

SUBMISSION AND EXECUTIVE SUMMARY

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 2002/03 Annual Report of the
Department of Foreign Affairs.



*Minister of Foreign Affairs,
Dr Nkosazana Dlamini Zuma.*

EXECUTIVE SUMMARY BY THE ACTING DIRECTOR-GENERAL

OUR DEPARTMENT, IN COLLABORATION WITH OUR SISTER DEPARTMENTS in the International Relations, Peace and Security Cluster, has over the past year worked extensively in many very important areas in pursuit of our foreign policy goals. At the same time we have had to adjust our focus to a global environment that has been fundamentally changed by the seminal events of 11 September 2001 and the war against Iraq.

During the period 2002/03, our foreign policy programmes were aimed at supporting the rapid delivery of basic needs to our people; developing human resources; building the economy and creating jobs; combating crime and corruption; transforming the state; and building a better Africa and a better world.

By extension, South Africa's role within the holistic vision of Africa's rebirth is aimed at promoting peace, prosperity, democracy, sustainable development, progressive leadership and good governance. Thus, Africa and in particular the Southern

African region, remained the core focus of our foreign policy. To give practical expression to our foreign policy objectives the priority areas for the Department's work included:

- African Renaissance
 - Launch and operationalise the African Union (AU);
 - Restructure the Southern African Development Community (SADC) and the Southern African Customs Union (SACU);
 - Implement the New Partnership for Africa's Development (NEPAD);
- Peace, stability and security; and
- Economic development and co-operation.

• **The African Union**

Last year, South Africa successfully hosted the Inaugural Summit of the AU in Durban which adopted NEPAD as Africa's principal agenda for development. The AU's essential operational organs



President Thabo Mbeki addressing the Thirty-Eighth Ordinary Session of the Assembly of Heads of State and Government of the Organisation of African Union in Durban.

have been established and the Protocols for the Pan-African Parliament and the Peace and Security Council were in the process of being signed and ratified. A number of far-reaching decisions were adopted during the Summit with regard to the structure and workings of the AU in areas such as peace, stability and security, economic development, and good governance. Important decisions on conflict situations in Africa and the Middle East were also taken.

One of the decisions of the Durban Summit was to encourage all member states of the AU to adopt the Declaration on Democracy, Political, Economic and Corporate Governance and accede to the African Peer Review Mechanism (APRM). The latter is a voluntary self-monitoring instrument aimed at assisting participating countries to improve their Programmes of Action and strengthen their capacities to accelerate progress towards improvement of performance in the areas reviewed.

At the 5th Summit of the NEPAD Heads of State and Government Implementation Committee (HSIC) on 3 November 2002 in Abuja, the HSIC emphasized the fact that, while the accession to the APRM is voluntary, compliance with all decisions of the African Union by member states is obligatory. At the end of the meeting, twelve countries signed the Declaration of Intent to accede to the APRM, namely: Algeria, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Mali, Mauritius, Mozambique, Nigeria, Rwanda and South Africa.

During its 6th Summit on 9 March 2003, the HSIC approved a Memorandum of Understanding (MOU) on the APRM as the framework for formal accession to the Review Mechanism.

It is hoped that the peer reviews would provide a basis for consolidating shared values and standards in areas of governance and accelerating socio-economic development in Africa, thus leading to more rapid poverty eradication and fulfillment of the objectives of NEPAD and the Millennium Development Goals.

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- **Restructuring of SADC and SACU**

The objective of the restructuring of SADC was to increase its efficiency and effectiveness to eliminate poverty in the region. Its new Department of Strategic Planning, Gender and Policy Harmonisation constitutes the core of SADC's programmes and projects. National committees and cluster-based sub-committees in each member state will co-ordinate their respective individual interests relating to SADC in the areas of policy development, implementation, reporting, monitoring and evaluation.

At regional level, an Integrated Committee of Ministers (ICM) has been established to co-ordinate the work of the different clusters. The ICM is responsible for a five-year Regional Indicative Strategic Development Plan (RISDP) as the overall regional NEPAD programme. The RISDP is intended to provide SADC member states with a development agenda on social and economic policies over the next decade with clear targets and time frames.

A new SACU Agreement provides for the establishment of a variety of democratic institutions such as a dispute settlement mechanism, and a sustainable and functional revenue sharing arrangement. These will be launched after the Agreement has been ratified by member states. SACU institutions include a Council of Ministers, a Customs Union Commission, the Secretariat, a Tariff Board, a Tribunal and a number of technical liaison committees.

Political and economic integration within SADC and SACU will be deepened, particularly through the Regional Indicative Strategic Development Plan. Food security and defence issues in the sub-region will also be given priority attention.

Negotiations for a SADC-MERCOSUR (Southern Common Market (Argentina, Brazil, Paraguay, Uruguay) free trade agreement will be intensified and SACU will initiate negotiations with the USA regarding a future free trade agreement.

- **Implementation of NEPAD**

A concerted effort was made during the past year to achieve global endorsement of NEPAD as the development programme of

the AU and action was taken on several fronts.

The United Nations (UN) General Assembly adopted a resolution that will create an annual agenda item in the General Assembly on NEPAD. UN programmes will also be integrated into NEPAD projects.

Canada, as the 2002/03 Chair of the G8, took a strong lead in coordinating the G8 response to NEPAD. Prior to the G8 Summit in Kananaskis, the Canadian Prime Minister also visited Africa and held discussions on the direction of the new partnership between the industrialized countries and Africa.

The Department of Foreign Affairs facilitated a USA Congressional Hearing on NEPAD by the Africa Subcommittee of the House International Relations Committee, at which Deputy Foreign Minister Aziz Pahad provided a comprehensive testimony on the subject.

Substantial work has also been carried out to engage other significant role-players on NEPAD and to secure their endorsement, namely: MERCOSUR (Southern Common Market (Argentina, Brazil, Paraguay, Uruguay), the Gulf Co-operation Council (GCC),

the Association of Southeast Asian Nations (ASEAN), the European Union (EU), the Japanese Development Initiative for Africa (TICAD), the China-Africa Co-operation Forum (C-ACF) and the Non-Aligned Movement (NAM).

In addition, the international private sector continued to express support for NEPAD during the World Economic Forum meetings in both Durban and Lugano.

Several proposals and undertakings have emanated from these efforts:

- The World Economic Forum meeting in Lugano proposed that a European NEPAD Headquarters in that city be established;
- The NEPAD Heads of State and Government Implementation Committee endorsed the composition of an African team to interact closely with the G8 Ad Hoc Working Group, with a view to submitting proposals to the G8 Summit in Evian;



Delegates to the Tokyo International Conference on African Development (TICAD III) workshop held in Pretoria.

- The UN system decided to assist NEPAD with the creation of an office to co-ordinate programmes related to Africa, to be Headed by an Under Secretary-General;
- The European Commission offered to finance a NEPAD capacity building project;
- Canada pledged to establish an Africa Fund of 500 million

Canadian dollars to support NEPAD projects;

- The African Development Bank presented to its Board of Directors a significant number of projects from the NEPAD Secretariat's infrastructure plan for funding.

- **Peace, Stability and Security**

The task of promoting peace, stability and security in Africa, and in particular Southern Africa, is a compelling necessity and of priority concern in the promotion of South Africa's foreign policy goals as well as its own well-being. Our own destiny as a nation is irrevocably tied to that of our sub-region, and to Africa as a whole.

Long-term sustainable development cannot be achieved without an integrated and holistic approach to peace, stability and security. Based on this premise, South Africa has actively engaged in a variety of processes aimed at realizing these objectives.

... we are also convinced of the urgent necessity to end the carnage and havoc that is being perpetrated for far too long by the Israeli-Palestinian conflict in the Middle East.

This includes ongoing work in Angola, Burundi, Comoros, the Democratic Republic of the Congo and Rwanda.

South Africa continues to contribute troops to peacekeeping missions currently being undertaken in Africa. This is in line with its policy to maintain a focus on conflict prevention. It may be noted that our effort in Burundi is seen as real pioneering work.

We remained concerned about the urgent necessity to end the carnage and havoc that is being perpetrated for far too long by the Israeli-Palestinian conflict and continued to work to promote peace in the Middle East, including special efforts to prevent the war in Iraq.

South Africa remained active in the international debate on disarmament, non-proliferation and arms control, but at the same time ensured that regulatory mechanisms do not restrict access of developing countries to technology and materials required for peaceful socio-economic development. We continued to actively



The task of promoting peace, stability and security is a compelling necessity – Delegates to the Inter-Congolese Dialogue in Pretoria.

participate in and contributed to the work of a wide range of international bodies on matters of disarmament, non-proliferation and arms control, and regularly lobbied for South Africa's positions in these international forums.

South Africa handed over the Chair of the Non-Aligned Movement (NAM) to Malaysia at the Kuala Lumpur Summit in February 2003, having led the Movement for over four years.

The NAM has always been committed to multilateralism and the need to pursue the interests of developing countries through dialogue and negotiations. Globalisation and the marginalisation of developing countries presented a major challenge and we had to address these issues collectively with the developed countries. Thus our dialogue with the EU and the G8 took on special importance. In

co-operation with the G77 and China and on the basis of the decisions of the Durban NAM Summit and the Havana South Summit we were able to adopt a coherent Agenda of the South. The G8 was transformed, over a series of meetings, into Summits between leaders of the South and the G8. It is as a result of this type of bridge-building and constructive dialogue that we were also able to reach consensus at the UN Millennium Summit.

- **Economic Development and Co-operation**

There is a familiar argument that 'globalisation is a process that cannot be stopped' and to which, we therefore, need to adjust. Our efforts should be focused on enhancing the capacity of developing countries to deal with the phenomenon rather than fighting it. We believe that this is a sound argument and we have been working together with our partners both in the South and the North to bring this about. One of the key elements in our strategy has been to encourage greater co-operation, co-ordination and complementarity between all the various actors, whether individual states or international organisations.

In this regard the most significant gathering in recent years was the UN's Millennium Assembly at which the assembled Heads of State adopted the Millennium Declaration. Central to this Declaration was a commitment to achieve what are known as the Millennium Development Goals. The goals are to halve the number of desperately poor people in the world by the year 2015 as well as to halve the figures for a range of other crucial development areas, including infant and maternal mortality, primary education

and gender discrimination. These goals, and the implicit commitment to work together in seeking to achieve them, are very significant because for the first time the UN members have taken a global view of poverty and its consequences, and have committed themselves to working together to achieve them.

We have mentioned co-ordination, co-operation and complementarity as key elements in striving to achieve these goals. It has been remarkable to note the progress that has been made in this area, for we see in recent years the organisers of global conferences working together to seek linkages and complementarities in their work. The World Trade Organisation's (WTO) Doha Ministerial Meeting adopted the Doha Development Agenda for the further liberalisation of global trade, but bearing in mind the needs of developing countries. This was closely followed by the International Conference on Financing for Development in Monterrey, which noted the progress that the Doha developments sought to bring about in the crucial area of trade, but expanded the range of issues to be considered when dealing with development as a whole. Following on from this, the World Summit on Sustainable

Development (WSSD) in Johannesburg built extensively on the progress made in Doha and Monterrey, reviewed all issues related to sustainable development and agreed on a plan of action to implement the WSSD outcomes.

There is a delicate balance at the present time in the fight against global poverty, and the WTO is a case in point. We are all aware that the negotiating parties in Geneva at the WTO have missed a series of important deadlines for reaching agreement in preparation for the planned WTO Ministerial in Cancun in September 2003, placing the successful outcome of that meeting in jeopardy. Such a development would seriously undermine the WTO's credibility. It is generally recognised that the opportunity to promote economic growth through trade is a key element in enabling developing countries to help themselves. The failure of the parties in Geneva to make progress on market access for agriculture, especially on exports from Africa, is very serious, and there is little time to remedy the situation. The issue of agriculture, more than any other, is the litmus test of whether the development round will succeed.

Another area where the will to succeed is not always in evidence is in addressing the problem of debt. The IMF/World Bank-led initiative known as the Enhanced HIPC makes provision for heavily-indebted poor countries to escape from the debt trap, but only after extensive negotiations with the creditors. Funding for this programme has been a difficult and protracted process, and at the last G8 meeting for example, the parties were able to agree only on an additional \$1 billion for the HIPC fund.

An important decision taken at the Monterrey conference was to intensify the dialogue between the UN (using the forum of the Economic and Social Council), the Bretton Woods Institutions and the WTO, with a view to greater co-ordination and co-operation between these bodies. Despite the promising signs the World Bank assessment of the prospects for attaining the Millennium Development Goals are not positive, with Africa lagging far behind.

This is disturbing because in the NEPAD, Africa has developed what is generally acknowledged to be the best regional development initiative for tackling poverty. While NEPAD emphasizes self-reliance, the fact is that for many African countries, a continued

partnership with multilateral bodies and the developing and developed countries remains a prerequisite for growth and development. The promises of assistance are on record but the delivery has been slow. At Monterrey, for example, the EU countries announced that they would be increasing their ODA from the present levels up to 0,39% of GNP within three years. This is a very substantial increase and a further commitment was made that half of increased ODA would go to Africa. However, delivery has been slow.

We know that the global economy is currently skewed in favour of the developed countries, but we also appreciate that this can only be addressed by concerted action by all states involved, both developed and developing. This realisation heightens the importance of the multilateral system as the only means of dealing with these fundamental inequalities.

On the bilateral side, the Department continued to play an active role in the expansion and further development of relations

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with all nations and peoples, especially in areas and regions where historically we have not been represented. It is with great satisfaction that we are able to claim that for the first time in our history, our representation on the continent will now exceed our representation in any other region. In many ways this development mirrors the priority afforded to Africa in our foreign policy.

The expansion of bilateral relations was further consolidated through structured interactions taking place at Presidential or Ministerial levels. During 2002, South Africa pursued such relations with 25 countries through Binational Commissions, Joint Co-operation Commissions, Partnership Forums and other similar mechanisms. This has enhanced South African co-operation and relations in several fields such as trade, taxation, aviation, science and technology, culture, tourism, etc.

Significant achievements included a dramatic increase in tourists to South Africa with some 6.9 million tourists visiting our shores during 2002. Furthermore, bilateral trade also showed significant growth with exports increasing from R251 billion in 2001 to approximately R314 billion in 2002. Imports on the other hand rose from R214 billion in 2001 to approximately R272 billion in 2002.

It is evident that the role and responsibilities of the Department continue to expand. It is therefore imperative that all available resources are used optimally. The annual budget of the Department for 2002/03 was approximately R2.4 billion, with actual expenditure being R2,3 billion. The surplus is due to the large number of funded vacancies. This is a matter of real concern and significantly impacts on the delivery capacity of the Department. It is a situation that we must resolve in the coming year, Resolution 7 permitting.

We are glad that the Department once again received an unqualified report from the Auditor General. An area that we will continue to strengthen during the forthcoming year is our controls,

both at Head Office and at missions abroad. Particular attention must be given to processes that provide early identification of possible problems or non-compliance such that these may be addressed pro-actively. There is also an urgent need to strengthen financial management training for all officials, paying particular attention to senior managers and Heads of Mission administration.

Other areas that must receive attention during the next financial year are the processes and controls related to the procurement of services. Included here are a range of services such as usage of telephones and cell phones. In general, however, the overall financial performance of the Department has been more than satisfactory.

The functions of the Department's various components have undergone accelerated and extensive change over the past few years. It is here that the largest responsibilities for transformation reside, while at the same time being a core target of the transformation process itself. Although there are numerous challenges, several positive trends are also evident. Over the years there has been a steady improvement in the understanding by

Human Resources of the core business of the Department.

Clearly this is a necessary precondition for the development of appropriate and excellence-driven human resources. As a result, current human resources policies and processes (all of which have been under review in the current and preceding years) are showing a greater sensitivity to line-function realities.

The drive to improve accountability and collaboration with business unit managers in the management of our human resources is also a positive development. But much more needs to be done. The further extension of this process, namely the decentralization of corporate services staff to business units, is required if we are to realise the full value of the changes we have initiated.



*Abdul Samad Minty
Director-General (Acting)
Department of Foreign Affairs*

Other areas of good performance include the maintenance of a robust Foreign Service Dispensation, the steady improvement in the implementation of Performance Management, the increased focus on Human Resource Development and the implementation of several programmes targeted at improving employee well-being, especially the efforts regarding HIV/AIDS.

Major challenges for next year include the refinement and full compliance with the Performance Management System including the implementation of the new provisions approved at the Central Bargaining Council, the development and implementation of a comprehensive Human Resource

Development Strategy, the implementation of Learnerships, the full compliance with Resolution 7, the filling of all funded vacancies, the further compliance with Employment Equity, the development of a Retention Strategy and the implementation of the HR Plan.

Other areas of Corporate Services that require our attention next year include the finalisation of the computer Master Systems Plan and the development of our ICT systems to meet user demands.

These and other activities are further elaborated upon in the report, while the challenges are addressed in the Department's Strategic Plan for 2003/04.



AS Minty

Acting Director-General: Department of Foreign Affairs

PART 1:

GENERAL INFORMATION

1.1 INTRODUCTION

This Annual Report outlines the Department's performance in terms of its service delivery commitments, as conducted under the foreign policy direction of the President and Minister of Foreign Affairs. The Report articulates the core focus of the Department's work for the 2002/03 financial year in terms of its mission statement of promoting and protecting South Africa's national interests and values, promoting the African Renaissance and creating a better life for all. In all aspects of the Department's work, close interaction and collaboration with partner Departments, civil society and the private sector is imperative, either through the International Relations, Peace and Security (IRPS) Cluster or bilaterally on issues as they unfold. Hence, the Department wishes to acknowledge the co-operation of these important contributors and role-players, who share in our successes and achievements.

The Report complies with all statutory requirements as defined in terms of Section 92(3)(b) or 133(3)(b) of the Constitution (1996), regulation J3 of Part III of Chapter 1 of the new Public

Service Regulations, and as contemplated in sections 40(1)(d)(l) and (3) and 65(1)(a) and (2) of the Public Finance Management Act (1999) and paragraphs 18.3 and 18.4 of the Treasury Regulations.

Part 1 of the Report contains general information, including the statement formally submitting the Report to the Minister, an introduction, and the mandate and mission statement of the Department.

Part 2 of the Report provides a review of the Human Resources Management processes of the Department. The statistics and information published in this part of the Report are required in terms of the new Public Service Regulations, regulation J3, and are published in the formats as prescribed by the Minister of Public Service and Administration. The information reported covers all aspects of Human Resources Management: organisational structures, employment practices, cost of personnel, employment equity profiles, staff turnovers, performance rewards, skills

development, labour relations matters and conditions of service. The information is aggregated in terms of grade levels and often also in terms of equity profiles.

Part 3 of the Report is an account of the Programme Performance of the Department for the 2002/03 financial year. The framework for the reporting is done in accordance with the 'Estimates of National Expenditure, 2002' as tabled in Parliament. It contains an outline of the strategic priorities and foreign policy approach of the Department, as approved by the Cabinet Lekgotla, January 2002. Thereafter, the section deals with each of the three programmes of the Department, namely Administration, Foreign Relations and Support Services. The Programme Performance provides extensive performance feedback against the objectives of each programme. The report on Foreign Relations is structured

along geo-thematic lines for the bilateral side and along issue lines for the multilateral side.

Part 4 is a report of the Audit Committee. It provides a broad outline of the Three-year Rolling Plan, as well as progress and feedback on the Fraud Prevention Strategy, the Documentation of Systems and Business Processes, Special Assignments, audited Annual Financial Statements and the Effectiveness of Internal Controls.

Part 5 is a report of the Annual Financial Statements for the Year ended 31 March 2003. The information and format for the reporting conforms to requirements of the Public Finance Management Act and Treasury Regulations.

This report must be presented to the relevant legislature by 30 September 2003.

1.2 INFORMATION ON THE MINISTRY: REPORT OF THE MINISTER OF FOREIGN AFFAIRS

As we consolidate our national efforts for change and as we celebrate the 10th year of freedom and democracy in our country, we state plainly and boldly that our desire remains that of a people-centred, just, peaceful and secure world free of poverty and underdevelopment.

Our vision is for true global equity, for world progress and sustainable development in all regions of the world. It is this passion and dedication for the creation of a better life that motivates and inspires our foreign policy as we seek to turn the tide to create a better country, a better continent and a better world.

Accordingly, we welcome once again the opportunity to report to our elected representatives, and to our nation as a whole, on the steps we have taken to realise the above ideals. Furthermore, we take the opportunity to convey to our nation some of the developments and challenges facing our country, our continent and the world at large.



Dr Nkosazana Dlamini Zuma – Minister of Foreign Affairs.



As South Africans we are privileged to have played such an important role in laying the foundation for further progress in uniting our continent through the launch of the African Union. It is also with great pride that we welcome the adoption of NEPAD as a defining programme for the socio-economic development of our continent. As South Africans we have consistently advocated for the peaceful resolution of conflicts and deepening of democracy as the only viable means of promoting peace and security. Steadily and assuredly, the continent is mobilising the world to partner Africa in its renaissance. Furthermore, our hosting of the WSSD made clear our commitment to the eradication of poverty, the advancement of human development and the responsible management of environmental resources. We are proud to be at the forefront of these efforts.

The AU Inaugural Summit was held in July 2002, establishing three main organs, adopting NEPAD and taking several far-reaching decisions for the operationalisation of the AU. The main challenge for South Africa and Africa as a whole is to ensure that the main organs and instruments of the AU are functioning

efficiently and effectively, and that their decisions are implemented. As Chair of the AU, we had a critical, and perhaps decisive, role to play in this regard. Early success generated momentum both within Africa and the rest of the world, affirming our readiness to drive the renaissance. It may take some time, but I believe that Africa has the visionary and determined leadership, a dynamic civil society and an abundance of natural resources to change the historical patterns of poverty and underdevelopment.

Africa must develop its industrial base to facilitate a transition from the exports of raw materials to the exports of high value added products. To achieve this will require major investments in research and development for innovation, transfer of technologies to Africa and sustained efforts aimed at developing indigenous knowledge systems. We need partnerships from the friends of Africa, in the North and South – and signs thus far are very encouraging. I refer here to the endorsement of NEPAD by the UN, NAM, G8, EU, ASEAN, Nordic Countries and in the Monterrey Consensus.

A major concern for the AU is the involvement of civil society. Hence the establishment of ECOSOC and the Pan-African



Mr Aziz Pahad – Deputy Minister of Foreign Affairs.

Parliament is of critical importance. The Pan African Parliament is important for ensuring the full participation of African peoples in the development and economic integration of the continent, and for developing common values on democracy, human rights and other political processes. Furthermore, the ratification of the Protocol on Peace and Security is critical for the resolution of conflicts and for the creation of sustainable peace.

During South Africa's term as Chair of the AU and in preparation for the hand over to Mozambique during the July 2003 Summit, much effort has been made in the appointment of the Chair and Commissioners, as well as in the operationalisation of the organs of the AU such as the Pan African Parliament, the Peace and Security Council and the establishment of the Technical Committees. We have also been actively involved in celebrating the 40th anniversary of the founding of the OAU.

We have made great advances with the restructuring of SADC and the Southern Africa Customs Union (SACU). South Africa signed the SADC Protocol on Politics, Defence and Security and the ISDSC (Inter-State Defence and Security Committee) has been

operationalised. Yet, the challenge for South Africa in SADC remains the deepening of political and economic integration, the establishment of SADC National Committees, and the finalisation of SADC's position on the working relationship between the AU and Regional Economic Communities (RECs). The overlapping membership of RECs, especially with regard to SADC and COMESA, will be given special attention.

The new SACU Agreement was signed in October 2002. The challenge with regard to this agreement is the ratification thereof by all the signatories, the establishment of its institutions and the implementation of its policies.

Our President and South Africa have gained international respect for their leadership and untiring efforts to bring about peace, stability and security on the African continent, and beyond. Cabinet has decided that we need to develop a strategy that would guide South Africa's role and activities on the Continent. We look forward to developing the strategy.

The reality, however, is that South Africa will have to remain seized with conflict resolution. We are already involved in conflict

resolution processes in Burundi, the Democratic Republic of Congo (DRC) and Zimbabwe. As Chair of the AU, South Africa has also been involved in peace-making/conflict resolution in Central African Republic, Côte d'Ivoire, Ethiopia and Eritrea, Liberia, Madagascar, Sierra Leone, Sudan, and Western Sahara. The progress being made in the DRC is very encouraging, and I am very pleased that South Africa has been part of the process of bringing peace and democracy to the people of the DRC.

The situation in Liberia continues to be a source of great concern. South Africa will work with the Economic Community of West African States (ECOWAS) in its mediation efforts towards finding a peaceful and negotiated settlement to the crisis. We are confident that these efforts, with the support of the African Union and the international community in general, will result in the cessation of hostilities and create the conditions for free and fair elections to take place.

There is an urgent need for engaging the Central African Republic in an effort to enhance democracy. South Africa will work with the Central African Economic and Monetary Community to



South African Children at the First Session of the World Summit on Sustainable Development.

promote dialogue and reconciliation, and for a rapid return to democracy. A Reconciliation Forum has already been convened in Bangui, and a team of South Africans will help with the assessment of the activities of the Forum. Despite the economic problems of the Central African Republic, there is a strong desire on the part of the people to return to the fold of the African Union. We are confident that with assistance, they will be able to meet the challenge of a swift and complete return to democracy and good governance.

The situation in the Middle East, especially the Palestine-Israeli conflict, remains a source of instability in the world. We will continue our efforts aimed at strengthening peace camps in both Israel and Palestine, assisting the Palestine reform process and supporting international peace efforts, in particular through the UN system.

In Iraq the advent of war has not only threatened

the international multilateral system and further destabilised the region, but has also exacerbated the socio-economic hardship of the Iraqi people. The security situation continues to deteriorate and there is an urgent need for the international community, especially the United Nations, to find a solution to the crisis and to begin the process of reconstruction and development.

South Africa is also actively involved in post-conflict reconstruction and development in Angola, Comoros, Lesotho and Rwanda. We shall continue to do all that is necessary to advance this agenda.

With regard to food security, South Africa will have to continue to work closely with the World Food Programme (WFP) in Southern Africa and other partners to facilitate the free flow of its "food pipeline" in the sub-region.

Let me now turn to some of the major global political and economic developments that impact on South Africa's foreign policy.

South Africa shall continue to advance the position of multilateralism in support of a rules-based international system

with the UN as the pre-eminent institution to deal with international security issues. As part of its commitment to multilateralism, South Africa will continue to actively participate at the UN and in other related international fora to deal with the major security challenges such as Weapons of Mass Destruction (WMD), terrorism, humanitarian interventions, arms proliferation and transnational crime. South Africa with interested countries will work towards the reform of the United Nations, in particular the Security Council. In this regard, the necessity of expanding the Security Council in both permanent and non-permanent member categories, with the participation of developing countries in both categories, must be stressed. We will also work with other countries to enhance the effectiveness of the General Assembly and the Economic and Social Council of the United Nations.

On the economic side, we notice with concern that many developing countries have not received sufficient Foreign Direct Investment. It is heartening that SA's recent upgrading by Standard and Poors shows that we as a country are slowly but surely starting to be viewed as an FDI preferred destination as well.

It is also evident that the North-South divide and the marginalisation of Africa continue. According to the IMF's 2002 figures, the global GDP is US\$32,05 trillion of which the OECD countries generated US\$25,19 trillion. Developing countries only generated US\$5,2 trillion, of which Africa accounted for US\$ 420 billion. Similarly, WTO figures indicate that global exports reached US\$ 5,9 trillion and imports US\$ 6,2 trillion in 2001. Of this, Africa only generated 2,4 percent of global exports and 2,2 percent of the global imports. Hence the urgent need to reform the Bretton Woods Institutions and to ensure a successful WTO Doha Round. These challenges are not going to be easy and as developing countries we may need to brace ourselves for a drawn out process.

This situation is further complicated by the current low growth cycle of the global economy, which is expected to grow at only 3,7 percent during 2003. A disconcerting trend is that budget deficits in both developed and developing countries are increasing,

... outcomes achieved at the WSSD, must be anchored in a global multilateral rules-based regime to eradicate poverty and deprivation.

as governments endeavour to counter the slowdown in their economies by expanding fiscal policies.

Looking at Africa specifically, the average GDP growth is forecast at 4,2 percent in 2003, up from 3,1 percent in 2002 and some 0,5 percent higher than the global rate. However, these figures mask wide disparities in growth between countries and also mask the reality that such growth is from a relatively low base. A growth rate of at least 7 percent is required for the economic and social upliftment of the continent. By ensuring NEPAD's success we will go a long way to ensuring sustained growth at such levels.

A positive trend for Africa is the growing FDI from developing countries into the energy industry on the continent. Indications are that the energy sector is becoming crucial in the overall development of the continent, as outlined in the NEPAD Strategy. South Africa may have to expand its strategic involvement in this fast-growing energy industry.

These are just some of the highlights, and evolving global

political and economic developments. Within this context, and in recognition of the risks, challenges and opportunities afforded by globalisation, the range of policies undertaken by the South African Government since 1994 constitutes an appropriate and coherent developmental strategy.

We have clearly prioritised the needs of the poor and developing in our foreign policy. In this regard, we have played a leading role in mainstreaming the issues contained in the Agenda of the South in the international debate. These gains, namely UNCTAD X, the Fancourt Declaration of the Commonwealth Heads of Government Meeting ("people-centred development"), the South Summit in Cuba, the Millennium Declaration (2015 Millennium Development Goals and the special needs for Africa), the UN LDCIII Conference (Everything but Arms market access given to LDCs), the adoption of NEPAD by the OAU/AU and the G8 Africa Action Plan, the WTO Doha Development Round, the Monterrey Consensus reached at the Finance for Development Conference, culminating in the outcomes achieved at the WSSD, must be anchored in a global multilateral rules-based regime to eradicate poverty and deprivation.

The WTO Doha Development Round must receive our sustained commitment. The successful conclusion of this round for developing countries would bring about a reconfiguration of North-South trade relations and a better life for all.

In addition to the WTO Multilateral negotiations, South Africa must continue to participate in advancing the economic development agenda of the South, ensuring appropriate focus on Africa and specifically on NEPAD, in key groupings of the South such as NAM, AU, G77, Commonwealth, ASEAN, Gulf-Co-operation Council, the Organisation for Islamic Countries, MERCOSUR, and within key UN agencies.

South Africa will continue to pursue our strategic bilateral economic links and co-operation with key countries in the North and South, targeting improved market access, export growth, particularly high value manufactures, investment growth, appropriate technology transfer, and increased tourism.

The Department, in collaboration with our sister Departments, will continue to pursue policies aimed at furthering our national interests, the interests of our continent and the South, and will

remain committed to pushing back the frontiers of poverty and underdevelopment.

We will continue to pursue a significant profile in international diplomacy. Although we have made great advances, the challenges remain daunting and numerous. We are convinced

that we are on the right course with the correct policies.

We look forward to our 10th Anniversary celebrations in South Africa and internationally. It will give us an opportunity to rededicate ourselves to the struggle for a better life for all South Africans and for the creation of a better world for all.

the dfa

**THE DEPARTMENT OF FOREIGN AFFAIRS
REPUBLIC OF SOUTH AFRICA**



1.3 MISSION STATEMENT DEPARTMENT OF FOREIGN AFFAIRS

VISION

South Africa shall strive for peace, stability, democracy and development in an African continent, which is non-sexist, prosperous and united, contributing to a world that is just and equitable.

MISSION

The Department of Foreign Affairs is committed to promoting South Africa's national values, the African Renaissance and the creation of a better world for all.

VALUES

In the realisation of its Vision and in the execution of its Mission, the Department of Foreign Affairs will be guided by the core values of loyalty, dedication, ubuntu, equity and professional integrity.

1.4 LEGISLATIVE MANDATE

The Department of Foreign Affairs is responsible for the development, promotion and execution of all aspects of South Africa's foreign policy as entrusted to the Minister of Foreign Affairs.

The Minister of Foreign Affairs, in accordance with recognised diplomatic practice, is in the first place charged with the responsibility for South Africa's foreign policy, not only with regard to the political aspects thereof, but also insofar as the supervision and co-ordination of South Africa's economic, trade, financial, military, agriculture, health, social, cultural, and other relations which may have an impact on other countries.

The Department of Foreign Affairs is therefore responsible for the administration of all aspects of South Africa's foreign policy as entrusted to the Minister of Foreign Affairs by the President.

The Head of a South African Mission is a representative of the Head of State and therefore the country. The Head of



Mission represents South Africa in the full scope of international relations and serves as the spokesperson of the Head of State and Government. In fulfilling this mandate the Department and its Missions abroad are guided by the Vision, Mission and Values as well as the country's foreign policy objectives.

PART 2:

HUMAN RESOURCES MANAGEMENT



*Department's Director:
HRD, Mr Andrew Phiri,
handing over a certificate
of attendance to Acting
Deputy Director: Web and
Information Management,
Ms Emily Letshwene.*

PART 2: HUMAN RESOURCES MANAGEMENT

In 2001/2002 the Department went through a restructuring process with the objective of ensuring that we have the required capacity to deliver on Foreign Policy Objectives. HR played a facilitative role in the restructuring process. Maintaining the organisational structure and ensuring Persal accuracy is one of HR's core functions. In 2002/3, HR had to ensure that the new structure is fully implemented and embedded in the Department. This was achieved through the maintenance of an accurate establishment and the match between Persal and the current reality. DFA is now at a point where its establishment is 100% accurate and there are no "ghost employees". The process was carried out both at Head Office and Missions.

