Africa remains committed to combating international terrorism within the framework of the UN and contributes to the efforts of regional and other multilateral organisations in this regard (e.g. the AU, SADC, NAM and the Commonwealth).

The Department chairs the Inter-Departmental Counter-Terrorism Working Group, which meets monthly to co-ordinate South Africa's efforts on counter-terrorism related to the implementation of the relevant resolutions of the UN Security Council. South Africa submitted its

fifth report on the implementation of Security Council resolution 1373.


All national reports on the implementation of the Security Council resolutions on terrorism submitted by South Africa have been posted on the UN website (www.un.org) together with those submitted by other member states.

Disarmament and Non-proliferation

South Africa continued playing an active role in the meetings of the International Atomic Energy Agency (IAEA), including the Annual General Conference (GC) of the IAEA, the IAEA Board of Governors' meetings and various technical meetings.

The most important issues considered by the Board of Governors included the implementation of Nuclear Non-Proliferation Treaty (NPT) Safeguards Agreements in the Islamic Republic of Iran and the Democratic People's Republic of Korea (DPRK). Since 2002, the question of the nuclear programme in Iran has continued to dominate discussions at meetings of the Board of Governors. In this context, South Africa continued to emphasise the need for the Board to distinguish between the legal obligations of Iran under its NPT Safeguards Agreement with the IAEA and the voluntary confidence-building measures that Iran had undertaken. In the context of the Paris Agreement and the ongoing negotiations between the EU3 (the UK, Germany and France) and Iran, South Africa has worked with all parties involved to find a lasting solution to the current impasse. While noting that this matter was reported to the UN Security Council, South Africa believes that this matter can only be resolved peacefully within the context of the IAEA. Therefore South Africa has continued to urge all parties to refrain from any actions that could further escalate conflict and confrontation over this matter, which can only be resolved through dialogue and negotiations.

South Africa has also continued to work closely at various levels with a number of countries involved in investigations into the so-called AQ Kahn network, as well as



the relevant experts at the IAEA. The successful prosecution of those involved in the contravention of relevant South African non-proliferation legislation is expected to be the first of its kind internationally in the context of the Kahn network. South Africa will continue to co-operate closely with the IAEA, relevant governments and others involved in investigations into the illicit international network to ensure its complete elimination.

Relevant South African nuclear experts participated in various IAEA technical meetings and expert meetings that hold potential benefits not only for the nuclear industry in South Africa, but also for accelerated economic growth on the African continent in the context of Nepad. South Africa also hosted a number of meetings and training courses during the last year. In addition, South Africa hosted various inspection visits undertaken by the IAEA in accordance with South Africa's Safeguards Agreement and the Additional Protocol with the Agency.

South Africa participated as an observer at the IAEA Convention on the Physical Protection of Nuclear Material Amendment Conference from 4 - 9 July 2005. South Africa has signed and is in the process of ratifying the Convention and its amendment.

South Africa played an important role in the Article XIV Conference to Facilitate the Early Entry into Force of the Comprehensive Nuclear Test-Ban Treaty (CTBT). South Africa continued to call on Annex 2 states to ratify the CTBT to ensure its entry into force. South Africa also actively participated in discussions on the proposals for the CTBTO to exchange seismic data for an early warning system for natural disasters. In addition, South Africa was elected to serve as Vice Chairperson of the CTBTO Preparatory Commission until June 2006. During 2005, South Africa was one of nine selected countries that served on the External Review Team, established to review the organisational structure of the Provisional Technical Secretariat of the CTBTO. As part of the CTBTO's International Monitoring System, one of the monitoring stations in South Africa, an infrasound monitoring station at Boshof, was formally certified and included in the CTBTO's monitoring network in December 2005.

South Africa successfully participated in the 2005 meetings of Experts and States Parties of the Biological and Toxins Weapons Convention (BTWC). These meetings focused on codes of conduct for scientists working in the field of biosciences. South Africa also participated in the Tokyo Seminar on "Future measures for strengthening the BTWC Regime" from 14 - 15 February 2006, where a group of states parties and NGOs discussed possible approaches to the Sixth Review Conference of the BWC, due to take place during November and December 2006.

South Africa actively participated in the Conference of States Parties of the Chemical Weapons Convention (CWC), during December 2005. During February 2006, South Africa's Permanent Representative to the Organisation for the Prohibition of Chemical Weapons (OPCW) was elected Chairperson of the Executive Committee of the OPCW for a year. The Executive Committee, in co-operation with the OPCW Secretariat is responsible for the day-to-day management of the OPCW.

During December 2005, South Africa became a member of the Wassenaar Arrangement (WA), which is the first global multilateral arrangement on export controls for conventional weapons and sensitive dual-use goods and technologies. In terms of the other supplier arrangements, South Africa continued to participate in the work of the Nuclear Suppliers Group (NSG), the Zangger Committee and the Missile Technology Control Regime (MTCR).

South Africa was an active participant in the Second Continental Small Arms Experts Meeting of the African Union, held in Windhoek, Namibia from 14 - 16 December 2005, which resulted in the adoption of an African Common Position for the Review Conference on the UN Programme of Action on the illicit trade in small arms and light weapons. The main purpose of the development of this Common Position was to obtain a unified AU position in advance of the UN review process on the UN Programme of Action on small arms in January 2006, with the actual Review Conference taking place in June and July 2006.

South Africa also actively participated in the UN Open-ended Working Group on an International Instrument for the Identification and Tracing of Illicit Small Arms and Light Weapons, which concluded in June 2005 with the adoption of a politically binding instrument on the issue.

In deliberations of the Certain Conventional Weapons Group of Governmental Expert Sessions and the Meeting of States Parties, the South African proposal on compliance enjoyed continued wide support among states parties.

Iraq

Three significant events during 2005 contributed to the democratisation process in Iraq and the constitutional restoration of Iraq's sovereignty. These events were the election of a Transitional Government in January 2005, the adoption of Iraq's new Constitution in a referendum held in October 2005 and the national elections for the Council of Representatives that took place in December 2005. The expected outcome was the selection of a four-year coalition government and restoration of sovereignty during the first half of 2006. These developments took place amidst ongoing political and sectarian violence in that country.

In principle, South Africa supported constitutional and democratic efforts to restore peace, sovereignty and prosperity to the Iraqi people. Opportunities to explore participation in reconstruction and rebuilding efforts in Iraq regrettably have been undermined by continuing insecurity and instability. South Africa has nevertheless been able to contribute in a concrete manner to the restoration of Iraq by contributing financially to capacity-building programmes for trauma relief under the auspices of the Iraqi Red Crescent.

During a visit by the Iraqi Deputy Foreign Minister, Mr Talib Hamid Al Bayati in October 2005, the South African Government reiterated its intent to establish a mission in Baghdad as soon as possible. President Mbeki was among the first world leaders to host an Iraqi parliamentary delegation in March 2006.

Middle East Peace Process

The current government inherited strong bilateral relations with Israel that have been constructively transformed and built upon. The South African government is also held in high regard by the Palestinian people and their leadership for its achievements in the struggle against apartheid and in nation building. South Africa contains sizeable Jewish and Muslim minorities, both of which ensure that South African civil society is concerned with the issues that dominate the region.

South Africa has remained consistent in its approach and, due to our own experience of negotiating a comprehensive, just and lasting peace has credibility with those Israelis and Palestinians who are genuinely committed to forging their own peace agreement.

On 25 January 2006, the Palestinian people cast their vote to elect members of the Palestinian Legislative Council for the first time in 10 years. A South African observer mission was deployed in all election districts. There was unanimity among members of the observer mission that the election, during which Hamas gained an overwhelming majority, was well organised and conformed with all the technical and procedural requirements for holding a free and fair election.

These elections marked an important milestone in the process aimed at the realisation of an independent Palestine, co-existing side-by-side with Israel in conditions of peace and mutually beneficial co-operation. The South African government has urged the PLO and Hamas to ensure that the transition in government proceeds swiftly and smoothly.

The South African government remains committed to the view that the Road Map provides the best mechanism to address the Israeli Palestinian Conflict. In this vein, government views the adoption of UNSC Resolution 1515 as a very important milestone on the way to establishing a viable and independent Palestinian state alongside the State of Israel.

The key strategic engagement of South Africa with the



Middle East Conflict, as clearly shown by the Spier Presidential Peace Retreat of January 2002, remains the strengthening of the “peace camps” in both Israel and Palestine; sharing the South African experience with a wide cross-section of Israeli and Palestinian civil society and government; assisting the Palestinian reform process and supporting international peace efforts, in particular through the UN system. In keeping with this policy, President Mbeki invited Palestinian President Mahmoud Abbas to pay a state visit to South Africa during March 2006.

The two presidents reiterated their commitment to working towards a peaceful resolution to the conflict between Palestine and Israel. President Mbeki also publicly accepted an invitation from President Abbas to visit Palestine.

International Crime

The Convention against Transnational Organised Crime and its three supplementary Protocols on Trafficking in Persons, Smuggling of Migrants and on Firearms, have reached the implementation stage. By August 2006, 110 member states of the United Nations had ratified the Convention. South Africa participated in the Second Conference of the Parties in this regard, in October 2005. The meeting concentrated on measures to improve the capacity of states parties to combat transnational organised crime and measures to promote and review the implementation of the Convention and its Protocols.

Last year, at the High-level Plenary Meeting of the UNGA attended by heads of state, the UNGA adopted a resolution on various issues pertaining to the MDGs. The issue of Transnational Organised Crime was also included in the resolution. The resolution emphasised the threat of the negative effects on development, peace and security and human rights posed by transnational organised crime and affirmed the need to work collectively to combat transnational organised crime. The resolution further recognised that trafficking in persons continues to pose a serious challenge to humanity and requires a concerted international re-

sponse. In the Resolution, the heads of state reaffirmed the determination to overcome the world narcotic drug problem through international co-operation and national strategies to eliminate both the illicit supply of and demand for illicit drugs.

The Anti-Corruption Convention entered into force in December 2005. In this respect, the High-level Plenary of the UNGA called upon member states of the UN to become Parties to the Convention. By August 2006, 55 countries had ratified the Convention, with South Africa being one of the first countries to do so and looking forward to participating in the first Conference of the Parties in December 2006.

In Africa, a Programme of Action to combat Crime was agreed upon by ministers and senior government officials at Abuja, Nigeria in September 2005. Donors and development partners also attended the meeting hosted by the government of Nigeria and organised by the UN Office on Drugs and Crime. The Programme of Action is a strategic and operationally-oriented framework for technical co-operation over the next five years, directed towards reducing the impact of crime and drugs as impediments to security and development. A strong South African delegation played a prominent role during the deliberations and participated in discussions pertaining to the rule of law and criminal justice reform, measures to prevent and counter all serious forms of conventional crime, organised crime, money laundering, corruption, trafficking and terrorism, measures to prevent drug abuse, measures to improve data collection, analysis of trends and the dissemination of information and the promotion of public awareness and the role of civil society.

South Africa, which held the Presidency of the Financial Action Task Force (FATF) from June 2005 to June 2006 in the person of Prof. K Asmal, hosted the Plenary Meeting of the FATF in Cape Town in February 2006. This was the first time that the Plenary meeting of the FATF was held on African soil. The work of the FATF has come to be recognised as the authoritative international benchmark for the substance and quality of measures against money laundering and financing for terrorism. Among other issues raised was that of the importance of closer collaboration



South African rescue workers assisting a victim of the devastating earthquake in Pakistan, October 2005.

with FATF-style regional bodies. For this reason, the FATF invited the member countries of the Eastern and Southern Anti-Money Laundering Group to participate in a joint session in the Plenary.

The 11th UN Congress on Crime Prevention and Criminal Justice took place in April 2006 in Bangkok. A South African delegation under the leadership of Minister of Safety and Security, Mr C Nqakula, participated in the meeting. The outcome document of the Congress, known as the Bangkok Declaration, addressed issues on transnational organised crime, international co-operation against terrorism, corruption, economic and financial crimes as challenges to sustainable development and standards and norms in crime prevention. The UNGA endorsed the Declaration and called upon member states of the UN to implement those measures by formulating legislation and providing for tools and training manuals to enable them to implement those measures.

The Kimberley Process Certification Scheme (KPCS) for rough diamonds

The KPCS is a tripartite international technical negotiating forum comprising states, known as participants, and the diamond industry and civil society, respectively known as observers. The KPCS is a voluntary scheme, which seeks to stem the flow of rough diamonds used by rebels to finance armed conflict aimed at overthrowing legitimate governments, and to protect the legitimate diamond trade. The economies of many countries, most notably African diamond producers, depend on the legitimate international diamond trade. These objectives

are accomplished through the implementation of an international certification scheme for rough diamonds, based on a system of internal controls, regulated by national legislation, and on internationally agreed minimum standards. A voluntary system of industry self-regulation underpins the Scheme.

Russia served as the Chair of the KPCS in 2005 and hosted a Plenary Meeting in Moscow in November 2005. Botswana, as the Vice Chair during 2005, automatically assumed the Chair of the KPCS on 1 January 2006.

The Russian Chair of the KPCS hosted a successful intersessional meeting of all standing bodies of the KPCS in Moscow from 7 - 9 June 2005, in which South Africa participated. Participants in the meeting took part in wide-ranging discussions aimed at assessing the ongoing development of the KPCS and the further strengthening the international implementation of the Scheme. South Africa participated actively in the standing bodies of the KPCS on which it serves, namely the Working Group on Monitoring, the Working Group on Statistics, the Working Group of Diamond Experts and the Participation Committee. In addition, South Africa played an active role in the ad hoc working group on the review of the KPCS, which facilitated the process of conducting a mandatory review of the KPCS, which was scheduled for completion by July 2006.

Section II of the Administrative Decision on the Implementation of Peer Review, was adopted at the Sun City Plenary Meeting of the Kimberley Process in October 2003, and provides for review visits to be undertaken by the Kimberley Process to Participants who volunteer



to this end. South Africa made a meaningful contribution to implementing the peer review mechanism during the period under review, leading review visits to Ghana and Togo in December 2005. South Africa also participated in review visits to the US and China during 2005. The overwhelmingly positive response by participants to invite review visits underscores the effectiveness of the peer review system as adopted at Sun City and the ongoing commitment of participants to providing assurances to each other and the wider international community that the KPCS is being effectively implemented.

Although the KPCS is in the early stages of implementation, the Scheme has clearly demonstrated its ability to influence the international trade in rough diamonds positively and deal effectively with the problem of conflict diamonds. The encouraging progress achieved through the international implementation of the KPCS continues to bear testimony to what can be achieved through multilateralism.

Europe

During annual meetings of the consultative mechanisms established between South Africa and the countries of Europe, South Africa's approach and policies regarding UN reform, the Middle East Peace Process and Weapons of Mass Destruction were elucidated continuously and support for them solicited by her high-level participants in these consultations.

Peace, Stability and Post-Conflict Reconstruction in Africa

Increasingly, the focus is on active engagement and providing tangible support to Africa's regional peace initiatives and processes. This is based on the need to create an enabling environment that is conducive to sustainable peace and socio-economic development in Africa. The revised White Paper on South Africa's involvement in International Peace Missions and the draft AU Post-Conflict and Reconstruction Policy Framework are major instruments that will facilitate South Africa's effective engagement in the continental peace and development agenda. Furthermore, as part of the AU and

SADC collective, South Africa is involved in creating an African Standby Force, the regional SADC Brigade and SADC and National Early Warning Centre. In this regard, South Africa has established strong strategic partnerships with Tanzania, Rwanda, Burundi, and the Democratic Republic of Congo (DRC). As part of the AU collective, South Africa is mandated by the AU to mediate a peace settlement in Côte d'Ivoire. South Africa is also chairing the AU mandated Committee on Post-Conflict Reconstruction in Sudan and continues to support and contribute to AMIS. In addition, through multilateral, continental, regional and bilateral engagements, South Africa continues to support peace building and reconstruction endeavours in Burundi, Somalia, the Democratic Republic of Congo, Rwanda, the Comoros, Eritrea-Ethiopia, Mauritania, the Central Africa Republic, Liberia, and Sierra Leone.

Implementation of International Humanitarian Law (IHL)

The Department played an important role in promoting International Humanitarian Law by co-hosting, with the International Committee of the Red Cross (ICRC), the Fifth Annual Regional Seminar on the Implementation of International Humanitarian Law, from 13 - 15 June 2005. Countries from the Southern African Development Community (SADC) as well as the Comoros, Kenya, and Seychelles participated, with the aim of ensuring that the principles of International Humanitarian Law are prioritised and implemented in the region.

The Department participated in the Meeting of National Committees of International Humanitarian Law of Commonwealth States, in Nairobi, Kenya, from 19 - 21 July 2005. The objective of the meeting was to update participants on developments in International Humanitarian Law and its implementation, as well as to increase capacity, commitment, and activities of Commonwealth Governments in the field of International Humanitarian Law, through the use of their IHL Committees.

Following South Africa's commitment to the implementation and promotion of International Humanitarian Law, the Department has approved the establishment of a

national IHL Committee within the International Relations, Peace and Security Cluster (IRPS), and is in the process of operationalising the committee.

The Department provides vital support to the Department of Health, which is the lead line-function Department in hosting and co-ordinating the Seventh Pan African Conference on the Red Cross and Red Crescent Societies, which will be held in South Africa in 2008.

The Department also participated in Informal Discussions during September 2005 among the High Contracting Parties to the Geneva Conventions as well as in the subsequent Diplomatic Conference during December 2005 on the adoption of the Third Additional Protocol on the Third additional emblem for the Red Cross and Red Crescent Movement.

LIST OF COUNTRIES AND TERRITORIES WITH SOUTH AFRICAN DIPLOMATIC MISSIONS AND THEIR NON-RESIDENTIAL ACCREDITATIONS

(Total number of diplomatic missions as at March 2006)

COUNTRY	MISSION	HEAD OF MISSION	NON-RESIDENTIAL ACCREDITATION TO
AFRICA - 36 missions in 34 countries			
Algeria	Algiers	Ambassador	Sahrawi Arab Democratic Republic
Angola	Luanda	Ambassador	
Botswana	Gaborone	High Commissioner	
Burundi	Bujumbura	Ambassador	
Cameroon	Yaoundé	Ambassador	
Comores	Moroni	Ambassador	
Congo, Democratic Republic of	Kinshasa	Ambassador	
	Lubumbashi	Consul-General	
Congo, Republic of	Brazzaville	Ambassador	
Côte d'Ivoire	Abidjan	Ambassador	Benin; Burkina Faso; Niger; Togo; Sierra Leone; Liberia
Egypt	Cairo	Ambassador	Lebanon
Equatorial Guinea	Malabo	Ambassador	
Eritrea	Asmara	Ambassador	
Gabon	Libreville	Ambassador	Central African Republic; Chad*; São Tomé & Príncipe
Ghana	Accra	High Commissioner	
Kenya	Nairobi	High Commissioner	
Lesotho	Maseru	High Commissioner	
Libya	Tripoli	Ambassador	
Madagascar	Antananarivo	Ambassador	
Malawi	Lilongwe	High Commissioner	
Mali	Bamako	Ambassador	
Mauritius	Port Louis	High Commissioner	Seychelles
Morocco	Rabat	Ambassador	
Mozambique	Maputo	High Commissioner	
Namibia	Windhoek	High Commissioner	

COUNTRY	MISSION	HEAD OF MISSION	NON-RESIDENTIAL ACCREDITATION TO
Nigeria	Abuja	High Commissioner	
	Lagos	Micro Mission	
Rwanda	Kigali	Ambassador	
Senegal	Dakar	Ambassador	Cape Verde; Guinea*; Guinea-Bissau; The Gambia; Mauritania
Sudan	Khartoum	Ambassador	
Swaziland	Mbabane	High Commissioner	
Tanzania	Dar es Salaam	High Commissioner	
Tunisia	Tunis	Ambassador	
Uganda	Kampala	Ambassador	
Zambia	Lusaka	High Commissioner	
Zimbabwe	Harare	Ambassador	

* Plans for the opening of new missions in Africa in the next financial year: Chad (N'djamena); Guinea (Conakry)

AFRICA MULTILATERAL - 1 mission in 1 country

Ethiopia	Addis Ababa	Ambassador	Djibouti
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AMERICAS & CARIBBEAN - 16 missions in 11 countries

Argentina	Buenos Aires	Ambassador	Paraguay; Uruguay (micro mission)
Brazil	Brasilia	Ambassador	
	Sao Paulo	Consul-General	
Canada	Ottawa	High Commissioner	
	Toronto	Consul-General	
Chile	Santiago	Ambassador	
Cuba	Havana	Ambassador	Dominican Republic
Jamaica	Kingston	High Commissioner	Bahamas; Barbados; Belize; Grenada; Guyana; Haiti; St Kitts & Nevis; St Lucia; St Vincent & The Grenadines; Suriname; Trinidad & Tobago*
Mexico	Mexico City	Ambassador	Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua
Peru	Lima	Ambassador	Bolivia; Ecuador; Panama
United States of America	Washington DC	Ambassador	
	Chicago	Consul-General	
	Los Angeles	Consul-General	
	New York (CG)	Consul-General	
Uruguay	Montevideo	Micro Mission	
Venezuela	Caracas	Ambassador	Colombia

* Plans for the opening of new missions in the Caribbean in the next financial year: Trinidad & Tobago (Port-of-Spain)

ASIA & MIDDLE EAST - 29 missions in 25 countries/territories

Australia	Canberra	High Commissioner	Cook Islands; Marshall Islands; Micronesia; New Zealand; Samoa
China	Beijing	Ambassador	Korea (North); Mongolia
	Shanghai	Consul-General	
Hong Kong	Hong Kong	Consul-General	

COUNTRY	MISSION	HEAD OF MISSION	NON-RESIDENTIAL ACCREDITATION TO
India	New Delhi	High Commissioner	Bangladesh; Maldives; Nepal; Sri Lanka*
	Mumbai	Consul-General	
Indonesia	Jakarta**	Ambassador	
Iran	Tehran	Ambassador	
Israel	Tel Aviv	Ambassador	
Japan	Tokyo	Ambassador	
Jordan	Amman	Ambassador	
Kazakhstan	Almaty	Ambassador	
Korea (South)	Seoul	Ambassador	
Kuwait	Kuwait City	Ambassador	
Malaysia	Kuala Lumpur	High Commissioner	Brunei Darussalam
Oman	Muscat	Ambassador	
Pakistan	Islamabad	High Commissioner	
Palestine	Ramallah	Ambassador	
Philippines	Manila	Ambassador	
Qatar	Doha	Ambassador	
Saudi Arabia	Riyadh	Ambassador	Bahrain; Yemen
	Jeddah	Consul-General	
Singapore	Singapore	High Commissioner	
Syria	Damascus	Ambassador	
Taiwan	Taipei	Representative	
Thailand	Bangkok	Ambassador	Cambodia; Laos Myanmar
United Arab Emirates	Abu Dhabi	Ambassador	
	Dubai	Consul-General	
Vietnam	Hanoi	Ambassador	

Roving Ambassador resident in Pretoria: Fiji*; Papua New Guinea; Solomon Islands

* Plans for the opening of micro missions in Asia in the next financial year: Fiji (Suva); Sri Lanka (Colombo)

** Timor Leste to be non-residentially accredited from Jakarta

EUROPE - 25 missions in 23 countries

Austria	Vienna	Ambassador	Slovakia; Slovenia
Belgium	Brussels	Ambassador	Luxembourg
Bulgaria	Sofia	Micro Mission	
Czech Republic	Prague	Ambassador	
Denmark	Copenhagen	Ambassador	Lithuania
Finland	Helsinki	Ambassador	Estonia
France	Paris	Ambassador	Monaco
Germany	Berlin	Ambassador	
	Munich	Consul-General	
Greece	Athens	Ambassador	Bulgaria (micro mission); Bosnia & Herzegovina; Cyprus; Former Yugoslav Republic of Macedonia (designate); Serbia

COUNTRY	MISSION	HEAD OF MISSION	NON-RESIDENTIAL ACCREDITATION TO
Hungary	Budapest	Ambassador	Croatia; Romania
Ireland	Dublin	Ambassador	
Italy	Rome	Ambassador	Albania; Malta; San Marino
	Milan	Consul-General	
Netherlands	The Hague	Ambassador	
Norway	Oslo	Ambassador	Iceland
Poland	Warsaw	Ambassador	
Portugal	Lisbon	Ambassador	
Russian Federation	Moscow	Ambassador	Belarus
Spain	Madrid	Ambassador	Andorra
Sweden	Stockholm	Ambassador	Latvia
Switzerland	Berne	Ambassador	Holy See (Vatican); Liechtenstein
Turkey	Ankara	Ambassador	Azerbaijan; Kyrgyzstan; Tadjikistan; Turkmenistan; Uzbekistan
Ukraine	Kiev	Ambassador	Armenia; Georgia; Moldova
United Kingdom	London	High Commissioner	
MULTILATERAL - 2 missions			
Switzerland	Geneva	Representative	
United States of America	New York	Representative	



Ethiopian Prime Minister Meles Zenawi being escorted by the Chief of State Protocol Ambassador BIL Modise during the Progressive Governance Summit in Hammanskraal, February 2006.