During the capacity building project, it became very apparent that the nature and scope of DFA work has increased. This implied that employees needed a broader skills base to be able to perform effectively. The Department's core competencies were identified in

2001/2. This process was followed in 2002/3 by the determination of training needs on core competencies, strategic objectives and key performance areas of individuals. The results thereof enabled the establishment of the Department's Workplace Skills Plan. For those areas where the need for training was highlighted, training was provided, namely in economic literacy, project management and financial management, amongst others. In 2003/4, a full skills audit and competency assessment will be conducted, including for scarce skills. The results of the audit will provide a further indication of where the Department's skills shortages are and the areas of strength

HR has continued to perform other operational functions throughout the year, which included amongst others, recruitment and selection prior to Resolution No.7, maintaining the performance management system, maintaining the Foreign Service Dispensation and promoting sound labour relations. We have also succeeded in

maintaining a robust HIV/AIDS programme, and continue to interface and participate in inter-Departmental initiatives on HIV and AIDS.

In the next year we intend to make the Department fully compliant with Performance Management Requirements. This exciting project has already been started and will be concluded in the next financial year. Although a Performance Management System has always existed in the Department, there was a need to refine the system further and align it with the Departmental strategic planning process.

The next financial year poses interesting challenges for us, amongst others, full compliance with Resolution No. 7, using recruitment and selection to further advance our Employment Equity representativity, refining our job profiles so that they inform other



Department's Director: Budgets, Ms Fadane, addressing an AIDS day function.

HR processes, and implementing the HR plan.

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all Departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether Departments: -

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

1. SERVICE DELIVERY

The following tables reflect the components of the Service Delivery Improvement Plan as well as progress made in the implementation of the plan.

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 Organisations			
Consular Services	South African citizens abroad, NGO's, International Organisations, 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		
Protocol Services	Presidency, Provinces, Missions Accredited to South Africa			

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Binational Commissions Joint National Commissions Conferences Meetings Workshops Internet			

Table 1.3- Service delivery access strategy

Access Strategy	Actual achievements
Media briefings Official Incoming and Outgoing Visits	

Table 1.4- Service information tool

Type of information tool	Actual achievements
Print and electronic media Publications and video material DFA website	

Table 1.5 - Complaints mechanism

Complaints Mechanism	Actual achievements
Surveys Toll Free Numbers Service rate cards	

2. EXPENDITURE

During the year under review, the Department's objectives were realised through five programmes (Programme 1: Administration; Programme 2: Foreign Relations; Programme 3: Public Diplomacy and Protocol; Programme 4: Foreign Properties; Programme 5: Auxiliary and Associated Services), however the bulk of personnel expenditure was incurred through the first three programmes.

The following tables summarise final audited personnel

expenditure, (Table 2.1) Personnel costs by programme and (Table 2.2) Personnel costs by salary bands, however due to non availability of the information in Persal, figures are provided as per Financial Management System. In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes.

Table 2.1 – Personnel costs by programme, 2002/ 03

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
Programme 1	180 327	93 893	53 647	21 623	52.07	141
Programme 2	1 641 203	947 500	1 816 544	123 596	57.73	353
Programme 3	61 949	27 956	-17 800	7 679	45.13	147
Programme 4	87 700	0	0	62 204	0	
Programme 5	365 571	33	0	8	0.01	
Total	2 339 401	1 069 382	1 852 391	215 111	45.71	302

The average personnel cost per employee has been calculated based on filled position, staff additional to the establishment and number (1893) of Locally Recruited Personnel (LRP) for programme 2.

Table 2.2 – Personnel costs by salary bands, 2002/ 03

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)			
Skilled (Levels 3-5)			
Highly skilled production (Levels 6-8)			
Highly skilled supervision (Levels 9-12)			
Senior management (Levels 13-16)			
Total as per Financial System	1 069 382	100	302
Total	1 069 382	100	302

As explained above, Persal cannot provide the figures by salary band, hence no information provided.

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 that was used for these items.

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2002/ 03

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	62 337	5.83	2 611	0.24	1 616	0.15	4 936	0.46
Programme 2	412 399	38.56	7 510	0.70	1 156	0.11	9 210	0.86
Programme 3	18 616	1.74	2 127	0.20	483	0.05	1 250	0.12
Programme 4	0	0	0	0	0	0	0	0
Programme 5	0	0	1	0	0	0	0	0
Total	493 352	46.13	12 249	1.15	3 255	0.30	15 396	1.44

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2002/ 03

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of person- nel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)								
Skilled (Levels 3-5)								
Highly skilled production (Levels 6-8)								
Highly skilled supervision (Levels 9-12)								
Senior management (Levels 13-14)								
Total as on Financial System	493 352	46.13	12 249	1.15	3 255	0.30	15 396	1.44
Total	493 352	46.13	12 249	1.15	3 255	0.30	15 396	1.44

3. EMPLOYMENT AND VACANCIES

During the year under review, the Department implemented a new structure wherein the branches were increased from 5 to 8. 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). The Department has 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.

The establishment does not include Locally Recruited Personnel (LRP) and the information in this regard is reflected in table 8.1 and 8.2 Foreign Workers. In addition, due to the nature of the operations of DFA, some employees are kept in a Human Resource transitional List and reflected on Persal as additional to the establishment. The number of posts excludes posts additional to the establishment, and is based on the posts as per approved organisational structure. The number of posts filled includes employees forming part of the approved establishment, including officials additional to the establishment. Additional to the establishment comprises of officials returning from abroad awaiting placement at HO, officials on unpaid leave, secondments to the Presidency, Foreign Service Training etc.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2003

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled transitional to the establishment
Programme 1	1 021	666	34.77	51
Programme 2	1 486	791	46.77	0
Programme 3	286	190	33.57	0
Programme 4	0			
Programme 5	0			
Total	2 793	1 647	41.03	51

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2003

Salary Band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled transitional to the establishment
Lower skilled (Levels 1-2)	288	213	26.04	1
Skilled (Levels 3-5)	281	117	56.23	4
Highly skilled production (Levels 6-8)	1 052	483	54.09	7
Highly skilled supervision (Levels 9-12)	939	659	29.82	22
Senior management (Levels 13-16)	231	173	25.11	17
Political Office Bearers	2	2	0.00	0
Total	2 793	1 647	41.03	51

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2003

Critical occupation	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled transitional to the establishment
HOM	98	87	11.22	0
Diplomatic Corps	1 017	618	39.23	15
Senior Management	231	173	25.11	17
Total	1 346	878	34.77	32

HOM (Head of Mission): Officials Heading SA Missions abroad. Ranks can vary from ASD to CDIR.

Diplomatic Corps: Officials that fall under the household classification of Line Function

SMS: Levels 13 – 16 excluding Political Office Bearers.

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. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated

before 31 December 2002.

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. During the year under review, no posts were job evaluated due to the implementation of the new approved structure.

TABLE 4.1 – Job Evaluation, 1 April 2002 to 31 March 2003

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)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	0	0	0	0	0	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 2002 to 31 March 2003

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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 exceeds the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	N/A
None	0	0	0	N/A
None	0	0	0	N/A
None	0	0	0	N/A
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2002/ 03				None
Percentage of total employment				N/A

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					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 2002 to 31 March 2003

Salary Band	Number of employees per band as on 1 April 2002	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	208	19	11	3.85
Skilled (Levels 3-5)	117	9	6	2.56
Highly skilled production (Levels 6-8)	506	15	26	-2.17
Highly skilled supervision (Levels 9-12)	667	19	45	-3.90
Senior Management Service	170	13	10	1.76
Political Office Bearers	2	0	0	0
Total	1 670	75	98	-1.38

**TABLE 5.2 – Annual turnover rates by critical occupation for the period
1 April 2002 to 31 March 2003**

Occupation	Number of employees per band as on 1 April 2002	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Diplomats	634	19	35	-2.52
SMS	170	13	10	1.76
Head of Mission	84	6	3	3.57
Total	888	38	48	-1.13

Table 5.3 – Reasons why staff are leaving the Department

Termination Type	Number	% of total
Death	8	8.16
Resignation	47	47.96
Expiry of contract	5	5.10
Dismissal – operational changes	0	0
Dismissal – misconduct	2	2.04
Dismissal – inefficiency	0	0
Discharged due to ill-health	5	5.10
Retirement	16	16.33
Other	15	15.31
Total	98	
Total number of employees who left as a % of the total employment		5.95

During the period under review, 98 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 75 employees on various levels to provide for the required

human resources 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 2002	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
Diplomats	634	23	3.63	26	4.10
SMS	170	7	4.12	0	0
Head of Mission	84	0	0	0	0
Total	888	30	3.38	26	2.93

Table 5.5 – Promotions by salary band

Salary Band	Employees as at 1 April 2002	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
Lower skilled (Levels 1-2)	208	0	0	1	0.48
Skilled (Levels 3-5)	117	0	0	2	1.71
Highly skilled production (Levels 6-8)	506	14	2.77	7	1.38
Highly skilled supervision (Levels 9-12)	667	19	2.85	12	1.80
Senior management (Levels 13-16)	170	7	4.12	0	0
Political Office Bearers	2	0	0	0	0
Total	1670	40	2.40	22	1.32

6. EMPLOYMENT EQUITY

Tables 6.1 and 6.2 provide information on the total staff establishment per occupational category and band, as at 31 March 2003 according to race, gender and disability.

- Total staff complement as at 31 March 2003 has reduced as compared to the previous financial year by 1.38 %, which is largely due to resignation.
- The implementation of Resolution No.7, which aimed at the restructuring and transformation of the Public service affected

the recruitment drive of the Department. This has negatively affected the Department to reach its employment equity targets. Upon the finalisation of the implementation of Resolution No.7, the Department will embark on a recruiting drive with the aim of achieving its set targets.

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

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2003

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	177	17	28	118	75	9	15	71	510
Professionals	133	21	14	134	93	3	8	126	532
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	54	4	4	12	126	18	7	139	364
Service and sales workers	33	4	0	9	12	1	0	0	60
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	0	0	0	0	0	0	0	22
Elementary occupations	55	0	0	0	96	1	0	3	155
Other	0	0	0	0	3	1	0	0	4
Total	474	46	46	274	405	33	30	339	1 647
Employees with disabilities	5	1	1	10	1	0	0	3	21

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	0	2	0	1	0	0	0	8
Senior Management	70	5	15	38	23	3	1	11	166
Professionally qualified and experienced specialists and mid-management	153	26	18	195	103	6	11	148	660
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	92	10	10	34	130	19	18	170	483
Semi-skilled and discretionary decision making	57	4	1	4	40	2	0	7	115
Unskilled and defined decision making	97	1	0	3	108	3	0	3	215
Total	474	46	46	274	405	33	30	339	1 647
Employees with disabilities	5	1	1	10	1	0	0	3	21

6.3 Recruitment for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Level (13 – 15)	5	1	2	0	3	2	0	0	13
Level (9 – 12)	6	0	2	0	5	0	2	2	19
Level (6 – 8)	4	1	0	0	8	0	1	2	15
Level (3 – 5)	3	0	0	0	5	1	0	0	9
Level (1 – 2)	9	2	0	0	7	2	0	0	19
Total	27	4	4	0	28	5	3	4	75
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.4 Promotions for the period 1 April 2002 to 31 March 2003

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Level (13 – 15)	5	0	1	0	0	0	0	1	7
Level (9 – 12)	5	0	0	4	5	1	0	4	19
Level (6 – 8)	3	1	2	0	3	0	0	5	14
Level (3 – 5)	0	0	0	0	0	0	0	0	0
Level (1 – 2)	0	0	0	0	0	0	0	0	0
Total	13	1	3	4	8	1	0	10	40
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.5 Terminations for the period 1 April 2002 to 31 March 2003

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	2	0	0	0	5	1	1	1	10
Professionally qualified and experienced specialists and mid-management	8	0	1	18	5	1	0	9	45
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	3	0	1	3	0	2	15	26
Semi-skilled and discretionary decision making	5	0	0	0	1	0	0	0	6
Unskilled and defined decision making	4	0	0	1	5	0	0	1	11
Total	24	3	1	20	19	2	3	26	98
Employees with disabilities	0	0	0	0	0	0	0	0	0

It has been noted that the following occupational classes were mostly affected: Senior Management, Professionally Qualified, experienced specialists, mid-management, Skilled technical,

academically qualified workers, junior management and supervisors. In view of the above, the Department has prioritised the retention strategy for 2003/04 financial year.

6.6 Disciplinary action for the period 1 April 2002 to 31 March 2003

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	1	2	2	1	0	0	0	9

6.7 Skills development for the period 1 April 2002 to 31 March 2003

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	117	11	10	106	115	3	7	83	452
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	1	0	0	0	0	0	0	1
Clerks	33	2	3	10	72	3	6	46	175
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	0	0	0	0	0	0	0	0	0
Elementary occupations	4	0	0	0	29	0	0	0	33
Total	154	14	13	116	216	6	13	129	661
Employees with disabilities	0	0	0	2	0	0	0	0	2

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 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2002 to 31 March 2003

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R' 000)
African	61	879	6.94	424	7
Male	19	474	4.01	155	8
Female	42	405	10.37	269	6
Asian	4	76	5.26	48	12
Male	3	46	6.52	41	14
Female	1	30	3.33	7	7
Coloured	3	79	3.80	21	7
Male	2	46	4.35	17	9
Female	1	33	3.03	4	4
White	56	613	9.14	657	12
Male	12	274	4.38	161	13
Female	44	339	12.98	496	11
Employees with a disability	0	21	0	0	0
Total	124	1 647	7.53	1 150	9

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2002 to 31 March 2003

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R' 000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	30	213	14.08	127	4	0.01
Skilled (Levels 3-5)	19	117	16.24	109	6	0.01
Highly skilled production (Levels 6-8)	39	483	8.07	379	10	0.04
Highly skilled supervision (Levels 9-12)	36	659	5.46	535	15	0.05
Senior Management (Levels 13 –16)	0	173	0	0	0	0
Political Office Bearers	0	2	0	0	0	0
Total	124	1 647	7.53	1 150	9	0.11

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2002 to 31 March 2003

Critical Occupations	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R' 000)	Total cost as a % of the total personnel expenditure
Diplomats	14	618	2.27	191	14	0.02
SMS	0	173	0	0	0	0
Heads of Mission	0	87	0	0	0	0
Total	14	878	1.59	191	14	0.02

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	% of total within band			
Level 13 – 16	0	173	0	0	0	0
Total	0	173	0	0	0	0

8. FOREIGN WORKERS

Since the Department is responsible for the delivery of South Africa's foreign policy objectives, it employs locally recruited personnel to assist transferred staff in reaching the strategic objectives. During the period under review, the Department employed 1 893 Locally Recruited Personnel.

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2002 to 31 March 2003, by region

By Region	1 April 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% of total
Africa	487	32.47	645	34.07	158	32.44
Asia and Middle East	312	20.80	445	23.51	133	42.63
Americas and Europe	622	41.47	715	37.77	93	14.95
Multilateral	79	5.27	88	4.65	9	11.39
Total	1 500	100	1 893	100	393	26.20

The 26.20% increase is due to the implementation of the new establishment as per the capacity building project.

TABLE 8.2 – Foreign Worker, 31 March 2003 – Bonuses paid to locally recruited personnel (LRP) employed in missions abroad

By Region	31 March 2003	
	Expenditure (R'000)	% of total
Africa	3 351	14.47
Asia and Middle East	4 960	21.42
Americas and Europe	715	53.53
Multilateral	12 386	10.62
Total	23 157	100

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2002 TO 31 DECEMBER 2002

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 2002 to 31 December 2002

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)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	817	24.1	115	11.8	7	102	974	197
Skilled (Levels 3-5)	532	23.5	79	8.1	7	86	974	125
Highly skilled production (Levels 6-8)	2 493	19.4	331	34	8	774	974	484
Highly skilled supervision (Levels 9-12)	2 115	18.8	385	39.5	5	1 197	974	398
Senior management (Levels 13-16)	395	13.9	64	6.6	6	524	974	55
Total	6 352	19.8	974	100	7	2 683	974	1 259

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2002 to 31 December 2002

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)	Total number of days with medical certification	Total number of employees using disability leave
Lower skilled (Levels 1-2)	151	21.9	10	13.5	15	19	33	74
Skilled (Levels 3-5)	68	4.4	2	2.7	34	12	3	74
Highly skilled production (Levels 6-8)	807	11.4	38	51.4	21	245	92	74
Highly skilled supervision (Levels 9-12)	255	14.1	19	25.7	13	148	36	74
Senior management (Levels 13-16)	194	7.7	5	6.8	39	294	15	74
Total	1 475	12.1	74	100	29	718	179	74

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 2002 to 31 December 2002

Salary Bands	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	4 155	20	213
Skilled (Levels 3-5)	1 984	17	117
Highly skilled production (Levels 6-8)	10 245	21	483
Highly skilled supervision (Levels 9-12)	14 759	22	659
Senior management (Levels 13-16)	3 201	19	173
Total	34 344	21	1 645

TABLE 9.4 – Capped Leave, 1 January 2002 to 31 December 2002

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2002
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	0	0	0
Highly skilled production (Levels 6-8)	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0
Senior management (Levels 13-16)	0	0	0
Total	0	0	0

At this stage the system is not geared to provide the split of the leave taken from the capped or normal leave.

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

TABLE 9.5 – Leave Payouts for the period 1 April 2002 to 31 March 2003

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2002/03 due to non-utilisation of leave for the previous cycle	439	97	5
Capped leave payouts on termination of service for 2002/03	1 009	28	36
Current leave payout on termination of service for 2003/03	107	20	5
Total	1 555	145	11

Persal was not in a position to provide the information as required in the above tables, the information reflected in Table 9.1, 9.2 and 9.3 was taken from the Vulindlela Report. In respect of the

Table 9.4 Vulindlela was not able to generate such information, however the Department was informed that programmers are working on this matter.

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
All employees assisting fellow employees who are injured on duty	The Department is in the process of purchasing First Aid Kits for the different buildings



DFA staff at an AIDS day function.



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 implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Mathu Nompuzolo, Chief Director – Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being 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 EAP is made up of 3 professionals, of which one employee is tasked with the HIV/AIDS workplace programme, and 1 Chief Foreign Affairs Assistant. Budget for entire EAP is R3,669,388
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		1. Implementation of HIV/AIDS workplace programme 2. Employee Wellness and performance enhancement 3. EAP related policy development
4. Has the Department established (a) committee(s) as contemplated in Part VI 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 Committee is in place, however is in the process of being reviewed, because it is not representative of all Stakeholders
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, list the employment policies/practices so reviewed.	X		The HIV/AIDS workplace policy is informing the process of non-discrimination
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Approved non-discriminatory HIV/AIDS workplace policy
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have you achieved.	X		No employee are living openly with their HIV status
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		1. EAP statistics on: • Number of peer educators and employees trained • Number of employees utilising care and support services • Number of employees undertaking voluntary counseling and testing 2. Progress reports to Department of Health and DPSA 3. Risk analysis with follow-up interventions

11. LABOUR RELATIONS

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

TABLE 11.1 – Collective agreements, 1 April 2002 to 31 March 2003

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2002 to 31 March 2003

Outcomes of disciplinary hearings	Number	%of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	11.11
Final written warning	3	33.33
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	3	33.33
Not guilty	2	22.22
Case withdrawn	0	0
Total	9	100

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Breach of security	1	11.11
Fraud	1	11.11
Disclosure of information	2	22.22
Absenteeism	2	22.22
Unauthorised expenditure	1	12.11
Negligence	2	22.22
Total	9	100

TABLE 11.4 – Grievances lodged for the period 1 April 2002 to 31 March 2003

	Number	% of total
Number of grievances resolved	3	50
Number of grievances not resolved	3	50
Total number of grievances lodged	6	100

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2002 to 31 March 2003

	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

TABLE 11.6 – Strike actions for the period 1 April 2002 to 31 March 2003

Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 – Precautionary suspensions for the period 1 April 2002 to 31 March 2003

Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	60 days
Cost (R'000) of suspensions	none



The Department celebrating Wellness Day.

12. SKILLS DEVELOPMENT

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

12.1 Training needs identified, 1 April 2002 to 31 March 2003

Occupational Categories	Number of employees as at 1 April 2002	Training needs identified at start of reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Lower skilled (Levels 1 – 2)	208	0	0	33	33
Skilled (Levels 3– 5)	117	3	18	40	61
Highly skilled production (Levels 6–8)	506	13	25	165	203
Highly skilled supervision (Levels 9- 12)	667	19	25	321	365
Senior Management (Levels 13-16)	170	14	17	41	72
Political Office Bearers	2	0	0	0	0
Total	1670	49	85	600	734

12.2 Training provided, 1 April 2002 to 31 March 2003

Occupational Categories	Number of employees as at 1 April 2002	Training needs identified at start of reporting period			
		Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Lower skilled (Levels 1 – 2)	208	0	0	33	33
Skilled (Levels 3– 5)	117	3	19	47	69
Highly skilled production (Levels 6–8)	506	13	57	84	154
Highly skilled supervision (Levels 9- 12)	667	19	91	221	331
Senior Management (Levels 13-16)	170	14	19	41	74
Political Office Bearers	2	0	0	0	0
Total	1670	49	186	426	734

TABLE 12.3 Total expenditure on skills development by programme 2002/03

Programme	Expenditure 2002 / 03			Medium- term expenditure estimates		
	Original estimates R'000	Actual expenditure R'000	Variance R'000	2003/ 04 R'000	2004/05 R'000	2005/06 R'000
Programme 1	1 414	54	1 360	14 086	15 391	17 570
Programme 2	3 200	1 817	1 383	7 900	8 190	8 436
Programme 3	121	-17	104	780	875	905
Programme 4		0		0	0	0
Programme 5		0		0	0	0
Total	4 735	1 854	2 881	22 766	24 456	26 911

In addition, the Department has an in-house training centre, Foreign Service Institute (FSI) which provides training for our employees in preparation for their possible placement abroad. Savings realised can be attributable to the implementation of resolution No7, which put a moratorium in appointments. The

Department has also provided the following programmes in terms of the Workplace Skills Plan for 2002/03 financial year: Project Management, Financial Management for non-financial managers, Computer training, Economic literacy, Image Building, Report Writing.

13. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2002 to 31 March 2003

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

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
Skills training for MAC Students (Adonisi & Associates)	2	2	19 380
Skills training for MFAAC Students (The Consultant Powerhouse)	2	2	27 360
First Aid and fire fighting training for MFAAC students (Sav-A-Life)	1	2	6 777
First Aid and fire fighting training for MAC students (Sav-A-Life)	1	2	8 098
External marking of DIP MDC In-basket (Battison Development)	1	1	5 280
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
5	7	9	66 895

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

Project Title	Percentage by HDI groups ownership	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Skills training for MAC Students (Adonisi & Associates)	100 %	100%	100%
Skills training for MFAAC Students (The Consultant Powerhouse)	0	0	50%
First Aid and fire fighting training for MFAAC students (Sav-A-Life)	0	0	66%
First Aid and fire fighting training for MAC students (Sav-A-Life)	0	0	66%
External marking of DIP MDC In-basket (Battison Development)	0%	0%	0%

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	0	0	0
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	0	0	0

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	0	0	0

PART 3: PROGRAMME PERFORMANCE



Jubilant performers celebrating the African Union.

PART 3: PROGRAMME PERFORMANCE

AIM OF THE VOTE

To be appropriated by Vote: R 2 479 623 000

Statutory appropriations: R1 000

Responsible Minister: Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma

Administering Department: Department of Foreign Affairs

Accounting Officer: Acting Director-General, Mr AS Minty

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

KEY OBJECTIVES AND PROGRAMMES

Our foreign policy objectives are anchored on the theoretical and conceptual framework of the African Renaissance. The vision of the African Renaissance has enabled us to develop

a programme of Africa's renewal, NEPAD. The latter will fundamentally alter the relationship between Africa and the developed world, and strengthen the bonds of solidarity between Africa and the South. Its successful implementation will help lift Africa from the abyss of poverty and underdevelopment, thereby drawing us closer to the realisation of the vision of the African Renaissance. The implementation of NEPAD is therefore a major priority.

The AU, and its building blocks, the Regional Economic Communities, such as the Southern African Development Community (SADC) will be



NEPAD will bring Africa closer to the realisation of the African century.

the main engine driving the implementation of NEPAD. As the first Chairperson of the AU, South Africa has major responsibilities on its shoulders to ensure that the main Organs of the AU, especially the Commission (Secretariat) are operational as soon as possible. This will lay a firm foundation for the development of the continental organisation.

The Department of Foreign Affairs projects and protects the interests of South Africa, Africa and the developing world through a range of bilateral and multilateral engagements. It aims to ensure that those interests are heard, understood and promoted in the exercise of international affairs and global policy-making processes.

South Africa's engagement with these processes is shaped and guided by five broad themes captured in the vision of the African Renaissance. Accelerating growth and development to address the basic needs of the poor in the developing world; building the South African economy; combating international and cross-border crime; promoting democracy and good governance; and building a better Africa and a better world.

The Department's objectives were realised through five programmes:

- *Administration* provides for the overall policy development, execution and management of the Department.
- *Foreign relations* involve the promotion of relations with countries, and participation in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives.
- *Public Diplomacy and Protocol* promote an understanding, both domestically and internationally of South Africa's foreign policy objectives, project a positive image of South Africa's role and position in international relations, and provide protocol services.
- *Foreign Properties* provide secure, economical housing and office accommodation to all staff members abroad, and maintain immovable property abroad.
- *Auxiliary and Associated Services* provide for the payment of membership fees to international organisations, transfer payments and support services for all officials on transfer abroad, make provision for the inauguration of the President .

KEY STRATEGIC PRIORITIES

Our Foreign Policy objectives, priorities and activities although broad, nevertheless support the country's five key strategic priorities, namely:

- speeding up delivery of basic needs and developing human resources;
- building the economy and creating jobs;
- combating crime and corruption;
- transforming the state;
- building a better Africa and a better world.

These fundamental priorities inform and direct the work of the Department of Foreign Affairs as we go about our business of projecting South Africa's domestic values and national interests abroad. All these elements are captured within the holistic vision of an African Renaissance bringing its wake peace, prosperity, democracy, sustainable development, progressive leadership and good governance.

The African continent and, in particular, the Southern African

region therefore commands the highest priority for the Department.

Our focus is shifting from the conceptualisation of the African Renaissance to its operationalisation through the initiative currently known as "NEPAD" – the New Partnership for African Development. South Africa has been involved in developing the NEPAD, and together with key African partners, is in the process of elaborating a programme of action for its practical implementation and is the host of NEPAD secretariat. Beyond Africa, the Department's multilateral engagements and its leadership within the South bloc of developing countries, are driven by its desire to contribute towards the creation of a more equitable and humane world for all of humankind. The Department identified six key strategic priorities for 2002/03 financial year:

- Facilitating the successful transition from OAU to AU and hosting the Inaugural Summit of the AU and ensuring that those programmes which are transferred to the AU are in line with NEPAD objectives.
- Working towards the restructuring of SADC and physical creation of the Southern African Customs Union (SACU) Institutions.



Working towards peace, stability and security: Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, and United Nations Special Envoy for Congo, Mr Moustapha Niasse, at the Signing Ceremony of the DRC peace accord.

- Focusing on the implementation of NEPAD with particular reference to the five priorities identified by Heads of State Implementation Committee, namely:
 - Capacity Building
 - Economic and corporate governance
 - Banking and financial sector
 - Regional infrastructure project
 - Market Access and Agriculture
- Working towards peace, stability and security through conflict management, arms control and reduction, disaster management,

sovereignty and territorial integrity, and protecting South Africans abroad.

- Facilitating sustainable foreign direct investment, international trade, tourism, multilateral co-operation, environmental conservation and building regional and international co-operation on human resource development and health.
- Focusing on Imaging and Branding by projecting a positive image of South Africa and Africa, enhancing understanding of the country's foreign policy objectives, and ensuring that the message of its leaders is better understood across the world.

STRATEGIC OVERVIEW AND KEY POLICY

DEVELOPMENTS: 2002/03

A significant implication of the democratic process that took place during the 1990's was the re-admission of South Africa to the community of nations. As a country, this re-admission held many important challenges. It demanded that South Africa consolidate international support through the establishment of diplomatic relations, and by securing membership to continental and international institutions. Essentially, this period was used to position South Africa's foreign policy to protect our sovereignty and to promote our national interests. However, as our profile in the region, on the continent and in the rest of the world grew phenomenally, the responsibilities of government multiplied.

Internally, the Department, like all others in the public service had to be reconstituted in order to align with the policies of the government of the day and the new Constitution. Among the challenges in this regard was the integration of the various administrations

and the realisation of foreign service that is representative of the country and its demographic profile.

During this period, attention also had to be paid to review and refocus the principles and priorities that govern our foreign policy. In addition, South Africa, our region and continent is faced with the challenges of rapidly changing and evolving international system. The phenomenon of globalisation has come to take on an ever increasing significance to nation states and the region in which they belong. Our focus and pursuit of the vision of the African Renaissance is predicated upon this understanding, that as South Africa our success and prosperity is inextricably linked to

the well-being and progress of our region and continent.

Subsequently, South Africa has become a key negotiator on global issues and in contributing to the development of a more equitable and just world. This pattern of engagement and role for South Africa shows no sign of abating, on the contrary all indication point in the direction of an increased role, hence the need for more resources if South Africa is to meet those challenges.

South Africa has become a key negotiator on global issues and in contributing to the development of more equitable and just world.

FOREIGN POLICY ACHIEVEMENTS

South Africa's leadership roles in pursuit of its foreign policy objectives included:

- Chair of the Non-Aligned Movement from 1998 to 2001, the Commonwealth from 2000 to 2001, and the Organisation of African Unity in 2002.
- Host of the World Conference on HIV/AIDS in 2000, the Non-Aligned Movement Conference in 1999 and the World Conference Against Racism (UN) in 2001, and the World Summit on Sustainable Development in 2002.
- Supporting the establishment of the AU and the hosting of AU summit in 2002.
- The Department has been involved in the functional improvement of both regional and continental structures, i.e. the review of the OAU and SADC and its institutions.
- Promoting peace and stability in countries such as Sierra Leone, Ethiopia/Eritrea, Sudan, the Democratic Republic of the Congo, Zimbabwe, Lesotho, Angola, Comoros and Côte d'Ivoire.
- Promoting the interests of developing countries with regard to poverty reduction, debt relief and the democratisation of international relations, in high-level interaction with developed countries through its work at the G-20 of the International Monetary Fund, discussions with the G-8 at their Summits, and initiatives at other United Nations fora.
- South Africa played a significant role in obtaining pledges of support for NEPAD that have taken the form of Declarations of Intent and offers of political and material assistance that will advance its objectives.
- South Africa played a significant role in the successful conclusion of the 2000 Review Conference of the Nuclear Non-Proliferation Treaty (NPT).



*Forging new partnerships:
Deputy President
Jacob Zuma,
President Olusegun
Obasanjo and
President Thabo
Mbeki.*

New co-operative partnerships and alliances have been developed with states, regions and organisations including Nigeria, Egypt, Algeria, the United States of America, Brazil, Argentina, Britain, Malaysia and China, among others. Regional

and multilateral alliances include the Southern African Development Community, the European Union, the Economic and Custom Union of Southern American States, the Caribbean Community, and the Indian Ocean Rim Association for Regional Co-operation.

PROGRAMME 1: ADMINISTRATION

AIM

The programme conducts the overall policy development, execution and management of the Department. It provides for policy formulation by the Minister, Deputy Minister, 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; and exercising control. The programme also provides for the consular and agency services in Pretoria and abroad, and the purchase of vehicles for Departmental use.

PROGRAMME POLICY DEVELOPMENTS

The Ministry and Department focused on the enhanced working of the IRPS Cluster as part of government's collaborative governance system to ensure that all relevant parties participate in foreign policy planning and implementation. The Ministry and Department have taken the lead in defining the elements of the African Renaissance for Continental and international action, and focused on the implementation of the plans and strategies related to this policy focus.

Developments internationally and in particular on the Continent mean that the Minister was increasingly and more frequently involved in the search for peaceful solutions to the problems of Africa, in particular regarding the DRC conflict; the tensions in the Great Lakes region; the Sierra Leone conflict; the Ethiopia/ Eritrea war; Burundi and Angola.

The Ministry and Department was actively involved in the preparations for World Summit on Sustainable Development (WSSD)- 2002, the development towards establishment of the AU as South Africa was preparing to take over the chair of OAU in 2002 and the hosting of the AU Summit.

With the return of South Africa to the international community of nations, the demands made on the Department and its missions abroad for consular and agency services and support grew at



South African citizens and businesses are increasingly active in all corners of the globe: Dr Danisa Baloyi, among others, participated during the AU Business Summit.

an increasing rate. South African citizens and businesses are increasingly active in all corners of the globe, and regularly required support from the Department. Furthermore, South Africa was being visited by an increasing number of tourists, businesspersons and delegations who likewise required support and advice prior to arrival in South Africa.

• CORPORATE SERVICES

Mindful of the importance of a corporate service function in supporting management in the discharge of its statutory responsibilities, we state the following key objectives we undertook to pursue as well as reflect on the outputs produced for the financial year under review.

KEY STRATEGIC OBJECTIVES

- Facilitation and execution of Department's transformation objectives
- Implementation of robust network infrastructure
- Delivery on Training and Development
- Conclusion of Foreign Property Bill
- Performance Management System.

OUTPUT AND SERVICE DELIVERY TRENDS:

The past year has seen a number of developments and initiatives in the Branch Corporate Services in its endeavour to provide quality support services to Departmental management and staff responsible

for delivering other business lines. Despite the chronic capacity problems that the Branch had to contend with, the achievements attained during the year under review would not have been possible had it not been for the selfless commitment, passion, perseverance, loyalty, dedication and tenacity of staff in the Branch.

Achievements and outputs produced during the financial year 2002/03 are covered under the respective business units as follows:

Chief Financial Officer (CFO)

The Public Finance Management Act and the Treasury Regulations, and the need to improve financial management inform the strategic intent of the Chief Directorate.

The Chief Directorate comprises the following components viz Directorates Financial Accounting, Management Accounting, Supply Chain Management, Support Services Asset and Lease Management and a PFMA Monitoring Unit. The major outputs that the chief directorate accomplished in the realisation of the key strategic objectives of the Branch are outlined out below.

- The relevant sections of the Foreign Service Administration Code which is a reference and guideline document to support the foreign missions has been revised in line with the Public Finance Management Act and the Treasury Regulations.
- As for the prospective Heads of Management, Heads of Missions as well as Foreign Affairs Assistants taking up their respective positions, training on the relevant sections relating to Finance were provided. To further enhance good corporate governance, the Department also finalised its financial delegations, which were approved and signed off by the Acting Director-General.
- The Department was committed and forged ahead to acquire a new financial accounting system to link missions to Head Office. This will provide on line expenditure on a daily basis, affecting Programme 2: Foreign Relations, which will ensure that realistic and reliable financial information is provided to National Treasury on a monthly basis. The implementation will be fast tracked during the 2003/2004 financial year.
- Production of the Departmental Medium Term Expenditure Framework for 2004-2006.
- Presentation of financial performance and budget to the Parliamentary Standing Committee.
- Training of Foreign representatives on budget preparation and control.
- Databases of SMMEs and BEEs were developed to empower these target groups and are currently used for the procurement of goods and services.
- The Departmental fleet of vehicles consisting of 80 vehicles, most of which were provided by the Government Garage, but were not in very satisfactory condition. This fleet was reduced to 40 vehicles during 2002/2003.
- Industry best practice was followed to ensure that the current fleet of vehicles was managed in a manner that promotes the principle of cost effectiveness.
- **The Department embarked on a process of replacing all GG vehicles. Analysis found that it was more economical for the Department to purchase/maintain/ manage it's own fleet of vehicles than to rent vehicles.**
- During 2002/2003 the Department purchased 4 vehicles to augment the fleet. The newly acquired vehicles have contributed to a more reliable service delivery to Department's officials.

Chief Information Officer

ICT was in the process of updating all computer systems at missions from a text-based, terminal environment based on UNIX to networked graphical workstations based on Windows NT. This was to improve the functionality of the missions by providing updated office programs such as MS Word, Excel and Outlook. This was also meant to bring the missions in line with the functionality at Head Office thus doing away with double training.

Conference support: AU, WSSD, Congolese dialogue and Heads of Mission (HOM).

ICT Chief Directorate has provided the data, computer and communications infrastructure at major government conferences such as the Inaugural Summit of the AU, WSSD, the Congolese Dialogue and the HOM. ICT also provided user support during the events to delegates, the media and Department's staff. Secure, encrypted links were also established to enable secure communications for staff between the venues and Head Office in Pretoria.

Presidential visits: Operations room support

ICT technical staff provided remote operations rooms for the Presidency on visits abroad. These operations rooms were sometimes located in areas where there was no reliable telecommunications. In these situations portable satellite terminals were installed to provide reliable communications.

Relocation to Tulbagh Park

Approximately 50% of Department staff were housed in the Northvaal and Ad Astra buildings. This staff was relocated to Tulbagh Park during October/November 2002.

ICT was responsible for the installation of the cable infrastructure, telephone and network facilities for this project. In order to ensure that the Department did not lose its primary telephone number, provisions were made for the replacement of the primary node telephone system and its installation in the Hamilton Street building. This relocation required the redirection of the inter-building PABX links. The whole project had to be planned to provide a minimum down time for the Department. A



One of Department's office buildings: Tulbagh Park.

special operations room was set up at Tulbagh Park to enable users to access their messages while their furniture, etc., was being moved. A temporary telephone service, using the same extension numbers was set up to enable users to be reachable

during the move. There was no downtime for the users during the relocation. This was achieved in spite of the staff shortage in ICT. This success is a tribute to the dedication of the ICT staff.

Conversion to BAS

National Treasury determined that all Departments should have converted to the new BAS (Basic Accounting System) with effect from 1 April 2003. This placed much strain on personnel who had to devote attention to book closure for the financial year 2002/03. Despite this the ICT together with National Treasury and directorates within the Office of the CFO undertook the conversion. Numerous problems were encountered and innovative solutions had to be put in place to facilitate the transfer. BAS has been successfully implemented but a backlog exists on the processing of payments due to the shortage of IP addresses. A server has been installed that will address this issue.

Challenges and Projects

The Secure Virtual Private Network (SVPN) network to allow basis for Knowledge and Information Management:

The continuing development of the SVPN in conjunction with SITA, is aimed at providing missions with a faster and more cost-effective medium for communications. The SVPN will make use

of the Internet and satellite communications systems to provide the service. This will also pave the way for a more efficient financial management system and the introduction of knowledge management at missions that will further improve efficiency. The equipment for the Test Lab is being procured through SITA who will also assist with the setting-up of the Test Lab. The test lab will verify and confirm the functionality of the SVPN.

Development of a Master Systems Plan for the Department

The Department decided that it was necessary to develop a Master Systems Plan (MSP) and hence appointed a consortium made up of Kgorong Investment Holdings, African Legend Technologies and PriceWaterHouse Coopers, to undertake the MSP investigation. The investigation has reached the stage of the first interim report being submitted by the consortium. This process is being managed for the Department by SITA. A SLA has been concluded with SITA in this regard. It is expected that the MSP investigation will be completed by July 2003.

Aggressive recruitment and training of appropriate personnel

A major challenge facing ICT was and continue to be the recruitment and training of appropriate technical and IT skilled people to join the ICT team in supporting the Department's Strategic Goals. Suitable candidates for vacancies continue to be aggressively sought. The successful candidates will be placed on accelerated training to be able to make them productive in the DFA ICT environment as quickly as possible.

Planned Projects for next year

The next year will see the completion of the Master Systems Plan and the start of the implementation of the recommendations. The SVPN project will also be implemented at the major overseas missions and the SADC missions.

A new project will be initiated to update and replace the current foreign currency system. The new system will utilise the SVPN for communications, and enable the missions and the Department to more readily meet the financial reporting requirements of National

Treasury. This project will also be run in conjunction with SITA.

HUMAN RESOURCES

Human Resources exists to provide support and ensure that Business Units are in a position to deliver on their objectives. This is achieved through various facilitative HR processes, some mentioned below.

Training and Development

In the year under review the training and development of staff was looked into, through a training needs analysis. The results highlighted specific developmental areas and informed the process of sourcing appropriate courses and service providers. It is our intention next year to intensify this. Focus will also be given to learnerships.

HR Administration

This component ensured that the Department complied with all the necessary administrative prescripts and requirements,



The Foreign Service Institute continued to ensure that South Africa's diplomatic corps is well trained.

and also implemented directives from DPSA accordingly. In partnership with the Labour Relations component, the Section ensured that the Department fully implemented Resolution no. 7. It provided administrative support and information which enabled the Departmental Task Team on Resolution 7 (DTT) to function effectively. In the process the Persal System was cleaned up and

now has accurate data.

Employment Equity

The Department continued ensuring that Employment Equity requirements are met, through the various processes of Recruitment and Selection, Training and Development. The inability to recruit and select due to Resolution No. 7 impacted on the Department's ability in order to fully utilise Recruitment and Selection to impact on the Departmental Employment Equity Profile.

Management Consultancy Unit

The Management Consultancy Unit (MCU) strives to promote the successful and optimal functioning of South African Missions abroad, which includes the optimal utilisation of mission resources, including staff.

During the reporting period, the MCU produced three reports on the reporting performance of missions abroad. In addition, the MCU visited the following missions to do performance evaluations:

Port Louis, Accra, Kuala Lumpur, London, Budapest, Warsaw, Lagos and Abuja. Comprehensive output reports with findings, specific recommendations and action plans to achieve optimal functioning of the above-mentioned missions were compiled after each visit and submitted for implementation.

Foreign Service Institute

During the period under review the Foreign Service Institute (FSI) offered several training programmes, which provided participants with management, administration, language and leadership skills to enable them to manage missions competently and to meet the challenges of global diplomacy. The FSI equipped participants with the necessary skills to effectively function in a mission environment. The following programmes were offered: Heads of Mission Orientation, Diplomatic Training, Mission Administration, and Mission Foreign Affairs Assistants Training. English and Foreign Language Training was offered not only to officials in the Department but also to other Departments and diplomats from SADC countries. Orientation Programmes for Spouses and

Partner Departments were facilitated to familiarize participants, prior to their first posting, with the role and functions of South African missions abroad as well as to sensitize them to key issues pertaining to their role as South African representatives abroad.

The FSI made significant progress in the following areas:

- The Standards Generating Body (SGB) for Diplomacy and Mission Administration was established and launched. Draft unit standards and Learnership Programmes were produced and are in the process of being finalised.
- The Language Institute initiated the establishment of an SGB for Foreign Languages with the support and participation of specialists from the Further and Higher Education and Training sectors representing seven foreign languages. Unit standards are currently being drafted.
- All training programmes offered were redesigned and aligned with the outcome based education approach (OBE).
- A draft training policy was developed.
- Training in terms of equity targets was improved.

Having realized the challenges facing the FSI, the Department initiated a project to reposition and transform the FSI. In the coming year the challenge for the FSI will be to drive this transformation agenda, which is aimed at increasing its capability to become a leading and recognized Training Institute that is well positioned to contribute towards creating outstanding diplomats who will continue taking a leading role on the African continent and in the international arena.

SECURITY

In the coming year the challenges for the newly established Security Directorate, is to establish a Departmental Security Committee in accordance with the approved Departmental operational structure:

- To compile all the necessary security policies to ensure that the Department complies with and adheres to all the relevant Acts of Parliament, Minimum Information Security Standards and all

other relevant rules and regulations.

- To conduct continuous security awareness programmes within the Department to inform and sensitize all officials of the content of prescripts and forthcoming actions, ensuring participation and compliance regarding the protection of personnel, property, information and all other assets
- To restructure the Directorate into sub directorates Operational Security, Administration Security and Mission Security and appoint competent personnel to render services to Head Office, Missions abroad and the public at large.

CONSULAR AND AGENCY SERVICES

Consular and Agency Services strive to provide a world class consular service to South African citizens abroad in accordance with the Batho Pele Principles and in line with the Department's strategic direction. The following selection of consular interventions are highlighted:

- Assistance to 713 SA citizens detained or imprisoned abroad;
- Return of mortal remains of 86 deceased SA citizens;
- General assistance to about 764 distressed SA citizens abroad and their relatives in RSA;
- Assistance rendered in 5 712 cases of service of process, evidence on commission, extradition, maintenance orders, etc;
- Determined the whereabouts of approximately 242 SA citizens abroad and that of 29 foreign nationals in the RSA;
- Assisted with 64 social welfare cases, e.g. with cases involving abductions and adoptions;
- Assisted in dealing with scams and other fraudulent activities, approximately 589 cases;
- Legalised/authenticated approximately 14 807 documents;
- Assisted after the 12 October Bali bomb blasts. An inter-Departmental task team was constituted and Foreign Affairs

(Consular) played a leading role in:

- located 90 reportedly missing citizens and informed family members;
- liaison and arrangements with forensic experts in Bali, Australia and South Africa;
- arrangements to enable family members to be by the bedside of the injured in Australia;
- liaison and arrangements with various airline companies, hotels, foreign missions in RSA, and private individuals, for family members of two victims to attend a memorial service in Taiwan;
- arrangements for the transport of mortal remains to RSA for burial; and
- lending constant moral support to affected families throughout their ordeals.

PROGRAMME 2: FOREIGN RELATIONS

AIM

To promote relations with foreign countries, and to participate in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives.

While all the objectives are applicable to all regions, the emphasis may differ depending on current circumstances and/or anticipated developments within the region. The focus or priority areas for the Department for each region, and international organisations and institutions, is outlined under the Sub-Programmes below:

SUB-PROGRAMMES:

Bilateral relations with Africa and the Middle East, Asia and Australasia, and Europe and Americas

The following focus or priority policy objectives varied according to region/country:

- Implementation of NEPAD programmes
- The effective and efficient functioning of the AU
- Conflict prevention, management and resolution and peace building
- Economic Development and co-operation
- Poverty Alleviation
- Increased bilateral co-operation
- Imaging and branding.



The South African pavillion at the WSSD, where the Department's stand won "the best small exhibition" award.

Multilateral Relations

These relate to groups and instances where a number of states agree to co-operate to address common issues. As such numerous global and regional institutions and organisations have emerged and require that the Department engage these to protect and

promote South Africa's national values. Common approaches and solutions result in the adoption of resolutions and/or the signing of Protocols, Conventions and Regimes.

The Conventions, Protocols and Regimes that South Africa becomes party to become domestic law in terms of the South

African Constitution. Hence the Department participated in the Regimes and in the implementation of the relevant obligations, in order that we did not breach or come into non-compliance with our legal obligations.

The scope of activities undertaken included the following:

- Ensuring that the agenda and programme of WTO are in support of Africa's initiatives such as NEPAD.
- Securing support and commitment from the developed world for the objectives of the South,
- Playing an active role in shaping the World Summit on Sustainable Development (WSSD) process, the Summit itself and its outcomes, taking into account innovative South-South co-operation and North-South partnerships on sharing responsibilities for sustainable development in a fair and equitable manner.
- Actively participating in the International Institutions and Organisations to promote the needs of the developing world and the agenda of the South.
 - Dealt with bilateral and international legal matters, and

rendered legal advice on request.

PROGRAMME POLICY DEVELOPMENTS

Bilateral Relations with Africa and the Middle East:

- Continued to promote and implement NEPAD especially in five key sectors and projects: capacity building, economic and corporate governance, the banking and financial sector, regional infra-structural project and market access and agriculture.
- Hosted the first AU summit and played a leading role in the establishment of AU structures and management of the transition.
- Assisted in the promotion of peace, stability and security in Africa and the Middle East.
- Promoted regional co-operation and integration by ensuring the early implementation of SADC protocols, especially those on Free Trade, as well as Politics, Defence and Security Co-operation and the decisions of the SADC Review and Rationalisation process.

- Enhanced bilateral relations with all countries in Africa and the Middle East.
- Promoted trade with African and Middle East countries and worked towards attracting higher levels of foreign direct investment into South Africa.
- Promoted and ensured the smooth functioning of the African Renaissance Fund.

Bilateral Relations With Asia And Australasia

- Focused on the promotion of trade, investment, tourism and skills development, emphasised on the Greater China region, Japan, India, Malaysia, Singapore, Thailand and Australia
- Aligned economic co-operation/ programmes with China, Japan, India and IOR-ARC with the objectives of NEPAD
- Continued to combat transnational crime through the negotiation and conclusion of co-operation agreements with China, India and Thailand
- Developed ties between SADC, Southern African Customs Union (SACU) and Asia's regional organisations, including

ASEAN

- Utilised opportunities in China, Japan, Australia and Pakistan, for intelligence co-operation and skills development which better equipped South Africa to execute its international peace-keeping responsibilities.

Bilateral Relations with Europe and the Americas:

- Continued promoting NEPAD in Europe and the Americas and securing the involvement and ongoing commitment of targeted countries in Europe and the Americas (particularly the G8) in NEPAD projects
- Increased investment from Europe and the Americas
- Promoted trade with the countries of Europe and the Americas
- Promoted South-South co-operation with Latin American and Caribbean countries
- Co-operated in human resource development and capacity building
- Promoted tourism in countries of Europe and the Americas.

Multilateral Relations:

- Promoted South African leadership and interests in international, regional and sub-regional fora
- Continued promoting NEPAD and people centred sustainable development, including the hosting of the World Summit on Sustainable Development (WSSD)
- Promoted peace, security and stability, including conflict prevention, management and resolution as well as the combating terrorism, transnational crime, extremism, and the prevention of arms proliferation
- Promoted democracy and good governance
- Focused on World Trade Organisation (WTO) and the International Investment Council
- Developed a co-ordinated strategy in consultation with the DTI to promote expeditious ratification of TDCA
- Promoted the role of other multilateral/regional institutions
- Prioritised participation in the reform of the United Nations (UN) and its various organs, including the Security Council
- Pursued contact with the Gulf Co-operation Council (GCC) in

both the commercial and defence fields as well as supported the development of links between SADC and the GCC

- Explored possibilities of further co-ordination with ASEAN countries on multilateral issues

OUTPUTS AND SERVICE DELIVERY

TRENDS:

• **AFRICA**

South Africa's foreign policy programme is aimed at supporting the rapid delivery of basic needs to our people; developing human resources; building the economy and creating jobs; combating crime and corruption; transforming the state; and building a better Africa and a better world. Therefore, South Africa's role within the vision of Africa's rebirth is aimed at promoting peace, prosperity, democracy, sustainable development, progressive leadership and good governance. Thus, Africa, and in particular, the Southern African region, remains the core focus of our foreign policy.

The rebirth, revival and renewal of Africa are encapsulated in



Aiding Africa to re-emerge as a significant partner in a new world order: Minister Mangosuthu Buthelezi, Minister Alec Erwin and Minister Nkosazana Dlamini Zuma consulting during the Seventy-Sixth Ordinary Session of the Council of Ministers of the OAU.

the vision of an African Renaissance and in the belief that this will truly be the African Century. The African Renaissance vision is an all-embracing concept that draws its inspiration from the rich and diverse history and cultures of Africa. It acknowledges Africa as the cradle of humanity, whilst providing a framework for the modern Africa to re-emerge as a significant partner in the New World order. This framework touches on all areas of human endeavour; political,

economic, social, technological, environmental and cultural. The concept of the African Renaissance has been transformed into a tangible reality through the development and the adoption of the African Union's principal agenda for development, the New Partnership for Africa's Development (NEPAD).

In order to give practical expression to our foreign policy objectives, the priority areas of the International Relations, Peace and

Security (IRPS) Cabinet Cluster committee in 2002/03 included:

- **AFRICAN RENAISSANCE**, through:
 - (i) the Launching and Operationalisation of the African Union;
 - (ii) Restructuring the Southern African Development Community (SADC) and the Southern African Customs Union (SACU); and
 - (iii) Implementation of the New Partnership for Africa's Development (NEPAD).
- **PEACE, STABILITY AND SECURITY**; and
- **ECONOMIC DEVELOPMENT AND CO-OPERATION**.

AFRICAN RENAISSANCE

Launching and Operationalisation of the African Union

The Inaugural Summit of the African Union held in Durban from 28 June to 10 July 2002, and the adoption of NEPAD as Africa's principal agenda for development, were significant developments. The Summit launched the African Union with some of its key Organs in place. This happened during the 1st Session of the Assembly of

the Union. Three of the eighteen Organs of the AU have already been established, namely the Assembly, the Executive Council, and the Permanent Representatives Committee. The Assembly has also adopted the Statutes of the Commission.

During the Summit a number of far-reaching decisions were adopted, including the establishment of a Peace and Security Council; the implementation of the NEPAD Initial Action Plan; the African Peer Review Mechanism, the NEPAD Declaration on Democracy, Political, Economic and Corporate Governance; the need for a Common African Defence and Security Policy; the Conference on Stability, Security, Development and Co-operation in Africa (CSSDCA) Memorandum of Understanding on Security, Stability, Development and Co-operation; and decisions on conflict situations in Africa as well as the Middle East. The Secretary-General, the Assistant Secretaries-General and the Staff of the General Secretariat of the OAU were designated as the Interim Commission until this organ is formally established at the next Summit in Maputo in July 2003.

The 5th Extraordinary Summit in Sirte adopted the Protocol

establishing the Pan-African Parliament (PAP) on 2 March 2001. During the past year, the following eleven member states had signed and ratified the said Protocol: Botswana, Libya, Malawi, Mali, Namibia, Rwanda, Saharawi Arab Democratic Republic, South Africa, Sudan, Tanzania and Togo. Nineteen other states had signed the Protocol, but are yet to ratify it. The Interim Chair of the Commission, in consultation with the Speaker of the National Assembly, will, on 28 April 2003, meet with representatives of countries that have ratified the Protocol in order to discuss the operationalisation of the PAP.

With regard to the establishment of the remaining organs of the AU, South Africa's National Treasury is leading the process of



Peace and Security is a prerequisite for Africa's development: Minister Nkosazana Dlamini Zuma, Ambassador Mamabolo and the AU Director for Peace and Security during the Common Defence policy meeting of experts held in Randburg, Johannesburg.

developing the South African position on the policies/ Protocols for the Financial Institutions. Thus far, offers to host all three Financial Institutions have been received from Ghana and Togo. In addition, Botswana and Kenya have offered to host the African Investment Bank, whilst Namibia offered to host the African Monetary Fund.

In 2002, the Interim Commission was requested to convene a meeting of continental legal experts and Ambassadors to develop Terms of Reference and parameters for the African Court of Justice by May 2003. A Ministers' meeting in Mauritius may follow immediately after the meeting. within the same context, Nigeria, Rwanda, Senegal, the Sudan, Tanzania and Mauritius have each

offered to host the Court of Justice.

The organs of the AU that have been launched so far are all “state related” and none of the ‘Peoples Organs’ had become operational during the reporting period. This situation is critical, because in the various meetings held during 2002, concern about alienating the people in the establishment of the Union had been expressed, and a commitment had been given to ensure the urgent involvement of civil society organisations and professional bodies in the process. To this end, it is necessary to finalise the proposals for the launching of ECOSOC and also to find ways and means of expediting the process of states ratifying the Protocol relating to the Pan-African Parliament.

During the year under review, proposals for amendment of the Constitutive Act of the AU by member states focussed on two main themes, namely, the strengthening and technical ‘clean-up’ of the Constitutive Act (proposals were received from Nigeria, South Africa, Mozambique, Tanzania and Côte d’Ivoire); and enhancing the continental integration process towards the early establishment of a ‘United States of Africa’ or a ‘Federation of African

States’ (proposals were received from Libya and Senegal). An Extraordinary Session of the Assembly in Addis Ababa took place from 3 to 4 February 2003 to consider the proposed amendments of the Act. Only technical and clean-up amendments were made, e.g. relating to the gender sensitisation of the Constitutive Act. No changes were adopted that would have changed the face of the AU.

During the past year, two crucial matters impeded the process of funding within the AU, namely the state of arrears in terms of membership contributions, and the inadequate and/or outdated financial administrative procedures used by the Interim Commission and its regional offices. Consequently, the following member states are currently under sanctions (mainly prohibiting them from speaking at meetings): Comoros, Guinea Bissau, Liberia, Niger, Central African Republic, Democratic Republic of the Congo, Sao Tomé and Príncipe, Seychelles, Sierra Leone and Somalia.

Financial experts are expected to propose innovative ways and means for the AU to utilise resources taking into consideration the



Creating stronger links among SADC members: a cultural group from Botswana performing at the SADC multi-disciplinary concert held in Pretoria.

capacity of member states to contribute funds as well as funds from co-operating partners. This could include a review of the scale of assessments as a source of funding for the programmes and projects of the AU and the Peace and Security Council (PSC). The matter was considered by the Executive Council meeting in Chad during March 2003, but another meeting of the relevant Ministerial Committee has been proposed to consider the matter further at Sun City during the next financial year.

Restructuring of the Southern African Development Community (SADC) and the Southern African Customs Union (SACU)

Great progress has been made in the restructuring of SADC. The objective of the restructuring of SADC was to increase the efficiency and effectiveness of its policies and programmes and to implement a more coherent and better co-ordinated strategy to eliminate poverty in the region. The salient features of the

restructuring included a more streamlined and centralised structure for the organisation that moves away from the sectoral approach of the past, in favour of an integrated and co-ordinated programme of activities for the region.

The twenty-one SADC sectors have been grouped into clusters, under four Directorates at the SADC Secretariat in Gaborone. Within the SADC Secretariat the Department of Strategic Planning, Gender and Policy Harmonisation (comprising the four directorates mentioned above) was established as the core of SADC's programmes and projects.

At the national level, SADC National Committees and cluster-based sub-committees worked to co-ordinate their respective individual member state interests relating to SADC in the areas of policy development, implementation, reporting, monitoring and evaluation. In South Africa, the InterDepartmental Co-ordinating Committee (IDCC) was set up to fulfil the function of the SADC National Committee.

At the regional level, an Integrated Committee of Ministers (ICM) was established on 3 March 2003, to co-ordinate the work of the

different clusters. The ICM is tasked with the development of a five-year Regional Indicative Strategic Development Plan (RISDP) as the overall regional NEPAD programme. The RISDP is intended to provide SADC member states with a coherent and comprehensive development agenda on social and economic policies over the next decade, with clear targets and time frames.

President Thabo Mbeki signed the new SACU Agreement in October 2002, which makes provision for a Council of Ministers; a Customs Union Commission; a Secretariat; a Tariff Board; a Tribunal; and a number of Technical Liaison Committees. The above institutions will be launched after the Agreement has been ratified by member states. The new Agreement will, to a large extent, equip SACU with democratic institutions, a dispute settlement mechanism, and a sustainable and equitable revenue sharing arrangement.

At the close of the 2002/03 year the ratification of the new Agreement had not yet been done by the SACU member states. There were issues that needed to be addressed before the signed agreement was submitted to Parliaments for ratification. This

included setting up of tariff boards in the respective countries, drafting of the Annexes of the Agreement, etc. The SACU Commission met in December 2002 in Windhoek and welcomed the decision by the SACU Ministers to grant the hosting of the SACU Secretariat to Namibia.

The Commission also welcomed a move to establish the Common Negotiation Team, which should operate at Ministerial and Senior Official level, as directed by SACU Ministers in their meeting that was held in Pretoria in October 2002.

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

NEPAD was globally endorsed as the development programme of the AU by the following: the United Nations (UN) General Assembly, the Bretton Woods Institutions (i.e. International Monetary Fund (IMF) and World Bank), the Group of eight (G8),



Delegates to the TICAD III workshop held in Pretoria.

the European Union (EU), the Tokyo International Conference on African Development (TICAD), the China-Africa Co-operation Forum, the Non Aligned Movement (NAM), the MERCOSUR and the Association of South East Asian Nations (ASEAN).

As AU Chair, South Africa had proposed a one-day High-Level Plenary meeting of the United Nations General Assembly during its 57th Regular Session held in October 2002 to focus on NEPAD. During the meeting, the UN General Assembly adopted a resolution on NEPAD that will ensure an annual agenda item on NEPAD in the General Assembly.

During the year under review, the EU placed emphasis on NEPAD principles of democracy, human rights, the rule of law, political and economic good governance as well as conflict prevention as cornerstones for the creation of a more conducive environment for peace, stability and development. The European Commission offered to finance a NEPAD Capacity-Building Project.

Canada, as the chair of the G8 from June 2002 to June 2003, took a strong lead in coordinating the G8 response to NEPAD. President Thabo Mbeki met with the Canadian Prime Minister Jean Chrétien during the latter's visit to South Africa in April 2002. During his visit, Prime Minister Chrétien also participated in a mini Summit in Pretoria, along with SADC leaders, to discuss the direction of the new partnership between the industrialised countries and Africa. The Prime Minister also announced that Canada would be establishing an Africa Fund of 500 million Canadian dollars (R3 billion) to support the NEPAD projects.

The proposed US Millennium Challenge Account (MCA) commences in 2004. The MCA provides for official development assistance to developing countries amounting to US\$5 billion in



Prime Minister Jean Chrétien and President Thabo Mbeki during a bilateral meeting in Pretoria.

the first three years and to US\$5 billion in the year thereafter. The US Administration is inclined to allocate a significant portion of the fund in support of NEPAD, subject to meeting political and socio-economic eligibility requirements. In this respect, the Department facilitated the USA Congressional Hearing on NEPAD by the Africa Subcommittee of the House of

International Relations Committee, which took place in Washington, on 18 September 2002, and Deputy Minister Aziz Pahad provided a comprehensive testimony on NEPAD.

South Africa, as Chair of the AU, also engaged countries and organisations of the South on NEPAD, through the NAM, MERCOSUR, the Gulf Co-operation Council (GCC), and the Association of Southeast Asian Nations (ASEAN). Within the Southern African region, the Ministers of Foreign Affairs, and

Finance adopted the linkage between NEPAD and the SADC RISDP at their meeting in Blantyre, Malawi, on 13 September 2001. The Ministerial Meeting also decided that the development of the RISDP and the SADC restructuring process should take NEPAD into account, and where appropriate, SADC and NEPAD programmes should be harmonised.

The Private Sector, both in the North and the South, continued to support NEPAD. Conferences with the private sector were held throughout the past year in Dakar, Senegal, and there were also discussions at the World Economic Forum (WEF) meeting in Durban during June 2002, as well as during the Lugano Conference held in Switzerland on 12 October 2002. The latter conference proposed to establish a NEPAD Headquarters for Europe in Lugano.

During the past year, the NEPAD Secretariat budget was approved at the Sixth Summit of the Heads of State and Government Implementation Committee (HSGIC) of NEPAD in Abuja, Nigeria, on 9 March 2003. At the Summit, member states of the AU were urged to make voluntary contributions towards financing and staffing of the NEPAD Secretariat, particularly for the proposed

African Peer Review Mechanism (APRM).

The HSGIC noted that the UN system had decided to assist NEPAD with the creation of an office to co-ordinate programmes related to Africa Headed by an Under Secretary-General. The HSGIC welcomed the establishment of the global initiative on the transparency of payments made for the exploitation of natural resources and urged the NEPAD Secretariat, and the NEPAD Steering Committee, to remain engaged with this matter. The HSGIC also noted the Report on the Implementation of NEPAD, especially with regard to the Infrastructure Short-term Action Plan and Agriculture. The HSGIC endorsed the six priority areas identified by the e-Africa Commission, such as the e-Schools Project, East-Coast African Submarine Cable Project and the e-Readiness Project.

It may be noted that the HSGIC approved, as operative guidelines for the APRM, the documents on Objectives, Standards, Criteria and Indicators for the APRM; Organisation and Processes and the Outline of the Memorandum of Understanding on Technical Assessments and the Country Review Visit. Moreover, the HSGIC

approved the Memorandum of Understanding (MoU) as framework for a formal accession to the APRM. Consequently, Algeria, Republic of Congo, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda, South Africa and Uganda signed the MoU.

The APRM is a mutually agreed instrument voluntarily acceded to by the member states of the AU as an African self-monitoring mechanism, with the primary purpose to ensure the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated regional and continental economic integration. This will be through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies, and assessing the needs for capacity-building of participating countries. At the Fifth Summit of the HSGIC held in Abuja on 3 November 2002, the HSGIC emphasised the fact that, while the accession to the APRM was voluntary, compliance with all decisions of the AU by member states was obligatory.

During the year under review, the NEPAD Secretariat identified an infrastructure plan comprising a number of short-term

infrastructure projects to be implemented continentally. During the HSGIC meeting in Abuja, the African Development Bank (ADB) made a presentation on the state of infrastructure on the continent

By acceding to the APRM, the AU member states:

- committed themselves to taking such steps as may be necessary for the implementation of the recommendations adopted at the completion of the review process, within the specified time frame, and the integration of these recommendations into the respective national Programmes of Action;
- committed themselves to co-operate and assist each other through sharing best practices and strengthening their capacity to rectify identified shortcomings, including requesting co-operation of external development partners; and
- accepted that constructive peer dialogue and persuasion must be exercised, where necessary, in order to encourage improvements in country practices and policies in compliance with agreed African and international best practices where recommended.

and announced that it had presented to its Board of Directors a total of 17 projects from the Secretariat's infrastructure plan for funding.

PEACE, SECURITY AND STABILITY

The task of promoting peace, stability and security in Africa, and in particular Southern Africa, is a compelling necessity and a priority concern in the promotion of South Africa's foreign policy goals as well as its own well-being. Our own destiny as a nation is irrevocably tied to that of the Southern African region, and generally to Africa as a whole. Long-term sustainable development cannot be achieved without an integrated and holistic approach to peace, stability and security. Based on this premise, South Africa has, during the past year, actively engaged in a variety of processes aimed at realising these objectives.



African experts discussing a common defence policy at a meeting held in Randburg, Johannesburg.

THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

Within the SADC Organ on Politics, Defence and Security (OPDS), the Inter-state Politics and Diplomacy Committee (ISPDC) held its first meeting in Maputo in May 2002, where Draft Work Programme and the Rules of Procedure were adopted. The Inter-

state Defence and Security Committee (IDSC) also convened in August 2002 and is now fully part of the OPDS.

A framework for the formulation of a Strategic Indicative Plan for the Organ (SIPO) was adopted at the 2nd meeting of the Ministerial Committee of the Organ. The inception paper of the SIPO was drafted in January 2003 in Dar es Salaam and was subsequently followed up by a Task Team Workshop in Maseru on 17 to 21 March 2003, during which significant progress was achieved. Currently, another workshop has been scheduled to take place in the next year to finalise the SIPO document that would in turn be adopted during the next high-level meeting of Member States.

THE AFRICAN UNION (AU)

The Protocol Establishing the Peace and Security Council (PSC) was adopted by the 1st Summit of the AU, held in Durban from 9 to 10 July 2002. The ratification of the Protocol in South Africa is progressing well and has been discussed extensively in the National Assembly. Thus far, only Algeria and Mali have signed

and ratified the Protocol, while 33 other member states have signed the Protocol but have not yet ratified it. Until such time as the Protocol establishing the PSC has entered into force, the Central Organ, which was the political organ of the OAU, will still be operational.

South Africa sent an expert to work with the Interim Commission and an expert from the Sudan to develop a concept document on the Common African Defence and Security Policy (CASDP). The Experts Meeting on the CASDP held in Randburg from 27 to 29 March 2003 considered this draft policy, which will be presented to an Extra-Ordinary Council of Ministers meeting in the next year.

SOUTHERN AFRICA

During the year under review, it became clear that peace in Angola could only be guaranteed if massive amounts of humanitarian assistance are forwarded to Angola. It was estimated that there were about 4,5 million of internally displaced people in Angola, 85 000 demobilising ex-combatants plus nearly 370 000 members of their families, as well as 480 000 refugees

in neighbouring states, mainly in Zambia, the DRC and Namibia. South Africa recognised that the future of democracy and good governance in Angola hinged on the success of the peace process. Following an appeal for humanitarian assistance by the Angolan Government on 13 June 2002, President Thabo Mbeki personally intervened and during his budget speech at the National Assembly on 18 June 2002, told the House:

“We stand ready to assist (Angola) in whatever ways possible so that together we can embark on an important course of economic recovery and development. At the request of the Government of Angola, steps are also being taken urgently to meet the humanitarian needs of the people who are gathered at assembly points from areas previously controlled by UNITA”.