PROGRAMME 3: Public Diplomacy and State Protocol

AIM: This programme markets South Africa's foreign policy objectives, projects a positive image of South Africa and Africa, and provides State Protocol services. Activities are organised into two sub-programmes:

PUBLIC DIPLOMACY addresses media liaison, engagements with national stakeholders, and the promotion of South Africa's policies and programmes at international level.

PROTOCOL responsible for incoming and outgoing state visits, intergovernmental and provincial protocol services, protocol ceremonial, managing presidential and diplomatic guesthouses; facilitating international conferences; and managing diplomatic immunities and privileges.

OUTPUT AND SERVICE DELIVERY TRENDS:

STATE PROTOCOL

INTRODUCTION

During the period under review, the Department accelerated its efforts to enhance the capacity of State Protocol to provide seamless and high-quality protocol products and services. The service improvement programme focused on the following two pillars:

- State events management system and
- Diplomatic accreditation process

A sharpened focus on service standards was necessitated by increased demand for services by the accredited diplomatic community, a need to respond to a growing number of state events and outgoing and incoming presidential and ministerial visits.

STATE EVENTS MANAGEMENT SYSTEM

State Visits

The Department facilitated a significant number of outgoing and incoming visits by heads of state or government. South Africa continued hosting such high-profile visits as part of her drive to strengthen bilateral relations with strategic partners abroad. Similar reciprocal visits were undertaken in the context of promoting and advancing South Africa's foreign policy agenda.

During the period under review, 369 visits were facilitated, of which the highlights include the following:

- State or official visits to Chile, Gabon, Congo (Brazzaville), Uganda, Greece and Italy, among others. The logistics for these visits were compounded in some instances by infra-structural challenges on one hand and the sizes of the delegations on the other.
- Similarly, South Africa also hosted high-profile state visits by the President of Botswana and the President of India and an official visit by Mr. Kofi Annan, Secretary General of the UN.

Ceremonial and Guesthouses

Protocol has become increasingly relevant and pivotal to the effective facilitation of all state, ceremonial and official functions and events. In this regard, the Department hosted and provided protocol support for the following important events during the period under review:

- Organised 17 farewell functions for departing foreign heads of mission. These functions are hosted by the Department in appreciation of the positive contributions made by these envoys in promoting bilateral relations between their countries of origin and South Africa. They are of symbolic value and if well organised have the potential to create a lasting positive impression about South Africa and its people for a departing diplomat.
- Hosted the presidential briefing meeting for all foreign heads of mission accredited to South Africa. Through this briefing, the President was able to communicate key government policies and programmes directly. This was the second time the Department arranged the Presidential briefing for diplomats.
- Hosted 66 high-level meetings, workshops and conferences as well as special events. These included, bi-national commissions, presidential consultations, and state and official dinners.
- Provided protocol support during official and semi-official funerals.

The Department processed 483 official messages of congratulation or condolence to various foreign governments. These messages were processed on time and treated with utmost sensitivity. Furthermore, 1 693 diplomatic messages were processed and distributed to relevant authorities.

State Protocol Lounges

The State Protocol Lounges in Cape Town and Johannesburg create a possibility for the Department to facilitate the dignified arrival and departures of senior guests of government. In this regard, the Department implemented the following measures to improve the image of the Lounges:

- Acquired new state-of-the-art vehicles for the Lounges
- Acquired uniforms for the staff at the Lounges
- Renovated staff members' offices at the Johannesburg International Lounge to boost morale

A total number of 30 000 guests passed through the Lounges during the period under review. This target was reached with limited resources.

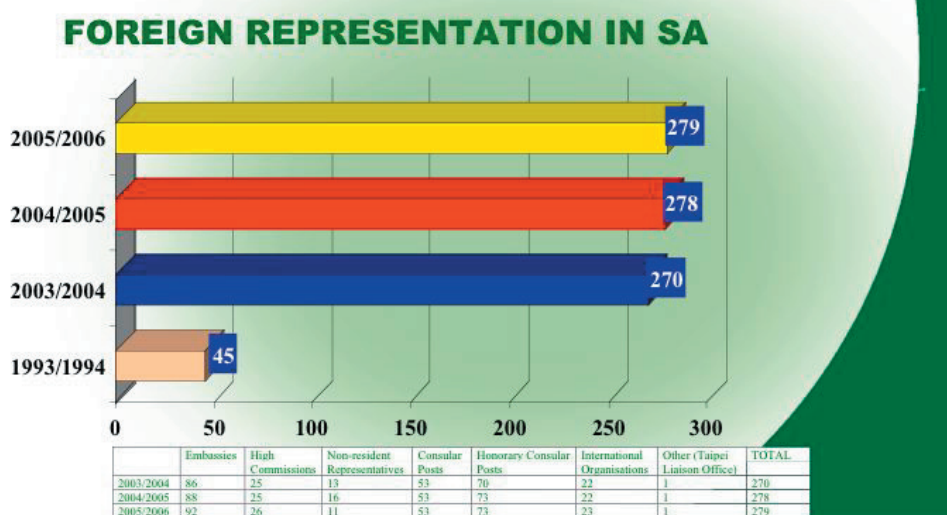
International Conferences

The Department continued to co-ordinate logistics for major international conferences that government hosted. The Progressive Governance Summit was one of the major highlights in this regard. The Summit brought together seven heads of state or government representing all regions of the world and more than 40 international guests.

Furthermore, the Department co-ordinated protocol and logistics for the following events during the period under review:

- IBSA Trilateral Ministerial Meeting
- The Diaspora Conference in Jamaica
- Heads of Mission Conference
- Pan African Parliament

DIPLOMATIC ACCREDITATION SYSTEM

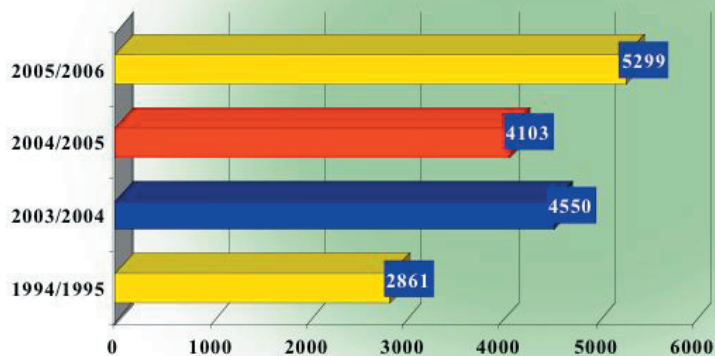


Foreign Representation in South Africa

At the close of the reporting period, the diplomatic community in South Africa consisted of approximately 8 500 members, which included diplomats, consular, administration and technical staff and their dependants at 279 foreign missions. Although foreign representation in South Africa did not expand significantly (see above table) the number of departing diplomats who were deregistered was proportional to those who were accredited. The following bilateral missions and multilateral organisations were established during the period under review:

- Embassy of the Republic of Mauritania
- Embassy of the Republic of Suriname
- Food Agriculture Natural Resources Policy Analysis Network (FANRPAN)

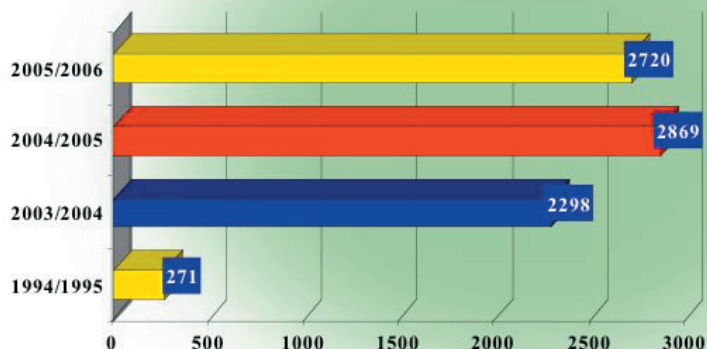
DIPLOMATIC RESIDENCE PERMITS



Diplomatic Residence Permits

A total of 723 diplomatic, 133 consular, 190 international organisations and 306 administrative requests for identity certificates were processed. A total of 5 299 diplomatic residence permits were issued.

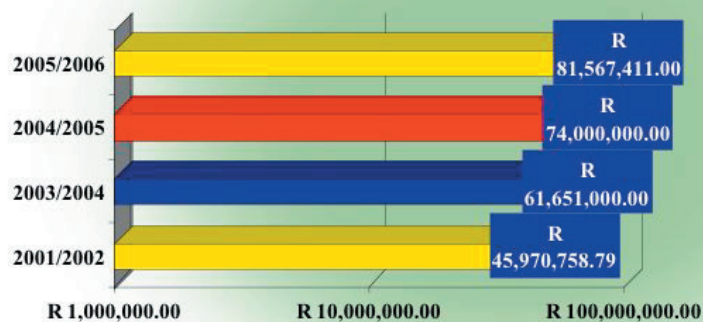
DIPLOMATIC MOTOR VEHICLES



Diplomatic Vehicles

Approximately 2 720 official and privately-owned vehicles belonging to the diplomatic community in South Africa are registered with the Department. The registration process is long and protracted. The Department has successfully persuaded the City of Tshwane to open a single service point dedicated to the diplomatic community to streamline the registration process. The Department will continue to regulate the acquisition and disposal of diplomatic vehicles and allocate the diplomatic registration numbers while the City of Tshwane will issue vehicle registration certificates and license documents.

VAT REFUNDS



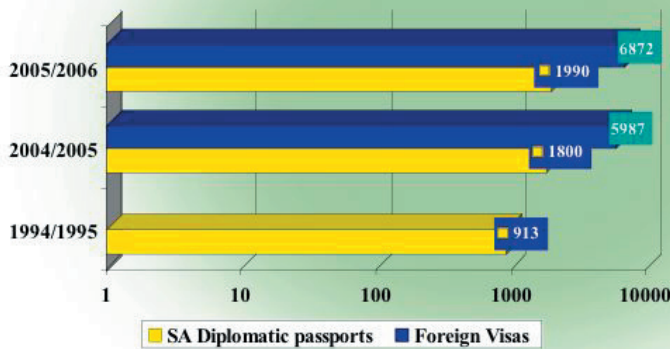
Property Taxes and VAT Refunds

Missions are exempted from transfer duties and municipal rates in respect of properties for offices and residences for heads of mission. During 2005/06, the Department paid local authorities R9 123 856. 51 in diplomatic property taxes. Meanwhile, diplomats were refunded VAT totalling R81 567 411.00.

South African Diplomatic Passports and Foreign Visas for Holders of Diplomatic and Official Passports

The Department continued to facilitate travel documents for diplomatic and official passport holders nationally. Approximately 1 990 diplomatic passports were issued in 2005/06 and 6 872 visas were requested from foreign missions in South Africa in respect of South African diplomatic and official passport-holders. A total of 5 299 diplomatic permits were issued to accredited holders of foreign passports and their dependants (see table below).

SA DIPLOMATIC PASSPORTS & FACILITATION OF FOREIGN VISAS



Annual Stakeholder Conference

The annual stakeholder conference took place on 2 September 2005 to inform missions of new developments relating to the conferment of diplomatic immunities and privileges to the diplomatic corps. Missions were also informed about the development of a new interactive diplomatic web site.

Interactive Diplomatic Web Site

To deliver a world class, integrated and professional State Protocol service to clients and stakeholders, the State Protocol Branch commenced the development of an interactive web-based system to institute simplified processes according to international best practice.

The system will allow the diplomatic community to apply for accreditation through the Internet. The system will manage routine tasks and guide DIAP staff through the processes, thus enhancing service delivery. This will enable the Directorate to focus on strategic objectives and stakeholder management.

The system will provide real time reporting facilities that are often required by the management of the DFA and parliament. The system will also allow the DFA to manage and implement reciprocity.

Deliverables of a new system:

- Business continuity

- Value-adding processes
- Knowledge transfer
- Business intelligence
- Empowerment
- Geographical focus
- Flat structure
- Enhanced service delivery

The following services will be developed as part of the new system:

- Office establishment
- Staff establishment and accreditation
- Vehicle management
- Property management
- Signature audit
- Duty-free imports and purchases
- Security management
- Dispute management
- South African diplomatic passport visas
- Customised reporting tool
- Reciprocity management

It is anticipated that the first phase of the system will be in place early in the new financial year. The first phase comprises the following processes:

- Office establishment
- Staff establishment and accreditation
- Vehicle management
- Signature audit
- Duty-free imports and purchases
- Customised reporting.



The Minister of Foreign Affairs Dr Nkosazana Dlamini Zuma hosting a group of School girls at her home during the 'take a girl child to work' campaign.

PUBLIC DIPLOMACY

The reporting period evidenced the enhancement of the Department's internal communications capacity. In this regard, the Department restructured the internal communications unit into Content and Product Development Directorates. This ensured a more effective approach to and execution of internal communication initiatives that include the production of quality user-friendly publications, strategised audio-visual products and improved use of radio in communicating with the Department's stakeholders. Furthermore, this move will ensure that there is enough capacity for the launch and distribution of the Department's monthly newsletter in the coming financial year, that will allow both management and staff to be informed of issues that affect them daily.

During the reporting period, Public Diplomacy, working in conjunction with GCIS, was at the epicentre of communications for the following key activities:

- The secondment of its official to provide communication support to the SADC Elections Observer Mission Head, then Minister Phumzile Mlambo-Ngcuka and the SADC Observer Mission to the 31 March Elections in Zimbabwe until 14 April 2005.
- The secondment of its official to the Fourth Session of the sitting of the Pan-African Parliament through the secondment to serve as communications support personnel (November 2005)
- The secondment of an official to the SADC Secretariat in Gaborone to assist in interviewing and short-listing candidates for the SADC Media Co-ordinator.

- The Progressive Governance Summit (11- 12 February 2006), which focused considerable media attention on South Africa and the African continent.

The Department marshalled its energies to provide media and communication support services to the following:

- President Mbeki and his delegation's participating in the Second Festival of the Cultures and Civilizations of World Deserts, Dubai, United Arab Emirates, 16 April 2005
- Budget votes, post-vote ministerial diplomatic function (media liaison and communication support to principals)
- Asian- African Ministerial Meeting, Jakarta, Indonesia, April 2005
- London Solidarity Conference, 3 - 4 June 2005
- Assumption of the Chair of the G77 and China Handover Ceremony to South Africa in New York, January 2006
- Profiling work done by the AU Ministerial Post-Conflict Reconstruction on the Sudan, which Minister Dlamini Zuma chairs
- NAM Foreign Ministers Meeting, Hermanus, 26 – 27 January 2006
- The Pretoria Agreement on the Peace Process in the Cote d'Ivoire and various Working Group Activities since then (disseminated contents thereof on its website)
- Third Session of the IBSA Ministerial Trilateral Commission in Rio de Janeiro, March 2006.
- Activities of the Ministerial Meetings on the Asian-African Sub Regional Organisations Conference (AASROC) held at home and abroad

Key campaigns in which Public Diplomacy participated substantively due to the mobilisation of the media:

- Cell C's 'Take a Girl Child to Work' Campaign by ensuring media coverage for the hosting of 20 Grade 12 girls from Saulsridge High School in Atteridgeville, Pretoria
- Africa Day Celebrations, May 2005
- Inaugural Imbizo of the DFA, Jameson Hall, University of Cape Town, 29 August 2005
- 16 Days of No Violence Against Women and Children, October – November 2005
- Coverage of the SADC Summit, Gaborone, Botswana, August 2005
- Assistance for victims of Hurricane Katrina at Howard University, supported by the South African Embassy in Washington DC, January 2006.
- Activities of the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) mainly led by the two Deputy Ministers, Aziz Pahad and Sue Van der Merwe.

During the year under review, the Department continued producing targeted information material such as the Annual Report 2004/05, Strategic Plan 2005/08, Foreign Affairs Budget Vote speech 2005 booklet, Inaugural Imbizo information leaflets and posters, and the 2006 Desk Calendar. In addition, the Department produced and distributed the first Braille (for the blind) progress report booklet on "The operationalisation of the African Union and implementation of Nepad programmes"; thus ensuring that more people are informed about these valuable African development initiatives.

The continuous growth of South Africa's global influence in international relations was documented by audio-visual and photographic means. The documentation included incoming visits and strategic outgoing visits of President Thabo Mbeki, Deputy President Phumzile Mlambo-Ngcuka, and Minister Dr Nkosazana Dlamini Zuma. The Department continued distributing footage to local and international print and audio-visual media on an ongoing basis, usually within one hour of an event taking place, to keep the public and other stakeholders informed of these activities.

In addition, the Department continued to make avail-

able various video programmes as well as photographs, in hard copy and on compact disk, to South African missions abroad for use during celebrations and other publicity events. The annual year-end party and other Departmental activities were also documented in both audio-visual and photographic forms. Furthermore, the South African National Anthem and the AU Anthem were transferred to separate CDs for official use by South Africa's missions abroad and offices of foreign representatives in Pretoria.

During the reporting period, the Department complied with the Cabinet requirement of appointing corporate identity managers to introduce and guide the implementation of the Department's corporate identity programme as approved by Cabinet. The activities included roadshows to various branches in the Department as well as advice and support regarding technical requirements and specifications.

Public Diplomacy, through media monitoring, provided the following information services to the Minister, other principals and the Department at large and missions abroad:

- Early morning news highlights documents: 120 of these were compiled from articles in the daily media and transmitted electronically by 08.00 to all HO end-users, since the beginning of 2006
- Daily News Bulletins: 300 were compiled through the assessment and selection of news stories covered in South African newspapers and websites
- Weekend News bulletins introduced at the end of 2005 through assessment and selection of news stories covered in South African newspapers and websites and distributed to Minister and principals after hours
- About 1 500 daily regional media reports and reviews for Africa; the Americas; Asia and Australasia; and Europe were sourced from international media news sources
- About 50 weekly mission reports were supplied to all end users, with edited information of political reports received from missions abroad;
- Ad hoc reports on international events

The 24-hour Operations Centre, staffed by 12 dedicated staff members and supported by 12 additional after-hours staff members selected from all branches also acted as an

early-warning centre for the principals reporting on major incidences or crises and international events. This included the compilation of the two-hourly International News Scans by monitoring the media after hours. These were sent to key principals at head office and on visits abroad. The International News Scans give principals updates on political, diplomatic and economic developments around the world; major government changes or cabinet reshuffles abroad; the opinions of world leaders and developments in the UN, AU, SADC and other multilateral organisations.

The Centre also provided continuous logistical support to the Minister of Foreign Affairs and Deputy Ministers of Foreign Affairs especially on official visits abroad and while they attended international conferences and summits.

During the reporting period, the Department undertook media research, analysis and speechwriting. The Department continued managing its official web-site: www.dfa.gov.za and the Intranet. A new development is the Web Portal Project. The objective of this project is to integrate the Department's website, Intranet, and foreign mission web-sites and other information sources to form a highly interactive and informative web portal. The Department has begun work in partnership with SITA and GCIS on this project. Tendering processes are finalised, with the development of the portal due to start in the next reporting period.