To this end a Committee was set up, in accordance with a mandate from Cabinet Lekgotla in July 2002, under the chairpersonship of the Department of Social Welfare, with the active participation of the Department of Foreign Affairs to devise a strategy for South African humanitarian assistance to Angola. During October 2002, a large consignment of humanitarian aid

was shipped to Angola. At the close of the reporting period, another large consignment was awaiting shipment during April 2003.

Humanitarian assistance was also required in Zimbabwe and South Africa donated funds through the World Food Programme (WFP), to improve the food security in Zimbabwe. South Africa also donated funds for the purchase of vaccine/drugs in order to curb the spread of foot-and-mouth disease in Zimbabwe and the SADC region. South Africa continued to act as part of the international collective to encourage dialogue among all the political and other role-players in Zimbabwe in an effort to create an environment conducive for reconciliation, reconstruction and development in that country.

In 2002/03, the Department, in co-ordination with and through the South African High Commission in Maputo, maintained its continuous constructive interaction with key Ministers and Senior Officials in the ruling Frelimo Party, as well as opposition parties and various groups, thereby assisting to convince all parties of the political and socio-economic benefits of sustained peace and

stability in Mozambique and the need to cement the democratic gains made since the 1999 Second General Elections.

President Thabo Mbeki undertook a State Visit to the Republic of Mozambique from 2 to 3 May 2002. President Mbeki was accompanied by the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma; Minister of Trade and Industry, Mr Alec Erwin; Minister of Agriculture, Ms Thoko Didiza; Minister of Minerals and Energy, Mrs Phumzile Mlambo-Ngcuka; as well as the Minister in the Office of the President, Dr Essop Pahad. During the visit President Mbeki held fruitful discussions with his Mozambican counterpart, President Joachim Chissano on a wide range of bilateral and regional issues.



The Foreign Minister of Zimbabwe, Mr Stan Mudenge, and the Minister of Foreign Affairs, Dr Nkosazana Dlamini-Zuma, exchanging a bilateral agreement at the joint South Africa-Zimbabwe meeting on Economic, Scientific and Cultural co-operation.

The highlights of President Mbeki's visit was his address of a Special Session of the Mozambican Parliament and a live radio-broadcast address on NEPAD to a Seminar attended by Mozambican academics, Government officials, business people, the diplomatic corps and civil society.

Also, during the past year, the close bilateral relations facilitated the successful implementation of the next phases of Operation Rachel, the joint South Africa/Mozambique security forces' non-proliferation of small arms combating initiative, as well as that of other cross-border crime and security-related operations.



Delegates to the final session of the Inter-Congolese Dialogue held in Sun City.

CENTRAL AND WEST AFRICA

During the review period, a major pre-occupation of South Africa in the West African region in terms of peace and security, was the eruption of a civil war in Côte d'Ivoire, a country which for most of its independence represented an island of stability and prosperity in the often turbulent West African region. South Africa's engagement in efforts to seek a solution to the crisis saw President Mbeki, as the Chair of the AU, attending the Economic Community of West African States (ECOWAS) Summits in Accra in September, and in Abidjan in October 2002, as well as the Summit in Paris at

the end of January 2003, which saw the conclusion of the Linas-Marcoussis Agreement, which provides the way forward to a durable political settlement in Côte d'Ivoire.

South Africa also continued to fully engage in the search for a peaceful political solution to the conflict in the Democratic Republic of Congo. The Inter-Congolese Dialogue (ICD), which resumed at Sun City on 25 February 2002 and continued for more than the planned 45 days, adopted 40 important resolutions on the integration of opposing armed forces, the economic reconstruction of the country, national reconciliation and a humanitarian assistance programme.

South Africa fully participated in the activities of the Third Party Verification Mechanism, a mechanism flowing from negotiations in Pretoria, and which was to oversee the withdrawal of foreign military forces present on the territory of the DRC.

In terms of South Africa's Binational Commission with Nigeria, bilateral consultations in preparation for the inaugural African Union Summit, were held in Durban from 26 to 27 June 2002. This allowed South African and Nigerian experts to exchange views on the emerging AU structures.

EAST AFRICA

During 2002/03 South Africa contributed significantly to the Burundian peace and reconciliation process. Deputy President Zuma, as peace facilitator, held numerous meetings with various role-players to advance the peace process in Burundi and has continuously emphasised the importance of an integrated regional approach on the Burundian issue. President Mbeki, as Chair of the AU, former President Nelson Mandela, as the Burundi peace process facilitator, Deputy President Jacob Zuma and the Minister

of Foreign Affairs, Dr Nkosazana Dlamini Zuma, attended the Great Lakes Regional Heads of Government Summit in Tanzania from 6 to 7 October 2002. The Summit culminated in the signing of a cease-fire agreement on 7 October 2002 between the Transitional Government of Burundi and the CNDD-FDD (Jean Bosco) and the PALIPEHUTU-FNL (Alain). The leaders of the two Armed Political Parties and Movement returned to Bujumbura on 13 February 2003 to join the Transitional Government. During the same period, South Africa also accredited its Ambassador in Kigali to Bujumbura on a non-residential basis, and opened a Liaison Office in Bujumbura.

Another cease-fire agreement was signed on 2 December 2002 between the Transitional Government of Burundi and the CNDD-FDD. This agreement makes provision for the establishment of the African Union Mission to supervise, monitor and verify the implementation of cease-fire. South Africa has appointed Ambassador Nhlapo as the Deputy Head of the African Union Mission in Bujumbura. Deputy President Zuma continues to facilitate the peace process.

During 2002, the deployment of the South African Protection

Service Detachment (SAPSD) continued to constitute a significant confidence-building measure as well as a strong consolidation base for the peace process. Some 700 SA soldiers were seconded to Burundi to protect political leaders returning from exile. The Department of Defence, with assistance from the UK, Netherlands, Norway, Italy and EU, facilitated the signing of agreements on the financial contributions to the Southern African Protection Support Detachment (SAPSD) in Burundi. At the close of the reporting period, a Memorandum of Understanding (MOU) on practical issues regarding the presence of the SAPSD in Burundi was in the process of being negotiated.



Minister Nkosazana Dlamini Zuma in a meeting with the Security Minister of Sudan in Khartoum.

During the year under review, the Lusaka Cease-fire Agreement guided South Africa's engagement vis-à-vis Rwanda/DRC relations as well as Rwanda/Uganda relations. President Kagame paid official visits to South Africa in March and June 2002. The Governments of the Republic of Rwanda and the DRC signed the Pretoria Agreement on 30 July 2002, in which the sovereignty of the DRC and the security concerns of Rwanda were addressed. The total withdrawal of the Rwandan Defence Forces (RDF) was completed in 2002 and confirmed by the Third Party Verification Mechanism (i.e. UN/South Africa and MONUC).

South Africa continued to support the Inter-Governmental Authority for Development-led (IGAD-led) Sudanese peace

process. The Machakos Protocol was signed in July 2002 between the Government of the Sudan and the Sudan People's Liberation Movement. This Protocol sought to deal with the differences on the two main stumbling blocks, namely, the Separation of State and Religion, and Self-Determination for South Sudan. South African expertise was, inter alia, sourced to assist in taking the peace process forward.

A Sudan cease-fire agreement was signed on 15 October 2002, but was subsequently violated. The parties signed a further cease-fire MOU on 4 February 2003, in an attempt to avoid further violations. The MOU provides for an International Verification and Monitoring Team, to assist the existing civilian Protection Monitoring Team in investigating future cease-fire violations. The Machakos Peace Talks are continuing under the aegis of IGAD, and South Africa, as Chair of the AU, strongly supports this regional peace process. South Africa has formally approached all parties concerned with a view to being granted formal observer status at the IGAD-led peace process.

The IGAD sponsored talks that began in October 2002 were

beset by several problems. The Transitional National government (TNG) indicated its displeasure at the lack of progress and has threatened to withdraw from the reconciliation process. South Africa urged all parties in Somalia to continue with the peace process and further called for the implementation of the Declaration on Cessation of Hostilities adopted in Eldoret, Kenya, on 22 October 2002. South Africa remained in support of the establishment of a UN peace-building Mission for Somalia.

The Comoran process of returning to constitutional order and ending secession was facilitated by the OAU, with South Africa acting as the OAU-mandated Co-ordinator of the Countries of the Region. In order to further facilitate the democratisation process, a regional Council of Ministers meeting took place in the Comoros on 28 to 29 January 2003, chaired by the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, as part of the AU mandate. The AU stressed the cardinal importance of realising the Fomboni Agreement by, inter alia, the holding of legislative elections throughout the Comoros and the establishment of democratic institutions such as a Constitutional Court and Parliament. The

aforementioned is necessary in order to resolve the current impasse over the conflict of powers and to prevent any possible conflict between the Islands. The AU also indicated that the organisation will need financial support for the electoral process and would send an observer mission to the Comoros to monitor the envisaged elections.

In order to help advance the democratisation of the Comoros and to assist the AU in realising its objectives, South Africa as Chair of the AU is continuing with the monitoring of the democratisation process there, and is in the process of investigating several bilateral projects to assist in the post-conflict reconstruction and development process.

NORTH AFRICA

In multilateral fora, especially on matters concerning the Continent, the South Africa-Algeria partnership remains strong, based on a like-minded world-view. Algeria is a member of the NEPAD steering committee, a founding member of the AU and remains South Africa's strategic partner.

During the United Nations General Assembly (UNGA56) in New York, Mr Mohammed Benaissa, the Moroccan Minister of Foreign Affairs and Co-operation, held discussions with President Mbeki. Morocco also showed an interest in pursuing the principles of NEPAD.

DEVELOPMENT AND CO-OPERATION

In order to achieve the social and economic regeneration of the Continent, the pre-eminent issue of poverty alleviation, through sustained people-centred development, must be vigorously pursued, so as to provide an improved quality of life for all of Africa and her people. The engine for poverty alleviation is people-centred economic development coupled with conditions of peace and stability that are essential for a growing economy.

The Southern African Development Community (SADC)

The First Draft of the Regional Indicative Strategic Development Plan (RISDP) was considered by the InterDepartmental Co-ordinating Committee (IDCC) on 7 February 2003, and was

followed by a regional workshop held from 12 to 14 February 2003. The Council of Ministers, on 9 to 10 March 2003, considered the revised draft RISDP document and directed that the comments made by Integrated Committee of Ministers (ICM) as well as the Council of Ministers meeting should be included in the document. The revised RISDP document should then be circulated to member states for further national consultations.

In SADC, approximately 14,4 million people require emergency food supplies. The World Food Programme (WFP) opened a regional office in Johannesburg to co-ordinate the initiative by the international community to establish an emergency food pipeline in the SADC region. The food pipeline continued to work well. During the past year, SADC member states have been requested to complete the enactment of legislation pertaining to Biotechnology and Genetically Modified Organisms (GMOs) by 2004. Member states that have developed GMO legislation have been requested to share information with others. During the year under review, SADC member states have been urged to accelerate the liberalisation

process for a SADC free trade area as it will facilitate the negotiation of Economic Partnership Agreements by SADC as a group, as well as the notification of the Trade Protocol to the World Trade Organisation (WTO) under Article 24 of the WTO Agreement.

African/Euro relations in terms of the Cairo

Declaration

Regarding the follow-up of the Africa-Europe Summit, the Executive Council meeting in Chad from 3 to 6 March 2003 took the opportunity to respond in strong terms to the unilateral decision by the European side to postpone the Summit indefinitely. The meeting urged the two parties to pursue the dialogue through the two Commissions and to resort to the Troikas in order to take the process further. The decision also calls for a meeting of experts on the external debt of the continent. The Ministers also insisted that all African countries should be invited to participate in the next Africa/Europe Summit.

Popularising the AU and NEPAD

The South African government launched the Presidential Outreach Programme in August 2001, aimed at popularising the AU and NEPAD within Parliament, provincial and local government structures, traditional leaders, the business community, research and academic institutions, the media and the diplomatic corps represented in South Africa. Participants of the Outreach Programme include representatives from the Presidency, Foreign Affairs, Government Communications and Information System (GCIS), the Africa Institute of South Africa (AISA) and the South African Chapter of the African Renaissance (SACAR). All Government Ministries, Departments and Premiers of Provinces have been requested to identify programmes and activities that can be undertaken to popularise the AU and NEPAD in South Africa.



Rwandese performers during the celebration of the 40th anniversary of the OAU in Johannesburg.

Outreach activities undertaken in the past year included meetings and/or workshops with members of the various political parties in Parliament; traditional leaders; provincial and local government, including associates; the business community; youth and women's organisations; other NGOs; church organisations;

universities, schools and research institutions; the media; and specific occasions such as sporting events.

Pro-South African or pro-African organisations of a variety were also targeted for the same activities in many countries abroad i.e. former anti-apartheid structures, South African/African Chambers of Commerce, friendship organisations, African cultural organisations, etc. In this regard, South African missions abroad evaluated the opportunity to harness the energy and interest of these organisations to promote the objectives of the NEPAD in

appropriate ways. As part of this process, the engagement of the African Diaspora was also important because the Diaspora includes groups of people whose skills, talents, financial resources and influence (lobby groups and political constituencies) represent potentially powerful allies in Africa's effort to implement NEPAD and this for the benefit of all the peoples of Africa.

Southern Africa

During the reporting period, the first meeting of the Joint Commission of Co-operation between South Africa and Angola took place in Pretoria on 28 February 2003. During this meeting, which also involved Government Departments other than Foreign Affairs, several co-operation proposals were discussed and an agreement on the waiving of visas for diplomatic and official passports was signed by the South African Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma and the Angolan Minister for External Relations, Dr J B de Miranda. During the visit, President Mbeki also received Minister De Miranda.

Defence and security co-operation between South Africa and

Namibia was further boosted by the second meeting of the South Africa/Namibia Joint Commission on Defence and Security which took place in Windhoek between 15 and 18 October 2002. Furthermore, economic co-operation was the subject during a "Heads of State Economic Bilateral" meeting between President Mbeki and Namibia's President Sam Nujoma in Pretoria on 18 March 2003.

In October 2002, Minister Nkosazana Dlamini Zuma and her Lesotho counterpart, Minister Kenneth Tsekoa, agreed that a donor conference should be convened to assist in moving Lesotho out of its current status of Least Developed Country, in line with the objectives of a Joint Bilateral Commission for Co-operation (JBCC) agreement which was signed on 19 April 2001. At the close of the reporting period, consultations were in progress in this regard.

President Mbeki and the First Lady, Mrs Zanele Mbeki paid a State Visit to Botswana from 11 to 13 March 2003, accompanied by a delegation of six Ministers and Senior Officials from the various Departments. During the visit, the two countries entered into an Agreement on the Establishment of a Joint Permanent

Commission for Co-operation (JPCC), which was signed by the Ministers of Foreign Affairs of the two countries. History was made when President Mbeki addressed the Botswana Parliament on 11 March 2003. He was the first foreign President ever to be accorded this honour.

The Department revived the Joint Commission for Economic, Scientific, Technical and Cultural Co-operation between South Africa and Zimbabwe. The Department also facilitated the visits of the Head of State, Presidential Envoys, Cabinet Ministers, Parliamentary Portfolio Committees, as well as Senior Government Officials to Zimbabwe in an effort to strengthen bilateral relations between the two countries.

Bilateral co-operation with Mozambique saw the Department



The Minister of Trade and Industry, Mr Alec Erwin, and His Namibian Counterpart, Mr Jesaya Nyamu, briefing the media.

participating in the legal and facilitative processes which resulted in the signing of the following bilateral Agreements between SA and Mozambique: Sport and Recreation; Customs Administration; Maritime Air- Search and Rescue; Air Services; Agriculture; the Protection and Utilisation of the Water resources of the Inkomati and Maputo Water courses; the

Trilateral Treaty on the Great Limpopo Transfrontier Park; the CFM/ Spoornet Concession on the Ressano Garcia railway line; Labour Co-operation.

In addition, the Department of Foreign Affairs successfully initiated and co-ordinated the Governmental and private sector processes which resulted in the timeous rendering of substantial life-saving logistical and medical assistance to the Mozambican

Government in the aftermath of the train disaster which occurred on 25 May 2002 in Mozambique and left 195 people dead and in excess of 300 injured.

The Department further facilitated the convening of the quarterly South Africa/Mozambique Heads of State Economic Bilateral meetings, which play a pivotal role in the successful implementation of all the respective bilateral macro-economic projects in Mozambique. During 2002, South Africa also gained the position of being Mozambique's largest global trading partner and investor.

Central and West Africa

During the reporting period, South Africa's bilateral relationship with Nigeria continued to expand with the holding of the 4th Session of the Binational Commission, co-chaired by Deputy President Zuma and Vice President Atiku Abubakar of Nigeria. To date, Nigeria continues to represent South Africa's largest trade partner in the West African region, with two-way trade amounting to R3, 7 billion in 2002. Notwithstanding this, the joint venture between South

African Airways and Nigeria Airways on the Lagos-New York route was terminated after the route suffered a significant financial loss. South African Airways, however, refocused its priority in the region to Senegal, with flights commencing to Dakar in January 2003.

Nigeria continued to play a leading role as a member of the Implementation Committee of NEPAD. As a sign of the mature relationship between South Africa and Nigeria, President Olusegun Obasanjo paid a State Visit to South Africa in February 2003, during which him and President Thabo Mbeki re-committed their countries to even greater bilateral co-operation and to the operationalisation and implementation of the AU and NEPAD programmes.

As a direct result of President Mbeki's State Visit to Mali in 2001, an agreement was entered into between South Africa and Mali, which would lead to the preservation of Mali's ancient manuscripts. Minister in the Presidency, Essop Pahad signed the Agreement on the Preservation of the Ancient Manuscripts in the Ahmed Baba Institute of Higher Learning and Islamic Research in Timbuktu on 6 August 2002. As part of the Agreement, South Africa will train a number of Malian officials in the conservation of documentation and

manuscript management.

In an effort to expand South Africa's contacts with the region, the Department led a multi-Departmental task team to Equatorial Guinea in September/October 2002 to examine possibilities for bilateral co-operation. With a view to the expansion of South Africa's diplomatic representation, task teams undertook preparatory technical visits to Lubumbashi in the DRC and Yaounde in Cameroon. It is anticipated that South African resident missions will open in these two cities during the first half of 2003. A new South African Embassy in Bamako, Mali was established in November 2002, which reflects the increasing political and economic exchanges between the two countries.



Presidents Olusegun Obasanjo and Thabo Mbeki at a joint press briefing.

During July 2002, a high level Cape Verdian ministerial delegation led by its Minister of Foreign Affairs, Mr Manuel Sousa, visited South Africa to explore new areas of technical co-operation. This focused on transportation issues as well as prospective infrastructure developments in the island nation. The

decision by South African Airways to migrate its United States-bound flights to Dakar, after some 40 years of the use of Sal Island, was not welcomed, but understood by the Cape Verdians.

The dislocation caused to the Ivorian economy by the present crisis, significantly affected their main commodity exports, however, South Africa's economic relations with Ghana remained stable, with two-way trade totaling some R452 million in 2002.

East Africa

Apart from conflict resolution/management, socio-economic reconstruction and upliftment featured as the predominant concern of the region in 2002/03.

A primary focus of the Department, in concert with other key stakeholders, was the development and implementation of post-conflict reconstruction programmes and inward investment in countries of the region. The main focus of South Africa's engagement with Rwanda related to the development of post-conflict reconstruction programmes with special emphasis on capacity-building within the critical sector of constitutional reform and national reconciliation. This process was managed within the framework of the South Africa-Rwanda Joint



Strengthening political ties: Prime Minister José Maria Neves of Cape Verde and Deputy President Jacob Zuma.

Commission of Co-operation (JCC), which served as an effective forum for facilitating delivery in identified programmes/projects.

The second meeting of the South African/Rwanda Joint Commission of Co-operation (JCC) was held in Kigali, Rwanda, in December 2002. Four representatives of the Rwandan Human Rights Commission visited South

Africa during August 2002 and met with the South African Human Rights Commission, the Constitutional Court and other relevant institutions and representatives of civil society.

A trilateral agreement in the area of education involving South Africa, Rwanda and Sweden was also pursued. South African academic institutions agreed to provide tuition to 200 Rwandese

students at SADC rates, while Sweden agreed to provide funding for this project. The Rwandan Government also proposed a trilateral agreement between South Africa, Rwanda and Cuba for the training of Rwandan medical personnel in both basic and specialised health care sectors. At close of the reporting period, a draft agreement in this regard was being considered.

Kenya is a significant regional role-player in East Africa and a leading member of the East African Community. During the reporting period, the country boasted the largest economy with capacity for diversity. The port of Mombasa services the entire region including the DRC, Burundi and Rwanda. Nairobi was the hub of regional economic activity in the past year. Kenya



Kenyan Foreign Minister, Mr SK Musyoka, and Minister Nkosazana Dlamini Zuma during bilateral discussions held in Pretoria.

remained South Africa's largest trading partner on the continent outside SADC. South Africa's engagement with Kenya has thus strongly focused on the establishment of bilateral instruments such as General Agreements and Memoranda of Understanding, linked to regular multi-sectoral

technical/ business visits.

A South African inter-Departmental technical team paid a visit to their Ugandan counterparts in Kampala on 24 and 25 March 2003 for the purpose of identifying areas of co-operation and to propose specific projects for development and implementation within the framework of NEPAD. It is envisaged that the Agreement to establish the South Africa-Uganda Joint Commission of Co-operation (JCC) will be signed between Minister Nkosazana Dlamini Zuma and her

Ugandan counterpart during the coming year.

South Africa's engagement with Tanzania was managed within the framework of an inter-Departmental planning committee as an instrument towards achieving a higher level of engagement in priority areas. These efforts formed part of the strategic focus of the management of South Africa's bilateral relations with Rwanda, Kenya, Uganda and Tanzania, thereby ensuring the effective delivery on identified programmes and projects.

Relations with Mauritius continued to be sound. During the reporting period, trade between the two countries showed a steady increase, and, when the "invisible export" of South African tourism to Mauritius is taken into account, the trade was balanced. Total trade between South Africa and Mauritius was about R 2.5 billion in 2002, as compared to 2 billion in 2001. Co-operation between the financial sectors of the two countries also increased, and the IT sector showed promising opportunities for further development. Various delegations were exchanged between South Africa and Mauritius. Co-operation between police services, especially in the field of forensics, took place in the past year.

South Africa considered a number of projects to support the development of the Comoros as part of post-conflict reconstruction. While project proposals for pre-electoral support were also on the books, South Africa studied the possibility of getting involved in the development of electricity generation and distribution, infrastructure, improvement of roads and ports, as well as development of the agricultural sectors and communications. The development of the agriculture sector meant to reinforce the mainstay of the Comoran economy, and provide secure livelihood for many inhabitants of these islands.

North Africa

The 3rd Session of the Binational Commission of Co-operation (BNC) between South Africa and the People's Democratic Republic of Algeria, the only BNC at presidential level in Africa established by the Agreement of 22 September 2000, was held in Algiers from 17 to 23 October 2002. The BNC serves as a framework for bilateral relations between the two countries in various sectors.

The two Presidents expressed their satisfaction with the quality

of the relations of friendship, solidarity and co-operation that exist between the two countries.

The reporting period also witnessed various exchanges between South African and Algerian delegations, in line with the commitments made in the Plan of Action. These included a visit to South Africa by a delegation from the Algerian National Archives (3 to 11 March 2003), a visit to Algeria by a delegation from the South African Department of Health; and a visit to South Africa by a delegation from the Algerian Ministry of Transport (20 to 28 January 2003). An Algerian delegation also travelled to South Africa from 26 February to 2 March 2003 for the first meeting of the Joint Algeria/RSA Committee on Water and Forestry.

A delegation of Algerian Scientists from the Algerian High Commission for Atomic Energy (COMENA) visited South Africa in January 2003. Programme of Co-operation (PoC) in the field of Science and Technology was signed on 1 April 2003 by Dr Rob Adam on behalf of the Department of Science and Technology and the Algerian Ambassador in South Africa, H E Fatiha Selmane on behalf of the Ministry of Higher Education and Scientific Research.

The Merchant Shipping Committee meeting was held in Durban on 27 March 2003. Views on the Maritime co-operation were shared by both delegations during the meeting.

During the year under review, the Algerian Government offered South African students scholarships in Islamic Science and in Arabic literature in exchange for South African scholarships in the fields of Economic Sciences, Computing, Mines and Metallurgy, Biotechnology, Industrial Security and Veterinary Science.

The past year also saw both South Africa and Algeria undertaking to expedite the production of the video on war and liberation struggle veterans of both countries.

During the reporting period, our Mission in Cairo focussed much of its attention on developments in the Middle East and Egypt's role in the region. Egypt as a member of the NEPAD steering committee, continued to play a role in the implementation and functioning of NEPAD. An Egyptian official has been seconded to the NEPAD Secretariat.

Both the South African Ministers of Intelligence, and Water Affairs and Forestry visited Egypt for bilateral and multilateral

purposes respectively. Similarly, members of the Mpumalanga portfolio committee for agriculture, tourism and environment visited Egypt on a fact-finding Mission.

Our Mission in Cairo together with the bilateral desk arranged a programme for a group of journalists to visit South Africa in an attempt to promote South Africa as a tourist destination. On the other hand, the cultural exchange between the two countries grew from strength to strength. Following the successful visit of South Africa's Goodwill Ambassador, Ms Miriam Makeba, who rendered a superb performance during the last Joint Bilateral Commission (JBC) in Cairo, the Egyptian Embassy in Pretoria organised a successful tour of a Nubian Dance Group to South Africa in 2002.

The First Session of the SA-Libya Joint Bilateral Commission (JBC) was held in Tripoli from 12 to 14 June 2002. This session presented an opportunity to further strengthen bilateral relations between South Africa and Libya and to jointly promote unity, peace, security and development in the African continent.

On a bilateral level, co-operation in the following areas was

discussed: Minerals and Energy; Agriculture and Animal Health; Transport; Communications; Trade and Industry; Investment; Tourism; Higher Education; and Arts and Culture. On a multilateral level, the AU, NEPAD and the NAM were discussed.

The following bilateral agreements were signed at the conclusion of the JBC: Bilateral Trade Agreement; Agreement on the Reciprocal Protection and Promotion of Investments; Agreement on Merchant Shipping and Maritime Related Matters; Letter of Intent for co-operation in the field of Transport and Transportation; Memorandum of Understanding on Air Services; and Protocol of Intent on Co-operation in the Fields of Science and Technology.

During the year in review, the Joint Bilateral Commission was followed by a State Visit by President Mbeki to Libya. The two leaders agreed on the necessity of promoting bilateral co-operation between our countries to realise the mutual aspirations of the people of the two countries.

The Deputy Minister of Minerals and Energy, Ms Susan Shabangu, led a delegation to the SA-Libya Energy Sector Business Workshop held in Tripoli from 22 to 23 October 2002.

Libya is a member of the Arab Maghreb Union (AMU) and handed over the Chair of the Community of Sahel - Saharan States (CEN-SAD) to Niger in March 2003.

The first Joint Bilateral Commission (JBC) Meeting with Morocco took place in Pretoria during 1998. Negotiations are underway to finalise dates for the second Session of the JBC.

At the International Telecommunications Union (ITU) Conference held in Marrakech from 23 September to 18 October 2002, Minister of Environmental Affairs and Tourism, Mr Valli Moosa, led the South African delegation.

At the Fourth Global Forum on Re-inventing Government held in



*Minister of Foreign Affairs,
Dr Nkosazana Dlamini Zuma.*

Marrakech from 10 to 13 December 2002, the South African delegation was led by the Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi.

During the World Summit on Sustainable Development (WSSD) in Durban, in July and August 2002, the Moroccan King, His Majesty Mohammed VI, led the Moroccan delegation and had bilateral talks with President Mbeki.

During July 2002 South Africa participated in the Africa Sailing Regatta, which was held in Morocco, and a South African won the Sailing Championship.

In the past year, South Africa also participated in the Fifth Biregional Africa/ Europe Meeting which was held

in Rabat during September 2002.

The Soweto Dance Group participated in the Rabat International Festival during June 2002 and was a great success.

President Maaouya Ould Sid' Ahmed Taya of Mauritania attended the inaugural summit of the AU in June /July 2002 in Durban, as well as the WSSD in August/September 2002 in Sandton.

In January 2003 President Taya sent a Special Envoy to South Africa for consultation on multilateral issues.

A meeting of Senior Officials, in preparation for the Fourth Session of the Joint Bilateral Commission between the Republic of Tunisia and South Africa, was held in Tshwane, from 27 February 2003 to 1 March 2003.



The Department has assisted a number of cultural groups to perform abroad as part of efforts to promote a positive image of the country abroad.

Parallel to the Senior Officials meeting, a meeting of the Tunisia-South African Business Forum was held. This meeting brought together business leaders from the Food Processing, Textiles, Telecommunication, Automotive Services (Engineering, Technical), Electrical parts, Steel and Leather products sectors.

The session accorded both Delegations the opportunity to review the state of bilateral relations between the two countries, and to

compare notes on the global and regional situations. Bilateral co-operation in the following areas was discussed: Agriculture; Trade and Industry; Arts and Culture; Minerals and Energy; Health; Immigration; Co-operation in the field of Sport; Vocational Training and Employment.



**4th South Africa – Tunisia
Joint Bilateral Commission**
27 – 28 February 2003
Tshwane, South Africa

Delegates' Handbook

The Delegations noted with satisfaction the progress made with regard to the implementation of existing agreements.

During the reporting period, the South African Embassy hosted

a South African Tourism Week in Tunis during October 2002 to expose the Tunisian public, media and tourism industry to South Africa as a potential tourist destination.

- **ASIA AND MIDDLE EAST**

SECURITY/STABILITY

LEVANT REGION (IRAQ, ISRAEL, JORDAN, LEBANON, PALESTINE, SYRIA)

The Middle East Conflict is undoubtedly one issue that has given this region its global profile in the last fifty years.

The Spier Presidential Peace Retreat of January 2002 formalised one of the key foci of South African engagement in the Israeli-Palestinian conflict – that of strengthening the voices for peace and building trust and a common vision for peace. Contacts at government and civil society level have taken place with Palestinians and Israelis committed to finding a peaceful resolution to the conflict.

South Africa has remained consistent in its approach and, due to its own experiences of negotiating a comprehensive, just and lasting peace, it has credibility with Israelis and Palestinians who are genuinely committed to forging their own peace agreement.

The Department sponsored the Centre for Conflict Resolution to host a visit by an Israeli war resisters movement, 'The Courage to Refuse'.

Retired Israeli General Ami Ayalon met with President Thabo Mbeki and Ministers in the Peace Retreat to inform them of his initiative to gain Israeli and Palestinian signatories to a call for a negotiated settlement. This document has now been published.

The Deputy Minister of Foreign Affairs, Mr Aziz Pahad, led a delegation of Departmental officials for consultations with British and French counterparts. The role of South Africa was appreciated by both, in the context of acting as a 'friend of the Quartet'.

A small South African group visited Israel and Palestine in October 2002 led by Mr Ebrahim Ebrahim, the previous Chairperson of the Parliamentary Foreign Relations Portfolio Committee, and included Mr Roelf Meyer, in order to broaden the scope of the exposure of Israelis and Palestinians to the South African experience.

The Department also hosted a visit by Dr Mahdi Abdul Hadi, Director of the Palestinian Academic Society for the Study of

International Affairs to South Africa at the end of November 2002. This visit focused on interaction with South African academic institutions, NGOs and the media. Jewish and Muslim groups and other active and interested parties in the Middle East conflict welcomed this visit. The visit served to consolidate ties between government and civil society. Dr Abdul Hadi was informative and gave a constructive message for solidarity within the South African context. A similar visit from Israeli academics is being planned for the coming year.

The Department further invited members of the Palestinian Legislative Council (PLC) to visit South Africa to study South African human rights legislation and implementation. The delegation visited South Africa from 27 to 31 January 2003. The project was based on the enhanced role of the PLC in the context of political reform and democratisation in Palestine. The focus of the study tour was human rights and the monitoring thereof.

During the reporting period, work has also been done to extend

Minister Nkosazana Dlamini Zuma, Deputy Minister Aziz Pahad and the Palestinian Minister of Planning and International Co-operation, Mr Nabil Sha-Ath, at the Union Buildings, Pretoria.



contacts beyond the current scope of the peace camps. In this regard, an Israeli security and intelligence group, comprising high level former Generals of the Israeli Defence Force, intelligence officials and academics visited South Africa from 14 to 17 February 2003. The delegation interacted with South African former and present counterparts.

The Department invited the Palestinian Constitutional Committee, tasked with drafting a Palestinian Constitution, to visit South Africa to study the country's experience of constitution making, the role of the Constitution in the negotiation process and the mechanisms developed to safeguard and uphold the values of the constitution. In this regard, Dr Nabeel Sha'ath, Minister of Planning and International Co-operation, led a delegation of eight members of the Constitutional Committee of Palestine to South Africa from 3 to 7 March 2003. The delegation met with a number of Ministers, other key role players, Parliamentarians and academics.

During the year under review, South Africa, consistently encouraged Iraq to fully comply with the UN Security Council resolutions and to re-admit UN weapons inspectors into Iraq. At

the same time, South Africa, both in its national capacity and as Chair of the Non-Aligned Movement, opposed military action against Iraq and urged the international community to come together to seek a peaceful solution to the conflict within the context of the United Nations Security Council (UNSC). To this end South Africa called for the UN weapons inspectors to be granted the time and means required to execute their mandate and to report comprehensively to the UNSC.

Deputy Minister Aziz Pahad undertook several visits to Iraq in support of this position. Representatives of the Iraqi Government also visited South Africa. These opportunities were utilised to engage Iraq on the need for it to comply fully with UNSC resolutions, especially those demanding the destruction of weapons of mass destruction, as a condition for avoiding military action.