The Department responded promptly to various inquiries regarding consular issues, letters perpetuating fraud and trade-related issues that were sent to the Department by e-mail. In addition, the Department undertook the following activities:

Additions to the Department's web-site and Intranet:	3 764
Updates to the diplomatic representation lists:	4254
Information bulletins disseminated to missions (Bua News, cabinet statements, Letter from the President, EU Newsletter, Commonwealth News, World Bank News, ISS Seminars, speeches and media statements):	585
E-mail inquiries responded to:	337

During the year under review, the Department undertook the following marketing and promotional initiatives:

FREEDOM DAY CELEBRATION

- Procured promotional material to assist missions in branding and celebrating Freedom day. The missions in Harare, Tehran, Maputo, Prague, Budapest and Jakarta were assisted.
- Cultural Expressions: Assisted in identifying South African artists to perform during celebrations organised by various missions, for example the Ntombizodwa String Quartet performed in Seoul from April - May 2005.

BUDGET VOTE SPEECH

- Planned and co-ordinated the Minister's Budget Vote Speech Luncheon on 15 April 2005
- SABC Africa interviewed the Minister following her Budget Vote Speech during the luncheon; questions and answers from guests and members of the media who attended were welcomed.
- Distributed the Annual Report and the Strategic Plan document of the Department to all who attended the Luncheon.

AFRICA DAY CELEBRATIONS

- Assisted with image and branding of the seminar on the morning of the celebrations,
- Gala dinner followed in the evening hosted by the Minister of Foreign Affairs in conjunction with The Commission for the Promotion and Protection of the rights of Culture, Religion, and linguistic Communities. Some 600 guests attended the dinner.
- Assisted in securing sponsorship from Eskom and secured a performance by Gloria Bosman during the dinner.

IMC

- Continued to procure and distribute IMC kit to missions that placed orders.
- Introduced new and updated material to missions such as Chapter 2 of the New South African Storybook and updated banners.
- Handled payments on behalf of missions.

16 DAYS OF ACTIVISM - DECEMBER 2005

- Assisted in planning and co-ordinating the event at the Union Buildings. The Directorate secured the venue, catering, poets, artists as well as the children who read the pledge of the campaign.
- Deputy Minister Sue van der Merwe hosted the event and a panel discussion was broadcast on SABC Africa.

YEAR-END FUNCTION

- The Directorate planned, and co-ordinated the Departmental annual year-end event for all staff members. Tasks ranged from securing the venue, catering, artists, branding and the programme for the day.
- Deputy Minister Sue van der Merwe who addressed all members during the event held at the CSIR in December 2005 hosted the event.

SOUTH AFRICA WEEK CELEBRATIONS

- The Directorate assisted various missions in procuring South African artefacts and musical groups for different platforms:
- Moscow held their celebrations in August 2005
- Ramallah in July 2005
- Zambia, 19 - 24 Sept 2005
- Kingston, August 2005

MINISTER'S OPENING OF PARLIAMENT BANQUET IN HONOUR OF THE DIPLOMATIC CORPS

- Planned and co-ordinated the banquet hosted by the Minister at Vergelegen Wine Estate in Somerset West, Cape Town, on 4 February 2005.
- Event attended by 600 people ranging from

cabinet ministers, diplomatic corps, private sector, sponsors and other VIPs.

- Tasks ranged from planning meetings with relevant stakeholders, raising sponsorship for the event, securing the venue, catering, gifts, décor, draft programme and arranging performing artists for the event.

PROGRESSIVE GOVERNANCE SUMMIT – FEBRUARY 2005

- Participated in all planning meetings of the IDLC for the summit
- Assisted in procuring branded conference and promotional material for heads of state, shepherds and other VIP guests who attended the summit.

MISSION'S REQUESTS

- El Corte Ingles: Assisted in procuring promotional material .
- Doha and Muscat: Assisted the missions in procuring various artefacts for their planned charity bazaars.
- Assisted in procuring and distributing promotional material for these missions for events planned by them throughout this financial year: Lisbon, Amman, Yaoundé, Bamako, Vienna, Tunis, Tel Aviv, Moscow, Kuwait, Berne, Rabat, Antananarivo, Buenos Aires, Brazzaville, Canberra, Tripoli, Budapest, Abidjan, New Delhi, Mumbai, Prague, Brasilia, Copenhagen, Rome, Geneva, Lisbon, Sofia, and Riyadh.
- Assisted the mission in Paris in procuring authentic South African traditional music instruments in 2005.
- Assisted in procuring different artefacts to be sold at the Amman Christmas Bazaar on 15 December 2005

PROGRAMME 4: International Transfers

AIM: This programme provides for the payment of fees and contributions to various international organisations.

OUTPUT AND SERVICE DELIVERY TRENDS:

Contribution to Multilateral development and co-operation

The transfer payments provided for and paid for during the reporting period are reflected in the annual financial statements section of the Report (please refer to the contents page).

PART 4: REPORT OF THE AUDIT COMMITTEE

In terms of its obligations according to Treasury Regulation 3.1.12, the Audit Committee reports as follows on certain events as well as its actions and findings in respect of the financial year ended 31 March 2006.

1. APPOINTMENT OF AUDIT COMMITTEE MEMBERS, MEETINGS AND ATTENDANCE

An Audit Committee for the Department has been established in accordance with the requirements of Sections 38 (1)(a)(ii) and 77 of the Public Finance Management Act. Currently the Audit Committee comprises 3 members, all members being from outside the public service. During the year under review 2 members left the Audit Committee and the replacement posts were advertised during March 2006 for appointment early in the new financial year.

The following 2 members left the Audit Committee during 2005/6:

- Ms SW Magojo
- Advocate N Gomomo

The Audit Committee meets 4 times per annum and on an "ad hoc" basis to consider specific matters, as per approved terms of reference. The Audit Committee furthermore met with the Office of the Auditor-General and the Director-General during the year under review. The Chairperson of the Audit Committee met on several occasions, individually, with the Head of Internal Audit and key Internal Audit staff. During the current year 14 meetings, including meetings for specific purposes, were held and attended as follows:

Name of Member	Number of Meetings attended
Ms L B R Mthembu, Chairperson)	14
Ms S W Magojo, (Member)	0
Mr. Z Jojwana, (Member)	7
Adv N Gomomo (Member)	2
Mr E Cousins, (Member)	14

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee adopted the Audit Committee Charter read in conjunction with the Internal Audit Charter, as its terms of reference in discharging all its responsibilities as regulated therein.

3. THE EFFECTIVENESS OF INTERNAL CONTROLS

The systems of internal control was evaluated by both Internal Audit and Office of the Auditor-General (external audit), and in various cases the quality of the implementation and execution of adequate control and work procedures were not yet of an acceptable standard. This is evident from reported instances of non-conformity with prescribed internal control and best practice. The Audit Committee directed two forensic investigations pertaining to mission cash transfers and transport management tender procedures, which indicated deficient internal control measures with an emphasis on sub standard record keeping, although no fraudulent/corruptive irregularities could be proved.

The Audit Committee together with Internal Audit developed a comprehensive detailed plan as an intervention measure to remedy the matters of emphasis of the annual financial statements, reported by the Auditor-General in the 2004/5 financial year. Issues were prioritised in accordance with their materiality and fundamental effect on the overall management of the department. The plan includes Management's contribution of the details of action on the plan, scheduled target dates for implementation, monitoring and evaluation of the plan, as well as agreed critical performance indicators. Management implemented measures that were monitored on a regular basis by the Audit Com-

mittee to ensure that planned targets were achieved.

The following achievements were noted during the year under review:

- Agreements were concluded with commercial banks to manage the treasury cash flow and foreign exchange management.
- Implementation of an integrated electronic Fixed Asset Register including bar-coding of assets and listing of asset values in the asset register, in accordance with National Treasury guidelines.
- Approval and formalisation of efficient and effective policies and procedures.
- Comprehensive re-designing and re-engineering of overall training and professional development strategy of mission and local departmental staff.
- Restructuring of the Office of the Chief Financial Officer to establish Corporate Services Branch of the Department as a separate division.

The Director-General through his dedicated leadership, with the support and assistance of National Treasury, co-operative effort of executive management, has made considerable progress in improving the management and functioning of the Department as a whole. The benefits derived from these dedicated inputs and outputs have borne fruit as can be observed from improved compliance with legislation and adherence to due dates by the Financial Department.

Specific Focus Areas Going Forward

During the ensuing 2006/7 financial year, the Audit Committee will develop comprehensive and integrated intervention programme to focus more attention on the following areas:

- The development and implementation of integrated information management systems in accordance with the Departmental Master System Plan.
- The enhancement and further development of the Human Resources Business Unit.
- Enhancement of skills development and succession planning strategy and implementation.
- Quarterly reporting on the performance of the Department against approved annual business plan.

- Improvement of safe record keeping capacity, policies and procedures in compliance with the prescripts for archiving by establishment of an electronic registry system.
- Motivate and encourage the culture of risk management and compliance to policies and procedures.

4. QUALITY OF IN YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT

The Audit Committee has noted progress in the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review, in compliance with statutory reporting framework requirements such as the PFMA and the Treasury Regulations. It remains a challenge in the Department to fully implement the control basis for the monitoring and attaining of strategic goals and business objectives within a structured framework, a process that has been specifically targeted for 2006/2007.

5. INTERNAL AUDIT

Internal Audit was effective for the year under review and achieved its annual operational plan targets. The capacity of Internal Audit has been comprehensively increased and consolidated through the filling of further internal audit positions. The Internal Audit strategic and annual operational plans were considered and approved by the Audit Committee. All Internal Audit work performed as well as Internal Audit reports and quarterly progress reports were reviewed by the Audit Committee.

Internal Audit undertook a comprehensive Risk Management Assessment of the department and the resulting Risk Profile was discussed and adopted by both the Management of the Department and the Audit Committee. The Department is currently developing a comprehensive strategy to respond to significant identified risks. Control self assessment schedules will be devel-

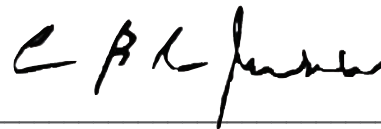
oped to assist managers in monitoring and controlling significant identified risks. The results of the risk assessment were used to direct Internal Audit effort and enhance management function. Furthermore, Fraud Prevention Plan is being executed in an orderly manner under the control of a Fraud Prevention Committee and should soon achieve full functional output.

6. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the report;
- Reviewed the Auditor-General's management letter and management's response;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Londiwe Mthembu
Chairperson of the Audit Committee
Date: 31 May 2006

PART 5: Annual Financial Statement

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ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2006

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 INTRODUCTION

The Department of Foreign Affairs (DFA) is responsible for the formulation, application and execution of all aspects of South Africa's foreign policy as entrusted to the Minister of Foreign Affairs. Liaison with foreign governments on matters of international relations is conducted through South Africa's accredited representatives. The head of a South African mission abroad acts as the representative of the Head of State. In pursuit of the achievement of South Africa's foreign policy, the Department is currently represented through 113 missions abroad.

In line with the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA) and the Treasury Regulations, the Department submitted its strategic plan for the medium term expenditure framework (MTEF) period 2005/06 to 2007/08. The following strategic priorities were identified for implementation during the year under review:

- Promote the reform of the global governance systems;
- Consolidate the African Agenda;
- Promote South-South co-operation;
- Enhance bilateral political and socio-economic relations;
- Facilitate human resource development; and
- Strengthen organisational capacity to deliver on the government's programme.

In order to align the resources of the Department to its strategic priorities and to enable the Department to comply with the new monitoring, evaluation and reporting processes introduced by Government, the programmes are structured as follows:

- Administration provides for the overall policy development, execution and management of the Department.

- Foreign Relations promotes relations with foreign countries and participates in international organisations and institutions in pursuit of South Africa's national values and foreign policy objectives.
- Public Diplomacy and Protocol promotes South Africa's foreign policy objectives; both domestically and internationally, it projects a positive image of South Africa and Africa. It provides for State Protocol services and makes provision for the inauguration of the President of South Africa when required.
- International Transfers provides for the payment of membership fees to international organisations.

This report seeks to present the extent to which the Department's resources allocated for the 2005/06 financial year were utilised in terms of the PFMA.

1.2 REVENUE

During the year under review, the Department received total revenue of R 2,725 billion made up of voted and non-voted funds, explained below as follows:

(i) Annual Appropriation – R2, 694 billion

The Department received a budget allocation of R2, 694 billion for the 2005/06 financial year after adjustment estimates, which reflected an increase of 5, 77% as against the budget allocated for the 2004/05 financial year. The budget increase of R147 million (R2, 694 billion less R2, 547 billion) can be attributed to the additional funding for the Africa Agenda (R129m), Improving Service Delivery (R9m) International Commitments (R4m) and Capital Works (R5m).

(ii) Departmental Revenue – R 31 million

Other revenue relates to revenue received in respect of ad hoc activities explained further hereunder, as the department does not have any income-generating programmes. The missions in other countries are allowed to reclaim value-added tax (VAT) and the amount reclaimed in respect of the current year may be utilised by the mission however, it must be utilised under the same standard item from where it was originally disbursed. The VAT (R27 million) received in the current year for claims dating from previous financial years is paid back to

the state revenue account. The other revenue (R4 million) collected by the Department relates to the proceeds from the sale of unwanted equipment, interest received on bank accounts, stale cheques written back, etc., as detailed in note 3 to the Annual Financial Statements.

1.3 EXPENDITURE

Spending trends

South Africa maintains diplomatic relations with countries and organisations through its 113 missions located throughout the world. Consequently, the bulk of its expenditure is incurred in foreign currencies. In addition, the Department transfers funds to its missions using five major currencies. The missions in turn purchase local currencies in their host countries, which may result in currency exchange gains or losses. This poses a major risk with regard to the management of the budget of the DFA, as the Department has no control over the fluctuation of the Rand against major foreign currencies, nor of the various local currencies against major currencies. This unpredictable and uncontrolled situation may cause the Department to either overspend or underspend its budget. To counter this effect, the Department has reached an understanding with the National Treasury to use fixed exchange rates determined by the Treasury for budget purposes. In this manner, if there is a difference between the actual performance of the Rand and the budgeted rate, the allocated budget is adjusted accordingly. In the event of a depreciation of the Rand (lower than the fixed rate determined by the National Treasury) the adjustment estimate process is the only avenue available for the Department to be provided with resources to compensate for exchange rate losses. Should either depreciation or appreciation of the Rand take place after the adjustment estimate process, the Department has no recourse but to fund such losses from within its allocated resources or, in the event of savings, reflect these in the Annual Financial Statements.

During the year under review, a saving of R49, 4 million has been realised. The savings can be attributable, amongst other things to foreign exchange gains (National Treasury focused rates as opposed to market rates) due to the fact that the Rand performed relatively well against major foreign currencies. During the allocation of budget the following rates for major currencies were used:

Currencies	Budget Foreign Currency	Budget Rate (N.T) for 2005/06	Budget Rand Amount	Average Spot Rate for 2005/06	Average Rand Value	Foreign Exchange Gain/ (Loss)
	Million	R. Cent	R' 000	R. Cent	R' 000	R' 000
USD \$	89,254	6.40	571 226	6.52	581 936	(10 710)
EURO €	39,387	8.64	340 304	7.90	311 157	29 147
POUND	4,223	12.17	51 394	11.56	48 818	2 576
YEN ¥	408,167	0.0600	24 490	0.0574	23 429	1 061
SFr	9,437	5.76	54 357	5.08	47 940	6 417
TOTAL			1 041 771		1 013 280	28 491

Over the years the expenditure on the Vote as a whole has been increasing by an annual average rate of 5%. However, there was a considerable increase during the 2001/02 financial year of approximately 27% compared to previous financial years as well as an increase of 14.73% in the 2002/03 financial year and a decrease of 10.70 % in the 2003/04 financial year. During

the year under review, the expenditure has increased by 12.41 % as against the previous year. In overall, the Department has recorded savings amounting to R49, 4 million , as shown in the table below.

ANALYSIS OF UNDER/ (OVER) EXPENDITURE PER PROGRAMME

PROGRAMME DESCRIPTION	VOTED 2005/06	ACTUAL EXPENDITURE	Under/(Over)	EXPENDITURE as % of
	R'000	R'000	R'000	VOTE
1: Administration	488 210	457 980	30 230	93.81 %
2: Foreign Relations	1 734 334	1 718 445	15 889	99.08 %
3:Public Diplomacy and Protocol	112 480	109 180	3 300	97.07 %
4:International Transfers	358 742	358 742	0	100%
TOTAL	2 693 766	2 644 347	49 419	98.17 %

During the year under review, the Department utilised 98, 17 % of the total budget allocated for the 2005/06 financial year, which compares favourably to the 92, 39 % spent during the previous financial year. However, considering the amount of R71 million which was paid in respect of pensions for non-statutory forces and the R21 million for the exchange rate losses the Department has utilised 94,75% of its budget, which still shows an improvement as against the previous financial year. Furthermore, during the year under review funds were transferred within a programme to defray over-expenditure between economic classifications and virement was done between Programme 2 and Programme 4. The overall under-expenditure can be attributed to the following reasons:

(i) Programme 1: Administration

As explained above, savings were utilised for the payment of pensions for the non-statutory forces and R11 million was utilised from this programme under Personnel. However, due to the delay in the filling of posts, further savings were realised under Personnel. In addition, during the year under review the Department engaged in a process to develop a feasibility study to determine alternative ways of procuring properties abroad. This study is intended to form the basis for formulating the Department's property acquisition plan. Delays in completing the report resulted in the realisation of savings in the Programme.

(ii) Programme 2: Foreign Relations

As in Programme1, an amount of R60 million was utilised for the payment of pensions for the non-statutory forces from Personnel. The savings in Personnel can be attributed to the delays in the filling of posts as well as a correction in the implementation of the 'new' Foreign Service Dispensation (FSD: allowances for employees serving abroad) in respect of the members at managerial level. The 'new' FSD was implemented on 1st December 2003 and numerous problems were identified, particularly i.r.o. personnel at managerial level. A budget provision was made to correct the discrepancies in the event that approval was received. An approval has been received, but the amount paid has been less than what was anticipated due to favourable exchange rate.

Although the total expenditure is within the budget, during the year under review the re-evalu-

ation of expenditure at the year-end resulted in a foreign exchange loss. As explained in note 1.3 above, the Department transfers funds to missions for their operations, therefore the bulk of its expenditure is incurred in foreign currencies. In addition, the Department transfers funds to the missions using five major currencies, due to the non-availability of other foreign currencies in South Africa. The missions in turn purchase the local currencies of their host countries. This process may result in exchange rate gains or losses. The funds are transferred at the spot rate and the balances at the end of the month are re-valued at the closing rate, which may result in foreign exchange gains or losses.

In 2003/04 financial year the Department was requested by National Treasury to change from the Financial Management System (FMS) to the Basic Accounting System (BAS-FAF) and again in 2004/05 to change from BAS-FAF to BAS-SCOA (Standard Chart of Accounts). This resulted in the foreign exchange losses that were not expensed at the year-end being posted to a control account. An amount of R21 million relates to the past three financial years, allocated as follows: R9, 7 million (2003/04); R1, 8 million (2004/05) and R9, 5 million (2005/06).

(iii) Programme 3: Public Diplomacy and Protocol

The savings are attributable to the vacant posts not being filled.

1.4 PROVISION FOR REPLACEMENT OF VEHICLES FOR HEADS OF MISSION

The Department provides Heads of Missions with official vehicles to carry out their official duties. In this regard, the Department developed a policy that defines the norms, usage of the vehicle, the replacement period, etc. The current system poses various problems to Department that make the scheme difficult to manage, with particular reference to the maintenance and replacement of these vehicles.

During the year under review, the Department has negotiated an agreement whereby vehicles for Heads of Missions will be provided on a finance lease basis. In line with the PFMA, National Treasury was approached and approval was granted to the Department for this method of acquisition. The Department is in the process of implementing the project.

2. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS WERE MADE

Transfer payments primarily arise from obligations undertaken by South Africa at international, regional and sub-regional multilateral levels. The payments, which are made by the Department, generally take the form of: -


- Membership dues to organisations such as the UN, the AU, the SADC, the Commonwealth, etc.
- Contributions to peacekeeping operations of the UN.
- Meetings of States (parties to international treaties) of which South Africa is a member, and in which South Africa has participated.
- Voluntary pledges that South Africa has made to international organisations for the purpose of humanitarian assistance, technical assistance, etc.

In the context of the UN, South Africa's assessed contributions to the regular budget are calculated at 0,41% of the total budget, while peacekeeping contributions are calculated at a 'developing country discounted rate' of 20% of 0,41% of the total cost of each specific UN peacekeeping operation. Contributions to other UN organisations, treaty bodies, etc. are determined on the basis of the calculation for South Africa's contribution to the UN regular budget as adjusted to the membership of the particular organisation or body.

With regard to the AU, South Africa's scale of assessment was at 8.25% of the total budget, which was duly paid. However, during the 8th Extraordinary Session of the AU Executive Council held in Khartoum, Sudan in January 2006 a total AU budget comprising of an Operational Budget (based on a new Scale of Assessment approved in July 2005 in Sirte) and a Programme Budget (provided on voluntary basis) was approved. South Africa's scale of assessment has been increased to 15 % for the 2006/07 financial year. To facilitate the operations of the AU, South Africa was requested to make its first payment in the first quarter of the AU financial year, which commences in January of each year.

South Africa also contributes 20% to the budget of SADC and during the year under review there was an increase as against the previous year.

The Development Bank of Southern Africa (DBSA) was re-



requested to establish and host the NEPAD secretariat, for the implementation of NEPAD. NEPAD is a pledge by African leaders to eradicate poverty, to place their countries on a path of sustainable growth and development and to participate actively in the world economy and body politic. The South African contribution (R30 million) to the NEPAD secretariat is channelled through the Department of Foreign Affairs.

During the financial year under review, the budget for the Humanitarian Aid programme was increased by R8 million during the adjustment estimates to provide for South Africa's contribution to the Timbuktu Manuscripts Project. The aim of the project is to restore the preservation of ancient manuscripts dating back to the 12/13th century kept at the Ahmed Baba Institute of Higher Learning & Islamic Research and to rehabilitate the buildings in Timbuktu. In summary the project consists of three components: the conservation of the manuscripts and the offering of training in conservation to Malian archivists; research on the manuscripts being preserved in Timbuktu and the construction of a new library and archive to host the approximately twenty three thousand (23 000) manuscripts. The project is managed through a Trust Fund established by the Development Bank of Southern Africa.

Furthermore, an amount of R13 million was transferred to the Department of Provincial and Local Government in its capacity as Government's coordinator of the Tsunami relief efforts.

With regard to accountability, these organisations and institutions prepare detailed financial statements, which are subject to auditing and public scrutiny. The detailed list of the transfer payments is per note 9 and Annexure IJ of the Annual Financial Statements.

3. SERVICES RENDERED BY THE DEPARTMENT

(i) Consular services

Consular services reflect the mandate of the South African Government to provide assistance and protection to its citizens abroad. Consular matters can be summarised as services provided by the Department in terms of the 1963 Vienna Convention on Consular Relations.

Consular services rendered to the public include visitation of injured, hospitalised and detained/imprisoned South African citizens abroad. These consular services involve mission personnel abroad having to travel to destinations where these services need to be rendered.

During the year under review, the Department was involved in providing assistance to South African citizens involved in various human disasters, e.g. the London bomb blasts and the storm surge that caused catastrophic damage along the eastern seaboard of the United States of America.

(ii) Agency services

Agency services are services rendered on behalf of other government departments, which are either not represented abroad or only represented at some missions. These departments include Home Affairs, Justice, Welfare, Transport, Agriculture, the South African Revenue Services and Trade and Industry. The Chief Directorate: Consular & Agency Services primarily supports the Department of Home Affairs with services that include passport processing, visas, work and study permits. Where the services being rendered require a fee, collection and payment are managed according to the relevant department's requirements and in accordance with Treasury Guidelines and Regulations.

In addition, the Department is the custodian of the QED payroll system, which is used to process allowances payable to officials transferred abroad, including those of other departments. This service to other departments takes place on an agency basis. The Department therefore incurs the expenditure on a recoverable basis.

(iii) Legalisation functions

A large percentage of the work at Head Office involves the legalisation/authentication of official documents for use abroad. The documents are either affixed to an Apostil (where countries are party to the Hague Convention of 1961) or to a Certificate of Authentication. During the year under review, 20 610 such documents were processed.

4. TRADING ENTITIES AND PUBLIC ENTITIES

The Department, in consultation with the National Treasury, is responsible for the administration of the African Renaissance and International Co-operation Fund (Fund).

The Fund is under the control of the Director-General: Foreign Affairs who, as the Accounting Officer, keep records and accounts of all transactions of the fund. An Advisory Committee was appointed to make recommendations to the Ministers of Foreign Affairs and Finance on the disbursement of funds, as provided for in the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000). Due to the urgency of some of the projects as well as the lengthy process to be followed to finalise the projects, the department has had on occasion to utilise its own funds for the Fund's purposes after obtaining the approval of the Director-General or the Minister of Foreign Affairs. This was done with a view to claim the amount back from the Fund once a letter of concurrence had been received from the Minister of Finance and has resulted in the opening of control accounts (Payables and Receivables) in the books of the Department and the Fund. The arrangement poses a risk to the Department, as the debt owed by the Fund is not enforceable in the event that the Minister of Finance does not issue the letter of concurrence.

The financial statements of the Fund are prepared separately from those of the Department because the Fund is registered as a Public Entity in terms of the Public Finance Management Act.

5. CAPACITY CONSTRAINTS

The Department is responsible for co-ordinating and leading the entire spectrum of South Africa's interaction with the rest of the world. Its activities are therefore multifunctional, varied and complex. In addition, the improvements in government processes, amongst others the implementation of the PFMA, which aims to modernise budget and financial management practices in department and to maximise the capacity of departments to deliver services to all stakeholders (citizens, customers, etc.), is a challenge.

The following are key challenges facing the Department. Some interventions have been identified for implementation in a phased manner and the progress made is tabled below:


(i) Management and Financial Skills

The changed practices from a situation that was one-dimensional, financial processes that were generally controlled by prescribed bureaucratic rules and regulations that stifled managerial efficiency, inhibiting innovation and often resulting in poor decision-making, have required staff to be capacitated in various management disciplines. The real challenge, in particular, is the lack of management skills to implement the PFMA and to design appropriate interventions to improve service delivery. In this regard, the Department conducted a skills audit to establish skills levels in the Department.

During the year under review, in an attempt to address some of the issues pointed out by the skills audit, the Department has implemented different programmes to ensure that the quality of management processes improves and contributes effectively and efficiently to the attainment of the Department's objectives.

With regard to the financial and administrative functions of the Department, the assessment indicated a need to enhance the training provided by the Department's Foreign Service Institute to officials undertaking the Mission Administration and the Foreign Affairs Attaché courses. In pursuance thereof, the Institute of Public Finance and Auditing was approached to develop training materials on finance, procurement, administration and corporate-related modules. These modules have now been included in the training provided to departmental officials. In addition, the South African Management Development Institute (SAMDI) was approached by the Department to develop a course for the members of the Departmental Tender Control Committee on Supply Chain Management, which includes an introduction to Supply Management, Demand Acquisition Management and the appointment of consultants. The implementation of the programme is still in progress.

Furthermore, after an intensive research process the Gordon Institute of Business Science (GIBS) was selected as the



main provider of the leadership and development programme in DFA, in collaboration with South African Management Institution (SAMDI).

The Gordon Institute of Business Science was tasked to develop a comprehensive programme that will address the identified departmental needs, which were confirmed by the recent skills audit results. The main focus of the programme is towards Self-mastery, Leadership and Transformation. The Leadership and Development programme has been designed for all senior managers of the Department. The programme commenced in November 2005 and is scheduled to be completed by September 2006.

(ii) Information Communications Technology

As reported in the previous year, the Department commenced with the implementation of the Master Systems Plan. Significant progress has been made with regard to the planning for the projects and service providers have been appointed through the office of SITA. In the ICT Plan for 2005/6, four strategic priorities were defined and the implementation of these is in progress, namely:

(a) Voice over Internet Protocol (VoIP) global network

The aim of the project is to provide the Department with an integrated, effective and efficient communications infrastructure that will provide connectivity for all Missions to the system at Head Office and improve collaboration and service delivery within the entire Department through converged global network data and voice media. The VoIP will allow the Department to integrate the telephone, e-mail and other applications and to take advantage of the benefits of unified messaging and to further reduce costs.

The project was developed and implemented in partnership with the Department of Home Affairs. The project is divided into two phases, which are: Phase 1, the primary deployment involving six (6) sites being Head Office, Washington, New York, Chicago, Maputo and Gaborone; Phase 2, the deployment of the solution to the entire Department. The equipment for the primary sites have been purchased, delivered and installed. The telecommunication links for the primary sites have been installed and are operational.

(b) Windows 2003 Advanced Server

This project is aimed at upgrading the back office infrastructure from a mixed environment of UNIX and Windows NT to Microsoft Windows Advanced Server, Windows XP desktop, Microsoft Office 2003 technologies and at unifying the communication platform for the entire Department.

The project is being implemented through Microsoft in two phases, in the following manner:

- The primary deployment in the following sites: Head Office, Washington, New York (UN), New York (CG), Chicago, Gaborone and Maputo.
- The full deployment, which is the migration of the rest of the department (Missions) to the new infrastructure.

The implementation of the Windows 2003 Advanced Server required an upgrade of Servers at all missions and Head Office and the servers are being installed at assigned offices. In addition the equipment, software and licences for all Microsoft technologies have been purchased and are being installed at the primary sites.

(c) Data Warehousing/ Business Intelligence (BI)

The aim of the project is to provide Human Resources and Finance with an executive business analysis and reporting tool. This project entails:

- Executive business decision and analysis tool;
- Building and accessing information by topic (Data-marts);
- Collaborative information building;
- Sharing information;
- Development of central repository for all DFA data;
- Introduction of work-flow;
- Common search engine; and
- Split repository for secure and open information.

TIBCO Staffware software and equipment have been purchased and installed at Head Office. The construction and development of both the HR and Finance components have been completed. The project is currently at the testing phase.

(d) Business Process Management (BPM) focusing on two business units: DIAP and DCAS.

The aim of the project is the automation of business process, providing optimised workflow with built-in business rules for the Directorates Consular & Agency Services (DCAS) and Diplomatic Immunity & Privileges (DIAP). BPM automatically manages the processes, by accessing repositories, applications, knowledge workers and/or databases at the appropriate point in the business process. BPM not only allows business processes to be executed more efficiently, but also provides the tools to measure performance and identify opportunities for improvement.

During the year under review, the development of the basic system, which covers processes prioritised by both directorates, have been completed. The SAS BI software equipment has been purchased and installed at Head Office.

6. CORPORATE GOVERNANCE ARRANGEMENTS

During the year under review, the Department continued with its endeavours and efforts to subscribe to and comply with the principles of good corporate governance. In pursuance thereof, the Department has adopted the principles of good governance as detailed in the King 2 Report, relevant legislation and other literature on this subject. The Department furthermore ensures that Departmental policies, practices and processes are in compliance with the principles enshrined in the Constitution and the Public Finance Management Act and that these policies, practices and processes are valid, fair, transparent, adequate, efficient and effective. Furthermore, Departmental policies, processes and practices are benchmarked against international best practices and comply with the principles of economy, efficiency and effectiveness.

(i) Policies, Processes and Procedures

The existence of a valid, approved set of policies, processes and procedures is critical for the promotion of good corporate governance. During the year under review, the Department has continued with the reviewing of existing policies, processes and procedures and compiling policies, processes and


procedures where these were either inadequate or non-existent. Additionally, during the year under review, the comprehensive review and re-designing of the Foreign Service Code of the Department has continued. Considerable progress has been made in this regard. Considering the magnitude of the task, this process will continue during the new financial year.

(ii) Risk Management Approach

The existence of an adequate and effective system of internal controls is necessary for Management and the Department as a whole to obtain reasonable assurance that its strategic objectives as well as goals and targets will be accomplished. The Department follows a risk-based approach to the systems of internal controls. During the year under review a comprehensive, Department-wide risk assessment was undertaken in accordance with the Department's approved Risk Management Strategy. A Strategic Risk Profile reflecting those risks that impact on the strategic objectives of the Department was compiled and accepted by both the Management and the Audit Committee of the Department. The Department has adopted Control Self Assessment as a management tool in the Total Risk Management approach and Control Self Assessment will come into operation during the new financial year. During the year, the Risk Management Directorate facilitated the assessment of operational risks for individual business units and directorates as part of the Control Self Assessment strategy and the Risk Management Strategy. An Operational Risk Profile for each Branch, Business Unit and Component has been prepared and work-shopped with relevant officials. Components are currently engaged in preparing their strategies in response to risks identified. The risk strategies and Control Self-Assessment Schedules will be completed during the 2006/7 financial year.

(iii) Fraud Prevention

During the year under review, the Department's Fraud Prevention Policy and Strategy were extensively reviewed and the Fraud Awareness Manual was developed. Furthermore, the Fraud Prevention Control Committee met regularly, on a quarterly basis, for the purposes of implementing the Policy and Strategy. The Fraud Prevention Policy and Strategy as well as the Fraud Awareness Manual were made available to all employees of the Department. The Department will continue its efforts in promoting a corruption-free environment



during the next financial year by making presentations to employees at training sessions and other workshops facilitated for this purpose.

The National Anti-Corruption and Fraud Prevention Hotline was implemented and activated by the Office of the Public Service Commission. The Fraud Awareness Manual and the Fraud Prevention Plan encourages Departmental employees to utilise the National Anti-Corruption and Fraud Prevention Hotline for the purposes of reporting fraud, corruption and other irregularities. However, our employees stationed abroad are not able to access the number and the matter is being discussed with the Office of the Public Service Commission.

(iv) Internal Audit

The Internal Audit Unit continues to play an important role in the corporate governance mechanism of the Department. The Unit was strengthened during the year with the appointment of staff members at the middle management level and the appointment of the Director: Internal Audit. Further appointments will be made in the 2006/7 financial year and will further strengthen the Internal Audit Unit.

The Unit has conducted a number of internal audits, performance audits and special investigations during the year and has offered the Department comprehensive recommendations for improvement where relevant and necessary. The Unit was also involved in disciplinary cases initiated by the Department.

During the year under review, the Internal Audit Unit conducted a comprehensive Department-wide risk assessment, the results of which have been accepted by both the Audit Committee and the Departmental Management.

(v) Continuous Updating of Good Corporate Governance Principles

The Department has also implemented measures to ensure that Management and other Departmental staff members are continuously updated on good corporate governance principles. In pursuance thereof, Corporate Governance is included in the training offered to newly-appointed Heads of Mission, candidates undertaking the Mission Administration Course and those candidates on the Diplomatic Training Course.

Corporate Governance is also included as part of the Internal Audit matters as a standing item in the Departmental Management Committee meetings. Departmental Management Committee members are continuously updated on the latest developments of corporate governance.

(vi) Investigations Management and Monitoring Committee

During the year under review, the Department formalised the establishment of the Investigations Management and Monitoring Committee. This Committee contributes to good corporate governance within the Department by ensuring that thorough investigations are conducted with adequate evidence that cases are finalised within timeframes and that proper attention is given to all disciplinary cases.

(vii) Audit Steering Committee

An Audit Steering Committee comprising of representatives from each Branch within the Department has been established as part of the corporate governance mechanism. The role and functions of the Audit Steering Committee are to ensure that all audit recommendations, both external and internal, are accorded due attention by the Department and implemented.

7. PERFORMANCE INFORMATION

The Department has developed its strategic plan for the next MTEF period, which articulates the strategic priorities of the Department. The plan includes all statutory requirements as defined in Chapter 5 of the PFMA and Chapter 1, Part III B, of the new Public Service Regulations (2001).

A Strategic Planning Unit has been established in the DG's Office with the main aim of monitoring the implementation of the Strategic Plan of the Department. However, the posts are currently in the process of being filled. To enhance service delivery and performance, measurable objectives, performance indicators and time frames have been developed.

(i) Performance management system

The Performance Management and Development System is

a management tool for the effective monitoring of individual performance to ensure that Departmental goals are achieved in line with its strategic plan. The Department's Performance Management System is well integrated into the strategic planning process of the Department and encourages a cascading effect of priorities and goals from the Departmental Strategic Objectives to the Business Unit level and down to the individual's performance agreement.

During the year under review, the Department ensured that all Business Units have business plans and that all employees have signed performance agreements and that their activities are ultimately tied to the broader organisational goals. A committee was established to ensure the alignment of Performance Agreements to Business Plans. However, the implementation of the PMDS still poses some challenges, particularly concerning compliance and the evaluation of business unit performance as against predetermined objectives.

With regard to Branch performance evaluations, a two-pronged approach was adopted, whereby for the period April 2005 to September 2005 individual Branch reviews were conducted and for the period October 2005 to March 2006 a Departmental review was conducted. To ensure that Branches report against their predetermined objectives as stated in the DFA Strategic Plan, a template was designed for the submission of the reports. Furthermore, the designed template will be utilised for the submission of quarterly reports in the next financial year. To strengthen the implementation of PMDS for the next financial year, Business Units and missions were not allowed to utilise their budget without the submission of Business Plans and all Performance Agreements.

The department has progressed considerably in embedding the PMDS and related rewards. Extensive training was provided to Moderation Committees and detailed guidelines were developed for the evaluation process. The recognition of employees' performances was based on the performance appraisal outcomes as against the individual performance agreement as well as the overall performance of the Unit concerned.

(ii) Systems of implementation and monitoring

The Minister, Deputy Ministers and Director-General moni-

tor the implementation of policy and the strategic plan by ambassadors at missions abroad and by senior officials of the Department. Branches of the Department and the programme managers at Chief Director-level determine regional priorities and objectives, which are aligned to the Department's strategic plan and priorities. Directorates and missions abroad implement business plans, which are country and region-specific. Business units monitor performance through a system of quarterly reports to Head Office on progress, supported by weekly and regular interaction and reports on the substance of the set objectives. The monitoring of progress and performance is further enhanced by the following systems:

- Business unit business plans and quarterly reports;
- Mission business plans and quarterly reports;
- Six-monthly reviews of the operating environment and priorities;
- A performance management system at all levels; and
- A Departmental in-house six-monthly/annual strategic review.

These systems are further integrated and co-ordinated by a process of Departmental Management Committees to ensure a coherent and focused approach. As part of the strategic monitoring process, as explained above, the Branches engaged in mid-term reviews to determine the extent to which goals were achieved and budget reviews were also conducted with missions. Regional consultations with Heads of Missions were also conducted with the political principals to brief them about new policy directions. The outcomes of these consultations informed the action plans for the remainder of the year, while the outcomes of the year-end review have been integrated into the 2006/07 Strategic Plan.

8. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department's project to acquire a suitable and sustainable working environment for its total Head Office staff complement has advanced through a number of milestones during the year under review. A detailed feasibility study was concluded and submitted to the National Treasury for approval. This feasibility study identified a suitable site for the project, proved the project to be in the best interest of the organisation and defined the scope of the project.



The project in summary will include:

- a) the provision of office accommodation for the full Head Office staff complement, together with appropriate staff wellness facilities necessary for the Department to fulfil its mandate;
- b) a training facility to replace the present Foreign Service Institute (FSI);
- c) adequate conference facilities for the many local and international conferences hosted by South Africa through the Department;
- d) the upgrading of the existing diplomatic guest house; and
- e) the construction of a new guest house on the selected site.

The feasibility study furthermore proved the project to be affordable and viable to be implemented by means of a Public Private Partnership program. Treasury Approval 1 in respect of the feasibility study was received in November 2004, which approval paved the way for the commencement of the procurement process. This procurement process aims to select a Private Party with which the Department will enter into a long term (approximately 25-year) concession agreement to finance, design, construct, operate and maintain the Head Office facility. During the previous financial year, the Department commenced with the procurement process and selected three bidding consortia via a Request for Qualification (RFQ) process, to participate in the second stage of the procurement process.

During the year under review, the Department prepared Request for Proposals (RFP) documentation and after receiving Treasury Approval issued the RFP documents to the three short-listed bidders. The bidding process culminated in the closing of RFP tenders on 27 November 2005 and was followed by a detailed evaluation. At the end of the evaluation, the Department was unable to select one Preferred Bidder and opted to embark on a Best And Final Offer (BAFO) process, with two short-listed bidders. BAFO documents were issued on 3 March 2006 with a closing date of 27 March 2006.

This BAFO process will be concluded during the next financial year and it is anticipated that the preferred bidder will be appointed before end June 2006 and construction will commence before the end of the financial year 2006/07.

9. MISSION FINANCIAL SYSTEM

As reported in the previous year, the Department commenced with the development of a financial system for the missions that would enable the Department to meet its financial reporting obligations as required by the PFMA. The new system will provide missions with the ability to manage their financial activities, report on expenditure and monitor their budgets. The system is web-based and will enable business unit managers to monitor the budget and expenditure of their respective missions in both Rand value and foreign currency value. The current Foreign Currency System (FCS) used to convert the foreign currencies into Rand will be replaced.

Due to the complexity of the development of the new financial system, it was decided to develop and implement the system in a three-phased approach:

Phase I: Consolidation of Financial Information and Reporting

Phase I provided missions with spreadsheet templates for budgeting and recording of monthly expenditure. The information is sent via e-mail to Head Office (as from the 25th of each month) and the data is then downloaded manually on the FCS. Once the accounts from the missions have been reconciled the data is interfaced to BAS in Rand value. During the year under review, all the missions reported their expenditure through this system, which assisted the Department in complying with prescribed reporting requirements to a certain extent.

Phase II: Install a PFMA-compliant Financial System

The Department also continued with the development of Phase II, which included the General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets and Multi-currency Inter-company Accounts. The system is geared towards the accrual based accounting system and uses the Standard Chart of Accounts (SCoA) as in the Basic Accounting System (BAS). The development of the mission financial package has been completed. As explained above, Phase II also included the replacement of the Foreign Currency System and will be completed in the next financial year. The mission financial system will be rolled out to missions in the next financial year.

Phase III: Business Cycle Process Automation

Phase III will involve Business Cycle Process Automation, Business Cycle Management and the automation of processes. Phase III will be built on the development already undertaken in Phases I and II. The implementation of Phase III is planned to take place as from 1st April 2007.

10. OVERDRAFT ACCOUNT (PMG Account 8033- 128-9)

As reported in the previous financial year, the department ceased utilising the account in the Reserve Bank to transfer funds to the missions, however this account was overdrawn in the amount of R59 million. The Department has now settled the account and currently utilises the services of the three commercial banks for the purpose of transferring funds to the missions. The banks are then re-imbursed with amounts transferred and the related bank charges incurred.

11. RECEIVABLES

The bulk of the receivables (other departments) relate to foreign allowances and accommodation expenses in respect of employees of partner departments transferred abroad. In this regard, the Department incurs the expenditure on a recoverable basis. However, due to the lack of on-line financial systems, the Department is currently facing difficulties in forwarding claims to partner departments on a monthly basis. This situation severely impacts on the cash-flow management of the Department. The Department has implemented processes to deal with this matter, including requesting departments to pay their accounts in advance. The Department is also in the process of signing the Memorandum of Understanding (M.O.U) with the affected departments, which will detail the payment methods and dispute resolution mechanisms.

During the year under review, the Department made a concerted effort to manage accounts receivable in respect of other departments. The results of these efforts are reflected in the decrease of 21, 34% (R35 million) between the closing balances of R164 million (2004/05 financial year) and R129 million (2005/06 financial year). However, it is important to re-

port that despite Management's concerted efforts for the settlement of interdepartmental claims by establishing a process to deal with disputed amounts, it is disheartening to note that this matter has not yet yielded the desired results, especially with regard to the confirmation of outstanding balances by partner departments. Furthermore, the Department appointed a service provider to assist with the clearing of old balances with a view to writing off those claims of which the possibility of recovery is non-existent. A Debt Management Policy was developed and a Debt Management Committee was established to monitor the debt portfolio of the Department. Although the Department has implemented the processes to verify these debts, it would be prudent to make provision for non-recovery, as other balances may not be verifiable due lack of supporting documents. A provision of 23, 25 % (R30 million) of the total debt has been made for this purpose.