In July 2002, the Iraqi Deputy Prime Minister, Mr Tariq Aziz, visited South Africa at the invitation of Deputy President Zuma. In addition to discussions on the strengthening of bilateral relations, South Africa reiterated its position on the necessity for Iraq to comply with UNSC resolutions.

Deputy Prime Minister Aziz also attended the World Summit on Sustainable Development in Johannesburg in August/September 2002. Once again, Deputy Minister Pahad and other Ministers used the opportunity to interact with Deputy Prime Minister Aziz regarding the question of weapons of mass destruction.

A Special Envoy of President Saddam Hussein, Dr. Humam A. Abdul Ghafoor, who was also Minister of Higher Education and Scientific Research, met with President Mbeki on 6 October 2002. The President used the opportunity to impress upon Iraq that compliance with the UN Security Council resolutions would be crucial and necessary to avoid military action and particularly for the lifting of sanctions.

Deputy Minister Pahad further visited Iraq from 1 to 6 November 2002 as Special Envoy of President Mbeki. He also officially opened the South African stand at the Baghdad International Trade Fair. The Deputy Minister conveyed a letter from President Mbeki to President Saddam Hussein and discussed the current situation between Iraq, the United Nations and the United States with members of the Iraqi Government. In his meetings with the Iraqi

Government, Deputy Minister Pahad stressed that South Africa's position on Iraq was motivated by a desire to avoid war and conflict. He thus encouraged all sides to address their differences within the context of the UN Security Council, which is mandated to protect and promote world peace and security. In this regard, it was emphasised that it was critically important for Iraq to cooperate with the Security Council.

President Hussein informed Deputy Minister Pahad of his willingness to accept the UNSC resolution which was being negotiated at that time (and which was later adopted as UNSC resolution 1441), to welcome the UN inspectors back into Iraq unconditionally and to assist them in the execution of their mandate.

Linked to the Deputy Minister's visit to Iraq, a humanitarian relief organisation undertook a fact-finding mission to Iraq, assisted by the Department of Foreign Affairs. This resulted in the Gift of the Givers Foundation contributing towards an infrastructural project run by CARE International. The organisation indicated that, in the event of war against Iraq, it could, with the assistance of

Government, offer relief aid to civilians and refugees.

Deputy Minister Pahad again visited Iraq as a Special Envoy of President Mbeki from 9 to 11 February 2003. He presented President Mbeki's proposal that South African experts share their experience of disarmament under international supervision with their Iraqi counterparts. The Deputy Minister also urged Iraq to offer more pro-active co-operation to the UN Weapons Inspectors in order to bring about a solution to the impasse. He stressed that only with full co-operation could the idea of 'regime change' be separated from the objective of disarmament.

Iraq accepted South Africa's proposal. This action led to Deputy Minister Pahad, accompanied by a team of experts, undertaking a follow-up visit to Iraq from 23 to 26 February 2003 to share South Africa's disarmament experience.

Throughout the period under review, South Africa, as Chair of the NAM, also consulted closely with other NAM member states, particularly in Africa and the Middle East, and also with European Governments, with a view to maintaining unity of purpose and action in strengthening the role of the UNSC in resolving the Iraq

crisis and in preserving peace.

President Mbeki explained this approach to Parliament, inter alia on 17 October 2002, when he said: "... in terms of the conduct of international affairs we are quite convinced that the multilateral institutions are very important and that it is indeed necessary to avoid unilateral action with regard to those international questions. We would therefore continue to pursue that particular approach at all times and with regard to ... the matter of Iraq. I am sure the honourable member is aware that we certainly have taken the position that this is a matter that must be dealt with by the UN Security Council and they must decide what happens with regard to this. Indeed, in our discussions with the government of Iraq they have also agreed to that they would act in a manner that would respect the decision of the UN Security Council. Therefore, we will certainly continue to promote that position of discouraging unilateral action, and we will not produce a better world by some of us acting unilaterally simply because we have the power to do so. I think that, in the end, even those who might choose to act unilaterally would find that they are doing a

disservice to themselves. Certainly, I think we have to stand very firm on this matter.”

In this spirit, the South African Permanent Representative to the United Nations, acting on behalf of NAM, requested the United Nations Security Council to have the reports by the UN weapons inspectors presented in public and facilitated open debates on the Iraqi crisis. These actions are considered to have been highly successful in providing opportunities for the general UN membership to state their positions and in ensuring a greater degree of transparency in the UNSC’s decision-making. In this manner, South Africa made a valuable contribution to the strengthening of the multilateral system of international governance.

A press conference held by the Deputy Minister of Foreign Affairs, Mr Aziz Pahad, and the technical delegation upon return from Iraq.



EAST ASIA

In an effort to address the problem of trans-national crime, South Africa and China concluded an Agreement on Mutual Legal Assistance on Criminal Matters during the reporting period.

CENTRAL AND SOUTH ASIAN STATES

During September 2002, the first round of peace talks took place between the Sri Lankan Government and the Liberation Tigers of Tamil Eelam (LTTE). Subsequently, the South African Government was officially approached by the Norwegian peace facilitators and the Sri Lankan Government to request that South Africa, in view of its own experiences in peace negotiation and reconciliation, give



Minister Perres of Sri Lanka with the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma.

consideration to hosting a round of peace talks. South Africa has agreed to this request in principle.

During June 2002, the Transitional Government of Afghanistan came into being and South Africa proceeded with the normalisation of relations with Afghanistan. A South African Liaison Office for Afghanistan has been

established in Islamabad, Pakistan. It was also agreed that an Honorary Consul, based in Cape Town, would represent the Government of the Transitional Islamic State of Afghanistan in South Africa. Necessary formalities pertaining to mutual representational needs will be finalised during the second half of 2003. South Africa continues to monitor the situation in Afghanistan.

SOUTHEAST ASIA AND AUSTRALASIA AND REGIONAL ORGANISATIONS AND ISSUES

With a view to bolstering relations between the countries, the Australian Minister of Immigration and Multi-cultural Affairs visited South Africa in August 2002 for the signing of a Joint Ministerial Statement on Immigration, Refugees, Irregular Migration and People Smuggling.

ECONOMIC AND SOCIAL DEVELOPMENT

LEVANT REGION (IRAQ, ISRAEL, JORDAN, LEBANON, PALESTINE, SYRIA)

The region represents an enormous market for South Africa's industrial, commercial and agricultural products. It is a promising source of potential inflow of tourists, investment and technical co-operation.

Total trade with the region has more than doubled in the past six years to reach R7, 2 billion in 2002, with a trade surplus of

R2, 9 billion. Although modest in absolute terms, trade with the Levant region is notable for the largest positive trade balances that South Africa has in the wider Middle East. Israel ranks as one of South Africa's most profitable trade partners, with a positive trade balance of R3, 2 billion having been realised in 2002.

GULF STATES REGION (UNITED ARAB EMIRATES, QATAR, SAUDI ARABIA, BAHRAIN, IRAN, KUWAIT, YEMEN, OMAN)

South Africa's interests continue to grow in the Persian Gulf region. Not only is this region of strategic importance to South Africa, but is also fast becoming a major trading region for the country. South Africa's representation in the region was increased during the reporting period with the opening of Embassies in Doha, Qatar, and in Muscat, Oman. South Africa enjoys good relations with all countries in the region and concluded a number of bilateral agreements during the year that will provide a framework for further co-operation.

The total value of two-way trade between South Africa and the

Gulf States region was over R21 billion during the review period. The United Arab Emirates, Saudi Arabia, Iran and Kuwait remain South Africa's major export markets in this region.

During the State Visit to South Africa by the Amir of the State of Qatar in May 2002, SASOL and Qatar Petroleum signed a deal that makes them sole partners in the construction of the US\$900 million Oryx Gas-To-Liquids (GTL), the world's largest and most advanced natural GTLs plant based at Ras Laffan Industrial City, Qatar. The SASOL Slurry Phase Distillate (SPD) process will be used to convert the natural gas into premium, environmentally friendly fuels by late 2005. The facility is expected to produce 24, 000 bl/day of diesel, 9, 000 bl/day of naphtha and 1, 000 bl/day of liquefied petroleum gas (LPG).

SASOL polymers negotiated a R1.5 billion deal to construct a polymer plant in Iran. SASOL also conducted a feasibility study for the construction of a US\$ 3 billion gas refinery in Iran.

Both Kuwait and Saudi Arabia lifted the ban on meat products from South Africa that was introduced after an outbreak of foot and mouth disease.

The Mission in Teheran has formed a NEPAD task team together with all the African Embassies there and successfully engaged the Iranian government on the issue of African economic development. This has culminated in the Iran-Africa Forum that was held in early 2003 in Teheran on the issue of Iran-Africa co-operation. The Deputy Minister of Mineral and Energy Affairs of South Africa attended the Conference.

The Amir of Kuwait, His Highness Sheikh Jaber Ahmed Al Sabah, in July 2002, in a letter to President Mbeki, pledged Kuwait's support for the AU and NEPAD objectives.

A regional Heads of Mission meeting to discuss South Africa's engagement with the region was held in Dubai, from 6 to 8 October 2002

EAST ASIA

Economic interaction with Asian countries has strengthened and expanded. Over the past year trade figures have increased significantly with nearly all major countries in Asia.

On 22 May 2002, the 5th Japan-South Africa Partnership

Forum Meeting was held in Tokyo. On this occasion a wide range of bilateral issues of mutual interest and concern were discussed.

President Mbeki had a meeting on 20 October 2002, with the powerful Nippon-Keidanren chamber of business to promote additional Japanese investment in South Africa and Africa. The discussions concentrated on the South African motor manufacturing industry.

The Senior Officials Meeting (SOM) of the China-Africa Co-operation Forum took place from 25 to 26 November 2002 in Addis Ababa. Issues discussed included the report of the Secretary-General of the Chinese follow-up Committee on progress made by the Forum since the Beijing Conference in 2000, as well as co-operation between the Forum and NEPAD. The primary aim of the



Senior Vice-Minister of Foreign Affairs of Japan, Mr Tetsuro Yano, (far left) and Deputy Minister Aziz Pahad at the sixth meeting of the Japanese-South African Partnership Forum.

meeting was to prepare for the Ministerial Conference in 2003 in Addis Ababa.

The Chinese authorities were, and continue to be, eager to contribute to Africa's socio-economic development and have endorsed the objectives of NEPAD. China has agreed to offer assistance in the field of agriculture, human resources

development and infrastructural development. During the China-Africa Co-operation Forum Senior Officials meeting in November 2002, it was agreed that NEPAD programmes will be integrated with those of the China-Africa Co-operation Forum.

South Africa and China concluded an Agreement on Labour issues and also on an Approved Destination Status (ADS) Memorandum of Understanding (MOU). The ADS Memorandum of Understanding provides for measures to promote South Africa's

tourism industry in China.

During 2002, a number of South African public servants attended training programmes in various fields in the Republic of Korea, e.g. in marketing and exhibitions, local government administration, etc.

CENTRAL AND SOUTH ASIAN STATES

The second meeting of the India-South Africa Commercial Alliance (ISACA) took place in Pretoria in June 2002. A number of opportunities for bilateral co-operation and increased trade were identified particularly within the pharmaceuticals, engineering, ICT and chemical sectors. South Africa and India commenced with formal negotiations on a Preferential Trade Agreement in December 2002, which both sides hope to conclude by December 2004. Furthermore, in June 2002, the Indian Foreign Ministry together with NGOs and academics organised a 3-day conference on Africa, which was inaugurated by the former Minister of External Affairs, Mr Jaswant Singh. During the event, the High Commissioner of South Africa made a presentation on NEPAD. The Indian Ministry

of External Affairs also hosted a Conference on “India and NEPAD – Furthering Africa-India Economic Co-operation” in Delhi on 26 July 2002. DFA, DTI, the IDC and the CSIR were represented at the Seminar. Financial institutions from 13 African countries also participated in the event.

During 2002, a small South African business delegation visited Afghanistan with a view to exploring business and developmental opportunities.

Southeast Asia, Australasia and Regional Organisations and Issues

During November 2002 President Thabo Mbeki participated in the highly successful ASEAN Summit held in Cambodia at which he addressed the gathered ASEAN Heads of State on NEPAD and related issues.

A number of visits from South Africa to Australasia took place during 2002. In July 2002 President Thabo Mbeki undertook a working visit to Fiji to attend the 3rd Summit of the African Caribbean Pacific. Concurrently, a South African Government

delegation led by the Minister of Finance, Mr Trevor Manuel, held bilateral discussions with Fijian Government Ministers. In November 2002, the Minister for Trade and Industry, Mr Alec Erwin visited Australia for an informal Doha Ministerial Meeting.

In February 2002, an Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion was signed with the New Zealand Government.

BILATERAL AND MULTILATERAL CO-OPERATION

Levant Region (Iraq, Israel, Jordan, Lebanon, Palestine, Syria)

The NAM Committee on Palestine meeting held on 27 April 2002, inter alia, mandated the Chair to organise a delegation to visit Palestine to meet with President Arafat, in expression of solidarity with the President and people of Palestine. This led to Minister Nkosazana Dlamini Zuma leading a delegation of NAM Ministers to visit President Arafat under siege in his office compound in Ramallah in June 2002.

During October 2002, the Department assisted in facilitating a

study tour to South Africa by senior officials from the Palestinian International Affairs Ministry, which is the lead ministry in the Palestinian reform process. This visit was funded by BTC, a Belgian Government development agency, with monies for assisting Palestinian reforms through capacity-building. During the study the Palestinian International Affairs officials explored the processes from negotiations through to the transformation of government structures that South Africa has undertaken.

The Department made financial and human resources available to assist the UN Information Office and the Embassy of Palestine in arranging the commemoration, in South Africa, of the International Day of Solidarity with the Palestinian People on 29 November 2002.

GULF STATES (UNITED ARAB EMIRATES, QATAR, SAUDI ARABIA, BAHRAIN, IRAN, KUWAIT, YEMEN, OMAN)

The Iran-South Africa Joint Commission took place on 4 and 5 February 2002 in Tehran. During this successful meeting, several

Memorandums of Understanding were signed between South African Government Departments and their Iranian counterparts.

The reporting period also saw several Iranian students registering at South African universities to complete their Ph.D.'s as part of an agreement between the Ministries of Health of both countries.

During October 2002, Deputy Minister Pahad signed an Agreement on the Avoidance of Double Taxation with the Sultanate of Oman. While the Minister of Defence, Mr Mosiuoa Lekota, signed a Memorandum of Understanding on Defence with the State of Kuwait during January 2003.

On the other front, the Deputy Minister of Foreign Affairs, Mr Aziz Pahad, signed a "Protocol of Co-operation" between South Africa and Yemen, in Sanaa on 26 January 2003.

South Africa and Saudi Arabia entered into an agreement on Economic, Trade, Investment and Technical Co-operation that will come into force once Saudi Arabia ratifies it.

During the reporting period Iran bestowed its highest order " Enghelab-e Eslami" (Islamic Revolution) on former President Nelson

Mandela. A formal ceremony is planned in Teheran during 2003.

EAST ASIA

During the review period, a number of high profile Chinese political leaders visited South Africa. In January 2002, Minister Nkosazana Dlamini Zuma received her Chinese counterpart, Mr Tang Jiaxuan, in Pretoria for consultations on possible co-operation between the two countries on bilateral and multilateral issues of mutual interest.

Chinese Premier, Mr Zhu Rongji, paid a working visit to South Africa on 5 and 6 September 2002. During the visit, Premier Zhu exchanged views with President Mbeki, Deputy President Zuma and other senior officials on matters concerning bilateral relations and international affairs.

In January 2003, China's First Vice-Premier, Mr Li Lanqing, also visited South Africa. Vice-Premier Li met with President Mbeki, Deputy President Zuma, and the Chairperson of the National Council of Provinces, Dr Naledi Pandor. During 2002, South Africa also established a Consulate-General in Shanghai.

CENTRAL AND SOUTH ASIAN STATES

As part of an India-South African Cultural Programme of Co-operation, the South African High Commission in New Delhi presented a number of cultural events in India, while a number of cultural groups from India visited South Africa. The South African High Commission in New Delhi, in close co-operation with the Consulate General in Mumbai, initiated a year-long programme of cultural and tourism promotional events to commemorate the tenth anniversary of diplomatic relations. South Africa provided training to military officers from both India and Pakistan, whilst an official from the Department participated in the thirteenth Advanced Diplomatic Course for African Diplomats, hosted by the Pakistani Ministry of External Relations.

Co-operation between South Africa and the Central Asian States have expanded during 2002 resulting in various delegations from Kazakhstan, Kyrgyzstan and Uzbekistan visiting South Africa. Uzbekistan also appointed its first non-resident Ambassador to South Africa in 2002. During March 2003, the Deputy Minister of Minerals and Energy, Ms Susan Shabangu, officially visited

Kazakhstan and Uzbekistan together with a South African mining delegation.

SOUTHEAST ASIA AND AUSTRALASIA AND REGIONAL ORGANISATIONS AND ISSUES

The past year has seen a number of high level visits from South Africa to South East Asia. During June 2002 Minister Nkosazana Dlamini Zuma led a South African delegation comprising a number of Ministers to the Bali WSSD Prepcom. The Minister of Minerals and Energy, Ms Pumzile Mlambo-Ngcuka, also paid an official visit to Indonesia during the same period. Deputy President Jacob Zuma represented South Africa on the occasion of the independence of Timor Leste on 20 May 2002. South Africa established formal diplomatic relations with Timor Leste during February 2003. The Deputy President Jacob Zuma led the South African delegation to the Langkawi International Dialogue in Malaysia in August 2002.

The establishment of a South African Embassy in Hanoi in the latter half of 2002 further enhanced South African diplomatic relations with the Socialist Republic of Vietnam.

There were two incoming ministerial visits from Singapore. The Minister of State for Defence visited South Africa in July 2002 and the Minister of Transport visited in January 2003.

During the reporting period, South Africa actively participated in the High Level Task Force Process aimed at the renewal and re-

organisation of the Indian Ocean Rim/Association for Regional Co-operation (IOR/ARC). Subsequently South Africa played a leading role in the drafting of the High Level Task Force report and recommendations submitted to the IOR in May 2002.



Delegates to the Heads of Mission Conference for the Middle East held in Pretoria.

• EUROPE AND THE AMERICAS

AMERICAS

ECONOMIC DEVELOPMENT

TRADE

The promotion of economic relations with the US, particularly trade and investment, remained a central element of the bilateral economic relationship in 2002. While the trade relationship continued to develop in 2002, US bilateral trade statistics with South Africa reflected the global economic trend with



Mr Alec Erwin - Minister of Trade and Industry.

a marginal decline in value to some US\$ 6,7 billion. The balance of trade remained in South Africa's favour, and was increased by exports to the US under the General System of Preferences (GSP) Programme through the African Growth and Opportunity Act (AGOA), to the value of more than US\$ 1,3 billion. The benefits accrued under the AGOA provisions nearly doubled from some US\$ 400 million in 2001, to some US\$ 790 million in 2002.

Minister Alec Erwin led the South African delegation to the AGOA Ministerial meeting in January 2003 where South Africa expressed support for the AGOA, and encouraged the US to further assist African countries to achieve sustainable socio-economic development through trade, investment, increased (technical) assistance, and economic capacity-building programmes.



South African steel exports to the United States is an important trade issue that is being addressed bilaterally.

South Africa and the US continued to address bilateral trade issues of mutual interest and concern such as South African steel exports to the United States, United States poultry exports to South Africa, and South African telecommunications policies and legislation.

In October 2002, the Southern African Customs Union

(SACU) accepted the US proposal to negotiate a Free Trade Agreement (FTA) and, in January 2003, the SACU Trade Ministers met in Pretoria with the United States Trade Representative (USTR) for ongoing discussions towards an agreement. The agreement was seen as a means of securing the benefits of AGOA, and expanding the vital partnership between SACU and the US. Given that such comprehensive trade agreements establish long-term relationships beyond technical issues of trade, the Department therefore played an integral and pro-active part, together with the Department of Trade and Industry, in directing the process. To this end, the preparatory work included a roadmap for the negotiations, an agreement on a tentative negotiating timetable, and the establishment of negotiating working groups.

The Canadian Minister for International Trade, Mr Pierre Pettigrew, visited South Africa in November 2002. He was accompanied by a trade delegation comprising some sixty business people. An export promotion seminar on how to do business with Canada was also conducted during this visit. A number of agreements and contracts were signed following the visit.

Trade relations between South Africa and Canada continued to expand with mining remaining the mainstay of this economic relationship. More than half of the annual bilateral trade was linked to the mining sector. This not only included trade in raw materials but also in the fields of mining equipment, technology and services.

The second round of negotiations towards a Framework Trade Agreement (FTAA) between SACU and MERCOSUR was held in Brasilia in August 2002 and in Pretoria in December 2002, with a further round imminent. The inaugural meeting of the SA-Brazil Joint Commission was also successfully held in Brasilia in August 2002, with the participation of a variety of different Departments under the co-chairpersonship of Minister Nkosazana Dlamini Zuma. The second meeting will take place in Pretoria in May 2003. Furthermore, President Mbeki and Minister Nkosazana Dlamini Zuma attended the inauguration of Brazil's President, Lula da Silva, in January 2003 and co-operation with that country continues in a variety of political and technical spheres, to the benefit of both countries.



*President Thabo Mbeki
with the Brazilian
Minister of Foreign
Affairs, Mr Celso
Amorim.*

Investment

The US continued to be the largest single investor in South Africa since 1994. The African Growth and Opportunity Act (AGOA) continued to stimulate investment in South Africa and other AGOA eligible countries in those sectors that export products to the US.

The Department's investment promotion activities in the US

continued to focus on the active promotion of South Africa's macro-economic stability, and projecting South Africa as an attractive and stable investment destination. Activities centred on co-operating with Trade and Investment South Africa (TISA) in encouraging US firms to establish operations in Africa and South Africa as a means of taking advantage of opportunities created through NEPAD. Substantial progress was also made in this regard with the establishment of call centres in South Africa.

Logistical and other support was also provided to members of the South African Cabinet visiting the US economic centres such as the Ministers of Finance, Minerals and Energy, Trade and Industry, and Environment and Tourism. The Department's investor-aftercare programme was also strengthened through regular meetings with the American Chamber (AMCHAM) in South Africa, which enabled the Department to understand and monitor US investor satisfaction better, and to address possible concerns.

During the past year, Canadian Foreign Direct Investment in South Africa occurred within the mining field, and to a lesser extent

in the areas of agro-processing and information technology. Some eighty Canadian companies were active in South Africa during the reporting period.

Multilateral Co-operation

During 2002/03, there was significant multilateral focus to bilateral activities aimed at promoting and explaining South Africa's positions on, and support for, international organisations particularly the United Nations. The Department actively encouraged the US to attend and play a constructive role in the Jo'burg Summit (WSSD). To this end, Minister Nkosazana Dlamini Zuma visited the United States in 2002 for the purpose of engaging the US Administration for support in preparations and participation in the Summit. Secretary of State, Mr Colin Powell, led the US delegation.

The Department also facilitated co-operation between South Africa and the US on a broad range of multilateral issues relating to, inter alia, labour, WTO, aviation, transport, and food relief in the region.

Tourism

Indications in 2002 were that the international political developments have opened unique windows of opportunity for South Africa as a safe, stable and affordable tourist destination in the US. The Department therefore, continued co-operation with SA Tourism in promoting South Africa as a tourist destination, and established joint co-operative efforts to promote tourism and implement SA Tourism's plan of action in the US, as well as to strengthen the Department's tourism promotion capacity.

Imaging and Branding

The Department continued to promote the image of South Africa in the US, as well as the image of the African continent



US Secretary of State, Mr Colin Powell with Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma.

as encompassed by the principles and ideals of NEPAD, and the transition from the OAU to the AU. These were actively promoted through a regular series of speeches, meetings, the provision of background documentation, and the promotion of South African websites. In this regard, notable events

included South Africa as the feature country of the Birmingham (Alabama) festival; a successful Africa week in Los Angeles (California) with South Africa as the feature country; and the facilitation of a study tour to South Africa by a select influential group of US media editors.

STABILITY

Crime

During 2002/03 co-operation under the Justice and Anti-Crime Co-operation Committee (JACC) of the Bilateral Co-operation Forum continued, and the Department facilitated SA/US co-operation on issues relating to mutual legal assistance and extradition on issues such as international crime, money laundering, drug trafficking, and international terrorism.

Good Governance

During the past year, the Department continued to engage the US on issues of good governance, particularly in Africa, within the context of NEPAD. Issues of importance included the development of AU institutions and amendments to the Constitutive Act, as well as the programmes of NEPAD such as the African Peer Review Mechanism.

The United States Agency for International Co-operation (USAID) also continued to support South Africa's efforts to



Deputy Minister of Foreign Affairs, Mr Aziz Pahad, during a meeting with Ambassador Hume, the United States Ambassador to South Africa.

promote democracy and good governance in the country through programmes aimed at strengthening human rights policies and institutions, and building democracy at the national, provincial and local levels.

SECURITY

Conflict Management

As in the case of good governance, high level government-



Minister Geraldine Fraser-Moleketi and Zimbabwean Foreign Minister, Mr Stan Mudenge, during a bilateral meeting.

to-government interactions served to highlight the importance of conflict management within the context of NEPAD. In this regard, US Assistant Secretary of State for Africa Affairs, Mr Walter Kansteiner, and Senior State Department Officials visited South Africa on a number of occasions for discussions on co-operation in support of African peace efforts in the region and continent such as in Burundi and the DRC. There were also exchanges of views on other regional areas of instability such as in Zimbabwe, Ivory Coast, Sudan, and the CAR.

CO-OPERATION

Bilateral Relations

President Thabo Mbeki and Minister Nkosazana Dlamini Zuma attended the inauguration of Brazil's new president, Mr Inancio Lula da Silva, in January 2003.

The 2nd South Africa Cuba Joint Bilateral Commission met in November 2002 in Havana to review existing bilateral co-operation projects and the extension of co-operation to new areas. In April 2002, the first South Africa-Cuba Consultative Mechanism reviewed bilateral and multilateral issues. Minister Nkosazana Dlamini Zuma also visited Cuba in January 2003 where she was honoured by the Cuban government with the Medal of Friendship. The Minister held a bilateral meeting with her Cuban counterpart, Mr Felipe Pérez Roque.

The Department facilitated the visit of an Inter-Departmental Task Team to Haiti to assess South Africa's role in the preparations for the 2004 Bicentennial Celebrations in that country.

During October 2002, Minister Nkosazana Dlamini Zuma

attended the annual meeting of the International Women's Forum in Mexico City where she was honoured with the award for "Women Who Make a Difference". During that visit, the Minister held a bilateral meeting with Mexico's former Minister of Foreign Affairs, Mr Jorge Castañeda.

There was a noticeable increase in the number of US Congressional and Cabinet level delegations to South Africa in 2002. These included visits to South Africa by US Secretary of the Treasury, Paul O' Neill, and Bono; US Secretary for Health and Human Services, Tommy Thomson; US Trade Representative (USTR), Ambassador Robert Zoellick; and US Senate Majority Leader at the time, Senator Tom Daschle. These visits were utilised to gain Administration and Congressional support for South African and African initiatives such as NEPAD and its related programmes. South African engagement of the US Administration and Congress on bilateral and African issues also took place through a number of high level visits to the US, such as by Minister Nkosazana Dlamini Zuma around the issue of WSSD, and by Deputy Minister Pahad for bilateral discussions and engagements with the US Congress on



Minister Nkosazana Dlamini Zuma received an award for "Women Who Make a Difference" in Mexico City in October 2002.

promoting the implementation of NEPAD.

South Africa enjoys cordial relations with Canada and considerable co-operation occurred on both bilateral and multilateral level. Canada has been a consistent supporter of developing countries within institutions such as the UN, Commonwealth and G8. Within the G8, Canada has taken the lead in co-ordinating the G8 response to NEPAD. Prime Minister Chrétien and Canadian civil society in general have continued to express strong support for NEPAD. Concrete steps in this regard include Canada's scrapping of tariffs for Least Developed Countries (LDCs), an increase in Official Development Assistance (ODA) and the establishment of a C\$ 500 million Africa Fund.

Human Resource Development

The Department contributed to the process of building a broad-based skills capacity. To this end, efforts focused on facilitating the expansion of academic exchange programmes between US and South Africa's educational institutions, and on broadening existing programmes such as the Fulbright and Mandela scholarship

programmes. Furthermore, linkages between schools in South Africa and the US through Provincial-to-State international outreach programmes were promoted.

Health

The US Agency for International Development (USAID) assistance programmes continued to focus on strengthening South African primary health care, particularly at the provincial level, through ongoing co-operation between government and non-governmental organisations. The programmes continued to focus on sexually transmitted diseases, Tuberculosis, AIDS orphans, and research, while HIV/AIDS awareness and vaccine development programmes were also expanded.

Following the visit to South Africa by US Secretary for Health and

The programmes continued to focus on sexually transmitted diseases, Tuberculosis, AIDS orphans, and research, while HIV/AIDS awareness and vaccine development programmes were also expanded.

Human Services, Mr Tommy Thompson, high level interactions and engagements between the South African Minister of Health and Senior Officials with the US continued with a view to strengthening South Africa's capacity to address the health challenges facing South Africa and the region in areas such as HIV/AIDS, Malaria, Tuberculosis, and other infectious diseases; and to mobilise resources towards combating them.

Poverty Alleviation

Ongoing co-operation with the National Treasury took place in streamlining the development assistance activities and programmes of the US Agency for International Development (USAID) in line with South Africa's developmental priorities. Numerous



USAID programmes in South Africa have focused on issues such as improving primary health care.

disbursement agreements were processed during the period and USAID operations in SA increased their annual level of funding beyond the previous year's amount of US\$50 million. The USAID programmes of assistance focused on promoting democracy and good governance in South Africa, strengthening the capacity of provincial and local education institutions, improving primary health care, technical assistance and scholarships to improve the economic capacity in the country, improving the quality and access to housing, and urban and environmental services in South Africa.

South African activities focused on monitoring and influencing developments in the establishment of the US Millennium Challenge Account (MCA) with a view to aligning the MCA eligibility criteria with NEPAD

objectives, and for the possible inclusion of South Africa as a recipient of MCA funding.

Canada and South Africa co-operate actively in the field of development assistance. Canadian projects in South Africa are largely directed towards poverty alleviation and the fight against HIV/AIDS. A successful twinning programme was also undertaken. This programme pairs six Canadian provinces with six South African provinces and is aimed at promoting good governance and the strengthening of capacity within the two countries.

EUROPE

ECONOMIC DEVELOPMENT

TRADE

South Africa relates to the European Union (EU) at various levels and in many fora. The most important of these relations is the bilateral relationship followed by the regional and continental dimensions. South Africa is also a signatory of the Cotonou

Partnership Agreement, which is the basis for co-operation between the African, Caribbean and Pacific (ACP) group of states and the EU. Bilaterally the Trade, Development and Co-operation Agreement (TDCA) govern our relations with the EU, which enshrines trade, development co-operation and political dialogue. The TDCA encompasses four side agreements, viz. Science and Technology, Wines and Spirits, Fisheries and the European Programme for Reconstruction and Development (EPRD). At the regional and continental levels several processes relate Africa (South Africa included) to the EU. These include the Cairo Process, the Cotonou Partnership Agreement and the NEPAD.

The finalised SA-EU Trade, Development and Co-operation Agreement was signed on 11 October 1999 and provisionally entered into force in January 2000. Ratification of this TDCA by EU members is expected during the next year. Ratification of the TDCA is expected to boost South Africa's economy, especially bilateral trade with Europe. According to analysts the TDCA will liberate an additional 30 billion US Dollar worth of trade between South Africa and EU Member States when fully implemented. The EU is

already South Africa's largest trading partner while South Africa ranks as the EU's 15th largest trading partner.

The Wines and Spirits Agreement (WSA) was signed on 28 January 2002 and is being implemented retroactively since 1 January 2002 to ensure that no benefits are lost from the WSA. Negotiations on a Fisheries Agreement were put in abeyance pending policy reforms in the EU.

Europe is the largest source of Foreign Direct Investment (FDI) to South Africa. It also accounts for 44 % of total FDI flows to South Africa and six out of the top ten foreign investors in South Africa are members of the EU.

During the reporting period, South Africa interacted with the EU as a member of the African, Caribbean and Pacific (ACP) Group, which is governed by the Cotonou Partnership Agreement (CPA). The ACP and EU are currently negotiating a new trading regime to replace the non-reciprocal trade preferences agreed under the Lome Conventions. South Africa is not a direct participant in these negotiations but it assists the ACP in an advisory capacity. In this regard, South Africa hosted SADC Ministers of Trade in March

2003 to discuss the negotiations on a regional level. In addition, a South African specialist on trade negotiations was seconded to the ACP Secretariat in Brussels for a period of time during 2002.

In 2002/03 several Ministerial visits took place to German-speaking Europe to foster bilateral relations and enhance trade relations. German-speaking Europe has expressed its full support for NEPAD, which should be seen against the broader background of those countries' increasing role in global affairs. Although German-speaking Europe had been occupied by the deteriorating situation in Iraq, they continued to engage South Africa in both bilateral and multilateral matters.

Relations with the countries of Central and Eastern Europe were further expanded during the report period. On 18 March 2003, the Government of the Russian Federation issued a decree that placed South Africa, with effect from 1 April 2003, on the list of Developing Countries enjoying preferential trade status with the Russian Federation. In general terms, South African exports to the Russian Federation will now enjoy a 25 % reduction in import tariffs, thus opening up the lucrative Russian Market to the South

African private sector.

Regarding other countries of Central and Eastern Europe, South Africa's bilateral trade expanded, while specific attention was paid to programmes of co-operation in the field of science and technology, military industrial co-operation, agricultural co-operation and tourism promotion.

During the year under review it was announced that eight Central European countries would become members of the EU on 1 May 2004. This development has been and will continue to be studied in terms of the challenges it might present for South Africa's bilateral relations.

CO-OPERATION

One of the key aspects of South Africa's relations with the EU, within the framework of the ACP-EU partnership, is its active



The Deputy Minister of Foreign Affairs, Mr Aziz Pahad, met with the Deputy Minister of Foreign Affairs of Belarus, Dr Vasily Pugachev, in Pretoria.

participation in ACP-EU Joint Parliamentary activities. It was within the context of further facilitating greater understanding between the peoples of the EU and ACP that South Africa hosted the 4th Session of the ACP-EU Joint Parliamentary Assembly (JPA) from 18 to 21 March 2002

in Cape Town. The 5th ACP-EU JPA took place in Brazzaville (the Republic of Congo) from 31 March to 3 April 2003. At this meeting all key speakers underlined the support for, and the importance of, NEPAD for Africa's development.

South Africa's relations with European Parliamentarians are also of high standing with regular exchanges having taken place. The SA-EU Science and Technology Agreement was the first Agreement signed between post-apartheid South Africa and the EU. It was signed in December 1996 and entered into force in

November 1997. It allows South African researchers to engage in collaborative research projects funded by the EU.

South Africa, as Chair of the AU, has taken a lead in ensuring that NEPAD is discussed with all EU Member States (especially those that are also members of the G8) on a regular basis. Some countries, as well as the President of the European Commission, have already appointed Special Representatives to work with the NEPAD Secretariat and identify areas of co-operation in NEPAD projects.

Bilateral Relations

The close relations between South Africa and the Benelux countries during the year were reflected by the increased flow in high level visits, augmented by development assistance programmes, as well as by

close co-operation, and political and financial support, for South Africa's role in conflict resolution and peacekeeping operations in the Great Lakes region. Both the Kingdom of The Netherlands and the Kingdom of Belgium are closely interacting with South Africa in the promotion of peace and security on the African Continent which reflects their commitment to the objectives and ideals of the AU and NEPAD.

President Mbeki and the Prime Ministers of Denmark, Finland, Iceland, Norway and Sweden held a South African – Nordic Summit in Norway in May 2002. The resulting Molde Declaration reaffirmed the strong links between South Africa and the Nordic countries, and the Nordic Prime Ministers expressed their full support for the goals of NEPAD and committed themselves



Sweden's Foreign Minister, Ms Anna Lindh, with Minister Nkosazana Dlamini Zuma at a press conference in Pretoria.

to assisting Africa to achieve the international Millennium Development Goals.

In further cementing our very good relations with the Federal Republic of Germany, President Rau paid an official visit to South Africa in January 2002, during which time he participated in the 50th anniversary of the German Chamber of Commerce

in South Africa. Germany is an active player on the international stage, which demands that South Africa continues to develop its partnership with that country, not only to benefit the country, but also Africa and the Developing World as a whole.

During the reporting period, high level Ministerial and Deputy Ministerial visits to France, Italy and Portugal took place to discuss bilateral co-operation with regard to NEPAD, as well as in the context of relations with the G8 and the EU.



President Constatinos Stephanopoulos of the Hellenic Republic and President Thabo Mbeki addressing the media in Cape Town.

President Mbeki attended two Summits in France, i.e. the Special Summit on Côte d'Ivoire held from 25 to 26 January 2003, as well as the Franco-Africa Summit that took place from 20 to 21 February 2003. Issues relating to the African agenda received priority and attention during these meetings.

The President of the Hellenic Republic, Mr Constantinos Stephanopoulos, paid a State Visit to South Africa in October 2002, prior to the Hellenic EU Presidency that assumed in January 2003. President Stephanopoulos pledged strong support for the NEPAD, also in the EU context. He was accompanied by a prominent Hellenic trade delegation, and trade seminars were held in Cape Town and Johannesburg during the visit.

The 2nd Session of the Inter-Governmental Committee on Trade

and Economic Co-operation (ITEC) between South Africa and the Russian Federation in November 2002, resulted in strengthening of co-operation between the two countries in the following fields: Trade, Investment and Banking; Science and Technology; Minerals and Energy; Aviation and Maritime; Health and Education; Agriculture; Water Affairs and Forestry; and Military Industrial co-operation. The 3rd Session of ITEC is scheduled for later part of 2003.

South Africa maintains resident Diplomatic Missions in Bulgaria, the Czech Republic; Hungary; Poland; the Russian Federation; Turkey; and Ukraine. South African representatives are non-residentially accredited to Albania; Armenia; Azerbaijan; Belarus;



Deputy Prime Minister Matviyenko from Russia (far left) met with President Thabo Mbeki at the conclusion of the 2nd South African – Russian Federation Joint Inter-Governmental Session held in Pretoria.

Bosnia and Herzegovina; Croatia; Estonia; Georgia; Latvia; Lithuania; Romania; Moldova; Slovakia; Slovenia; as well as Serbia and Montenegro.

Poverty Alleviation

The TDCA provided the legal basis for continued EU support for development activities in South Africa channelled through the European Programme for Reconstruction and Development (EPRD). The EPRD is funded directly from the EU budget with an annual 127,5 million Euros, and is the single largest development programme in South Africa financed by foreign donors



The European Programme for Reconstruction and Development continued to give financial support to health projects in South Africa.

(from 1995 to 1998 the EU provided 43% of all foreign grant aid to South Africa). Projects such as Aids awareness, health, sanitation, education, capacity building in various sectors, SMMEs and a variety of other programmes continued to be supported through the EPRD. Further assistance was supplied through soft loans from the European Investment Bank. These funds are managed by the

Industrial Development Corporation on behalf of the Government. The South African Government met with the EU as part of the usual at-least-once-a-year discussions on co-operation under the EPRD. As the TDCA is a developmental agreement, a portion of the EPRD is dedicated to regional development.

- **MULTILATERAL**

PEACE AND SECURITY

During 2002/03, the Department dealt with a wide range of issues in the area of peace and security. Issues covered related to arms control, non-proliferation and disarmament; the UN in New York; the Non-Aligned Movement (NAM); and the Commonwealth; as well as the co-ordination of South Africa's positions on, and participation in, peace missions. With regard to arms control, non-proliferation and disarmament (both in terms of conventional arms and weapons of mass destruction) the Department worked in areas of national, regional and international arms control, as well as in international and regional negotiations. The focus of the work in the context of the United Nations during 2002 was on developments in the UN Security Council with regard to Iraq, terrorism, peacekeeping operations in the DRC and Burundi, etc. The Department also co-ordinated and developed positions for South Africa's participation in the 57th Session of the UN General

Assembly. The UN section furthermore dealt with issues relating to the Commonwealth and the Non-Aligned Movement (NAM). The Department's National Office for Co-ordinating Peace Missions (NOCPM) focused on South Africa's own deployment of personnel to peacekeeping operations, liaison with the UN in this regard and on the peacekeeping debate within the UN.

DISARMAMENT AND NON-PROLIFERATION

The past year witnessed a rise in the tendency towards the adoption of unilateralist positions by key international role-players on issues of disarmament, non-proliferation and arms control. This among others, had an adverse effect on the prospects of the entry into force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT), the strengthening of the implementation of the Biological Weapons Convention (BWC) and the future of multilateralism in the area of international peace and security. The year 2002/03 also witnessed increasing determination by key international role-players on issues of disarmament, non-proliferation and arms control, to pursue national interest agendas more vigorously in multilateral institutions.

Notwithstanding, South Africa continued to reinforce its role as an active and substantive role-player on arms control, non-proliferation and disarmament issues. In this regard, the country played a meaningful role at both national and international levels, as well as within the political groupings it participates in, such as the NAM and the Conference on Disarmament's Group of 21. For example, important progress was made on the implementation of the Anti-Personnel Mine Ban Treaty (MBT) and the meetings of the Group of Experts mandated by the Second Review Conference of the Certain Conventional Weapons Convention (CCW). In addition, the Fifth Review Conference of the Biological and Toxin Weapons Convention (BWC) ended on a positive note with the adoption of a modest decision to hold annual meetings of States Parties, which as a minimum keeps the multilateral approach intact to enhance the implementation of the Convention. South Africa and its New Agenda Coalition (NAC) partners also managed to play a positive role in the first preparatory committee meeting for the Fifth Nuclear Non-Proliferation Treaty (NPT) Review Conference, and successfully submitted two resolutions to the First Committee of the 57th Regular

*Acting
Director-General,
Mr Abdul Minity,
and Deputy
Minister, Mr Aziz
Pahad, briefing the
media on South
Africa's position on
Iraq.*

Session of the General Assembly. South Africa, Colombia and Japan were also the main co-sponsors of the resolution on Small Arms and Light Weapons, which was adopted by consensus.

At a bilateral level, the Department participated in discussions convened by some bilateral desks within the Department. Work was also undertaken on draft agreements on the peaceful uses of nuclear energy between South Africa and Russia, China, Ukraine and the US.

In addition to the above, some of the noteworthy achievements during 2002 were within the following areas:

Small Arms

The most significant development in 2002/03 was the small arms “African Conference on the Implementation of the UN Programme of Action on Small Arms: Needs and Partnerships” that was held in South Africa from 18 to 21 March 2002. The Conference, held in Centurion, was co-hosted by Austria, Canada, Kenya, Mali, The Netherlands, Nigeria, Norway, South Africa, Switzerland and the UK. The Conference was sponsored by the six Organisation for

Economic Co-operation and Development (OECD) co-hosts and was organised by the Pretoria-based NGO’s, SaferAfrica.

The Conference reviewed the commitments made in the UN Programme of Action (adopted during the July 2001 UN Conference on small arms) and examined how OECD and African countries could support the national, sub-regional and international undertakings in the implementation of the Programme of Action. This was the first major African conference to be held on the issue of small arms in Africa since the July 2001 UN Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects. Delegates from forty-one African countries, twenty-nine countries from the OECD, as well as a number of regional secretariats, experts and NGOs participated in the Conference.

The meeting focused on the development of guidelines for co-operation and implementation initiatives in the following broad areas, with a view to identifying capacity-building, training and technical assistance needs, as well as resource implications:

- Collection, destruction and public awareness;
- Stockpile management;

- Monitoring, including production, supply and transfer when applicable;
- Improving administrative regulations and legislation and enhancing the potential for harmonisation;
- Enhancing information exchange and co-operation to control the illicit trade in small arms.

The OECD countries participated in their national capacities in a separate session on donor co-ordination with a view to establishing, either individually or as a group, co-operative partnerships with individual or regional groups of African countries in order to assist in the implementation of the measures identified in the Conference report.

The SADC Committee on Small Arms held one formal meeting in Pretoria in February 2002, to exchange information on the degree to which the “Protocol on the Control of Firearms, Ammunition and Other Related Materials in the SADC Region” had been implemented nationally. The Southern African Regional Police Chiefs Co-operation Organisation (SARPCCO) developed its Action

Plan in September 2002, which was presented to the EU at the November 2002 SADC/EU Working Group meeting.

Internationally, focus was also on the implementation of the Programme of Action on small arms, adopted at the 2001 UN Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects. In this regard, the Mission in Geneva actively participated in the meetings of the Geneva Process on small arms. The Geneva Forum, which consists of three partner organisations, namely the Quaker UN Office; the Programme for Strategic and International Security of the Graduate Institute of International Studies; and the UN Institute for Disarmament Research (UNIDIR), initiated the Geneva Process. This process is an informal small arms forum in which key actors (representatives of States and NGOs) could meet on a regular basis. The objective of the initiative was to share information about ongoing initiatives, highlight areas for concerted action, and generally act as an ongoing forum to facilitate implementation of the UN Programme of Action on small arms. South Africa utilised this forum to highlight work being undertaken on small arms in Africa in general, and specifically in

Southern Africa and South Africa.

Mine Action

South Africa's role in eliminating anti-personnel mines was further consolidated during 2002/03 through its active participation in the Mine Ban Treaty's (MBT) inter-sessional work programme and the Fourth Meeting of States Parties of the MBT.

All substantive inter-sessional work on the implementation of the MBT is being conducted in Geneva under the administrative auspices of the Geneva International Centre on Humanitarian Demining (GICHD), of which South Africa is one of the 18 members on the Foundation's Council. A notable achievement was the endorsement by the Fourth Meeting of States Parties of a process to prepare for the MBT's first Review Conference to be held in 2004, which was based on a proposal developed by the Department and our Mission in Geneva.

The Fourth meeting of High Contracting Parties to the Amended Protocol II of the Convention on Certain Conventional Weapons (CCW), the meetings of the Group of Experts, as well as the

meeting of High Contracting Parties of the CCW were also held in Geneva. South Africa actively participated in these meetings and, among others, chaired and co-ordinated the positions of the NAM at these meetings, and circulated a working paper on compliance. South Africa also ensured that the Group of Experts placed an emphasis on the issue of victim assistance in the context of discussions on the issue of explosive remnants of war.

The Fourth Meeting of States Parties to the Mine Ban Convention also reviewed the work of the Standing Committees (SC) in order to consider developments and the status of implementation of the Treaty in their respective fields of responsibility. These Standing Committees are on:

- Mine Clearance, Mine Awareness and Mine Action Technologies. The name of this committee was later changed to the "Standing Committee on Mine Clearance, Mine Risk Education and Mine Action Technologies";
- Victim Assistance;
- Stockpile Destruction; and
- General Status and Operation of the Convention.

At the Fourth Meeting of States Parties to the Mine Ban Treaty, States Parties in a position to do so committed themselves, on a long-term basis, to sustain the process of achieving the



Convention's humanitarian aims. Within that context, Norway put forward a proposal of a contact group for resource mobilisation. With regard to universalisation, Austria, on behalf of eleven other countries including South Africa, presented a declaration on Human Security Network. Human Security Network is aimed at promoting the universalisation of the Convention. The declaration was supported by all delegations. The meeting, however, failed on one aspect - it could not reach consensus on obtaining a negotiating mandate for a possible instrument on "Mines Other Than Anti-Personnel Mines" (anti-vehicle mines – AVMs). Some States Parties rejected the proposal on the basis that they would

not be able to implement the provisions of any instrument that would restrict the use of these mines. States Parties agreed that the Group of Governmental Experts should simply further "explore" the issue of AVMs.

On the issue of compliance to the CCW, it was agreed that the proposals on this issue should be further discussed during the inter-sessional period.

National Conventional Arms Control Committee (NCACC)

During 2002/03, the Department continued to participate in the NCACC process. On the basis of the information provided, South Africa was able to conduct arms and technology transfers in line with its foreign policy objectives and international commitments on disarmament, non-proliferation, arms control and human rights.

The Department also played an active role in providing relevant support to the debate on the National Conventional Arms Control (NCAC) Bill. Subsequently, the NCAC Bill was adopted by Parliament and will become law after being signed by the President.

Missile Technology Control Regime (MTCR)

The focus of the MTCR in 2002/03 was to address the threat of the proliferation of ballistic missiles and weapons of mass destruction delivery system capabilities. South Africa actively participated in the MTCR and other international meetings that culminated in the launch of an “International Code of Conduct Against Ballistic Missiles (ICOC)” later renamed “The Hague Code of Conduct”. South Africa was one of 93 countries that subscribed to The Hague Code of Conduct. The Code is politically binding and it aims, through norm-building, proper non-proliferation and disarmament conduct, transparency and confidence-building measures, to curb the spread of powerful and dangerous delivery systems for weapons of mass destruction. South Africa advocated

a process of universalisation of the Code of Conduct that should take place through a transparent and inclusive negotiating process, which would be open to participation by all States on the basis of equality.

Biological Weapons Convention (BWC)

South Africa played an active role, also in the context of NAM, in the successful conclusion of the Fifth Review Conference. The South African delegation to the First Committee (Disarmament) of the 57th Session of the UN General Assembly had formally proposed the outlines of a compromise solution to resolve the difficulties being confronted by the BWC during the General Debate of the First Committee. South Africa was acknowledged for its ability to bridge differences between the various political groupings and for its capacity to come forward with suggestions that could provide a basis for agreement.

The outcome of the BWC’s Fifth Review Conference reflects a “scaled down” version of the expectations of the overwhelming majority of BWC States Parties. The primary focus of the decision

that was adopted is to ensure that a multilateral process to address the international security issues surrounding the BWC is maintained. As such, the decision provides for the States Parties to hold three annual meetings of one-week duration in 2003, 2004 and 2005 “to promote common understanding and effective action on various topics, such as national implementation measures and codes of conduct for scientists”.

Chemical Weapons Convention (CWC)

During 2002/03, the Department continued with its efforts to consolidate and enhance South Africa’s profile within the Organisation for the Prohibition of Chemical Weapons (OPCW). In pursuit of this goal, the Department developed guidelines to guide our mission in The Hague in influencing policy within the Organisation. South Africa played a positive role at the Seventh Annual Conference of States Parties of the Chemical Weapons Convention, which dealt with a wide variety of issues. The most important was the approval of the OPCW budget for 2003. The approval of the 2003 budget represented a significant increase



Deputy Minister Aziz Pahad during a visit to Protechnik Laboratories where chemical weapons testing can be done, ahead of the visit to Iraq.

in funding for the Organisation to cover the expected increase in verification activities brought about by the start of the Russian Federation’s programme to destroy its chemical weapons stockpiles. The Conference also prepared the way for the holding of the First Review Conference of the Chemical Weapons Convention (CWC) to be held in The Hague during the coming year.

The Department also represented South Africa at the OPCW Workshop on the Chemical Weapons Convention held in Khartoum, Sudan. Although seventeen African countries have yet to become States Parties to the CWC, countries such as Libya, Rwanda and the Central African Republic indicated at the Workshop that they would become Parties to the Convention in the near future. The Conference stressed the need for the OPCW to reinforce its regional approach for implementation of the CWC and for achieving its universality. A call was also made for closer interaction between the OPCW and the AU, as well as other regional groups. In this regard, the workshop recommended that Sudan should propose that an item on the CWC be included in the agenda of the next AU Council of Ministers Meeting in order to stimulate interest in, and promote adherence to, the Convention by African States.

A new Director-General for the OPCW, Ambassador Pfirter of Argentina, was appointed in September 2002.



Rwandan Foreign Minister, Dr Murigande, at an ad hoc AU Ministerial Committee meeting held in Sun City.

Conference on Disarmament (CD)

The Conference on Disarmament ended 2002/03 without a programme of work and, therefore, no substantive negotiations. Again, as in 2001, this situation could be largely attributed to a failure to break the deadlock on substantive issues. This deadlock primarily revolved around the insistence by some delegations of seeking substantive work on preventing an arms race in outer space

(PAROS), which was inter-linked with the proposed deployment of a national missile defence system by the US and its withdrawal from the Anti-Ballistic Missile Treaty (ABM).

Despite the inability of the CD to agree on a programme of work, some initiatives on fissile material were undertaken in the context of the CD. South Africa circulated a working paper on fissile material (CD/1671 and CD/1671/Add.1) that outlined the position of South Africa on the possible elements for a treaty on fissile material. The working paper was well received in the CD and many delegations made positive references to the working paper in their CD statements. In addition, South Africa also participated in the initiative of the Netherlands to discuss the issue of fissile material in the margins of the CD.

First Committee of the UN General Assembly (UNGA)

The Department actively participated in the process of preparing directives and decisions to be considered by the First Committee (Disarmament and International Security) of the United Nations General Assembly during the 57th Regular Session of the

General Assembly.

South Africa actively participated in the work of the First Committee, where it successfully introduced, co-sponsored and supported a wide range of resolutions and positions that served various purposes. South Africa's participation had a number of important goals:

- (a) to keep the debate alive on certain pertinent issues in the field of disarmament, non-proliferation and arms control,
- (b) to consolidate the gains made at various conferences such as the 2000 Nuclear Non-Proliferation Treaty (NPT) Review Conference,
- (c) to promote and consolidate the achievements in the area of small arms proliferation and illicit trafficking, and
- (d) to provide practical and middle of the road solutions to elusive issues engulfing the international disarmament, non-proliferation and arms control debate.

The Department also continued to use the First Committee as a capacity building tool for new colleagues in the business unit.

Comprehensive Nuclear-Test-Ban Treaty (CTBT)

While the costs of CTBT related activities had been reduced in 2001, in 2002 South Africa sought to influence the political agenda of the CTBT. Towards the end of 2002, the Department held exploratory talks with the Provisional Technical Secretariat of the CTBT Organisation (CTBTO) on the universalisation of the Treaty in Africa. In this regard, an outreach public information seminar will be convened for the African region.

South Africa also participated in the activities of the CTBTO to facilitate the entry into force of the Treaty. In this regard, Minister Nkosazana Dlamini Zuma joined her other counterparts in issuing a CTBT Ministerial Declaration in the margins of the 57th Regular Session of the General Assembly. The Declaration calls upon those who have not yet signed/ratified the CTBT to do so.

South Africa continued its negotiations with the US aimed at finding an acceptable agreement on the running of the Boshoff Seismic Station. South Africa has invited the US to send a delegation of experts to Pretoria in early 2003 to negotiate the text of an Agreement on the management and maintenance of the station.

International Atomic Energy Agency (IAEA)

Together with other South African role players in the nuclear field, the Department participated in the South African delegation during the annual General Conference (GC) of the International Atomic Energy Agency. The delegation led by the Deputy Minister of Minerals and Energy participated in side events of the GC focusing on scientific developments in the fields of nuclear energy. The delegation also played an influential and meaningful role regarding resolutions on transportation safety, the management of nuclear knowledge and nuclear terrorism.

The Department also co-ordinated South Africa's positions for the different sessions of the IAEA Board of Governors meeting in September 2002, as well as the GC. In this regard, the Department convened meetings on a regular basis with the relevant authorities in the nuclear field.

In 2002, South Africa hosted a public information seminar for African countries under the auspices of the IAEA on Safeguards Agreements and their relevance to the non-proliferation and disarmament goals.

Nuclear Suppliers Group (NSG)

South Africa participated in the 2002 plenary meeting of the NSG held in Prague. The Department also provided guidance to our Mission in Vienna for its participation in follow-up meetings of the NSG that took place during the course of the year to ensure that South African positions are co-ordinated on a continuous basis.



Ending Africa's conflicts is a prerequisite for economic prosperity on the continent.

Nuclear Non-Proliferation Treaty (NPT)

South Africa participated actively in the NPT Preparatory Committee meetings, as well as the New Agenda Coalition (NAC) initiative. Our Mission in Geneva actively participated in the NAC's preparations for the first preparatory committee

meeting of the 2005 NPT Review Conference and in the preparation of the NAC resolutions for the First Committee. South Africa also participated in the February Tokyo workshop on "The Role and Perspective of the NPT in the 21st Century

– Towards a Smooth Start of the 2005 NPT Review Process". The workshop served as "a brain-storming and an exchange of views session", in preparation for the NPT Preparatory Commission to be held in April in New York.

National Office for the Co-ordinating Peace

Missions (NOCPM)

During 2002/03, the NOCPM continued to play a supportive role to South African efforts in conflict prevention, resolution,

management and post-conflict peace building (PCPB). The NOCPM also co-ordinated the deployment of South African military personnel to peace missions. In this regard, the NOCPM ensured, in consultation with the Joint Task Team (JTT) on Peace Missions, that South Africa, where feasible, increased its participation in peace missions through troop and other personnel contributions. As a result, South Africa is now a troop contributor to UN peacekeeping operations such as the UN Mission in the Democratic Republic of Congo (MONUC), UNMEE/OLME and has also contributed a battalion for VIP protection for the returning political exiles in Burundi.

Furthermore, the NOCPM also played a role with regard to the following:

- Effective use of capacity building offers through offered training opportunities, as well as the initiation of consultations with NGOs, and academia to facilitate planning for the preparation of a comprehensive data-base of available government and civilian resources for use in peace missions;

- Domestically setting in motion the process of inter-Departmental consultations to develop South African policy on UN Procurement system, UN Standby Arrangements (UNSAS), budgeting for peace missions, civilian police, media strategy and co-ordination;
- Internationally building strategic alliances in approaching the question of the reform of UN peacekeeping;
- Coupling of diplomatic initiatives with other measures through the JTT for effective conflict prevention, resolution, management and PCPB activities; and
- Playing a leading role in getting the peace mission in Burundi supported by the UN Security Council.

In addition to the above, the NOCPM also proposed to the JTT the convening of a special working session to review the work of the NOCPM. The aim of this working session would be to strengthen the NOCPM so that it serves as an effective nodal point for liaison with respect to peace missions, as well as peacekeeping policy development.

UNITED NATIONS (INCLUDING COMMONWEALTH AND NON-ALIGNED MOVEMENT (NAM))

The 57th Session of the UN General Assembly

President Mbeki, accompanied by Minister Nkosazana Dlamini Zuma, attended the General Debate of the 57th Session of the United Nations General Assembly (UNGA57) from 11 to 16 September 2002. The President addressed the General Assembly during the opening session of the General Debate.

Minister Nkosazana Dlamini Zuma remained in New York until 21 September 2002, during which time she, inter alia, chaired the Ministerial meeting of the Non-Aligned Movement (NAM). The Minister also attended various ministerial level meetings, including those of the G77 and China, Commonwealth, and Indian Ocean Rim-Association for Regional Co-operation (IOR-ARC).



UN Secretary-General, Mr Koffi Annan, sharing a lighter moment with President Thabo Mbeki during the WSSD in Johannesburg.

A comprehensive programme was arranged for the President and the Minister, including a series of bilateral meetings that took place on the fringes of UNGA57. In preparation for the visit, the Department inter alia prepared a set of briefing notes, and draft statements for the President and Minister, as well as the credentials

for the South African delegation.

Participation of the South African Delegation in UNGA57

The South African delegation played a leading role during the course of UNGA57 in the promotion of NEPAD. President Mbeki delivered a keynote address at the one-day high-level plenary meeting of the United Nations General Assembly on NEPAD, which took place on 16 September 2002. This meeting

culminated in the adoption of a political declaration and resolution in support of NEPAD, which established the framework around which the international community, including the UN system, should concentrate its efforts for Africa's development.

Attention was further given to ensure that NEPAD was incorporated into relevant South African statements as well as UN resolutions covering a wide range of topics. In doing so, NEPAD became fully integrated into various UN programmes and plans of action, particularly through the implementation of the UN Millennium Declaration.

Directives setting out South Africa's policy positions were prepared for each of the almost 180 items on the agenda of the General Assembly, also covering all the draft resolutions that were tabled.

South Africa was elected to Chair the Special Political and Decolonisation Committee (Fourth Committee) of the General Assembly and in this capacity steered the work of the UNGA on important matters such as the issue of Palestine and UN peacekeeping activities. South Africa was also a member of

the General Committee of the UNGA where it contributed to determining and finalising the agenda for UNGA57.

Resolutions Sponsored by South Africa

South Africa sponsored and actively negotiated a number of important resolutions during UNGA57, including, inter alia, the following:

- The General Assembly Declaration on NEPAD
- The final review and appraisal of the new UN Agenda for the Development of Africa in the 1990. This resolution created NEPAD as the new framework for future co-operation between the UN and Africa);
- Enhancing international co-operation towards a durable solution to the external debt problem of developing countries;
- Co-operation between the UN and the AU;
- The causes of conflict and the promotion of durable peace and sustainable development in Africa;
- The World Summit on Sustainable Development;
- High-level international inter-governmental consideration of

financing for development;

- Follow-up to the World Conference Against Racism and Xenophobia in all its manifestations.

South African Candidatures

South Africa was elected to the UN Committee for Programme and Co-operation, as well as the Inter-governmental Working Group on International Standards of Accounting and Reporting (ISAR). Minister Fraser-Moleketi was also elected to the newly formed Committee of Experts on Public Administration. A South African candidate contested the election for the judges for the International Court of Justice, but was not elected. A South African candidate, Justice Navanethem Pillay, also contested the election for judges to the International Criminal Court, which took place at the UN in New York on 4 February 2003. She was successfully elected.

Financial Contributions to the United Nations

South Africa contributed to the regular budget of the United Nations for 2002 and to the UN peacekeeping budget, including

contributions to the International Criminal Tribunals for Rwanda and the former Yugoslavia. South Africa also made a voluntary contribution towards the establishment of the Special Court for Sierra Leone.

South Africa is one of the few UN member states that has met its financial obligations to the Organisation in full, on time and without condition. As a result, South Africa has consistently appeared on the UN Secretary-General's "Roll of Honour" of countries that have paid their dues timeously.

Concrete Actions to Combat International Terrorism

In accordance with relevant United Nations Security Council resolutions, including 1373 (2001) of 28 September 2001 and 1390 (2002) of 16 January 2002, the Department of Foreign Affairs, in co-operation with other Government Departments and institutions, continued strengthening efforts to ensure full compliance with South Africa's international obligations in combating terrorism. The Inter-Departmental Counter-Terrorism Working Group, chaired by the Department of Foreign Affairs, continued to co-ordinate

South Africa's implementation of the various UN Security Council resolutions, including the compilation of South Africa's National Reports to the Security Council.

During 2002, South Africa submitted two National Reports to the Security Council. The first report on the implementation of Resolution 1390 (2002) was submitted by the due deadline of 16 April 2002. The second report, a Supplementary Report on the implementation of resolution 1373 (2001), was submitted to the Security Council on 8 July 2002, following receipt of a letter dated 15 April 2002 containing the comments of the Security Council Counter-Terrorism Committee (CTC) on South Africa's National Report of 24 December 2001. The CTC, in a letter dated 30 October 2002, presented the Committee's further comments on South Africa's Supplementary Report on the implementation of Resolution 1373 (2001) and requested South Africa to provide additional information on certain points contained in the Supplementary Report by 30 January 2003. The texts of all the National Reports submitted by South Africa have been posted on the UN website (www.un.org) together with those submitted by

other Member States.

During December 2002, an official from the Department of Justice was appointed to serve for a period of one year on the CTC core group of experts, responsible for the evaluation of national reports.

South Africa also actively participated in the AU High-Level Inter-governmental meeting on the Prevention and Combating of Terrorism in Africa, held from 11 to 14 September 2002 in Algiers, Algeria.

Compliance with UN Security Council Resolutions, including Implementation of Sanctions Regimes

The Department co-ordinated all actions required to ensure that South Africa fully complies with UN Security Council resolutions and sanctions regimes in terms of national policy. In this regard, South Africa's interaction with the Security Council itself, as well as with the various structures established to monitor different UN Security Council resolutions, was facilitated. The following are particularly noteworthy in this regard:

Sanctions against the Taliban/Al-Qaeda

The UN Security Council, on 16 January 2002, adopted resolution 1390 (2002), whereby it strengthened the measures adopted by the Council pursuant to resolutions 1276 (1999) and 1333 (2000) against the Taliban/Al-Qaeda and entities associated with them. In accordance with Resolution 1390 (2002), the Department co-ordinated South Africa's National Report on the implementation of the resolution, which was submitted to the Security Council on 8 July 2002. Lists of individuals and entities subject to Security Council sanctions, as regularly updated by the Afghanistan Sanctions Committee, are circulated to relevant institutions on an ongoing basis for follow-up action and full implementation.

Sanctions against Uniao Nacional por a Independencia Total de Angola (UNITA)

During 2002, members of the United Nations Monitoring Mechanism on Sanctions Against UNITA paid four visits to South



President Thabo Mbeki signing the DRC peace accord at Sun City.

Africa. The Department co-ordinated the programme arrangements, the preparation of briefing papers, reports on the visits and follow-up action. These visits included Inter-Departmental meetings and discussions with other stakeholders whom the Mechanism requested to meet. In addition, the Department facilitated the preparation of two documents in response to specific questions

posed to the Government by the Monitoring Mechanism.

Following the signing of the Lusaka Protocol and the positive political developments in Angola, the UN Security Council, on 9 December 2002, finally adopted resolution 1448 (2002), whereby all remaining restrictions against UNITA were lifted.

Co-operation with the United Nations Security Council Panel of Experts on the Illegal Exploitation of the Natural Resources of the Democratic Republic of the Congo (DRC)

The DRC Panel visited South Africa during June 2002 in order to conduct consultations with relevant stakeholders. The Department was responsible for all programme arrangements during the visit, which included an Inter-Departmental meeting and discussions with other stakeholders whom the Mechanism requested to meet. The Department also facilitated the preparation of two documents in response to specific questions posed to the Government by the Expert Panel.

Sanctions against Somalia

Acting under Chapter VII of the UN Charter, the Security

Council, on 22 July 2002, adopted resolution 1425 (2002), aimed at strengthening the arms embargo imposed against Somalia. The Department, in co-operation with the relevant South African authorities, continued its efforts to ensure that South Africa maintained strict measures in the implementation of the arms embargo against Somalia. South Africa submitted its National Report on implementation measures to the Somalia Sanctions Committee during October 2002.

COMMONWEALTH

Restructuring of the Secretariat

The High-Level Group established at the Durban Commonwealth Heads of Government Meeting (CHOGM) in November 1999 to review the role and relevance of the Commonwealth, continued its work under the Chair of South Africa. The first meetings of the new Board of Governors and its Executive Committee were held in London in July, September and December 2002, respectively to review implementation of the new dispensation, the work of the Commonwealth Secretariat, the Financial and other reports of the

Secretariat, as well as the Commonwealth Fund for Technical Co-operation (CFTC) and Commonwealth institutions. At these meetings South Africa gave support to the gradual evolution of the new structures and the priorities set by the CHOGM.

Commonwealth Heads of Government

Meeting, Coolum

South Africa handed over the Chair of the Commonwealth to Australia on the occasion of the Commonwealth Heads of Government Meeting in Coolum, Australia from 2 to 5 March 2002. President Mbeki presented two important reports in his capacity as outgoing Chair of the Commonwealth and of the High-Level Group. The Commonwealth Heads of Government took stock of what had been done since the Durban CHOGM. They also provided policy guidance and decided on pressing issues facing the Commonwealth.

The South African delegation played a leading role in



President Thabo Mbeki addressing the delegates during the WSSD in Johannesburg.

deliberations and succeeded in having its priorities included in the Coolum Declaration and the Communiqué that followed the meeting.