12. MANAGEMENT OF FIXED ASSETS

A phased approach to proper asset management has been progressing since the enactment of the PFMA. National Treasury has been providing guidance on a regular basis in terms of minimum information required for the asset register. However, the implementation of the minimum requirements has been challenging due to limited resources (both human and systems). During the previous financial year, the Department implemented an asset management system that enabled the Department to produce a credible Asset Register for the Head Office.

During the year under review, the Department has managed to develop Asset Registers for assets maintained at missions with a unique bar code per asset, standard product catalogue information, and the location information of the asset item as well as the personnel information of the user of the asset item. However, the recording of values still remains a challenge since the costs of the assets were expensed fully in the year of purchase. As a consequence, it was difficult to allocate all values to assets per invoice amount. The Department will continue its efforts to strive for the complete capturing of the values of the assets. The Department has finalised the drafting of the Asset Management Policy. Moreover, a dedicated unit within the Supply Chain Management Directorate has been assigned to deal with asset management.

13. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The Department has continued to strive for the implementation of the provisions of the Public Finance Management Act and has paid special attention to improving internal controls. The following key initiatives were implemented:

(i) Issues raised by the Office of Auditor-General

The Department, under the guidance of the Audit Committee, embarked on a structured process to address the issues raised by the Office of the Auditor-General in its previous report. An action plan document was developed to attend to specific priorities for the Finance section and external consulting services were also utilised to assist in the clearing of suspense accounts, and significant progress has been achieved.

(ii) Management of Budget

During the year under review, the Department implemented budget review sessions with missions to ensure that each mission operates within their allocated budgets and to strengthen the oversight function of the Business Units. The process also assisted the Department to determine credible baseline amounts for the missions and their respective business units.

(iii) Monthly Expenditure Reporting

The Phase I implementation of the mission financial system has assisted the Department to submit its monthly expenditure report to National Treasury and a comprehensive financial report was also presented to the Management meeting in the last quarter of the financial year. With regard to performance monitoring, the department is still faced with the challenge of compiling quarterly review reports. However, the respective Branches conducted their half yearly performance reviews as required. A clear process has been implemented to improve this aspect in the next financial year.

(iv) Re-engineering of Strategic Financial Management Functions

The Department has continued to implement processes to improve the financial management function in the DFA. Significant progress has been achieved in the area of asset man-

agement, the implementation of the mission financial system, management of debtors, management of mission cashbook balances and the development of policies. Management of the Department is also involved through the established committees with clear mandates and responsibilities, such as the Audit Steering Committee, the Debt Management Committee, the Fraud Prevention Control Committee, and the Departmental Tender Control Committee in the strategic financial management of the department.

14. CONTINGENCY LIABILITIES

(i) Housing and motor finance guarantees

Financial guarantees are made available to commercial banks to assist employees when they purchase a dwelling or a vehicle in terms of the housing policy or motor finance scheme. In the event that an employee fails to meet his/her obligation to the bank, the department either deducts the guaranteed amount in installments from that employee's salary or reflects the amount as a debt against his/her pension for recovery. In addition, should the employee resign from the service, the department notifies the bank concerned and terminates the guarantee.

(ii) Financial guarantees

The Department of Water Affairs and the Lesotho Highlands Development Authority, through the Departments of Foreign Affairs of the respective countries, entered into a water treaty agreement in terms of which the Lesotho Highlands Development Authority is to supply water to South Africa.

In order for the Lesotho Highlands Development Authority to meet this challenge, it had to improve its infrastructure. The Lesotho Highlands Development Authority applied for a loan from the Development Bank of South Africa. As part of the agreement, the Department stood surety for the loan. It is important to report that all the repayments by the Lesotho Highlands Development Authority have been kept up to date.

15. SCOPA RESOLUTIONS

The table below summarises the Standing Committee on Public Accounts (SCOPA) resolutions under implementation, as

contained in the SCOPA seventy-seventh report, 2003, on the report of the Auditor-General on the financial statements of the Department for the year ended 31 March 2002 [RP206/2002]:

Reference to previous audit report and SCOPA resolutions	Subject	Findings in progress
<p>(1) Resolution – audit report 2001/02</p> <p>The Committee recommends that:</p> <ul style="list-style-type: none"> the Department resolves the matter with other departments as speedily as possible; a progress report on the matter be furnished to Parliament within 60 days after the tabling of this report in Parliament; and that the Auditor-General reports thereon in his next report on Foreign Affairs. 	Receivables-Interdepartmental balances	<p>The resolution is under implementation.</p> <p>Please refer to paragraph 11 of the Accounting Officer's report.</p>
<p>(2) Resolution – audit report 2001/02</p> <p>The Committee recommends that:</p> <ul style="list-style-type: none"> the Department indicates the nature and impact of the corrective steps it intends to take to rectify the situation; and that the Auditor-General reports thereon in his next report. 	Computer audit	<p>The resolution is under implementation.</p> <p>Please refer to paragraph 5(ii) of the Accounting Officer's report.</p>

Apart from the above-mentioned, there have been no other SCOPA resolutions since the 2001-02 audit report.

16. EVENTS AFTER REPORTING DATE

At the time of reporting, no material events affecting the operations of the Department had occurred except amounts received to the value of approximately R27 million with regard to receivables for the other departments.

Approval

The financial position of the Department as at 31 March 2006 and the results of its operations are set out in the attached financial statements:

- Appropriation statement
- Notes to the Appropriation Statement
- Statement of Financial Performance
- Statement of Financial Position
- Statement of Changes in Net Assets
- Cash Flow Statement
- Notes to the Annual Financial Statements
- Disclosure Notes to the Annual Financial Statements
- ANNEXURES
 - Annexure 1F : Statement of Unconditional Transfers to Municipalities
 - Annexure 1G : Statement of Transfers to Departmental Agencies and Accounts
 - Annexure 1I : Statement of Transfers to Public Corporations and Private Enterprises
 - Annexure 1J : Statement of Transfers to Foreign Governments and International Organisations

Annexure 1L	: Statement of Transfers to Households
Annexure 1M	: Statement of Gifts, Donations and Sponsorships Received
Annexure 1O	: Statement of Gifts, Donations and Sponsorships Made
Annexure 3A	: Statement of Financial Guarantees Issued
Annexure 3B	: Statement of Contingent Liabilities
Annexure 4	: Capital Tangible Asset Movement Schedule
Annexure 4.1	: Additions Movement Schedule
Annexure 4.2	: Disposals Movement Schedule
Annexure 4.3	: Capital Tangible Asset Movement Schedule – 2004/05
Annexure 5	: Software and other Intangible Asset Movement Schedule
Annexure 5.1	: Additions Movement Schedule
Annexure 5.2	: Disposals Movement Schedule
Annexure 5.3	: Capital Intangible Asset Movement Schedule – 2004/05
Annexure 6	: Inter-Governmental Receivables
Annexure 7	: Inter-Departmental Payables

The Accounting Officer has approved the above-mentioned financial statements.



DR. A NTSALUBA

Director-General: Department of Foreign Affairs

Date: 31 May 2006



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE 3 - DEPARTMENT OF FOREIGN AFFAIRS FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 19 to 83, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The capital asset opening balances have not been audited, because of the timing of guidance from the National Treasury to departments relating to the treatment, valuation and disclosure of capital assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Foreign Affairs at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

5.1 Debt management

In my previous year's audit, I had indicated that the department's accounting and internal control systems were not geared towards effective debt management practices. This was impacted, inter alia, by the limitations of the existing financial system and the decision by the Cabinet Committee for the Economic Sector of 7 September 2005 to suspend the renewal of all independent financial systems. Although significant improvements were introduced during the year under review, further work needs to be done, particularly in the areas of the management information system, monthly monitoring and reconciliations, as well as information and documentation flows between the parties concerned.

Annexure 6 to the financial statements reflects inter-governmental claims receivable, excluding other government entities, of R129.4 million (2004/05:R164.7 million), a decrease of 21 per cent over the previous financial year. I performed alternative procedures to obtain reasonable assurance that the unconfirmed balances of R76.3 million or 59 per cent of the total outstanding (2004/05: R128.8 million or 78 per cent) were not materially misstated. While the decrease in this amount compared with the previous year is positive, the level of unconfirmed balances remains of concern.

Other matters, as per note 16 to the financial statements that need to be re-emphasised, include:

- Overall, an amount of R69.8 million or 20 per cent of

the total receivables was outstanding for more than three years compared to R52.2 million or 18 per cent in 2004/05. Amounts outstanding for one to three years amounted to R29.6 million (2004/05: R24.6 million). An amount of R30 million (2004/05: R40 million) was raised as a provision for doubtful debts, which has not yet been written off in the statement of financial performance.

- The management of households and non-profit institutions receivables and staff debtors, which show an increase over the previous year, is in need of some improvement.

5.2 Performance information

The department does not have an effective information management system to facilitate the monitoring, evaluation and reporting on performance information. Consequently, the following areas were identified where improvement is needed:

- The department did not submit its performance information for auditing within the stipulated timeframe, as required by the National Treasury Guide for the Preparation of Annual Reports for National and Provincial Departments for the year ended 31 March 2006.
- Supporting documentation to corroborate the department's actual performance against its predetermined targets, as disclosed in its 2005/06 annual report could not be furnished.
- The reported performance information did not reflect the department's achievements vis-à-vis its predetermined objectives as set out in year 1 of the approved strategic plan and annual budget for the year under review.

5.3 Receivables: African Renaissance and International Co-operation Fund

Annexure 6 to the financial statements reflects an amount of R48.2 million (2004/05: R40.2 million) owing by the African Renaissance and International Co-operation Fund (fund). As reported previously in the 2004/05 audit report, this amount included a series of payments totalling R29.9 million, which the department had made in 2002 on behalf of the fund to the Mali Trust Fund to enable the hosting of the twenty-third Africa Cup of Nations soccer tournament. At that time, the Mali Trust Fund had been managed by Sports and Recreation South Africa.

The total payment of R29.9 million exceeded the initial amount

pledged and contrary to section 5 of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000), these payments have not been regularised by the advisory committee. Concurrence by the Minister of Finance was also not obtained. According to the department, the Minister of Finance remained unable to issue a letter of concurrence for the expenditure incurred on behalf of the fund until the accounts of the Mali Trust Fund have been audited.

5.4 Information systems audit of general controls

A limited follow-up review was conducted during the year under review to assess the adequacy of actions taken by the department to address the shortcomings in the general controls, as previously reported. The department had initiated an information system infrastructure upgrade programme, which it believed would pave the way for addressing, inter alia, the previously identified risks in relation to the following:

- Procedures had not been developed for change management, user account management, incident and problem management, backup and recovery and network security administration.
- The physical and environmental controls in the server rooms were still considered inadequate.
- The logical access security and user monitoring controls at network level were still considered inadequate.
- A disaster recovery plan had not been developed and implemented.

At the time of writing the report, the department has made notable progress in addressing some of the risk exposures. A follow-up review of the information systems general control environment will be conducted when the infrastructure upgrade programme has been finalised in December 2006, as planned.

6. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.

S. A. Fakie

Auditor-General
Pretoria
31 July 2006



ACCOUNTING POLICIES for the year ended 31 March 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1. Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2. Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3. Rounding

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

1.4. Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1. Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to rollover the funds to the subsequent financial year. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2. Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1. Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2. Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3. Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4. Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5. Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6. Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.7. Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3. Local and foreign aid assistance

Local and foreign aid assistance is recognised in the finan-

cial records when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1. Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

3.1.1. Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance

when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2. Long-term employee benefits

3.1.2.1. Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2. Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2. Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3. Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4. Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5. Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant

authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.


Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7. Irregular expenditure

Irregular expenditure is recognised as expenditure in the



statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8. Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9. Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2. Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3. Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4. Investments

Capitalised investments are shown at cost in the statement of

financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5. Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6. Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

5. Liabilities

5.1. Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2. Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3. Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but

final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5. Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

6.2. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Related party transactions

Related parties are departments that control or significantly influence other entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel


Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - Consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

10. Expenditure incurred abroad in foreign currency

For expenditure incurred at missions abroad, the Rand value of cost is determined by the spot rate of exchange upon transfer of funds and the cost incurred in foreign currency. Mission cashbook balances are re-valued using daily spot rate of exchange upon each transfer of funds. Transactions processed against Statement of financial position items, at missions abroad are valued at historical rate of exchange.

11. Capital assets

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

Appropriation Statement for the year ended 31 March 2006
Appropriation per programme

	2005/06						2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Appropriation R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration										
Current payment	377,794	-	-	377,794	377,794	360,558	17,236	95.4%	415,388	361,042
Transfers and subsidies	6,912	-	-	6,912	6,912	6,891	21	99.7%	5,588	5,185
Payment for capital assets	103,504	-	-	103,504	103,504	90,531	12,973	87.5%	71,461	59,388
2. Foreign Relation										
Current payment	1,603,626	-	(2,212)	1,601,414	1,601,414	1,590,018	11,396	99.3%	1,519,252	1,415,882
Transfers and subsidies	17,591	-	-	17,591	17,591	13,098	4,493	74.5%	12,696	17,516
Payment for capital assets	115,329	-	-	115,329	115,329	115,329	-	100%	66,171	77,142
3. Public Diplomacy										
Current payment	94,773	-	-	94,773	94,773	92,043	2,730	97.1%	138,547	124,199
Transfers and subsidies	15,886	-	-	15,886	15,886	15,885	1	100%	16,497	13,063
Payment for capital assets	1,821	-	-	1,821	1,821	1,252	569	68.8%	2,064	3,584
4. International Transfer										
Current payment	-	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	356,530	-	2,212	358,742	358,742	358,742	-	100.0%	298,985	275,924
Payment for capital assets	-	-	-	-	-	-	-	0.0%	-	-
Subtotal	2,693,766	-	-	2,693,766	2,693,766	2,644,347	49,419	98.2%	2,546,649	2,352,925
Statutory Appropriation										
Current payment								0.0%		
Transfers and subsidies								0.0%		
Payment for capital assets								0.0%		
TOTAL	2,693,766	-	-	2,693,766	2,693,766	2,644,347	49,419	98.2%	2,546,649	2,352,925
Reconciliation with Statement of Financial Performance										
Add:										
Prior year unauthorised expenditure approved with funding										-
Departmental receipts					31,178				37,376	
Local and foreign aid assistance received										
Actual amounts per Statements of Financial Performance (Total revenue)					2,724,944				2,584,025	
Add:										
Local and foreign aid assistance										
Prior year unauthorised expenditure approved										
Prior year fruitless and wasteful expenditure authorised										
Actual amounts per Statements of Financial Performance (Total expenditure)					2,644,347				2,352,925	

Appropriation Statement for the year ended 31 March 2006
Appropriation per Economic classification

	2005/06					2004/05				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Appropriation R'000	Final Appropriation R'000	Actual expenditure R'000
Current payments										
Compensation of employees	1,089,993	-	-	1,089,993	1,072,371	17,622	98.4%	1,138,101	1,138,101	1,011,746
Goods and services	986,200	-	(2,212)	983,988	949,401	34,587	96.5%	935,053	935,053	889,012
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	20,847	(20,847)	0.0%	33	33	365
Transfers and subsidies										
Provinces and municipalities	13,659	-	-	13,659	13,650	9	99.9%	10,868	10,868	15,678
Departmental agencies and accounts	100,000	-	-	100,000	100,000	-	100%	5,566	5,566	50,005
Universities and technicians	-	-	-	-	-	-	0.0%	-	-	-
Foreign governments and international organisations	260,975	-	2,212	263,187	259,734	3,453	98.7%	298,985	298,985	225,924
Public corporations and private enterprises	9,829	-	-	9,829	9,307	522	94.7%	11,236	11,236	8,329
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-	-
Households	12,456	-	-	12,456	11,925	531	95.7%	7,111	7,111	11,752
Payments for capital assets										
Buildings and other fixed structures	44,000	-	-	44,000	42,820	1,180	97.3%	27,296	27,296	27,296
Machinery and equipment	142,336	-	-	142,336	129,974	12,362	91.3%	106,649	106,649	102,955
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-	-
Software and other intangible assets	34,318	-	-	34,318	34,318	-	100%	5,751	5,751	9,863
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-	-
Total	2,693,766	-	-	2,693,766	2,644,347	49,419	98.2%	2,546,649	2,546,649	2,352,925

Statutory Appropriation

Details of direct changes against the National/Provincial Revenue Fund	2005/06				2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Final Appropriation R'000	Actual expenditure R'000
List all direct charges against the National/Provincial Revenue Fund						
President and Deputy President salaries				-		
Member of executive committee / parliamentary officers/legislature						
Judges and magistrates salaries						
Sector education and training authorities (SETA)						
National Skills Fund						
Total						0.0%

Detail per programme 1 – Administration for the year ended 31 March 2006

Programme per sub programme	2005/06						2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Final Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Final Expenditure R'000	Actual Expenditure R'000
1.1 Minister										
Current payment	843	-	-	843	843	-	100.0%	791	791	791
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-	-
1.2 Deputy Minister										
Current payment	1,348	-	-	1,348	1,348	-	100.0%	1,286	1,286	1,296
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-	-
1.3 Management										
Current payment	49,519	-	-	49,519	49,519	-	100.0%	18,193	18,193	11,338
Transfers and subsidies	388	-	-	388	388	-	100.0%	-	-	-
Payment for capital assets	618	-	-	618	618	-	100.0%	149	149	511
1.4 Corporate Services										
Current payment	326,084	-	-	326,084	308,848	17,236	94.7%	395,118	395,118	347,617
Transfers and subsidies	6,524	-	-	6,524	6,503	21	99.7%	5,588	5,588	5,185
Payment for capital assets	101,160	-	-	101,160	89,484	11,676	88.5%	70,712	70,712	56,192
1.5 Government Motor Transport										
Current payment	-	-	-	-	-	-	0.0%	-	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-
Payment for capital assets	1,726	-	-	1,726	429	1,297	24.9%	600	600	2,685
TOTAL	488,210	-	-	488,210	457,980	30,230	93.8%	492,437	492,437	425,615

Detail per programme 1 – Administration for the year ended 31 March 2006

Economic Classification	2005/06						2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Appropriation R'000	Final Expenditure R'000	Actual Expenditure R'000
Current payment										
Compensation of employees	157,080	-	-	157,080	150,320	6,760	95.7%	157,338	113,358	113,358
Goods and services	220,714	-	-	220,714	210,238	10,476	95.3%	258,017	247,319	247,319
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	33	365	365
Transfers and subsidies to:										
Provinces and municipalities	413	-	-	413	404	9	97.8%	288	410	410
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-	-
Universities and technikons	-	-	-	-	-	-	0.0%	-	-	-
Foreign governments and international organisations	57	-	-	57	56	1	98.2%	-	-	-
Public corporations and private enterprises	5,431	-	-	5,431	5,429	2	100.0%	5,000	4,253	4,253
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-	-
Households	1,011	-	-	1,011	1,002	9	99.1%	300	522	522
Payment for capital assets										
Buildings and other fixed structures	44,000	-	-	44,000	42,820	1,180	97.3%	27,296	27,296	27,296
Machinery and equipment	25,227	-	-	25,227	13,434	11,793	53.3%	38,414	22,229	22,229
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-	-
Software and other intangible assets	34,277	-	-	34,277	34,277	-	100.0%	5,751	9,863	9,863
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-	-
Total	488,210	-	-	488,210	457,980	30,230	93.8%	492,437	425,615	425,615

Detail per programme 2 – Foreign Relation for the year ended 31 March 2006

	2005/06					2004/05				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
2.1 Africa Bilateral										
Current payment	448,014	1,895	-	449,909	449,275	634	99.9%	305,720	314,350	
Transfers and subsidies	12,564	-	-	12,564	12,564	-	100.0%	-	-	
Payment for capital assets	34,369	-	-	34,369	34,369	-	100.0%	22,701	29,353	
2.2 Africa Multilateral										
Current payment	124,437	-1,895	(-2,212)	120,330	109,568	10,762	91.1%	70,196	99,450	
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	
Payments for capital assets	8,899	-	-	8,899	8,899	-	100.0%	3,710	2,880	
2.3 Americas										
Current payment	218,910	-	-	218,910	218,910	-	100.0%	224,931	199,006	
Transfers and subsidies	28	-	-	28	-	28	0.0%	-	-	
Payments for capital assets	6,992	-	-	6,992	6,992	-	100.0%	7,074	9,443	
2.4 Europe										
Current payment	384,689	-	-	384,689	384,689	-	100.0%	606,131	412,548	
Transfers and subsidies	1,573	-	-	1,573	534	1,039	33.9%	-	-	
Payments for capital assets	52,037	-	-	52,037	52,037	-	100.0%	13,156	16,415	
2.5 Asia and Middle East										
Current payment	350,965	-	-	350,965	350,965	-	100.0%	308,428	387,707	
Transfers and subsidies	3,047	-	-	3,047	-	3,047	0.0%	12,696	17,516	
Payments for capital assets	11,346	-	-	11,346	11,346	-	100.0%	17,466	15,485	
2.6 Multilateral										
Current payment	76,611	-	-	76,611	76,611	-	100.0%	3,846	2,821	
Transfers and subsidies	379	-	-	379	-	379	0.0%	-	-	
Payments for capital assets	1,686	-	-	1,686	1,686	-	100.0%	2,064	3,566	
Total	1,736,546	-	(2,212)	1,734,334	1,718,445	15,889	99.1%	1,598,119	1,510,540	