Specific initiatives taken by South Africa included:

- A call on all governments to build on the developmental goals of the Fancourt Declaration and to set in motion a mechanism

to achieve this;

- The prominence given in the Declaration to opportunities presented by the Financing for Development Conference (FFD) in Mexico on 18 to 22 March 2002 and the World Summit on Sustainable Development (WSSD) in South Africa during August/September 2002;
- Prominent reference to NEPAD.

The Report of the High Level Group was adopted in CooLum and will have a major impact on the manner in which the Commonwealth and its structures operate in future.

Commonwealth and Zimbabwe

The situation in Zimbabwe received prominent attention and a CHOGM Statement on Zimbabwe was issued in CooLum. The Heads of Government agreed to mandate the CHOGM Chairman-in-Office (Prime Minister Howard of Australia) together with the previous and future Chairmen-in-Office (Presidents Mbeki and Olusegun Obasanjo respectively) to take appropriate action after

the election results were issued.

At a meeting of the Commonwealth Chairperson's Committee on Zimbabwe, held in London on 19 March 2002, the Committee "decided to suspend Zimbabwe from the Councils of the Commonwealth for one year with immediate effect" and that the issue should be revisited in twelve months time, having regard to progress in Zimbabwe based on the Commonwealth Harare principles and reports from the Commonwealth Secretary-General. The Commonwealth Chairperson's Committee as well as the Commonwealth Secretary-General continued to monitor the situation in Zimbabwe and met, in Abuja on 23 September 2002 for their Mid-term Review.

Ministerial Meetings

Minister Nkosazana Dlamini Zuma participated in a meeting of the Commonwealth Ministers of Foreign Affairs within the context of the UN General Assembly, which took place in New York on 16 October 2002 during the 57th Regular Session of the General Assembly.

The Department assisted with Minister Trevor Manuel's attendance of the Commonwealth Ministers of Finance Meeting in London on 24 to 26 September 2002, and Minister Penuell Maduna's attendance of the Commonwealth Law Ministers' Meeting in Kingstown, St Vincent and Grenadines from 18 to 21 November 2002. These meetings in turn lent strong support to the Monterrey Process and the debate on global terrorism and the extradition of criminals. The Minister of Science and Technology, Dr Ben Ngubane, continued to Chair the Commonwealth Science Council.

THE NON-ALIGNED MOVEMENT (NAM)

Chair

After Bangladesh and Jordan respectively withdrew their offers to host the next Summit of the NAM, South Africa was obliged to continue serving as Chair for an additional year.

Subsequently, Malaysia has offered to host the XIII NAM Summit on behalf of the Asian region in February 2003. In preparation

for this summit conference, South Africa convened a Ministerial Meeting of the Co-ordinating Bureau in Durban during April 2002. The purpose of this preparatory meeting was to start developing the draft basic document for discussion at the XIII Summit.

Ministerial Meetings

A mandate was given to Minister Nkosazana Dlamini Zuma during the Ministerial meeting of the NAM in the context of the Regular Session of the General Assembly in November 2001, to convene a group of volunteers to brainstorm the role of the Movement in the 21st Century. A first meeting of this group was convened back-to-back with the Co-ordinating Bureau (CoB) Ministerial meeting in Durban in April 2002. Sixteen Member States and one observer organisation participated in this brainstorming meeting at Zimbali Country Lodge. The results of this workshop were reported and further discussed during ministerial roundtables convened on the fringes of the CoB Ministerial meeting.

During the NAM Ministerial meeting in September 2002 in New York, the Chair was urged to continue with the brainstorming

sessions of the Zimbali Group and to make recommendations to the XIII Summit in Kuala Lumpur. Consequently, a follow-up meeting of the Zimbali Group was convened in the Western Cape during December 2002. The final recommendations of the Group were discussed by the Ministerial Meeting in Kuala Lumpur. The recommendations supported the theme of the XIII Summit, namely “continuation of the revitalisation of the NAM”.

Issue of Palestine

During 2002, the Chair of NAM remained seized with the issue of Palestine. The NAM Committee on Palestine, at ministerial level, convened for a second time in South Africa in April 2002. The



Palestinian Ambassador to South Africa, HE Salaman El-Herfi, Palestinian Minister for Planning and International Co-operation, Mr Nabil Sha-Ath, Minister Nkosazana Dlamini Zuma and Deputy Minister Aziz Pahad in Pretoria.

NAM Security Council Caucus was also invited to participate in order to review the NAM response to the ongoing violence in the Middle East. The meeting reiterated unwavering solidarity with the Palestinian people, and again called for immediate and full withdrawal of Israeli occupying forces from Palestinian cities and implementation of all relevant United Nations Security Council (UNSC) resolutions.

The Chair of the CoB, on behalf of the NAM, together with the Chair of the Arab Group, requested several special and emergency debates of the UNSC and made several statements to the UNSC on the situation in the Middle East. A statement during an emergency open debate in April 2002 condemned the full-scale military operations that were underway in the Occupied Palestinian Territories. In a further statement to the

UNSC on 3 June 2002, the worsening situation in the Palestinian Occupied Territories was once again addressed. On this occasion, the Chair of the CoB also reported the outcome of a visit on 2 June 2002 by a NAM ministerial delegation to Ramallah, led by Minister Nkosazana Dlamini Zuma. The visit was recommended at the Ministerial meeting of the Committee on Palestine in April 2002 and was intended as a platform to meet with President Arafat and express solidarity with the President and the people of Palestine.

The Chair of the CoB again participated, on 23 September 2002, in a debate in the UNSC on the continuous Israeli onslaught on the Headquarters of the Palestinian Authority. Statements on behalf of the NAM in support of the Palestinian people were also made in the General Assembly and during the UN African meeting on the Inalienable Rights

of the Palestinian People.

Issue of Iraq

After broad and thorough consultations on the situation in Iraq during the general debate of the 57th Regular Session of the General Assembly, Minister Nkosazana Dlamini Zuma, in her capacity as Chair of the NAM at Ministerial level, issued a statement welcoming the announcement of the Government of Iraq

to unconditionally allow the return of the UN weapons inspectors to Iraq. The Minister expressed the hope that it would pave the way for a comprehensive and peaceful solution to all pending issues between Iraq and the UN. The Minister also reaffirmed the Movement's position on the respect for Iraq's sovereignty, territorial integrity and unity as well as its



South African technical experts meeting in Pretoria prior to departing for Iraq.

political independence in accordance with the UN Charter and International law.

Following an agreement reached on 1 October 2002 in Vienna, between the Government of Iraq and the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC), and the International Atomic Energy Agency (IAEA), on the practical arrangements for the immediate resumption of inspections in Iraq in accordance with the relevant UNSC resolutions, the Chair of the CoB wrote a letter to the President of the UNSC in which the efforts of the UNSC to resolve the situation in Iraq and avoid war were welcomed by the NAM.

The Chair of the NAM remained seized with the issue and on 10 October 2002 communicated to the President of the UNSC the concern of the Movement that the authority and credibility of the Charter of the UN is undermined through unilateral actions and closed discussions amongst the Permanent Members of the UNSC on the issue of Iraq. The Chair of the CoB consequently requested the President of the UNSC to convene an open meeting of the UNSC in order to take note of the opinions of non-UNSC members

of the UN. During the ensuing debate the Chair of the CoB made a statement, on behalf of the NAM, in which he spelled out the important repercussions for the UN if the core function of the UN and the Charter in the maintenance of peace and security is not honoured. A large number of the United Nations membership participated in this debate, with the vast majority of whom voiced the opinion that a unilateral approach to the Iraqi question is unacceptable and that war must be avoided.

The NAM and the UN

In its capacity as Chair of the NAM, South Africa has sought through the above-mentioned actions, to reaffirm the Movement's fundamental principles and speak out on the sanctity of the UN Charter through a firm condemnation of all unilateral military actions or threats against the sovereignty, territorial integrity and independence of member states of the Movement.

The CoB in New York and the various NAM Working Groups also met in preparation for the annual Ministerial meeting of the NAM during the regular sessions of the UNGA and to consider

the positions of the Movement for the 57th Session of the UNGA.

South-South Co-operation

During 2002/03, the Chair of the NAM continued to vigorously pursue the Movement's major goal of strengthening South-South Co-operation. In accordance with the mandate of the Durban Summit, this *Venezuelan President HE Hugo Cha'vez Frias attended the WSSD in Johannesburg.* included close co-operation with the Group of 77 and China (G77), to enhance the solidarity of developing countries in the UN System. When The Bolivarian Republic of Venezuela took over the Chairpersonship of the G77 in January 2002, Minister Nkosazana Dlamini Zuma addressed a letter of congratulations and support to the Foreign Minister of Venezuela on behalf of the NAM. Aside from addressing the need for increased South-South Co-operation in the international arena and addressing issues such as terrorism holistically by addressing the problems of poverty,



conflicts and equal sharing of the benefits of globalisation. The Minister also propagated support for the goals of the UN Millennium Declaration.

In further recognition of the importance of co-ordination and co-operation between the NAM and the G77, the Joint Co-ordinating Committee of the NAM and G77 (JCC) met regularly at the UN during 2002.

Dialogue with the North

While the basic premise of the NAM is South-South Co-operation, the XII Durban Summit also underlined the importance of dialogue with the developed countries, including interaction with the Group of Eight Industrialised Countries (G8), to promote better understanding and enhance positive responses to the development aspirations of the South.

As in the recent past, President Mbeki, as Chair of the NAM, again in 2002 conveyed a message from the NAM to the incumbent President of the G8, Prime Minister Jean Chretien of Canada, on the eve of the G8 Kananaskis Summit. The message encouraged the G8 to reach beyond the confines of the developed world and to address, in a more inclusive and equitable partnership than has been possible to date, the challenges of globalisation. The necessity of international co-operation, relying on equal dialogue and a partnership based on mutual interests and benefits, was also stressed.

Dialogue with the North also reached beyond the G8, inter alia, engaging the EU. At the last of such meetings in 2002, the NAM Troika led by Minister Nkosazana Dlamini Zuma, met with the EU Presidency in the margins of the UN General Assembly's 57th regular session. The agenda dealt with development issues, including the follow-up of the International Conference on Financing for Development and the World Summit on Sustainable Development (WSSD); the Middle East; implementation issues on trade matters; UN reforms; and combating terrorism.

DEMOCRACY AND GOOD GOVERNANCE

The last year saw South Africa host the African Commission on Human and Peoples' Rights and the UN Special Rapporteur on the Sale of Children, Child Prostitution and Child Pornography. The Department played an active role in both events. Towards the latter part of the year, the Department, in conjunction with other stakeholders, engaged in the follow-up process to the World Conference against Racism. All these activities were in accordance with South Africa's stated commitment to the global promotion of human rights.

CIVIL AND POLITICAL RIGHTS

The 58th Session of the UN Commission on Human Rights (CHR58)

During early 2002, the Department prepared Directives for CHR58, which convened in Geneva from 18 March to 26 April 2002. Key issues that dominated the Commission and thus made

for a highly divisive session included the Israeli/Palestinian crisis and the situation in Zimbabwe as expressed in an EU-sponsored resolution. The latter fitted in with the concerns already raised by the Africa Group in Geneva that the resolutions on country situations were targeted at African countries.

The countries that were the subject of the 1503 Confidential Procedure were in fact all African i.e. Chad, Liberia, Nigeria, Togo and Zambia. Similarly, the majority of countries under Item 9 (Question of the violation of human rights and fundamental freedoms in any part of the world) again were African. The countries concerned were Burundi, the DRC, Equatorial Guinea, Sierra Leone, Sudan and Zimbabwe.

The Confidential Procedure led to the Africa Group resorting to a bloc vote on each of the five motions on the countries concerned. The Africa Group contended that the Procedure was being employed selectively to target Africa.

The Commission concluded the 58th Session highly polarised. Unlike CHR58, the proceedings of the Third Committee of the UN General Assembly were less confrontational. There were

deliberate efforts to defuse tension such as the EU decision not to introduce resolutions on Iran and Zimbabwe.

The main priorities for the South African delegation were the Optional Protocol to the Convention Against Torture, the Right to Development and the Resolution on Racism, Racial Discrimination, Xenophobia and Related Intolerance. The latter remained a source of friction between the Africa Group and the Western Group as happened at CHR58.

The 31st and 32nd Ordinary Session of the African Commission on Human and Peoples' Rights (ACHPR)

The ACHPR meets twice yearly. This past year the Department participated in both the 31st and 32nd Sessions, which were held in Pretoria and Banjul, The Gambia, respectively.

The Deputy President Jacob Zuma delivered the opening address of the Session. 36 States Parties to the African Charter and 200 organisations comprising African and international NGOs and National Institutions for the Promotion and Protection of Human Rights (Human Rights Commissions) participated in this meeting.

As a procedure, the ACHPR reviews country reports in accordance with the African Charter.

The 31st Session introduced a new agenda item for discourse by the African human rights fraternity: “NEPAD and Human and Peoples’ Rights in Africa”. This provided a new platform to publicise and promote the ownership of NEPAD by African States and civil society through the ACHPR. Another topical and equally important subject that the 31st Session addressed was the World Conference against Racism (WCAR) and its follow-up. In its resolution, which was presented to the 31st Session, the NGO Forum urged the ACHPR to promote, and African States to implement, the Durban Declaration and Programme of Action (DDPA). Similar calls were made by delegates who spoke on the subject emphasising the need to popularise and implement the Durban commitments.

The 31st Session further discussed the relationship



Banners promoting human rights during the National Conference on Racism in preparation for the World Conference Against Racism.

between the AU and the ACHPR. The Commission expressed concern that whilst the Constitutive Act recognised the African Charter in its statement of objectives, there was no explicit reference or recognition of the ACHPR as an organ of the AU. However, this issue was addressed by the decision adopted by the OAU Council of Ministers Meeting in Lusaka (5 to 8 July 2001) which called for the incorporation of “organs, and institutions/bodies, which have not been specifically mentioned in the Constitutive Act”.

The Session in Banjul met for one week instead of the usual two weeks owing to limited financial resources. The shortened time frame consequently affected the substantive issues that the session could deal with. The ACHPR focused on “NEPAD, Good Governance and Human Rights” in the observance of human rights and the commitment thereto by African States.

An issue of great concern was the decision by the Secretariat of the ACHPR to strike off from the agenda the item on the World Conference against Racism (WCAR). The ACHPR seemed to have adopted the position that the WCAR was over and therefore, it was not necessary to pursue the implementation phase of this programme.

In the past year, another matter of major importance was the role of the ACHPR within the framework of the AU. The latter has charged the ACHPR with preparing a study on African human rights system and its role therein (i.e. within the context of the AU). This assignment has not yet been undertaken.

Department (DFA) Programme for African and International Solidarity

During the 50th National Conference of the African National



The World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerances held in Durban from 31 August – 7 September 2001.

Congress in January 2002, the President announced the Letsema Programme of Volunteerism in which he called upon South Africans to render voluntary service to fellow South Africans.

The month of July 2002 was designated for African and International Solidarity. In this regard, the Department was charged with organising various activities supportive of this identified theme.

Furthermore, the Department co-ordinated an internal food drive earmarked for two refugee centres run by the Jesuit Refugee Service in Johannesburg and Pretoria respectively. The shelters cater for refugee women and children. The Department worked closely with the local Office of the UN High Commissioner for Refugees and the Jesuit Refugee Service on this project. The collected items were handed over at a ceremony attended by officials of the three organisations and some members of the refugee community in Pretoria.

**Follow-up to the World Conference against Racism,
Racial Discrimination, Xenophobia and Related
Intolerance (WCAR)**

In September 2002, the Office of the UN High Commissioner for Human Rights in Geneva organised an UN/Africa seminar on the follow-up to the WCAR, which was held in Nairobi, Kenya. Two officials from the Department and our Mission in Geneva attended this gathering which examined strategies for the implementation of the Durban Declaration and Plan of Action (DDPA) in Africa. The seminar agreed that Articles 158 and 159 of the DDPA should form the basis of Africa's Plan of Action. These articles derive from NEPAD and echo the challenge that NEPAD addresses in Africa's quest to embark on a path of sustainable growth and development.

Domestically, the IRPS Cabinet Committee recommended that the Department convene an InterDepartmental Working Group on the follow-up to the World Conference against Racism. The first meeting of the Group took place on 26 November 2002 and was chaired by the Acting Director-General of the Department, Abdul

Minty. Officials from the Departments of Foreign Affairs, Justice and Constitutional Development, Labour, and the South African Police Service, attended the meeting.

The Acting Director-General gave a briefing on the negotiations during WCAR and the importance of the follow-up process by South Africa. The meeting further reviewed issues for discussion scheduled for the next day at the National Action Plan workshop.

On 27 November 2002, the National Steering Committee (NSC) on the follow-up to WCAR, consisting of the Department of Foreign Affairs, the Department of Justice, the South African Human Rights Commission, and SANGOCO, held a workshop to strategise on the implementation of the Durban Programme of Action.

The participants were introduced to the draft Action Plan that is currently a working document. The meeting agreed that the draft Action Plan should be disseminated widely for comment and concluded with proposals for the establishment of a National Forum against Racism which will be the driving force of the National Action Plan.

HUMAN RIGHTS ORGANISATIONS

46TH SESSION OF THE COMMISSION ON THE STATUS OF WOMEN

South Africa actively participated in the 46th session of the UN Commission on the Status of Women (CSW) which took place in New York from 3 to 14 March 2002. The session focused on two thematic issues namely, “eradicating poverty, including through the empowerment of women throughout their life cycle in a globalising world” and “a gender perspective environmental management and mitigation of natural disasters”.

The CSW made important recommendations with regard to sustainable development strategies to eradicate poverty and environmental management related to women’s programmes. These issues were later incorporated into the agenda of the WSSD.

*“eradicating poverty,
including through the
empowerment of women
throughout their life cycle
in a globalising world”*



MEETING OF SADC MINISTERS RESPONSIBLE FOR GENDER/ WOMEN'S AFFAIRS

South Africa participated in the annual Meeting of SADC Ministers responsible for Gender/Women's Affairs, which was held in Swakopmund from 24 to 28 May 2002. The meeting formulated gender policies and strategies to ensure the mainstreaming of gender in the SADC Programme of Action. Discussions included the co-ordination of participation at African and global gender events, the implications of the SADC Restructuring Exercise for the Policy and Institutional Framework for Gender in SADC, the Draft Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa and the transformation of the Declaration on Gender and Development into a Protocol.



South Africa is working to ensure that the rights of all children are protected.

VISIT TO SOUTH AFRICA BY THE UN SPECIAL RAPPORTEUR ON THE SALE OF CHILDREN, CHILD PROSTITUTION AND CHILD PORNOGRAPHY

The UN Special Rapporteur on the Sale of Children, Child Prostitution and Child Pornography, Mr Juan Miguel Petit, visited South Africa from 16 to 26 September 2002. The visit related to his mandate, which covers issues of domestic abuse, child rape, trafficking, prostitution and their explicit linkages to HIV/AIDS. The Department of Foreign Affairs, together with the Departments of Social Development and Health, UNICEF, the Provincial Plan of Action for Children Co-ordinators and the National Children's Rights Committee, facilitated the Special Rapporteur's programme.

The Special Rapporteur met with the National Commissioner of the South African Police Service, the Chairperson of the South African Human Rights Commission, officials from national and provincial government Departments, non-governmental organisations, UN bodies and members of the Portfolio Committee on Social Development and the Joint Monitoring Committee on Improvement of Life and Status of Children, Youth and Disabled Persons. He also visited Gauteng, the Western Cape and KwaZulu-Natal where he toured children's shelters, Parliament, Atlantis, Robben Island and the Durban Magistrates Court.

A report on the Special Rapporteur's visit to South Africa will be tabled at the 59th Session of the UN Commission on Human Rights in March/April 2003.

Experts Group Meeting on the Trafficking in Human Beings, especially Women and Children

An Experts Group Meeting on the Trafficking in Human Beings, Especially Women and Children, organised by the Government of Sweden in co-operation with the Government of Italy, was held

in Stockholm from 1 to 3 September 2002. The South African delegation included officials from the Department of Foreign Affairs, South African Police Service Crime Intelligence Unit at INTERPOL and the Department of Justice and Constitutional Development.

The meeting identified priority areas to initiate the elaboration of a Plan of Action to Combat Trafficking in Human Beings, Especially in Women and Children, which is scheduled to be tabled for adoption at the upcoming Africa-Europe Summit in Lisbon during April 2003.

Third World Congress on Rural Women

South Africa participated in the Third World Congress on Rural Women, in Madrid from 2 to 4 October 2002. The Congress, whose theme was "Rural Women in the Global Village", examined the situation of rural women in the areas of development, gender equality, food security, the impact of new technologies, empowerment, and public policies, intended to support rural women. The conference proposed that South Africa hosts the 2006 Congress on Rural Women.

Meeting of the UN Economic Commission for Africa's (UNECA) Committee on Women and Development (CWD)

South Africa hosted a Conference of the Committee on Women and Development (CWD) from 9 to 12 October 2002. The conference dealt with issues such as the analytical framework on the process for engendering national budgets and the framework for the evaluation of the implementation of the African and Beijing Plans of Action at national, sub-regional and regional levels.

Ad Hoc Committee on the Proposed International Convention on the Rights and Dignity of People with Disabilities

During the July 2002 Economic, Social and Cultural Council (ECOSOC) meeting, South Africa was elected Deputy Chair of the Bureau of the *ad hoc* Committee where the convention will be drafted. Mexico tabled the proposal for such a convention at the 56th Session of the UN General Assembly.

The South African delegation engaged in active consultations on the proposed convention within the Africa Group.



Above:
Children reading a message at the signing of the Pledge for 16 days of No Violence Against Women and Children at the Union Buildings, Pretoria.

Below:
The Deputy Minister of Justice, Ms Cheryl Gilwald, signing the pledge, with Acting Director-General, Mr Abdul Minty, watching.



16 Days of No Violence against Women Campaign

The Department participated in the campaign of "16 Days of No Violence against Women". The following international anniversaries were also observed during this 16-day period: 25 November – International Day for No Violence against Women; 1 December – World Aids Day; 3 December – International Day for People living with Disability; 10 December – International Human Rights Day.

26th Session of the World Heritage Committee (WHC)

South Africa participated in the 26th Session of the World Heritage Committee, which was held in Budapest from 24 to 29 June 2002. The occasion also served as a celebration of the 30th Anniversary of the Convention concerning the Protection of the



Cape Vidal: one of South Africa's World Heritage Sites.

World Cultural and Natural Heritage (1972). The Session adopted the Budapest Declaration on World Heritage, aimed at raising awareness on the need to preserve World Heritage properties and the implementation of the Convention. The Session also dealt with the state of World Heritage in Africa; nomination of cultural and natural properties to the list of World Heritage in Danger; analysis of the World Heritage List in identifying under-represented categories of cultural and natural heritage, as well as the revision of the WHC operational guidelines.

WSSD Seminar on "African Heritage and Sustainable Development"

During the period 19 to 23 August 2002, South Africa, in conjunction with UNESCO, hosted a seminar, which addressed strategic issues related to the future protection of tangible heritage in Africa. The seminar was attended by

60 heritage experts, mostly from Africa and focussed, inter alia, on issues shaping Africa's heritage into sustainable resources; balancing social, economic and environmental realities within the context of heritage; development options for world heritage sites in Africa, as well as enhancing regional and broader international co-operation.



Cultural dancers performing during the Heritage Day celebrations in Johannesburg.

Third Round Table Meeting of Ministers of Culture on the Intangible Heritage

The Department was closely involved in preparatory activities to facilitate South Africa's participation in the conference held in Istanbul from 16 to 17 September 2002, which was jointly hosted by the Turkish Government and UNESCO. The conference coincided with the United Nations Year for Cultural Heritage (2002) and the thirtieth anniversary of the UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage (1972). The issues addressed included cultural diversity and sustainable development, as well as the mobilisation of international solidarity



for safeguarding the intangible cultural heritage. The latter issue constitutes a newly envisaged convention, which was the subject of discussion.



Facilitating peace and security on the African continent: President Olusegun Obasanjo and the Minister of Defence, Mr Mosiua Lekota.

8th Conference of Ministers of Education of Africa (MINEDAF VIII)

The Department collaborated closely with the Department of Education regarding South Africa's participation in the MINEDAF VIII conference, which was held in Dar es Salaam from 2 to 4 December 2002. The conference was aimed at elaborating education strategies and building on the achievements of the Durban MINEDAF VII conference of 1998. The advancement of education in Africa as it relates to development goals (adopted at the World Education Forum in Dakar in 2000), and subsequently incorporated into NEPAD, also came under close scrutiny during the conference.

Proposed accession by SA to UNESCO Cultural Conventions

The Department has, since 1995, been involved in close collaboration with the former Department of Arts, Culture, Science and Technology to promote South Africa's accession to two UNESCO cultural conventions, i.e. the Convention on the Protection of Cultural Property

in the Event of Armed Conflict (1954), and the Convention on the Means of Prohibiting the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970). Parliamentary approval for accession to the above-mentioned conventions was obtained on 11 November 2002. The Department together with the Department of Arts and Culture were in the process of finalising the Instruments of Accession at the close of 200/03. The two government Departments were also engaged in South Africa's proposed membership of the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).

INTERNATIONAL CRIME

45th Session of the UN Commission

In March 2002, the Department attended the 45th Session of the UN Commission on Narcotic Drugs in Vienna as part of the South African delegation, which included officials from the Department of Health and the South African Police Service. The United Nations Drug Control Programme (UNDCP) presented a New Action Plan for Africa, which moves away from treating drug control in Africa in isolation from other development issues. The Plan stresses the need for the inclusion of drug control into development planning. It is expected that global drug control policies will in future be linked to policies towards poverty alleviation and integrated into a wider framework of economic development. The meeting also reflected on the resurgence of opium poppy cultivation in Afghanistan in the aftermath of September 11.

The Commission, through the UN's Economic and Social Council, recommended international drug control programmes to the 57th Session of the UN General Assembly. One of the recommendations

pertains to the holding of a Ministerial meeting in Vienna on 16 and 17 April 2003, which will enable Governments to review progress achieved and difficulties encountered in meeting the goals and targets set by the General Assembly at its 20th Special Session in 1998. The targets pertain to the issues of judicial co-operation, illicit supply of drugs, pre-cursor control and money laundering. In April 2002, the Department attended the 11th session of the UN Commission on Crime Prevention and Criminal Justice in Vienna as part of the South African Delegation to the meeting. Other members of the delegation included officials from the Departments of Social Development; Correctional Services; Public Service and Administration; and the South African Police Service.

The Commission, of which South Africa is a member, is the main international policy making body regarding the issue of crime prevention and criminal justice. The meeting assessed the implementation of the UN crime prevention programmes and examined issues relating to the ratification and coming into force of the UN Convention against Trans-national Organised Crime. Consideration was given to issues relating to the draft



The African Continent needs technical infrastructure to effectively implement the Convention against Trans-national Organised Crime.

UN Convention Against Corruption and computer related-crime. The meeting felt that it was premature to negotiate an instrument against cyber-crime, since more research needed to be done in this area.

The 11th session also agreed that the Crime Centre of the UN in Vienna should assist with the implementation of the action plan against terrorism, which was agreed upon after the Crime Congress in 2000. It was further agreed that no additional international instruments were necessary under the auspices of

the Centre for International Crime Prevention (CICP) and that the Centre should, continue to concentrate on technical co-operation in a limited number of priority areas. African countries stressed the importance of the UN as the appropriate forum to address matters related to terrorism and unanimously supported the UN Security Council resolutions 1373 and 1377 concerning counter-terrorism. The Africa Group also called for the implementation of the UN General Assembly resolution 56/253, which calls upon the Secretary-General to strengthen the Terrorism Prevention Branch in Vienna.

Other issues highlighted by the Africa Group included the need to provide the African continent with technical assistance to enable countries to implement the Convention against Trans-national Organised Crime; the difficulty of combating crimes such as trafficking in persons, money laundering, corruption and illicit trafficking in firearms; the need to ratify and implement legal instruments against terrorism and related crime; and research into cyber-crime, which has become a growing concern to African countries.

DEVELOPMENT AND CO-OPERATION

ECONOMIC DEVELOPMENT

ECONOMIC POLICY AND PROGRAMMING/GLOBAL ECONOMIC ORGANISATIONS

Kimberley Process

The Kimberley Process continued its work during 2002/03 in the interest of international peace and security. The Department provided the Interim Secretariat for the Kimberley Process. This work greatly contributed to the success of the year.

On 13 March 2002 the UN General Assembly adopted Resolution 56/263, which urged the finalisation and implementation of the Kimberley Process Certification Scheme

(KPCS). Two meetings were arranged in co-operation with the host governments. The first meeting was held in Ottawa, Canada, from 18 to 20 March 2002. The Ottawa meeting dealt with a number of outstanding technical implementation issues, which paved the way for national implementation.

The second meeting was held in Interlaken, Switzerland, from 4 to 5 November 2002. At the meeting, Ministers adopted the KPCS. The organised diamond industry announced a voluntary system of self-regulation, which provides for a system of warranties underpinned through verification by independent auditors of individual companies and supported by internal penalties set by industry. South Africa agreed to continue to Chair the Kimberley Process during its first year of implementation.



Organised diamond industry announced a voluntary system of self-regulation.

The simultaneous implementation of the KPCS started on 1 January 2003. The following States and Regional Economic Integration Organisations became Participants in the Kimberley Process Certification Scheme on 1 January 2003:

Angola, Armenia, Australia, Botswana, Brazil, Burkina Faso, Canada, Cote d'Ivoire, Central African Republic, People's Republic of China, Democratic Republic of Congo, European Community, Gabon, Ghana, Guinea, India, Israel, Japan, Republic of Korea, Laos, Lesotho, Mauritius, Mexico, Namibia, Norway, Philippines, Russian Federation, Sierra Leone, South Africa, Sri Lanka, Swaziland, Switzerland, Tanzania, Thailand, Ukraine, United Arab Emirates, United States of America, Vietnam and Zimbabwe.

World Economic Forum (WEF)

The annual WEF Summit, normally held in Davos, Switzerland, was held in January/February 2002 in New York. It was moved to New York as a gesture of solidarity after the 11 September 2001 terrorism attack. The Summit concentrated on North/South relations, poverty eradication and inequalities. President Thabo Mbeki led a South African team, which focused on the marketing of NEPAD.

The WEF Africa regional summit meeting took place in Durban from 5 to 7 June 2002. Unlike previous years when the focus was on SADC, for 2002 the theme was Africa and NEPAD.

World Trade Organisation (WTO)

The focus for 2002 in the WTO was the Doha Development Round of multilateral trade negotiations. The Department's main objective in

this regard was to monitor the progress of negotiations and advise internal public (Staff) of relevant developments.

In general, 2002/03 saw an uneven progress on negotiations of the various issues under the Doha mandate. Two important deadlines were missed though; these were on finding a solution to the question of Trade Related Intellectual Property and Services (TRIPS) and access to medicines; and on agreeing to a suitable package for Special and Differential Treatment for developing countries. On the other hand, progress has been satisfactory in areas of modalities for market access in non-agricultural products, services and rules of origin, although difficulties have been experienced in agricultural negotiations.

Industrial Participation Control Committee (IPCC)

The Department participated in the monthly IPCC meetings. DTI chairs the IPCC, while the Department together with the National Treasury and the South African National Defence Force (SANDF) are also represented.

Industrial Participation (IP) means that all government and

parastatal purchases or lease contracts (goods, equipment and services) with an imported content equal to or exceeding US\$10 million (or equivalent) are subject to an IP obligation.

Export Credit Insurance Corporation (ECIC)

The Department participated in the fortnightly Credit Insurance Committee meetings of the ECIC.

The ECIC, a DTI subsidised institution, provides economic and/or political risk insurance to companies investing abroad, mainly in Africa. The Reserve Bank and National Treasury also form part of the Credit Insurance Committee.

Financing for Development (FfD)

The Financing for Development Conference took place in Monterrey from 18 to 22 March 2002. Participation was at Presidential level (Summit), with the Ministers of Finance; and Environmental Affairs and Tourism also participating and chairing roundtable discussions.

The importance of participation for South Africa had not only

been highlighted with the appointment of Minister Trevor Manuel as Special Envoy by the UN Secretary General (this being highly appreciated by both developed and developing countries), but also due to the overlapping issues within the WSSD process. Producing a consensus document, committing both developed and developing countries to securing resources for the financing of development, was therefore of particular importance for the success of the development of the African continent.

In the run-up to the conference, the 4th and final Prepcom for the FFD Conference had taken place over two weeks in January in New York. The outcome of this Prepcom was a text generally seen as a relatively watered-down document later known as the Monterrey Consensus Document. There was, however, a firm commitment to an upgrading of the existing ECOSOC-Bretton Woods annual Spring meeting to a more structured event, with the participation of the WTO as well.

The success of the outcome of the Conference could arguably be found in the announcement by the US, even before the Conference, that it would increase their development aid to developing

countries to circa. US\$ 10 billion per year, commencing in 2004. Commitments by other EU countries, e.g. UK, to increase their Official Development Assistance (ODA) contributions were also welcomed. The Monterrey Consensus document was accepted

Minister of Finance, Mr Trevor Manuel, was appointed as Special Envoy by the UN Secretary-General.



and would inform the international process of mobilising finances for development.

Despite the criticism that the Monterrey Consensus Document was vague, containing little detail, the positive announcements by

the US and UK, among others, to commit themselves to increase their ODA contributions, was seen to augur well for the outcome of the WSSD.

Organisation for Economic Co-operation and Development (OECD)

Following the feedback received from the Cabinet Committee on Cabinet Memorandum No. 1 of 2002, a series of meetings was held with various Departments in order to further investigate the options for future relations between South Africa and the Organisation for Economic Co-operation and Development (OECD). A letter was forwarded to all Directors-General, calling for input on the matter as well as participation in an InterDepartmental Working Group.