Detail per programme 2 – Foreign Relation for the year ended 31 March 2006

Economic classification	2005/06						2004/05			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Final expenditure R'000	Actual expenditure R'000
Current										
Compensation of employees	895,088	-	-	895,088	885,633	9,455	98.9%	937,671	861,736	861,736
Goods and services	708,538	-	(-2,212)	706,326	683,538	22,788	96.8%	581,581	554,146	554,146
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	20,847	(20,847)	0.0%	-	-	-
Transfers and subsidies										
Provinces and municipalities	546	-	-	546	546	-	100.0%	130	3,995	3,995
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	94	5	5
Universities and technikons	-	-	-	-	-	-	0.0%	-	-	-
Foreign governments and international organisations	4,388	-	-	4,388	936	3,452	21.3%	-	-	-
Public corporations and private enterprises	4,392	-	-	4,392	3,872	520	88.2%	6,236	4,076	4,076
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-	-
Households	8,265	-	-	8,265	7,744	521	93.7%	6,236	9,440	9,440
Capital										
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-	-
Machinery and equipment	115,288	-	-	115,288	115,288	-	100.0%	66,171	77,142	77,142
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-	-
Software and other intangible assets	41	-	-	41	41	-	100.0%	-	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-	-
Total	1,736,546	-	(2,212)	1,734,334	1,718,445	15,889	99.1%	1,598,119	1,510,540	1,510,540

Detail per programme 3 – Public Diplomacy for the year ended 31 March 2006

Programme per sub programme	2005/06					2004/05				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
3.1 Protocol matters										
Current payment	94,773	-	-	94,773	92,043	2,730	97.1%	54,723	39,555	
Transfers and subsidies	15,886	-	-	15,886	15,885	1	100.0%	15,922	11,273	
Payment for capital assets	1,821	-	-	1,821	1,252	569	68.8%	619	2,992	
3.2 Public Diplomacy										
Current payment	-	-	-	-	-	-	0.0%	23,824	33,798	
Transfer and subsidies	-	-	-	-	-	-	0.0%	575	1,790	
Payment for capital assets	-	-	-	-	-	-	0.0%	1,445	592	
3.3 Presidential Inauguration										
Current payment	-	-	-	-	-	-	0.0%	60,000	50,846	
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	
Payment for capital asset	-	-	-	-	-	-	0.0%	-	-	
Total	112,480	-	-	112,480	109,180	3,300	97.1%	157,108	140,846	

Detail per programme 3 – Public Diplomacy for the year ended 31 March 2006

Economic classification	2005/06						2004/05				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Expenditure R'000	Actual R'000	Variance R'000	Expenditure as % of final appropriation %	Appropriation R'000	Final expenditure R'000	Actual R'000
Current											
Compensation of employees	37,825	-	-	37,825	36,418	36,418	1,407	96.3%	43,092	43,092	36,652
Goods and services	56,948	-	-	56,948	55,625	55,625	1,323	97.7%	95,455	95,455	87,547
Interest and rent on land	-	-	-	-	-	-	-	0.0%	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	0.0%	-	-	-
Transfers & subsidies											
Provinces & municipalities	12,700	-	-	12,700	12,700	12,700	-	100.0%	10,450	10,450	11,273
Dept agencies & accounts	-	-	-	-	-	-	-	0.0%	5,472	5,472	-
Universities & Technikons	-	-	-	-	-	-	-	0.0%	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	0.0%	-	-	-
Public corporations & private enterprises	6	-	-	6	6	6	-	100.0%	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	0.0%	-	-	-
Households	3,180	-	-	3,180	3,179	3,179	1	100.0%	575	575	1,790
Capital											
Buildings & other fixed structures	-	-	-	-	-	-	-	0.0%	-	-	-
Machinery & equipment	1,821	-	-	1,821	1,252	1,252	569	68.8%	2,064	2,064	3,584
Biological or Cultivated assets	-	-	-	-	-	-	-	0.0%	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	0.0%	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	0.0%	-	-	-
Total	112,480	-	-	112,480	109,180	109,180	3,300	97.1%	157,108	157,108	140,846

Detail per programme 4 – International Transfers for the year ended 31 March 2006

Programme per sub programme	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
4.1 Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	356,530	-	2,212	358,742	358,742	-	100.0%	298,985	275,924
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
Total	356,530	-	2,212	358,742	358,742	-	100.0%	298,985	275,924
Economic classification	2005/06						2004/05		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	0.0%	-	-
Goods and services	-	-	-	-	-	-	0.0%	-	-
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
Transfers & subsidies	-	-	-	-	-	-	-	-	-
Provinces & municipalities	-	-	-	-	-	-	0.0%	-	-
Dept agencies & accounts	100,000	-	-	100,000	100,000	-	100.0%	-	50,000
Universities & Technikon	-	-	-	-	-	-	0.0%	-	-
Foreign governments & international organisations	256,530	-	2,212	258,742	258,742	-	100.0%	298,985	225,924
Public corporations & private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	-	-	-	-	-	-	0.0%	-	-
Capital	-	-	-	-	-	-	-	-	-
Buildings & other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery & equipment	-	-	-	-	-	-	0.0%	-	-
Biological or Cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software & other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land & soil assets	-	-	-	-	-	-	0.0%	-	-
Total	356,530	-	2,212	358,742	358,742	-	100.0%	298,985	275,924

Department of Foreign Affairs - Vote 3
Notes to the Appropriation Statement for the year ended 31 March 2006

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):
Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.
2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
3. Detail on financial transactions in assets and liabilities
Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.
4. Explanations of material variances from Amounts Voted (after Virement):

4.1

Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	488,210	457,980	30,230	6.2%
Foreign Relations	1, 734,334	1,718,445	15,889	0.9%
Public Diplomacy	112,480	109,180	3,300	2.9%
International Transfers	358,742	358,742	0	0%

In the case of a positive variance on programmes, a detailed explanation must be given as to whether it is as a result of a saving or under spending.

4.2

Per Economic classification	2005/06 R'000	2004/05 R'000
Current payment:		
Compensation of employees	1,072,371	1,011,746
Goods and services	949,401	889,012
Interest and rent on land	0	0
Financial transactions in assets and liabilities	20,847	365
Transfers and subsidies:		
Provinces and municipalities	13,650	15,678
Departmental agencies and accounts	100,000	50,005
Universities and Technikons	0	0
Public corporations and private enterprises	9,307	8,329
Foreign governments and international organisations	259,734	225,924
Non-profit institutions	0	0
Households	11,925	11,752
Payments for capital assets:		
Buildings and other fixed structures	42,820	27,296
Machinery and equipment	129,974	102,955
Heritage assets	0	0
Biological or cultivated assets	0	0
Software and other intangible assets	34,318	9,863
Land and subsoil assets	0	0

Department of Foreign Affairs - Vote 3
Statement of Financial Performance for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	2,693,766	2,546,649
Statutory appropriation	2	-	-
Appropriation for unauthorised expenditure approved		-	-
Departmental revenue	3	42,164	37,376
Local and foreign aid assistance	4	-	-
TOTAL REVENUE		<u>2,735,930</u>	<u>2,584,025</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	5	1,072,371	1,011,746
Goods and services	6	949,401	889,012
Interest and rent on land	7	-	-
Financial transactions in assets and liabilities	8	20,847	365
Local and foreign aid assistance	4	-	-
Unauthorised expenditure approved	11	-	-
Total current expenditure		<u>2,042,619</u>	<u>1,901,123</u>
Transfers and subsidies	9	394,616	311,688
Expenditure for capital assets			
Buildings and other fixed structures	10	42,820	27,296
Machinery and equipment	10	129,974	102,955
Biological or cultivated assets	10	-	-
Software and other intangible assets	10	34,318	9,863
Land and subsoil assets	10	-	-
Local and foreign aid assistance	4	-	-
Unauthorised expenditure approved	11	-	-
Total expenditure for capital assets		<u>207,112</u>	<u>140,114</u>
TOTAL EXPENDITURE		<u>2,644,347</u>	<u>2,352,925</u>
SURPLUS/(DEFICIT)		91,583	231,100
Add back unauthorised expenditure	11	-	-
Add back fruitless and wasteful expenditure	12	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		<u>91,583</u>	<u>231,100</u>
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	19	49,419	193,724
Departmental Revenue	20	42,164	37,376
Local and foreign aid assistance	4	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>91,583</u>	<u>231,100</u>

Department of Foreign Affairs - Vote 3
Statement of financial Position as at 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		438,593	459,121
Unauthorised expenditure	11	19,136	19,136
Fruitless and wasteful expenditure	12	-	-
Cash and cash equivalents	13	96,034	92,646
Other financial assets	14	-	-
Prepayments and advances	15	5,569	7,821
Receivables	16	317,854	339,518
Investments	17	-	-
Local and foreign aid assistance receivable	4	-	-
Non-current assets		38,215	34,690
Investments	17	-	-
Loans	18	38,215	34,690
Other financial assets	14	-	-
TOTAL ASSETS		<u>476,808</u>	<u>493,811</u>
LIABILITIES			
Current liabilities		437,723	459,121
Voted funds to be surrendered to the Revenue Fund	19	173,143	193,724
Departmental revenue to be surrendered to the Revenue Fund	20	31,178	53,056
Bank overdraft	21	-	59,215
Payables	22	233,402	153,126
Local and foreign aid assistance repayable	4	-	-
Local and foreign aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	23	-	-
TOTAL LIABILITIES		<u>437,723</u>	<u>459,121</u>
NET ASSETS		<u>38,215</u>	<u>34,690</u>
Represented by:			
Capitalisation reserve		38,215	34,690
Recoverable revenue		-	-
Retained funds (Legislatures/Parliament)		-	-
Revaluation reserves (Housing dept's)		-	-
TOTAL		<u>38,215</u>	<u>34,690</u>

Department of Foreign Affairs - Vote 3
Statement of Changes in Net Assets for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Capitalisation Reserves			
Opening balance		34,690	35,029
Transfers:		3,525	(339)
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		<u>38,215</u>	<u>34,690</u>
Recoverable revenue			
Opening balance		-	264
Transfers		-	(264)
Debts written off	8.6	-	-
Debts revised	16.5	-	-
Debts recovered (included in departmental revenue)		-	(264)
Debts raised		-	-
Closing balance		<u>-</u>	<u>-</u>
Retained funds			
Opening balance		-	-
Transfer from Statement of Financial Performance		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		<u>-</u>	<u>-</u>
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing department's)		-	-
Transfers		-	-
Other		-	-
Closing balance		<u>-</u>	<u>-</u>
TOTAL		<u><u>38,215</u></u>	<u><u>34,690</u></u>

Department of Foreign Affairs - Vote 3
Cash Flow Statement for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,734,443	2,726,148
Annual appropriated funds received	1.1	2,693,766	2,689,615
Statutory appropriated funds received		-	-
Appropriation for unauthorised expenditure received	11	-	-
Departmental revenue received		40,677	36,533
Local and foreign aid assistance received	4	-	-
Net (increase)/decrease in working capital		105,062	(41,870)
Surrendered to Revenue Fund		(134,042)	(24,411)
Current payments		(2,042,619)	(1,901,123)
Transfers and subsidies paid		(394,616)	(311,688)
Net cash flow available from operating activities	24	268,228	447,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(207,112)	(140,114)
Payments for investments		-	-
Proceeds from sale of capital assets	3	1,487	843
Proceeds from sale of investments		-	-
Proceeds from sale of other financial assets		-	-
(Increase)/decrease in loans		(3,525)	357
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	7,875
Net cash flows from investing activities		(209,150)	(131,039)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		3,525	(603)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		3,525	(603)
Net increase/(decrease) in cash and cash equivalents		62,603	315,414
Cash and cash equivalents at the beginning of the period		33,431	(281,983)
Cash and cash equivalents at end of period	25	96,034	33,431

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments :**

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	2004/05 R'000
Administration	488,210	488,210	-	492,437
Foreign Relation	1,734,334	1,736,546	(2,212)	1,598,119
Public Diplomacy	112,480	112,480	-	157,108
International Transfer	358,742	356,530	2,212	298,985
Refund from National Treasury	-	-	-	142,966
Total	<u>2,693,766</u>	<u>2,693,766</u>	<u>-</u>	<u>2,689,615</u>

Provide explanation for funds not requested/not received.

The amount of R142,966 in the 2004/05 financial year, relates to the refund on Appropriation as a result of the amount suspended by National Treasury in lieu of envisaged savings during 2003/04 financial year. Since the savings were not realised as anticipated, the amount was refunded back to the Department. This matter was explained in detail in the Accounting Officer's report for the 2004/05 financial year, note 1.4

	Note	2005/06	2004/05
1.2 Conditional grants			
Total grants received	Annex 1A	_____	_____
Provincial grants included in Total Grants received		_____	_____
1.3 Unconditional grants			
Total grants received	Annex 1B	_____	_____

(** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.)

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

2. Statutory Appropriation

	2005/06	2004/05
President and Deputy President's salaries	-	-
Member of executive committee/parliamentary officers	-	-
Judges' and magistrates salaries	-	-
Sector education and training authorities (SETA)	-	-
National Skills Fund	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

3. Departmental revenue to be surrendered to revenue fund

Description (Specify material amounts separately)

	<i>Notes</i>	2005/06	2004/05
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	475	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	3.2	2,080	3,066
Sales of capital assets	3.3	1,487	843
Financial transactions in assets and liabilities	3.4	38,122	33,051
Transfer received	3.5	-	416
Departmental revenue collected		<u>42,164</u>	<u>37,376</u>

3.1 Sales of goods and services other than capital assets

	2005/06	2004/05
Sales of goods and services produced by the department	279	-
Sales by market establishment	-	-
Administrative fees	-	-
Other sales	279	-
Sales of scrap, waste and other used current goods	196	-
Total	<u>475</u>	<u>-</u>

3.2 Interest, dividends and rent on land

	2005/06	2004/05
Interest	2,080	3,066
Dividends	-	-
Rent on land	-	-
Total	<u>2,080</u>	<u>3,066</u>

3.3 Sale of capital assets

	2005/06	2004/05
Land and subsoil assets	-	-
Other capital assets	1,487	843
Total	<u>1,487</u>	<u>843</u>

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

3.4 Financial transactions in assets and liabilities

Nature of loss recovered

	2005/06	2004/05
Other Receipts including Recoverable Revenue	38,122	33,051
Total	38,122	33,051

3.5 Transfers received

	2005/06	2004/05
Other governmental units	-	416
Total	-	416

4. Local and foreign aid assistance

4.1 Assistance received in cash from RDP

	2005/06	2004/05
Local		
Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Assistance received in cash: Other

	2005/06	2004/05
Local		
Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Foreign

Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Total

Opening Balance	-	-
Revenue	-	-
Expenditure	-	-
Current	-	-
Capital	-	-
Closing Balance	-	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

Analysis of balance	-	-
Local and foreign aid receivable	-	-
Local and foreign aid unutilised	-	-
Local and foreign aid payable to RDP fund/donors	-	-
Closing balance	<u>-</u>	<u>-</u>

5. Compensation of employees

	2005/06	2004/05
	R'000	R'000
5.1 Salaries and Wages		
Basic salary	531,586	476,126
Performance award	11,394	7,183
Service Based	1,760	2,746
Compensative/circumstantial	25,583	25,222
Periodic payments	516	1,073
Other non-pensionable allowances	333,463	406,700
	<u>904,302</u>	<u>919,050</u>

5.2 Social contributions

5.2.1 Employer contributions

Pension	117,569	37,271
Medical	50,398	55,371
UIF	42	1
Bargaining council	59	52
Official unions and associations	-	-
Insurance	1	1
	<u>168,069</u>	<u>92,696</u>

5.2.2 Post Retirement benefits

Medical	-	-
Total	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Total compensation of employees

<u>1,072,371</u>	<u>1,011,746</u>
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Average number of employees including the Locally Recruited Personnel (LRP)

<u>3,953</u>	<u>3,854</u>
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As explained in Accounting Officer's report note 1.3, the increase in pension contribution is due to the amount (R71 million) paid in respect of pensions for non-statutory forces. The change (132) in the previous figure for the average number of employees is due to the error whereby the transferred staff from other departments placed in our missions abroad was counted as part of the Department of Foreign Affairs staff

6. Goods and services

	<i>Note</i>	2005/06	2004/05
		R'000	R'000
Advertising		2,313	3,958
Attendance fees (including registration fees)		19,852	22,367
Bank charges and card fees		2,795	3,466
Bore waterhole drilling		-	-
Bursaries (employees)		891	434
Cash discount		-	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

Communication		59,632	67,822
Computer services		11,508	46,597
Commission		-	-
Consultants, contractors and special services		10,808	15,112
Courier and delivery services		3,713	10,625
Tracing agents & Debt collections		-	-
Drivers' licences and permits		1,804	125
Entertainment		35,005	40,841
External audit fees	6.1	2,684	3,822
Equipment less than R5000		6,147	3,828
Firearm handling fees		-	-
Freight service		31,522	34,391
Government motor transport		-	-
Helicopter services		-	-
Honoraria (Voluntarily workers)		703	658
Inventory	6.2	36,459	40,254
Land reform/restitution		-	-
Learnerships		-	-
Legal fees		3,834	3,100
Licence agency fees		-	-
Housing		-	-
Maintenance, repairs and running cost		73,748	82,836
Medical Services		12,570	10,013
Operating leases		329,565	187,159
Mint of decorations/medals		-	-
Personnel agency fees		-	-
Photographic services		-	-
Plant flowers and other decorations		1,052	492
Printing and publications		1,011	1,706
Professional bodies and membership fees		1,344	703
Resettlement cost		4,665	6,063
Road laboratories		-	-
Roadworthy tests		-	-
School & boarding fees		-	-
Subscriptions		80	220
Storage of furniture		8,886	6,829
System access fees		-	-
Taking over of contractual obligations		-	-
Owned leasehold property expenditure		37,653	35,689
Translations and transcriptions		1,777	1,565
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.3	204,880	225,242
Venues and facilities		40,206	30,292
Protective, special clothing & uniforms		2,050	2,803
Training & staff development		244	-
Town & regional planning		-	-
Water research/testing		-	-
Witness and related fees		-	-
		949,401	889,012

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

		<i>Note</i>	2005/06	2004/05
			R'000	R'000
6.1	External audit fees			
	Regulatory audits		2,684	3,822
	Performance audits		-	-
	Other audits		-	-
	Total external audit fees		<u>2,684</u>	<u>3,822</u>
6.2	Inventory		2005/06	2004/05
			R'000	R'000
	Inventory surcharges		-	-
	Medsas inventory interface		-	-
	Construction work in progress		-	-
	Other inventory		-	-
	Strategic stock		-	-
	Domestic consumables		3,954	3,792
	Agricultural		-	-
	Learning and teaching support material		-	-
	Food and Food supplies		1,731	8,358
	Fuel, oil and gas		5,077	4,710
	Laboratory consumables		-	-
	Other consumables		22	61
	Parts and other maintenance material		1,099	1,322
	Sport and recreation		-	-
	Stationery and printing		24,080	21,040
	Veterinary supplies		-	-
	Restoration and fittings		-	-
	Road construction and supplies		-	-
	Medical supplies		496	971
	Weapons and armaments		-	-
			<u>36,459</u>	<u>40,254</u>
			<u> </u>	<u> </u>
6.3	Travel and subsistence			
	Local		46,021	126,564
	Foreign		<u>158,859</u>	<u>98,678</u>
	Total travel and subsistence		<u>204,880</u>	<u>225,242</u>

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

7. Interest and rent on land

	2005/06 R'000	2004/05 R'000
Interest expense	-	-
Rent on land	-	-
Total interest and rent on land	-	-

8. Financial transactions in assets and liabilities

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Material losses through criminal conduct	8.1	-	-
Other material losses written off	8.2	-	-
Debts written off	8.3	-	-
Theft	8.4	217	365
Forex losses	8.5	20,630	-
		20,847	365

8.1 Material losses through criminal conduct

Nature of losses

(Group major categories, but list material items)

Incident Disciplinary Steps taken/ Criminal proceedings

	-	-
Total	-	-

8.2 Other material losses

Nature of losses

(Group major categories, but list material items)

	-	-
Total	-	-

8.3 Debts written off

Nature of debts written off

Transfer to debts written off

(Group major categories, but list material items)

	-	-
	-	-
Total	-	-

8.4 Detail of Theft

(Group major categories, but list material items)

Theft & losses

	217	365
Total	217	365

8.5 Forex losses

(Group major categories, but list material items)

Foreign Exchange Losses (acquisition of local currency)

	20,630	-
Total	20,630	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

8.6 Recoverable revenue debts written off

(Total not included above)

(Group major categories, but list material items)

Total

	-	-
	-	-

9. Transfers and subsidies

		2005/06	2004/05
		R'000	R'000
	<i>Notes</i>		
Provinces and municipalities	<i>Annex 1C, 1D, 1E & 1F</i>	13,650	15,678
Departmental agencies and accounts	<i>Annex 1G</i>	100,000	50,005
Universities and Technikons	<i>Annex 1H</i>	-	-
Foreign governments and international organisations	<i>Annex 1J</i>	259,734	225,924
Public corporations and private enterprises	<i>Annex 1I</i>	9,307	8,329
Non-profit institutions	<i>Annex 1K</i>	-	-
Households	<i>Annex 1L</i>	11,925	11,752
Unauthorised expenditure approved by Parliament		-	-
		394,616	311,688

10. Expenditure for capital assets

		2005/06	2004/05
		R'000	R'000
Buildings and other fixed structures	<i>Annex 4</i>	42,820	27,296
Machinery and equipment	<i>Annex 4</i>	129,974	102,955
Biological or cultivated assets	<i>Annex 4</i>	-	-
Land and subsoil assets	<i>Annex 4</i>	-	-
Software and other intangible assets	<i>Annex 5</i>	34,318	9,863
Total		207,112	140,114

The following amount for Compensation of employees has been included in
Expenditure for capital assets

	-	-
	-	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
11. Unauthorised expenditure		
11.1. Reconciliation of unauthorised expenditure		
Opening balance	19,136	19,136
Unauthorised expenditure – current year	-	-
Amounts approved by Parliament/Legislature (with funding)	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Amounts approved by Parliament/Legislature (without funding)	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Transfer to receivables for recovery (not approved)	-	-
Unauthorised expenditure awaiting authorisation	19,136	19,136
11.2 Analysis of Current Unauthorised expenditure	2005/06	2004/05
Incident		
Disciplinary steps taken/criminal proceedings		
Total	-	-
	2005/06	2004/05
	R'000	R'000
12. Fruitless and wasteful expenditure		
12.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure – current year	-	-
Current	-	-
Capital	-	-
Amounts condoned	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Transfer to receivables for recovery (not condoned)	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
12.2 Analysis of Current Fruitless and wasteful expenditure	2005/06	2004/05
Incident		
Disciplinary steps taken/criminal proceedings		
Total	-	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

13. Cash and cash equivalents	2005/06	2004/05
	R'000	R'000
Consolidated Paymaster General Account	(6,297)	100
Cash receipts	-	-
Disbursements	-	4,138
Cash on hand	296	88
Cash with commercial banks	102,035	88,320
Total	<u>96,034</u>	<u>92,646</u>
	2005/06	2004/05
	R'000	R'000
14. Other financial assets		
Current		
Domestic		
(Group major categories, but list material items)	-	-
Total	<u>-</u>	<u>-</u>
Foreign		
(Group major categories, but list material items)	-	-
Total	<u>-</u>	<u>-</u>
Total Current Other Financial Assets	<u>-</u>	<u>-</u>
Non-current		
(Group major categories, but list material items)	-	-
	-	-
	-	-
Total Non Current Other Financial Assets	<u>-</u>	<u>-</u>
15. Prepayments and advances		
Description		
Travel and subsistence	5,569	7,821
Total	<u>5,569</u>	<u>7,821</u>

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

16. Receivables		Less than one year	One to three years	Older than three years	2005/06 R'000 Total	2004/05 R'000 Total
Households and non- profit Institutions	16.1	77,992	8,158	25,519	111,669	101,124
Private enterprises	16.2	-	-	-	-	-
Staff debt	16.3	17,099	2,483	2,427	22,009	10,204
Other Debtors	16.4	157	-	6,370	6,527	23,322
Claims recoverable	<i>Annex 6</i>	122,785	18,986	35,878	177,649	204,868
		218,033	29,627	70,194	317,854	339,518

16.1 Households and non-profit institutions (Group major categories, but list material items)		2005/06 R'000	2004/05 R'000
ACCOUNT C		60,795	85,962
ESKOM		41	7
IDC		1	1
ARMSCOR		6	(2)
MEDICAL RESEARCH		19	-
MINTEK		43	43
ACCOUNT G		1,019	-
ACCOUNT A		13,686	10,097
CHAMBER OF MINES		-	-
PARLIAMENT		11,649	11,108
HRSC		51	14
MINERAL BURO		13	13
SABS		2	2
SASOL		7	9
SATOUR		12,931	8,031
NEPAD		(1,402)	2,923
UNISA		1,575	1,763
CSIR		79	78
WATER RESEARCH C		10	-
SAPO		7	4
TELKOM		703	703
TRANSNET		30	30
STATE LIBRARY		270	3
AGRICULTURE RESEARCH C		719	718
VAT ADMINISTRATION		94	94
AUDITOR GENERAL		43	23
MENTAL & DENTAL C		25	25
SURGEON GENERAL		-	-
OTHER ACCOUNTS		10,754	(1,710)
UNIVERSITY OF CAPE TOWN		1	-
UNIVERSITY OF NATAL		24	24
UNIVERSITY OF THE NORTH		9	9
UNIVERSITY OF FREE STATE		1	1

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
UNIVERSITY OF POTCHEFSTROOM	1	1
UNIVERSITY OF PRETORIA	16	15
RAND AFRIKAANS UNIVERSITY	(19)	(16)
UNIVERSITY OF STELLENBOSCH	-	-
UNIVERSITY OF WESTERN CAPE	46	46
UNIVERSITY OF WITWATERSRAND	1	1
UNISA	-	-
TSA	(45)	(29)
OTHER/0254	(1,536)	1,572
INSTITUTIONAL INTERFACE	-	(20,439)
Total	111,669	101,124
16.2 Private enterprises (Group major categories, but list material items)		
Total	-	-
16.3 Staff Debt (Group major categories, but list material items)		
Departmental Dept Account	9,453	2
Staff Debtors	12,555	8,884
Claims recoverable	-	-
Persal accounts	1	1,318
Dishonoured cheques	-	-
	<u>22,009</u>	<u>10,204</u>
16.4 Other debtors (Group major categories, but list material items)		
Detainees	157	145
Debtor Governments	-	10,000
Sundry Debtors	3,818	13,177
Balance of the vote	-	-
Claims recoverable	-	-
Advance to State Department	2,552	-
Total	<u>6,527</u>	<u>23,322</u>
16.5 Debts revised (Group major categories, but list material items)		
Total	-	-

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
17. Investments		
Current		
Securities other than shares	-	-
Shares and other equity	-	-
Insurance technical reserves	-	-
Financial derivatives	-	-
Total current	<u>-</u>	<u>-</u>
Non-Current		
Shares and other equity		
(List investments at cost)	-	-
Total	<u>-</u>	<u>-</u>
Securities other than shares	<i>Annex 2</i>	
(List investments at cost)	-	-
Total	<u>-</u>	<u>-</u>
Total non-current	<u>-</u>	<u>-</u>
Analysis of non current investments		
Opening balance	-	-
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
Closing balance	<u>-</u>	<u>-</u>
	2005/06	2004/05
	R'000	R'000
18. Loans		
Public corporations	-	-
Universities and Technikons	-	-
Foreign governments	38,215	34,690
Private enterprises	-	-
Total	<u>38,215</u>	<u>34,690</u>
Analysis of Balance		
Opening balance	34,690	34,690
New Issues	3,525	-
Repayments	-	-
Write-offs	-	-
Closing balance	<u>38,215</u>	<u>34,690</u>
Current portion of loans	<u>-</u>	<u>1,046</u>

The department pays rental deposit for both official residences and chanceries abroad. These rental deposits are classified as loan because of its long term nature. Loans are also given to staff members posted abroad to acquire their own vehicles in terms of Foreign Service Dispensation.

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

		2005/06 R'000	2004/05 R'000
19.	Voted funds to be surrendered to the Revenue Fund		
	Opening balance	193,724	(142,966)
	Transfer from Statement of Financial Performance	49,419	193,724
	Voted funds not requested/not received	19.1 -	142,966
	Paid during the year	(70,000)	-
	Closing balance	<u>173,143</u>	<u>193,724</u>
19.1	Voted funds not requested/not received		
	Funds to be rolled over	-	142,966
	Funds not to be requested	-	-
		<u>-</u>	<u>142,966</u>

20. Departmental revenue to be surrendered to the Revenue Fund

	Opening balance	53,056	40,091
	Transfer from Statement of Financial Performance	3 42,164	37,376
	Departmental revenue budgeted	-	-
	Transfer from local and foreign aid assistance**	-	-
	Paid during the year	(64,042)	(24,411)
	Closing balance	<u>31,178</u>	<u>53,056</u>

**Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

		2005/06 R'000	2004/05 R'000
21.	Bank overdraft		
	Consolidated Paymaster General Account	-	59,215
	Fund requisition account	-	-
	Cash receipts	-	-
	Disbursements	-	-
	Commercial banks	-	-
		<u>-</u>	<u>59,215</u>

22 Payables – current
Description

	<i>Notes</i>	30 Days	30+ Days	2005/06 Total	2004/05 Total
Amounts owing to other entities	<i>Annex 7</i>		112,565	112,565	87,812
Advances received	<i>21.1</i>		119,278	119,278	62,789
Clearing accounts	<i>21.2</i>		-	-	-
Other payables	<i>21.3</i>		2,429	2,429	2,525
			<u>234,272</u>	<u>234,272</u>	<u>153,126</u>

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

		2005/06	2004/05
		R'000	R'000
22.1	Advances received		
	(Identify major categories, but list material amounts)		
	Labour	467	5,737
	Trade & industry	511	9,624
	Minerals & Energy Affairs	-	1
	Transport	-	-
	Health	19	20,689
	Public Works	8,430	-
	Housing	69	-
	Justice	-	-
	Agriculture	-	139
	Welfare & Population Development	-	-
	Art, Culture, science & technology	133	387
	Inland Revenue	-	510
	South African Police Service	2,172	(1,679)
	South African Defence Force	-	(822)
	Others	-	(1,517)
	South African Communication Service	-	(1,296)
	North West Province	-	154
	Western Cape Province	-	2
	Home Affairs	78,375	-
	GCIS	5	-
	Advances from institutions	29,097	30,860
	Total	<u>119,278</u>	<u>62,789</u>
22.2	Clearing accounts		
	Description		
	(Identify major categories, but list material amounts)	-	-
	Total	<u>-</u>	<u>-</u>
22.3	Other payables		
	Description		
	(Identify major categories, but list material amounts)		
	Persal accounts	88	1,499
	Other receipts payable	58	1,026
	Debt receivable income	2,251	-
	Debt receivable interest	32	-
	Total	<u>2,429</u>	<u>2,525</u>
23.	Payables – Non-current		
	Description		
		One to two	Two to
		years	three years
		More than	2005/06
		three years	Total
			2004/05
			Total
	Amounts owing to other entities <i>Annex 7</i>		
	Advances received <i>23.1</i>	-	-
	Other payables <i>23.2</i>	-	-
		<u>-</u>	<u>-</u>

Department of Foreign Affairs - Vote 3
Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
23.1 Advances received		
(Identify major categories, but list material items)	-	-
Total	-	-
23.2 Other payables		
Description	-	-
(Identify major categories, but list material items)	-	-
Total	-	-
24. Net cash flow available from operating activities	<i>Note</i>	
Net surplus/(deficit) as per Statement of Financial Performance	91,583	231,100
Non-cash movements	-	-
(Increase)/decrease in receivables – current	21,664	(25,169)
(Increase)/decrease in prepayments and advances	2,252	1,281
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	81,146	124,984
Proceeds from sale of capital assets	(1,487)	(843)
Proceeds from sale of investments	-	-
Proceeds from sale of other financial assets	-	-
Surrenders to Revenue Fund	(134,042)	(24,411)
Expenditure on capital assets	207,112	140,114
Voted funds not requested/not received	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	268,228	447,056
25. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	(6,297)	59,315
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	4,138
Cash on hand	296	88
Cash with commercial banks	102,035	88,320
	96,034	151,861

Department of Foreign Affairs - Vote 3
Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

26. Contingent liabilities	<i>Note</i>	2005/06	2004/05
		R'000	R'000
Liable to	Nature		
Motor vehicle guarantees	Employees	<i>Annex 3A</i> 671	528
Housing loan guarantees	Employees	<i>Annex 3A</i> 2,503	3,241
Other guarantees		<i>Annex 3A</i> 155,240	167,926
Claims against the department		<i>Annex 3B</i> 4,047	3,047
		<u>162,461</u>	<u>174,742</u>
27. Commitments			
Current expenditure			
Approved and contracted		6,360	45,690
Approved but not yet contracted		-	-
		<u>6,360</u>	<u>45,690</u>
Capital expenditure			
Approved and contracted		-	48,603
Approved but not yet contracted		-	-
		<u>-</u>	<u>-</u>
Total Commitments		<u>6,360</u>	<u>94,293</u>
28. Accruals		2005/06	2004/05
Listed by economic classification		R'000	R'000
	30 Days	30+ Days	Total
			Total
Compensation of employees	-	-	35
Goods and services	276	292	3,340
Interest and rent on land	-	-	-
Transfers and subsidies	-	-	-
Buildings and other fixed structures	-	-	-
Machinery and equipment	11	176	8
Biological or cultivated assets	-	-	-
Software and other intangible assets	-	-	-
Land and subsoil assets	-	-	-
Other	-	-	-
			<u>755</u>
			<u>3,383</u>
Listed by programme level			
Programme 1: Administration		755	276
Programme 2: Foreign Relations		-	3,041
Programme 3: Public Diplomacy and Protocol		-	66
		<u>755</u>	<u>3,383</u>
Confirmed balances with other departments	<i>ANNEXURE 7</i>	112,565	87,812
Total		<u>112,565</u>	<u>87,812</u>

Department of Foreign Affairs - Vote 3
Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

		2005/06	2004/05
		R'000	R'000
29.	Employee benefits		
	Leave entitlement	12,465	11,615
	Thirteenth cheque	12,379	10,836
	Performance awards	5,674	5,350
	Capped leave commitments	56,515	56,418
		<u>87,033</u>	<u>84,219</u>
30.	Lease Commitments		
30.1	Operating leases	Land	Buildings and
		R'000	other fixed
			structures
			R'000
		Machinery and	2005/06
		equipment	Total
		R'000	R'000
			2004/05
			Total
			R'000
	Not later than 1 year	-	218,268
	Later than 1 year and not later than 5 years	-	215,805
	Later than five years	-	120,890
	Total present value of lease liabilities	-	554,963
		3,878	222,146
		4,440	220,245
		1,588	122,478
		9,906	564,869
			<u>740,407</u>
			<u> </u>
	30.2 Finance leases		
	Total value of finance leases	-	-
		10,276	10,276
			<u> </u>
			<u> </u>

During the year under review the department engaged in a process to acquire vehicles for the use by Heads of Missions through a finance lease (R8,6 million), which was approved by National Treasury. Furthermore, a finance lease agreement was arranged by the Department of Transport for the vehicles Political Office Bearers (R1,6 million). For further details refer note 1.4 of Accounting Officer's report.

31.	Receivables for departmental revenue		
	Tax revenue	-	-
	Sales of goods and services other than capital assets	-	-
	Fines, penalties and forfeits	-	-
	Interest, dividends and rent on land	-	-
	Sales of capital assets	-	-
	Financial transactions in assets and liabilities	-	-
	Transfers received	-	-
	Other	-	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

Department of Foreign Affairs - Vote 3
Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

32. Irregular expenditure

32.1 Reconciliation of irregular expenditure

Opening balance	-	-
Irregular expenditure – current year	-	-
Amounts condoned	-	-
Current expenditure	-	-
Transfers and subsidies	-	-
Expenditure for capital assets	-	-
Transfer to receivables for recovery (not condoned)	-	-
Irregular expenditure awaiting condonement	-	-

	2005/06	2004/05
	R'000	R'000

Analysis

Current	-	-
Prior years	-	-
	-	-
	-	-

32.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
		-	-
		-	-
		-	-
		-	-

33. Related party transactions

Information about related party transactions is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the department. The principle issues in disclosing information about related parties is identifying which parties control or significantly influence the department and determining what information should be disclosed about transactions with those parties.

Disclosure of:

- The types of the related party relationship
- The types of transactions that have occurred
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the Annual Financial Statements to provide relevant and reliable information for decision-making and accountability purposes.

The above excludes transfer payments and subsidies, as that is disclosed in the annexures to the Financial Statements.

Department of Foreign Affairs - Vote 3
Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
Revenue received/(paid)		
Tax revenue/ User charges	-	-
Sales of goods and services other than capital assets	-	-
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	-	-
Sales of capital assets	-	-
Financial transactions in assets and liabilities	-	-
Transfers	-	-
Total	<u>-</u>	<u>-</u>

Movement of funds between department and related party

Investment	-	-
Non-interest bearing loans to/ (from)	-	-
Interest bearing loans to/ (from)	-	-
Debtor balances	-	-
Creditor balances	-	-
Sales of assets	-	-
Guarantees provided	-	-
	<u>-</u>	<u>-</u>

	2005/06 R'000	2004/05 R'000
Balances between department and related party		
Investment	-	-
Non-interest bearing loans to/ (from)	-	-
Interest bearing loans to/ (from)	-	-
Debtor balances	-	-
Creditor balances	-	-
Sales of assets	-	-
Guarantees provided	-	-
	<u>-</u>	<u>-</u>

34. Key management personnel

Description	No. of Individuals	Total R'000	Total R'000
Political office bearers	3	2,531	2,087
Officials			
Level 15 to 16	13	9,124	7,767
Level 14	54	30,276	22,429
Family members of key management personnel			-
		<u>41,931</u>	<u>32,283</u>

Department of Foreign Affairs - Vote 3
Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

35. Public Private Partnership

For each Public Private Partnership the department has entered into, the following must be disclosed for the current and prior period:

- A description of the arrangement that includes, but is not limited to:
- Significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows
- The nature and extent of:
 1. rights to use specified assets
 2. obligations to provide or rights to expect provision of services
 3. obligations to acquire or build items of property, plant and equipment
 4. obligation to deliver or rights to receive specified assets at the end of the concession period
 5. renewal and termination options
 6. other rights and obligations (e.g. major overhauls), and
- Changes in the arrangement occurring during the period

	2005/06 R'000	2004/05 R'000
Contract fee received	-	-
(Specify)	-	-
(Specify)	-	-
Contract fee paid	-	-
Fixed component	-	-
Indexed component	-	-
Current Expenditure	-	-
Compensation of employees	-	-
Goods and services (excluding lease payments)	-	-
Operating leases	-	-
Finance leases	-	-
Interest	-	-
Capital/ (Liabilities)	-	-
Tangible rights	-	-
Intangible rights	-	-
Property	-	-
Plant and equipment	-	-
Loans	-	-
Other	-	-
Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-
TOTAL	-	-

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Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
36. Provisions		
Potential irrecoverable debts		
Households and non profit institutions	-	-
Private enterprises	-	-
Staff debtors	-	-
Other debtors	2,000	-
Claims recoverable	30,000	40,000
	32,000	40,000
Provisions		
Impairment of investments	-	-
Provision for non-recoverable loans	-	-
Other – Specify one per line	-	-
	-	-
	-	-
	2005/06	2004/05
	R'000	R'000
37. Inventory at year end		
Inventory surcharges	-	-
Medsas inventory interface	-	-
Construction work in progress	-	-
Other inventory	-	-
Strategic stock	-	-
Domestic consumables	-	-
Agricultural	-	-
Learning and teaching support material	-	-
Food and food supplies	-	-
Fuel, oil and gas	-	-
Laboratory consumables	-	-
Other consumables	-	-
Parts and other maintenance materials	-	-
Sport and recreation	-	-
Stationery and printing	-	-
Veterinary supplies	-	-
Restoration and fittings	-	-
Road construction and supplies	-	-
Medical supplies	-	-
Weapons and armaments	-	-
	-	-
	-	-

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

**ANNEXURE 1F
STATEMENT OF UNCONDITIONAL TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2004/05 Total Available R'000	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Tshwane & PW Municipality	10,241			10,241	10,196	99.6%			0.0%	15,678
Foreign rates & taxes	4,444			4,444	3,454	77.7%			0.0%	
	14,685	-	-	14,685	13,650	-	-	-	-	15,678

ANNEXURE 1G

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER			2004/05 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
African Renaissance Fund	100,000			100,000	100,000	100.0%	50,000
Departmental Agencies						0.0%	94
	100,000	-	-	100,000	100,000	0.0%	50,094

- List each transfer by agency/account
- Explain reasons for underspending, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over.

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 11

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE		2004/05 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Public Corporations							
Transfers	9,829			9,829	9,307	94.7%	8,329
	9,829	-	-	9,829	9,307		8,329
Subsidies	-	-	-	-	-	0.0%	-
Total	9,829	-	-	9,829	9,307		8,329
Private Enterprises							
Transfers	-	-	-	-	-	0.0%	-
Subsidies	-	-	-	-	-	0.0%	-
Total	-	-	-	-	-		-
TOTAL	9,829	-	-	9,829	9,307		8,329

ANNEXURE 1J

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
African Caribbean & Pacific	2,200	-	-	2,200	1,916	87.1%
Common Wealth	7,000			7,000	6,335	90.5%
GLOC	2,400			2,400	3,652	152.2%
AU Membership fees	80,000			80,000	104,993	131.2%
South Centre	1,000			1,000	1	0.1%
UN Human Rights	300			300	617	205.7%
UNDP	950			950	7,732	813.9%
OIRARC	120			120	-	0.0%
PGTF	50			50	50	100.0%
CTBT	4,986			4,986	3,854	77.3%
SADC Membership	15,006			15,006	19,791	131.9%
NEPAD	30,000			30,000	30,000	100.0%
Inter Seabed Authority	286			286	-	0.0%
Humanitarian Aid	21,000			21,000	18,167	86.5%
UN Membership fees	80,000			80,000	54,643	68.3%
African Renaissance fund	-			-	-	0.0%
UNDP Rentals	9,000			9,000	4,009	44.5%
G77 TCBC	100			100	-	0.0%
BTWC	414			414	10	2.4%
UNCLOS	500			500	-	0.0%
UN Econ Comm	200			200	-	0.0%
Permanent Court of Arbitration	115			115	79	68.7%
OIOR Research Centre	-			-	-	0.0%
Intern Tribunal Law of the Sea	458			458	250	54.6%
UNICEF	200			200	3,415	1707.5%
UN Technical Coop	100			100	105	105.0%
Asia-African Legal Consultative Organisation (AALCO)	120			120	91	75.8%
BIE	25			25	24	96.0%
Total	256,530	-	-	256,530	259,734	96.0%
						248,985

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 1L

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Households	12,456	-	-	12,456	11,925	95.7%
Total	12,456	-	-	12,456	11,925	0.0%

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Received in cash			
PetroSA			416
		-	416
Received in kind			
SAA	Weekend in Zambia	4	
Japan & Mozambique	Box Frame, traditional Ndebele artwork	8	
Several	Zulu baskets, wired plates, pots & admire	106	
Argentina	Framed Ndebele Mohair	2	
Croatia & Russia	Framed Inyoya & Ndebele Mohair	4	
G3	Multi Metal Head Male Framed Ndebele	7	
Sweden	Bafana Bafana Shirts, Zulu Head Mounted	4	
Botswana	Clive Sithole Pot	18	
Benin & Indonesia	Hennie Meyer ceramic plate	5	
Oman	Skin Carpet	2	
Nigeria, Sumatra, Spain, Greece, Ghana	Framed Mohair wall, set of springbok cushions, Multi metal Zulu sculptures	12	
Tanzania	Several bags	36	
Office	Framed Ndebele two figure	2	
Indonesia	Ardmore, ceramic plate	6	
SA National War College	Glass art bowls, Elephant, Bird, Warthog Tureen	138	
UNDF & Chile	Karros in frame, mounted sculpture Rhino & ethnic basket	9	
Iran & Mexico	Framed beaded horn, game skin carpets & multi-metal xhosa made	9	
Gabon & Sweeden	Multi Metal Head Male Framed Zulu	4	
Several	Sithole pots, Karros, desks sets & cufflinks	48	
Zimbabwe & Malaysia	Framed beaded bookmark	8	
SADC	Double Multi media, single head male, Zulu head female	9	
Bangladesh	Copper wall ornament, four figure mohair	2	
Several	Ardmore	7	
Gabon	Framed elephant picture	1	
Officials	Stone desk	1	
Sam	Skin	1	
India, Swaziland, Bulgaria, Bangladesh	Karros Embroidery, Zulu drummer wall clock, mohair, copper wall ornament	7	
Mozambique	Ardmore teapot & Nguni masterpiece	41	
Several as disclosed in 2004/05			5,379
Subtotal		501	5,795

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

Annexure 1M (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Received in cash			
Several as disclosed in 2003/04			183
Several as disclosed in 2004/05		416	
Sub- total		416	183
Received in Kind			
Athens	Liquor & stationery left over after NOCSA Olympic games	1	
Bamako	Leather Bottle holders, wall, clock & diaries	37	
Bern	Freedom day celebration	927	
Brussels	Freedom day celebration	460	
Doha	2 return tickets	30	
Kigali	Toyota Land Cruiser, Sculpture, wall hanging & basket	240	
Los Angeles	Function in honor of SA's first Oscar Nomination	226	
Manila	Heritage day function	48	
Maputo	10 th Anniversary celebration	454	
Milan	Freedom day celebration	95	
Munich	Freedom day celebration	43	
Muscat	Three inaugural tickets economy class	23	
Nairobi	Oil painting of Zulu chief in gold frame	6	
New Delhi	Hugh Masekela concert	130	
Paris	Painting by SA artist	3	
Santiago	Embassy's childrens' art competition	13	
Stockholm	Celebration of ten year democracy	600	
Tehran	Crockery set, Sony Ericson, leather brief case	116	
Warsaw	Freedom day celebration	123	
Washington	Freedom day celebration	1,266	
Windhoek	Freedom day celebration	38	
Los Angeles	Function in honor SA's first Oscar Nomination	226	
Manila	Heritage	48	
Several as disclosed in 2003/04			326
Subtotal		5,379	326
Total		5,795	509

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 10
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2005/06 R'000	2004/05 R'000
Paid in cash	-	-
Subtotal	-	-
Made in kind**		
Clive Sithole pots	35	
Several gifts to Sudan	11	
Several gifts to Greece	8	
Several gifts to DRC	83	
Several gifts to Japan & Mozambique	24	
Several gifts to Nigeria	11	
Several gifts to Portugal	12	
Several gifts to Italy	15	
Several gifts to Chile	44	
Several gifts to Saudi Arabia	7	
Several gifts to Uganda	19	
Several gifts to Mauritius	72	
Several gifts to Malta	1	
Several gifts to Mali	13	
Several gifts to Ivory Coast	5	
Several gifts to Congo	12	
Several gifts to Embassy personnel	12	
Several gifts to Gabon	18	
Several gifts to Addis Ababa	2	
Several gifts to Botswana	11	
Several gifts to Burundi	32	
Several gifts to Libya	7	
Several gifts to London	11	
Several gifts to Scotland	9	
Several gifts to Angola	2	
Several gifts to Zimbabwe	3	
Several gifts to Zambia	8	

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 10 (continued)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2005/06 R'000	2004/05 R'000
Several gifts to Seychelles	11	
Several gifts to Abudja	17	
Several gifts to Switzerland	5	
Several gifts to New York	12	
Several gifts to London	29	
Several gifts to South Korea	15	
Several gifts to North Korea	10	
Several gifts to Beijing	12	
Several gifts to Washington	14	
Several gifts to Venice	30	
Several gifts to Jordan	4	
Several gifts to Portugal & Spain	13	
Several gifts to Dubai	8	
Several gifts to Egypt	6	
Several gifts to Jarkata & Banda Aceh	30	
Several gifts to Singapore	11	
Ardmore teapot & tureen to several	19	
Subtotal	733	-

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/ paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles							
Stannic		292	528	229	86	-	671	-
		292	528	229	86	-	671	-
	Housing							
Standard Bank	Housing loans	504	483	-	20	-	463	-
Nedbank Ltd.	Housing loans	378	386	-	55	-	331	-
Firststrand Bank:FNB	Housing loans	399	440	-	43	-	397	-
ABSA Bank	Housing loans	690	622	-	500	-	122	-
Fidelity Bank	Housing loans	46	-	-	-	-	-	-
BOE Bank(NBS Division)	Housing loans	464	524	-	66	-	458	-
FNB/Saambou Bank	Housing loans	898	552	-	54	-	498	-
Peoples/ Permanent Bank	Housing loans	259	187	-	-	-	187	-
Old Mutual	Housing loans	23	20	-	-	-	20	-
VBS	Housing loans	-	23	-	-	-	23	-
Hlano Fin Serv	Housing loans	4	4	-	-	-	4	-
Total		3,665	3,241	-	738	-	2,503	-
	Other							

**Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2005 R'000	Guarantees issued during the year R'000	Guarantees released/ paid/ cancelled/reduced during the year R'000	Guaranteed interest for year ended 31 March 2006 R'000	Closing balance 31 March 2006 R'000	Realised losses not recoverable R'000
South African Development Bank	Lesotho Highlands Development Authority for the Northern access road project IHT 02021	54,045	24,181	-	4,661	2,378	-	-
South African Development Bank	Lesotho Highlands Development Authority for the Northern access road project IHT 02022	154,279	79,812	-	11,379	6,074	21,898	-
South African Development Bank	Lesotho Highlands Development Authority for the Northern access road project IHT 02023	2,385	873	-	212	101	74,507	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for the Northern access road project IHT 01 678	24,805	8,309	-	3,365	2,102	762	-

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/ paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for the Northern access road project IHT 02 485	41,600	22,589	-	3,548	2,046	-	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for the Northern access road project IHT 02 024	21,393	15,197	-	3,677	2,778	21,087	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of boarder post facilities Maputo and Caledonspoort IHT 02 270/2	7,530	4,614	-	757	475	14,298	-

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/ paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of current roads IHT 02 214/2	29,059	12,351	-	2,527	1,274	4,332	-
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for communication system IHK 02 653	1,546	-	-	-	-	11,098	-
		336,642	167,926	-	29,914	17,228	155,240	-
Total		340,599	171,695	229	30,738	17,228	158,414	-

The difference of R188 569 million between the reported original guaranteed amount (R525,211 vs. R336,642) for 2004/05 financial year and opening balance is due to the overstatement on the number of loans which were erroneously included in the department's figures.

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles							
	Housing							
	Other							
	Total	-	-	-	-	-	-	-

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2006 R'000
Claims against the department					
Catlin V Minister of Foreign affairs	280	-	-	-	280
Vespa- Munich, Germany V Republic of South Africa	12	-	-	-	12
De Souza- Brasilia, Brazil Vs Republic of South Africa	55	-	-	-	55
Gangat V Minister of Foreign affair	2,500	-	-	-	2500
Madencilik Metal Ticaret Anonm Sirket (Istanbul) V Government of South Africa	200	-	-	-	200
De'eb v Minister of Foreign Affairs	-	253	253	-	-
Kwepile v Minister of Foreign Affair	-	1,000	-	-	1,000
	3,047	1,253	253	-	4,047
Total	3047	1,253	253	-	4,047

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 4

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	179,056	42,820	-	221,876
Dwellings	151,760	30,232	-	181,992
Non-residential buildings	27,296	12,588	-	39,884
Other fixed structures	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	97,717	129,974	1,487	226,204
Transport assets	19,341	10,121	285	29,177
Specialised military assets	-	-	-	-
Computer equipment	13,359	55,896	-	69,255
Furniture and office equipment	37,318	44,451	1,202	80,567
Other machinery and equipment	27,699	19,506	-	47,205
TOTAL CAPITAL ASSETS	276,773	172,794	1,487	448,080

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	42,820	-	42,820
Dwellings	30,232	-	30,232
Non-residential buildings	12,588	-	12,588
Other fixed structures	-	-	-
Heritage assets	-	-	-
MACHINERY AND EQUIPMENT	129,974	-	129,974
Transport assets	10,121	-	10,121
Specialised military assets	-	-	-
Computer equipment	55,896	-	55,896
Furniture and office equipment	44,451	-	44,451
Other machinery and equipment	19,506	-	19,506
TOTAL CAPITAL ASSETS	172,794	-	172,794

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 4.2

DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Carrying Amount R'000	Cash R'000	Profit/(loss) on Disposal R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-
Dwellings			-
Non-residential buildings			-
Other fixed structures			-
Heritage assets			-
MACHINERY AND EQUIPMENT	1,487	1,487	
Transport assets	285	285	
Specialised military assets	-		
Computer equipment	-		
Furniture and office equipment	1,202	1,202	
Other machinery and equipment		-	-
TOTAL CAPITAL ASSETS	1,487	1,487	

ANNEXURE 4.3

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES	27,296	-	27,296
Dwellings	-	-	-
Non-residential buildings	27,296	-	27,296
Other fixed structures	-	-	-
Heritage assets	-	-	-
MACHINERY AND EQUIPMENT	102,955	-	102,955
Transport assets	14,783		14,783
Specialised military assets	-		-
Computer equipment	20,290		20,290
Furniture and office equipment	54,708		54,708
Other machinery and equipment	13,174		13,174
TOTAL CAPITAL ASSETS	130,251	-	130,251

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Patents, Copyrights, Brand Names & Trademarks	-	-	-	-
Computer Software	12,727	34,318	-	47,045
Masterheads & Publishing Titles	-	-	-	-
Recipes, Formulas, Prototypes, Designs & Models	-	-	-	-
Service & Operating Rights	-	-	-	-
Airport landing rights	-	-	-	-
Import/export licenses	-	-	-	-
Fishing Quotas	-	-	-	-
Utility rights	-	-	-	-
Mineral extraction rights	-	-	-	-
TOTAL	12,727	34,318	-	47,045

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
Patents, Copyrights, Brand Names & Trademarks	-	-	-
Computer Software	34,318	-	34,318
Masterheads & Publishing Titles	-	-	-
Recipes, Formulas, Prototypes, Designs & Models	-	-	-
TOTAL	34,318	-	34,318

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 5.2

DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cost/Carrying Amount R'000	Cash R'000	Profit/loss on Disposal R'000
Patents, Copyrights, Brand Names & Trademarks			-
Computer Software			-
Masterheads & Publishing Titles			-
Recipes, Formulas, Prototypes, Designs & Models			-
Service & Operating Rights	-	-	-
Airport landing rights			-
Import/export licenses			-
Fishing Quotas			-
Utility rights			-
Mineral extraction rights			-
TOTAL	-	-	-

ANNEXURE 5.3

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Patents, Copyrights, Brand Names & Trademarks			-
Computer Software	9,863		9,863
Masterheads & Publishing Titles			-
Recipes, Formulas, Prototypes, Designs & Models			-
Service & Operating Rights	-	-	-
Airport landing rights			-
Import/export licenses			-
Fishing Quotas			-
Utility rights			-
Mineral extraction rights			-
TOTAL	9,863	-	9,863

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Eastern Cape	-	-	1,470	1,168	1,470	1,168
Northern Cape	-	-	513	427	513	427
Free State	-	-	2,278	1,185	2,278	1,185
Limpopo	-	-	3,762	3,129	3,762	3,129
Mpumalanga	-	-	947	830	947	830
North West	-	-	1,757	192	1,757	192
Kwazulu Natal	-	-	2,630	1,518	2,630	1,518
Gauteng	-	-	3,744	3,849	3,744	3,849
Western Cape	-	64	1,010	2,478	1,010	2,542
Arts, Culture	-	-	-2,616	2,901	-2,616	2,901
Science & Technology	1,323	327	3,450	2,703	4,773	3,030
Welfare	1,789	-	209	1,264	1,998	1,264
Agriculture	1,903	-	1,303	6,011	3,206	6,011
National Prosecution Authority	30	-	61	6	91	6
Justice	260	-	2,560	2,825	2,820	2,825
Public Service Administration	198	74	2,112	1,240	2,310	1,314
Housing	-	-	-307	-176	-307	-176
Public Service Comm	4	-	-	214	4	214
Environmental Affairs	501	-	1,133	-1,360	1,634	-1,360
Public Works	-	-	951	-1,680	951	-1,680
Health	-	7,447	-373	8,500	-373	15,947
Office of the President	-	-	11,830	8,357	11,830	8,357
Transport	739	-	-226	1,703	513	1,703
Minerals and Energy	300	984	1,101	1,911	1,401	2,895
Office of the Public Enterprise	1	-	14	-226	15	-226
Trade and Industry	16,583	22,844	4,383	4,624	20,966	27,468
Water Affairs and Forestry	30	-	1,106	1,567	1,136	1,567
Home Affairs	-	-	-	-	-	-
Labour	-	-	-4,503	4,197	-4,503	4,197
Land Affairs	58	3	50	22	108	25
National Treasury	52	-	197	262	249	262
Finance	5	-	3,472	3,790	3,477	3,790
Finance Pension	1,630	3,864	530	4,886	2,160	8,750
Post & Telecommunication	721	116	1,019	1,379	1,740	1,495
Sports & Recreation	466	120	365	594	831	714
South African Comm Service	-	-	14	82	14	82
South African Revenue Service	488	-	1,877	3,175	2,365	3,175
Police	12,054	-	18,175	18,888	30,229	18,888

ANNEXURE 6 (continued)
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Education		46	-189	-189	-189	-143
National Defence Force	13,796	-	-2,136	26,057	11,660	
(Combined with Account "A")						26,057
Provincial and Local Affairs	156	-	109	158	265	158
Government Printer	-	-	101	101	101	101
Central Statistical Services	-	-	3	3	3	3
Correctional Services	-	-	90	152	90	152
Unsettled Claims	-	-	10,910	10,910	10,910	10,910
Departmental interface	-	-	-	-861	-	-861
Other	1	-	157	-	158	-
National Intelligence	-	-	1,291	-	1,291	-
	53,088	35,889	76,334	128,766	129,422	164,655
Other Government Entities						
African Renaissance and International Co-operation Fund	48,227	40,213		-	48,227	40,213
					-	-
					-	-
					-	-
	48,227	40,213		-	48,227	40,213
TOTAL	101,315	76,102	76,334	128,766	177,649	204,868

Department of Foreign Affairs - Vote 3
Annexures to the Annual Financial Statements for the year ended 31 March 2006

ANNEXURE 7
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Home Affairs	112,565	87,812			-	-
					-	-
					-	-
Subtotal	112,565	87,812			-	-
Non-current						
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Total	112,565	87,812			-	-
OTHER GOVERNMENT ENTITY						
Current						
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Non-current						
					-	-
					-	-
Subtotal	-	-	-	-	-	-
Total	-	-	-	-	-	-

Include all amounts owing to National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.



Abbreviation of Government Departments

DA	Department of Agriculture
DACST	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DOC	Department of Communications
DCS	Department of Correctional Services
DOE	Department of Education
DFA	Department of Foreign Affairs
DOH	Department of Health
DHA	Department of Home Affairs
DJCD	Department of Justice and Constitutional Development
DOL	Department of Labour
DLA	Department of Land Affairs
DME	Department of Minerals and Energy
DPE	Department of Public Enterprises
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DPLG	Department of Provincial and Local Government
DSS	Department of Safety and Security
DST	Department of Science and Technology
DSD	Department of Social Development
DSR	Department of Sports and Recreation
DTI	Department of Trade and Industry
DOT	Department of Transport
DWAF	Department of Water Affairs and Forestry
GCIS	Government Communication and Information System
NIA	National Intelligence Agency
NT	National Treasury
ORC	Office on the Rights of the Child
OSDP	Office on the Status of Disabled Persons
OSW	Office on the Status of Women
SAAF	South African Air Force
SANDF	South African National Defence Force
SAPS	South African Police Service
SARB	South African Reserve Bank
SASS	South African Secret Service
SASSA	South African Social Security Agency
SARS	South African Revenue Service



Acronyms

AARSOC	Asia-Africa Sub-regional Organisations Conference
ACHPR	African Commission on Human and Peoples' Rights
ACP	African, Caribbean and Pacific States (see CPA)
AICC	African Institute of Corporate Citizenship
ASEAN	Association of South East Asian Nations
ATCM	The Antarctic Treaty Consultative Meeting
ATS	Antarctic Treaty System
AU	African Union (formerly OAU)
BEE	Black Economic Empowerment
BLSN	Botswana, Lesotho, Swaziland, Namibia)
BNC	Binational Commission
CARICOM	Caribbean Community
CCAMLR	The Commission for the Conservation of Antarctic Marine Living Resources
CCW	Convention on Certain Conventional Weapons
CD	Conference on Disarmament
CDM	Clean Development Mechanism
CERD	United Nations Committee on the Elimination of Racial Discrimination
CHOGM	Commonwealth Heads of State and Government Meeting
CIC	Credit Insurance Committee
COP	Conference Of the Parties
CPA	Cotonou Partnership Agreement (EU and ACP)
CSD	Commission on Sustainable Development
CSTP	Committee for Scientific and Technological Policy
CSW	United Nations Commission on the Status of Women
CTBT	Comprehensive Nuclear-Test-Ban Treaty
CWC	Chemical Weapons Convention
DDPA	Durban Declaration and Programme of Action
DFA	Department of Foreign Affairs
DHA	(tourism, economic, multilateral)
DNA	Designated National Authority
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
ECIC	Export Credit Insurance Corporation of South Africa
ECOSOC	Economic and Social Council (UN)
EEZ	Exclusive Economic Zone
EIF	Entry Into Force

ERW	Explosive Remnants of War
EU	European Union
FDI	Foreign Direct Investment
FSI	Foreign Service Institute
G8	Group of eight (USA, UK, Germany, Italy, France, Russia, Japan, Canada)
G20	Group of Twenty
G77	Group of 77 (and China)
GA	General Assembly (United Nations)
GCC	Gulf Co-operation Council
GCIM	The Global Commission on International Migration
GEF	Global Environmental Facility
GEO	Group on Earth Observation
GFII	Global Forum on International Investment
HCOC	The Hague Code of Conduct against Ballistic Missiles
HRD	Human Resource Development
HSGIC	Heads of State and Government Implementation Committee (Nepad)
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development (World Bank)
IBSA	India, Brazil, South Africa Dialogue Forum
ICAO	The Council of the International Civil Aviation Organisation
ICC	International Criminal Court
ICJ	International Court of Justice
ICNRD	International Conference for New or Restored Democracies
ICRC	Interim Chemicals Review Committee
ICT	Information and Communications Technology
ICTR	International Criminal Tribunal for Rwanda
ICTY	International Criminal Tribunal for Yugoslavia
ILC	International Law Commission
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organisation
INC	Inter-Governmental Negotiating Committee
IOC	The International Oceanographic Commission
IOR-ARC	Indian Ocean Rim Association for Regional Co-operation
IPCC	Industrial Participation Control Committee
IRPS	International Relations-Peace and Security
ISA	The International Seabed Authority
ISPS	International Ship and Port Security Code
ITU	International Telecommunication Union
IUU	Illegal Unreported and Unregulated (Fishing)
IWC	International Whaling Commission
JBC	Joint Bilateral Commission
JPOI	Johannesburg Plan of Implementation
JSE	Johannesburg Stock Exchange
KPCS	Kimberley Process Certification Scheme

LDC	Least Developed Countries
MBT	Mine Ban Treaty
MDG	Millennium Development Goals
MEA	Multilateral Environmental Agreements
MERCOSUR	Southern Common Market (Argentina, Brazil, Paraguay, Uruguay)
MISS	Minimum Information Security Standards
MOP	Montreal Protocol on Substances that Deplete the Ozone Layer
MSP	Master Systems Plan (ICT)
MTCR	Missile Technology Control Regime
NAM	Non-Aligned Movement
NCACC	National Conventional Arms Control Committee
NCCC	The National Committee for Climate Change
NEPAD	New Partnership for Africa's Development
NFAR	National Forum Against Racism
NGO	Non-Governmental Organisation
NIPP	The National Industrial Participation Programme
NPT	Nuclear Non-Proliferation Treaty
NSG	Nuclear Suppliers Group
NSI	Nuclear System of Innovation
NSTF	National Science and Technology Forum
ODA	Official Development Assistance
ODIN	Ocean Data and the Information Network
OIC	Organisation of Islamic Conference
PAP	Pan African Parliament
PIC	Prior Informed Consent
PMO	Policy-Making Organ
PMS	Performance Management System
POP	Persistent Organic Pollutants
PSC	Peace and Security Council (AU)
PUSET	Public Understanding of Science and Technology
RECs	Regional Economic Communities
RISDP	Regional Indicative Strategic Development Plan
S&T	Science and Technology
SAA	South African Airways
SACU	Southern African Customs Union (SA, BLSN)
SADC	Southern African Development Community
SAIAIF	South African International Affairs ICT Forum
SAMSA	South African Maritime Safety Authority
SANGOCO	South African Non-Governmental Organisation Coalition
SAPO	South African Post Office
SAT	South African Tourism
SC	Security Council (United Nations)
SME	Small and Medium-sized Enterprises
SOLAS	Safety of Life at Sea Convention
TDCA	Trade and Development Co-operation Agreement (with EU)

TICAD	Tokyo International Conference on African Development
TISA	Trade and Investment South Africa
TRIPS	Trade Related aspects of Intellectual Property Rights
UK	United Kingdom
UN	United Nations
UN PoA	United Nations Programme of Action
UNCED	United Nations Conference on Environment and Development
UNCHR	United Nations Commission on Human Rights
UNCITRAL	United Nations Commission on International Trade Law
UNCLOS	United Nations Convention on the Law of Sea
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICPOLOS	The United Nations Informal Consultative Process on Oceans and the Law of the Sea
UNIDO	United Nations Industrial Development Organisation
UNSC	United Nations Security Council
UPU	Congress of the Universal Postal Union
USA	United States of America
VLCC	Very Large Crude-oil Carriers
WCAR	World Conference Against Racism
WEF	World Economic Forum
WEHAB	Water, Energy, Health, Agriculture, Biodiversity
WMDs	Weapons of Mass Destruction
WMO	World Meteorological Organisation
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development
WTO	World Tourism Organisation
WTO	World Trade Organisation

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