Despite problems encountered, mainly due to a lack of staff at the Embassy in Paris and therefore insufficient time to process enquiries from the Department's Desk (internal section), the Working Group made good progress with the various Departmental evaluations of their interaction with the OECD. The desk, assisted by the Mission in Paris, was also able to compile a document on the structures of

several member countries i.e. New Zealand, South Korea, Mexico, Turkey and the Slovak Republic – in order to better assess the financial and human resource implications of possible membership.

Furthermore, the recommendation was made to the (Acting) Director-General that an inter-Departmental team conducts a fact-finding mission to the organisation in the first half of 2003. The findings of this mission would be submitted to Cabinet so that a decision could be reached on the route South Africa could pursue in its relations with the OECD i.e. possible full membership or a gradual approach through participation by means of official observer status in several technical committees. Nevertheless, whatever form these relations take, it can be expected that South Africa will develop even closer ties with the OECD.

Group of 8 (G8) Summit, Kananaskis, Canada, 26 to 27 June 2002

Three items dominated the G8 agenda for 2002, that is, (a) A review of the global economy; (b) Africa and the NEPAD; and (c) the fight against global terrorism. The intention of the streamlined

agenda would enable the leaders to concentrate fully on the issues and have substantial discussions.

The Presidents of the five core members States of NEPAD (Algeria - President Abdelaziz Bouteflika, Egypt - President Hosni Mubarak, Nigeria - President Olusegun Obasanjo, Senegal - President Abdoulaye Wade, South Africa - President Thabo Mbeki) had been invited on the recommendations of the Task Force to the Summit for an exchange of views. It had appeared that the focus of the G8 had, therefore, shifted from the South in general, following the South Summit in Cuba and the Okinawa G8 Summit, to Africa in particular.

The most important outcome of the Summit was that an African Action Plan in support of the NEPAD was adopted. The G8 also agreed to increase its efforts on the HIPC initiative. It was further decided that Russia would assume the presidency of the G8 in 2006 and host the Summit then for the first time as a full G8 member.



Minister of Labour – Mr Membathisi Mdladlana.

International Labour Organisation

The Minister of Labour, Mr Membathisi Mdladlana, attended the 90th Session of the International Labour Conference (ILC) in Geneva from 8 to 16 June 2002. The member-states of the ILO meet annually in Geneva at the ILC to discuss labour and social issues of relevance to their field of expertise. The ILC adopted the budget of the Conference, and elected the Governing Body.

International Finance Corporation (IFC) Resident

Mission in South Africa

The IFC Mission in South Africa informed the Department of the new title of the International Finance Corporation due to the restructuring of the organisation, which has now been fully renamed the International Finance Corporation Sub-Saharan Africa Hub.

This Office has also expanded and permission was requested for the establishment of eight more posts to fulfil its regional role.

UN Privileges and Immunities

The question of UN privileges and immunities, following the new South African Act covering diplomatic immunities and privileges, made further progress with an agreement between the Department's relevant internal sections on how to proceed with harmonising existing agreements with the new Act. International organisations have been informed of the new approach to privileges and immunities in terms of existing legislation, while in cases where existing agreements with international organisations did not permit unilateral changes, proposals have been put forward for amending those agreements.

Mid-term review, UNCTAD: 29 April to 03 May 2002, Thailand

The purpose of the Mid-term review was to take stock of the implementation of commitments and work programmes agreed to in the Bangkok Plan of Action, to review the functioning and

efficiency of the inter-governmental machinery, and to guide the work of UNCTAD in the light of recent developments in the global economy. The level of attendance was relatively low, except from Africa and Asia. The UK announcement of increasing financial assistance for capacity building amongst developing countries was widely welcomed, as was the announcement by Brazil that it would host UNCTAD XI.

The South African Mission in Geneva was elected to represent the African Group on the Advisory Body of UNCTAD, established in accordance with paragraph 166 of the Bangkok Plan of Action. This allowed South Africa to promote new ideas within UNCTAD on how to address technical co-operation in a fast changing environment.

World Urban Forum, 29 April to 3 May 2002, Nairobi

The First World Urban Forum was held in Nairobi from 29 April to 3 May 2002 under the auspices of UN-Habitat, and the Minister of Housing, Ms Sankie Mthembu-Mahanyele, participated in the meeting. Issues discussed included the Role of Cities; the Rural

Dimension; Guidelines for documenting Urban Policies; and the Management of the HIV/AIDS Pandemic.

**United Nations
Industrial
Development
Organisation (UNIDO)
Programme and
Budget Committee**

The 18th session of the Programme and Budget Committee of UNIDO took place in Vienna from 24 – 25 September 2002, with members of the Mission attending. Amongst others, the financial situation of UNIDO (which has improved in recent years), the mobilisation of financial resources, and the medium-term programme framework for the period 2004 to 2007, were discussed. As a further achievement, the South African Auditor-General was appointed as External Auditor for UNIDO in June 2002.



**World Bank/IMF annual
meeting**

The annual autumn meeting of the World Bank/IMF took place in Washington from 28 to 29 September 2002. A wide range of issues from poverty reduction, international economic development and finance were discussed.

Minister Trevor Manuel, as Chair of the Development Committee, together with representatives of National Treasury and the Mission in Washington, participated in the meetings.

**The World Summit On Sustainable Development
(WSSD)**

The WSSD was mandated by the UN General Assembly in December 2000 (A/Res/55/199) and convened as a ten-year review of the implementation of Agenda 21, adopted at the United

Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992. The Summit focused on identifying progress made and areas where further action was needed and also to identify concrete measures for implementing sustainable development at all levels.

The WSSD was a defining moment in the process started in Stockholm in 1972 and continued with the Earth Summit in Rio, the UN Millennium Summit and other important international conferences of the last decade to ensure a practical and more transparent global development process that brings about poverty eradication and human advancement in the context of environmental management. The Summit held in South Africa, also known as the Jo'burg Summit, negotiated the Johannesburg Plan of Implementation to achieve this.



President Thabo Mbeki and the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, addressing a press conference at the close of the WSSD.

Summit outcomes were divided in the Plan of Implementation into the following chapters: poverty eradication; consumption and production patterns; natural resources; globalisation; health; Small Island Developing States; sustainable development initiatives for Africa; means of implementation and institutional arrangements.

The Summit set new targets on a wide range of sectors including sanitation, biodiversity, fisheries, chemicals, health; and food security in Africa. It also launched a series of initiatives whose follow-up is expected to be undertaken in the UN, other relevant international organisations like the Global Environmental Facility (GEF), in multilateral environmental agreements (MEAs), and in the work of other UN agencies.

The inter-governmental agreements were complimented by the

announcement of a series of partnerships involving governments and major groups. In addition, several developed countries announced commitments to do more in areas such as market access and the provision of financial resources.

Of particular importance were the commitments from all governments and the involvement of all relevant UN components to take concrete action to reduce the number of people who lack access to clean water, proper sanitation and modern energy services, to promote a healthy environment and reduce the incidence of disease, to increase agricultural productivity, as well as to protect the world's biodiversity and ecosystems (WEHAB - Water, Energy, Health, Agriculture, Biodiversity).

There was a general sense that the WEHAB areas had a potential to contribute to the achievement of the Millennium Development Goals. It was felt that there was a need for inter-

sectoral approaches to the WEHAB areas and that there was a need for strong co-ordination among the sectors and the UN system. The empowerment and role of women in each of the areas was emphasised. It was also identified that the rest of the

major groups would need to play a role in the implementation of WEHAB. The discussions also underscored the fact that there were in fact existing international agreements covering the WEHAB areas. Voluntary partnerships were identified as important vehicles for the implementation of the WEHAB.

Governments committed themselves to make available the necessary means of implementation, including financing, technology and capacity building, to achieve the commitments in the Plan of Implementation, and also towards the more effective implementation of the Millennium Development Goals.

The Summit faced the challenge of ensuring that decisions in



President Thabo Mbeki addressing the opening ceremony of the WSSD.

Johannesburg did not threaten the agreements reached at the Doha and Monterrey Conferences. There was agreement, however, that the Summit needed to build upon these two conferences and provide some political momentum to their implementation.

The Johannesburg Declaration on Sustainable Development adopted at the closing of the Summit commits the international community to the implementation of the outcomes of the Summit. Like the Plan of Implementation it reaffirms Agenda 21, the Rio Principles and the Millennium Development Goals. It also puts an emphasis on multilateralism and the role of the UN.

Given the complexity and wide spectrum of issues for the WSSD, significant outcomes were achieved at the Summit. Significant gains were made in ensuring that the Johannesburg Plan of Implementation contains commitments to:

- Integrate the three dimensions (social development, economic growth, and environmental management) of sustainable development;
- Provide targets and timeframes in key strategic areas of sustainable development;

- Ensure policy coherence and co-ordination in all institutions charged with implementing sustainable development initiatives;
- Encourage the revival of the spirit of multilateralism – i.e. putting the UN at the centre of promoting sustainable development initiatives; and
- Focus on implementation, and not renegotiating Agenda 21.

The Jo'burg Summit succeeded in making linkages with issues that were not on the Agenda of Rio in 1992, such as globalisation and HIV/AIDS, and highlighted their impact on the achievement of sustainable development. Against a backdrop of increasing poverty and inequalities; and the differential impact of globalisation; the WSSD managed to place poverty eradication on the centre stage. The Summit also took a multidimensional approach to poverty eradication by considering it in relation to key sectors such as water, energy, agriculture, biodiversity, trade, technology and finance, among others. In this regard, the Summit also emphasised the context of the Millennium Development Goals, thus creating and displaying the importance of linkages

in the approach to development. Building on the Millennium Summit, the WSSD established new targets for sanitation, biodiversity, fisheries and agriculture.

In an important way the Summit also put a greater focus on the economic and social dimensions of sustainable development, previously neglected because of an overemphasis on the environment. This can be considered an important addition because the preparatory process and the Summit itself attracted political leaders from different sectors and not just from the environment.

For the African perspective, it was an opportunity for the international community to endorse NEPAD as a sustainable development framework for Africa. The special focus on Africa should also be seen as building on the Millennium Declaration. The possible addition of desertification as a focal point of the GEF will be an important development for African countries, in view of its



President Thabo Mbeki speaking at the First Plenary of the WSSD.

impact on prospects for sustainable development in many countries.

The WSSD agreements are not legally binding. However, there is a growing (political and moral) pressure on member-states not to renege on their multilateral commitments on sustainable development. Ultimately, the true

test of the WSSD achievements lies in the effective implementation of sustainable development commitments, including Agenda 21, as foreseen in the Johannesburg Plan of Implementation.

Partnerships for sustainable development (so-called “type two outcomes”) constitute an important element of the outcomes of WSSD. However, they are meant to supplement, not to supplant, inter-governmentally agreed commitments.

The WSSD Secretariat received about 300 partnership proposals. Submissions were checked against the guiding principles for partnerships for sustainable development agreed

during the WSSD preparatory process. Some of the proposals were already fairly specific and concrete, with an established set of partners, agreed-on goals, and a clear funding strategy, while others were still in the conceptual stage, with various aspects still to be finalised.

The WSSD involved 7 thematic Partnership Plenary Sessions; statements by non-State entities; addresses by Heads of State and Government and other Senior Officials; 4 high-level Round Tables on the theme “Making It Happen”; and a multi-stakeholder event. Furthermore, the Summit negotiated and adopted two main documents: the Plan of Implementation; and the Johannesburg Declaration on Sustainable Development.

The smooth flow of the Summit can, in no small way, be attributed to a combination of the management of the proceedings by President Thabo Mbeki in his capacity as President of the Summit; the leadership roles played by Minister Nkosazana Dlamini Zuma, Minister Valli Moosa and various other Ministers in the South African delegation, in facilitating the arising difficulties during negotiations, as well as the close co-operation received from the UN structures.

Though South Africa’s position as the Chair of both the NAM and the AU placed the country in a powerful political position within the developing world, and particularly in Africa, Venezuela’s role as Chair of the G77 and China was given the due recognition it required, with close consultation taking place between the two countries. This had positive spin-offs in that it resulted in relatively good working relations with other important players within the developing world, notably Brazil, Iran, Egypt and Nigeria, among others.

South Africa’s intensive engagement in bilaterals and group meetings to build consensus contributed significantly to a successful outcome of the WSSD. South Africa was engaged in some 70 meetings, at Ministerial and Officials level. These meetings augured well for the success of the later engagements, which were mainly the mechanism through which difficult negotiating issues were unlocked. The issues around which the most intensive engagements occurred were:

- Governance, human rights, right to development;
- Trade, finance and globalisation cluster;



Minister Nkosazana Dlamini Zuma addressing a press conference during the WSSD.

- Health and gender, human rights, religion, values;
- Climate change;
- Foreign occupation and coercive economic measures.

A total of 61 requests were received for meetings with the President, 17 with the Deputy President, 32 with Minister Nkosazana Dlamini Zuma and 6 with Deputy Minister Aziz Pahad. These requests were received up to the last day of the conference (4 September 2002).

The Summit also broke new ground in terms of the multilateral approach to development by bringing government, the private sector and NGOs into a series of partnerships that are complementary to the inter-governmental agreements. While the proper follow-up and monitoring of these partnerships still has to be worked out, they are likely to bring in new resources for implementation.

The successful hosting of the WSSD in South Africa and in Africa presented a unique and historical opportunity to advance the priorities of the Continent and of the South and to achieve poverty eradication and to reverse marginalisation to the benefit

of billions of people, especially women and children who are presently suffering.

The general consensus is that the Johannesburg decade should be one of implementation and delivery, according to the Johannesburg Declaration and Plan of Implementation. South Africa has a significant role to play in this regard at various levels and in various capacities and forums. This would inform the priorities of relevant Cabinet clusters and line Departments. The Department and its Missions have a central role in terms of the international political dimensions of further implementation of sustainable development at global, regional and sub-regional levels.

... a unique and historical opportunity to advance the priorities of the Continent and of the South and to achieve poverty eradication and to reverse marginalisation to the benefit of billions of people, especially women and children who are presently suffering.

SCIENCE AND TECHNOLOGY

There is strong evidence that economic growth over the past decades has been led by technological innovation, both in the developed world and in South Africa. Since the Department of Foreign Affairs also aims to support the building of the South African economy, it was realised that a thematic focal point for science and technology (S&T) within the Department, with the aim of promoting South Africa's international S&T co-operation, should be established.

In 2002/03, the Department was closely involved in various initiatives to foster strong links with the S&T community, assisting for example with the arrangements for the hosting of the Forum on Science, Technology and Innovation, as an official parallel event to the World Summit on Sustainable Development (WSSD). Another event, linked to

the WSSD and where the section played an active role, was the “Science at the Summit” Conference, which took place at the CSIR. Discussions on a number of relevant topics were held, targeting local scientists who did not have access to the WSSD in Johannesburg. This event was a science and technology outreach event, which aimed to involve the youth as well.

The Department also assisted the Department of Science and Technology in hosting the ACP-EU Forum on Research for Sustainable Development, which took place in Cape Town from 26 to 30 July 2002. Senior Officials from the ACP Group of States and EU Member States attended the meeting, hosted by Minister Ben Ngubane. The outcome of the meeting is reflected in the Cape Town Declaration on Research for Sustainable Development and the ACP’s Cape Town Plan of Action. This event represented an important political follow-up of the ACP Vision for Sustainable Development, which was adopted at



Minister of Arts, Culture, Science and Technology, Dr Ben Ngubane, hosted the ACP-EU Forum on Research for Sustainable Development.

the 3rd Summit of Heads of State in Fiji, July 2002.

The Department co-ordinated South Africa’s participation in discussions at the UN on the International Convention Against the Reproductive Cloning of Human Beings, after the General Assembly, by its resolution 56/93 of 12 December 2001, established an Ad Hoc Committee to discuss this issue. No compromise could be found between two opposing resolutions, one supporting a total ban on human cloning (introduced by the US and the Philippines) and the other one taking a step-by-step approach (introduced by France and Germany). The Sixth Committee, on the last day of its formal session in 2002, agreed to recommend to the General Assembly a draft decision by which the General Assembly would decide to convene a working group of the Sixth Committee to be convened from 29 September to 3 October 2003 during its next session to continue work on the subject of human cloning. On 19

November 2002 the General Assembly adopted the draft decision without a vote.

NEPAD recognises the significant and crosscutting impact of information communication technologies (ICT) on all aspects of human life. The development of the ICT sector is, thus, defined as one of the four priority programmes of NEPAD aimed at defining the continent's new and aggressive efforts to accelerate Africa's economic development and growth. A major event, which is part of the Department's strategic action plans, is the World Summit on Information Society (WSIS). The UN General Assembly, on 21 December 2001, adopted a resolution endorsing the organisation of the WSIS under the patronage of the Secretary-General, with the International Telecommunication Union (ITU) taking the lead role in its preparation, along with interested UN Organisations and the host countries. The WSIS will take place in two phases. The first will be in Geneva from 10 to 12 December 2003 and the second in Tunisia in 2005. The Summit is expected to adopt a Declaration of Principles and an Action Plan to facilitate the effective growth of the Information Society and to help bridge the Digital Divide.

SCIENCE AND TECHNOLOGY ORGANISATIONS

Committee on the Peaceful Uses of Outer Space (COPUOS)

The COPUOS Scientific and Technical Subcommittee established various workgroups on the Implementation of the decisions of the UNISPACE III Conference of 1999. The South African delegation has been active, particularly in the workgroup on recommendation 11 and two Space Scientists Dr P Martinez and Prof S Mostert made several technical presentations on South African Space Science at the request of the Department. Mr A Fortesque, another South African Space Scientist, was invited by the UN Office for Outer Space Affairs to make a presentation on expanding the use of remote sensing techniques.

As a result of action by the Department, together with a representative of Stellenbosch University, a Seminar on Space Sciences for Sustainable development was planned at the Scientific and Technical Subcommittee as a parallel event of

the WSSD. It took place at Stellenbosch University from 25 February to 8 March 2002.

International Civil Aviation Organisation (ICAO)

On 28 November 2002 the Protocol to Article 50(a) of the Chicago Convention came into force, partly as a result of a lobby action by the Department of Foreign Affairs to encourage African states to ratify the Protocol. This means that 3 further seats have been added to the ICAO Council. On 29 November 2002 the ICAO Council decided to call an Extraordinary Assembly to elect members to those seats on 31 March and 1 April 2003. South Africa will be a candidate for one of the seats. A lobby effort for support in the elections was launched in early 2003.

The development of the ICT sector is, thus, defined as one of the four priority programmes of NEPAD aimed at defining the continent's new and aggressive efforts to accelerate Africa's economic development and growth.

**Minister Ivy Matsepe Casaburri
Minister of Communications.**



International Telecommunication Union (ITU)

In October 2002, the ITU Plenipotentiary Conference took place in Marrakech, Morocco. A large delegation, under the leadership of the Minister of Communications, Dr Ivy Matsepe-Cassaburi,

attended the Conference. The delegation consisted of more telecommunications industry representatives than the government representatives and provided a good example of Government and industry co-operation, as well as partnership in a multilateral organisation. This is important in the ITU where there are over 600 sector members as opposed to the 190 state members of ICAO.

During the reporting period, South Africa was again elected to the ICAO Council. Lobby efforts by the Department contributed to the comfortable margin with which the country was elected. Important issues dealt with included the reform of ITU structures and the control structures of the Internet, with an emphasis on non-discriminatory access to Internet domain names and addresses. Attention was also directed to the fact that access to the Internet should be available to all citizens and that the management of Internet domain names and addresses is of concern to both governments and the private sector.

Universal Postal Union (UPU)

During the ITU Plenipotentiary Conference in October 2002,

the President of the UPU approached the delegation with a request that South Africa should take over the hosting of the UPU Plenipotentiary Conference in 2004 from the Ivory Coast, in view of the political turmoil there. This was referred to principals and Minister Matsepe-Cassaburi made a decision that South Africa could not take over the hosting. A decision by UPU as to where the 2004 Congress will take place, is still awaited.

World Meteorological Organisation (WMO)

Preparations for the WMO Congress, which will take place in Geneva during May 2003, particularly with regard to elections, occupied the Department's activities during the past year. There was and continues to be an unusual political debate around who will be elected Secretary-General. Kenya is the candidate favoured by most States, though, in normal practice, if the French Candidate had been the incumbent Deputy Secretary-General, he would have been favoured. The French Government has, however, nominated the Head of French Meteorology.

Commonwealth Telecommunications Union (CTU)

During the year under review, the Department of Communications (DoC) requested the assistance of the Department of Foreign Affairs in regularising South Africa's relationship with the CTU, as there is no prescribed method for the ratification of the CTU Constitution. The Department, in consultation with relevant stakeholders, then determined the correct approach and enabled the DoC to regularise South Africa's membership of the CTU in good time for participation by the Minister of Communications in the CTU meetings in Cyprus in October 2002.

ENVIRONMENT

The Antarctic Treaty Secretariat

The establishment of a permanent Secretariat for the Antarctic Treaty was earlier delayed for several years because a consensus decision regarding the location of the Secretariat was prevented by one dissenting vote, namely the UK. In the course of 2001 an agreement was finally reached on the seat of the Secretariat.

Subsequently, the Antarctic Treaty Consultative Parties decided, at the 24th Antarctic Treaty Consultative Meeting (ATCM) to establish the permanent Secretariat for the Antarctic Treaty in Buenos Aires, Argentina. An inter-sessional meeting of the Antarctic Treaty Consultative Parties was held in Buenos Aires from 24 to 27 June 2002 to discuss issues related to the establishment of the Antarctic Treaty Secretariat and to draft proposals with the purpose of facilitating the negotiations at the 25th ATCM in Warsaw.

During discussions related to the permanent financial arrangements for the Secretariat, developed country members



Telkom tower in Pretoria.

supported financing by equal shares. South Africa, together with other developing countries expressed a preference for proportional assessment of contributions. The Buenos Aires meeting was useful and progress had been made on most of the important issues related to the establishment of the Secretariat. The meeting served to identify the difficult issues on which there are strong differences of opinion, such as the legal personality of the ATCM and the Secretariat; the funding of the Secretariat; and the assessment of contributions by Parties. The discussions and the various working papers that were drafted by the meeting established a firm foundation and the basis on which the deliberations were continued at the 25th Antarctic Treaty Consultative Meeting (ATCM) in Poland during September 2002. It is expected that the modalities for the establishment of the Secretariat will be finalised at the 26th ATCM that will be held in Spain during June 2003.

The Antarctic Treaty Consultative Meeting (ATCM)

South Africa is one of the 12 original signatory States of the Antarctic Treaty. There are currently 27 Antarctic Treaty Consultative

Parties (ATCPs) and 18 Non Consultative Parties (Observer States). The Antarctic Treaty Consultative Meeting (ATCM) is the highest decision making organ of the Antarctic Treaty. The Department's official dealing with Marine and Antarctica, and two officials from the Marine and Coastal Management Branch of the Department of Environmental Affairs and Tourism (DEAT), represented South Africa at the 25th Session of the Antarctic Treaty Consultative Meeting (ATCM), held in Poland from 9 to 20 September 2002. Apart from the Plenary, the South African delegation also actively participated in the negotiations of the Committee on Environmental Protection, the Legal and Institutional Working Group, the Working Group on the Antarctic Treaty Secretariat, and in the Operational Matters and Liability Working Groups. The establishment of the Antarctic Treaty Secretariat was a high priority item on the ATCM agenda. The negotiations on the establishment of the Secretariat were, however, slow and protracted. Final decisions on a number of important issues such as the cost sharing of the budget and the financial regulations of the Secretariat, could not be reached and will be finalised at the next ATCM to be held in Spain during June 2003.

The elaboration of a liability regime, which is a priority item on the agenda of the Liability Working Group, involves the development and adoption of one or more liability related Annexes to the Madrid Protocol on Environmental Protection to the Antarctic Treaty. Discussions and negotiations in the Working Group on Legal and Institutional Matters focussed on the following issues, a mechanism to improve approval of ATCM measures; review of the ATCM working practices; establishment of a standing committee of the Treaty Secretariat; review of ATCM recommendations; and tourism in the Antarctic. South Africa made interventions on all the above mentioned issues and supported an initiative to develop an annex to the Madrid Protocol to further regulate tourism in Antarctica. In a statement delivered during the concluding plenary meeting, South Africa informed the



Delicate marine life need protection.

Consultative Parties that it will host the 27th ATCM in South Africa during 2004.

The Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

The Antarctic Treaty Consultative Parties signed the Convention for the Conservation of Antarctic Marine Living Resources in 1980 and it entered into force on 7 April 1982. The Convention aims to conserve and manage the Antarctic marine living resources, initiate research programmes to assist the recovery of depleted fish stocks and implement systems of observation and inspection to ensure conservation measures are implemented successfully. The Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) was established in terms of this Convention. The Commission's main objectives are to undertake assessment of the Antarctic marine ecosystem, to develop conservation measures

to regulate sustainable fishing, and to protect ecosystem functioning in the area south of 45oS. South Africa has played an active part in CCAMLR since its entry into force and has contributed to setting its current direction. Dr Denzil Miller, a South African scientist, is the current Executive Secretary of CCAMLR. South African contributions have been both scientific and political in nature and proposals related to the conservation and sustainable management of the natural resources in the Southern Ocean, which include the South African Exclusive Economic Zone (EEZ) around the Prince Edward Islands.

The 21st annual meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) was held in Australia, from 21 October to 1 November 2002. A South African delegation, which included representatives from the Departments



Minister Valli Moosa Minister of Environmental Affairs and Tourism.

of Foreign Affairs; and Environmental Affairs and Tourism; as well as representatives from the fishing industry, participated in the meeting. Illegal Unreported and Unregulated (IUU) fishing remained the main concern for the Commission and this item again generated extensive debates in both the Standing Committee on Observation and Inspection (SCOI) and in the Plenary of the Commission. South Africa, Australia and the UK made statements and presented information to the Commission on a number of major incidents of IUU fishing activities which occurred during the 2001/02 season. There was general agreement that the information presented by these three countries provided clear evidence of the fraudulent use of the Catch Documentation Scheme (CDS), that CCAMLR Members' vessels and nationals are involved, and that the Vessel Monitoring System (VMS) and other CCAMLR requirements are not being implemented

properly. The Commission concluded that IUU fishing was now a highly organised form of transnational crime and that enormous amounts of money and profits are involved in illegal fishing of Patagonian Toothfish in particular. South Africa informed the Commission that since 1997 it has lost in excess of US\$150 million dollars due to the IUU fishing in its EEZ around the Prince Edward Islands.

The Commission adopted more than twenty conservation measures and resolutions on IUU fishing. South Africa assisted with the drafting of several of these measures and supported all the adopted measures and resolutions. The proposal by Australia to list Toothfish on Appendix II of CITES was the most controversial item on the Commission's agenda and it generated a protracted debate and strong reaction from members in opposition to the proposal. Only one member, New Zealand, supported the Australian proposal. All the applications for exploratory fishery for Toothfish, submitted by South Africa, were approved. It was decided that the next meeting of the Commission would be held in Hobart, Australia, from 27 October to 7 November 2003.

UNITED NATIONS CONVENTION ON THE LAW OF THE SEA (UNCLOS)

Commemoration of the 20th Anniversary of the United Nations Convention on the Law of the Sea (UNCLOS).

The period 2002/03 marked the 20th anniversary of the adoption of the United Nations Convention on the Law of the Sea. Hence the General Assembly devoted two days of plenary meetings on 9 and 10 December 2002, to commemorate the anniversary of the opening for signature of the Convention on 10 December 1982 in Montego Bay, Jamaica, after nine years of negotiations. The Treaty came into force on 16 November 1994, and is fast approaching universal participation, with 138 States Parties and 157 signatories. Among its provisions, UNCLOS established that the seabed and ocean floor beyond the limits of national jurisdiction is the "common heritage of mankind," and its use and protection are the right and responsibility of all. The

Convention also called for the compulsory settlement of disputes, and set out the overall legal framework for all activities in or on the oceans and seas, and provided detailed rules governing all uses of the oceans and defined the rights and responsibilities of States in this regard. The Convention established a number of institutions with specific mandates, including the International Seabed Authority; the International Tribunal for the Law of the Sea; and the Commission for the Limits of the Continental Shelf. Other responsibilities under the Convention have been ascribed to a number of existing organisations such as the FAO Committee on Fisheries (COFI); the International Maritime Organisation (IMO); the UNESCO International Oceanographic Commission (IOC); and the UN Environmental Programme (UNEP).

The Acting President of the General Assembly, followed by the UN Secretary-General, opened the commemorative meeting. The list of other speakers included prominent individuals who have been instrumental in the negotiations, adoption and implementation of the Convention. The Acting President of the General Assembly said in his opening address that 'the Convention offered a universal and

complex legal framework for sharing the oceans as a common heritage of mankind.' A South African delegation, consisting of representatives from the South African Permanent Mission to the UN, participated in the Commemorative Session of the General Assembly, which was hailed as a great success.

Meeting of the State Parties to the United Nations Convention on the Law of the Sea (UNCLOS)

South Africa is a State Party to the UNCLOS since 1994 and has actively participated in the various bodies established under the Convention. A representative from the South African Permanent Mission to the UN in New York attended the 12th Meeting of the State Parties to the UNCLOS from 16 to 26 April 2002, in New York. South Africa continued to support the initiatives to advance the establishment of institutional arrangements and regulatory mechanisms for the responsible governance of the oceans and its resources within the framework of UNCLOS. Amongst others, the 12th meeting considered the report of the International Tribunal for the Law of the Sea (ITLOS); determined the scale of assessments

for the contribution of States Parties to the budget of ITLOS; and discussed observer status of the Commission on the Limits of the Continental Shelf. Matters related to article 4 of annex II and article 319 of UNCLOS were also discussed. The meeting elected 21 members for the UN Commission on the Limitations of the Continental Shelf (CLCS) and 7 members for the International Tribunal on the Law of the Sea (ITLOS).

The United Nations Informal Consultative Process on Oceans and the Law of the Sea (UNICPOLOS)

The objective of the UNICPOLOS is to facilitate an integrated approach to all legal, economic, social and environmental aspects of oceans and seas, and to improve co-ordination and co-operation at both the inter-governmental and inter-agency levels. The third meeting of UNICPOLOS, which was held during April 2002, focused on the following areas: co-ordination and co-operation within the UN system; the protection and reservation of the marine environment; capacity building; regional co-operation and co-ordination; marine science and transfer of technology; sustainable

fisheries; and safety of navigation. As a coastal State, South Africa co-sponsored the General Assembly resolution, which established this Consultative Process and it also participated actively in its subsequent meetings. The General Assembly decided at its 57th session to extend the mandate of the open-ended informal consultative process on Oceans and the Law of the Sea for another three years. The next meeting of the Consultative Process, which will be held in New York from 2 to 6 June 2003, will focus on the protection of vulnerable ecosystems and the safety for navigation (e.g. capacity building for the production of nautical charts). A review of the effectiveness and usefulness of the Consultative Process will be undertaken by the UN General Assembly during 2005.

The International Seabed Authority (ISA)

The ISA, which was established in terms of the United Nations Convention on the Law of the Sea (UNCLOS), is the body through which States Parties to the Convention organise and control activities (particularly mining) in the international seabed beyond the national jurisdiction of coastal States. South Africa has

participated actively in the work of the International Seabed Authority since it became a member in 1998. The principle organs of the Authority are the Assembly, the Council and the Secretariat. The latter is located in Kingston, Jamaica. The Legal Counsellor at the Permanent Mission in New York was elected for a two-year term to the Finance Committee and he was also elected to the Legal and Technical Commission for a five-year term. South Africa, currently a Council member, will relinquish its seat on the Council as a Group-C member (States that are major land-based net exporters of minerals also found in the deep seabed) to Zambia during 2003 and to Gabon in 2004. It will resume its seat in Group-C during 2005. South Africa will also take up a Council seat in Group-E in 2004.

A South African delegation, consisting of the Legal Counsellor



Small scale processing of fish in Saint Helena.

and a representative from the South African High Commission in Jamaica, who is responsible for liaison with the ISA Secretariat, participated in the 8th Session of the International Seabed Authority, which was held in Kingston from 5 to 16 August 2002. South Africa actively participated in the proceedings of the Assembly, the Council, the Legal and Technical Commission and the Credentials

Committee. The Legal and Technical Commission (LTC) considered regulations for prospecting and exploration for polymetallic sulphides and cobalt-rich crusts. The Council reviewed the initial report of the LTC and debated this matter extensively, particularly in view of the impact that these new activities may have on the marine environment. A one-day workshop was held during the 8th Session to provide an update of scientific information about massive polymetallic sulphide deposits and cobalt rich

ferromanganese crusts as well as to clarify to member States some of the scientific and environmental issues involved. The Assembly also considered a report on the outcome of a technical workshop that developed proposals for research into four scientific areas related to environmental aspects of deep-seabed mining.

Resolutions adopted by the 57th Session of the United Nations General Assembly (UNGA 57) related to Oceans and the Law of the Sea.

During its 2002 debate on the agenda item "Oceans and the Law of the Sea", the UN General Assembly considered various reports prepared by the UN Secretary-General; and it considered and adopted three resolutions. The General Assembly adopted the annual omnibus resolution, which reflects the state of the world's seas and oceans, and the activities conducted over the last year and provided the mandate for the next year's activities. The General Assembly further adopted, by consensus, a resolution on large-scale pelagic drift-net fishing, unauthorised fishing in zones

of national jurisdiction and on the high seas, illegal, unreported and unregulated (IUU) fishing, fisheries by-catch and discards, and other developments. The General Assembly also adopted, by consensus, a resolution on the Agreement for the Implementation of the Provisions of the UN Convention on the Law of the Sea relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (Fish Stocks Agreement). These resolutions reaffirmed and provided further impetus to the commitments made at the WSSD in Johannesburg under the Plan of Implementation. Through these resolutions, the Plan of Action has been taken a step further and it is important to ensure that the commitments undertaken therein are fully implemented on a national, regional and global level. The South African Mission to the UN, guided by comprehensive directives prepared by the Department, participated actively in the negotiations on these resolutions and co-sponsored and supported all three resolutions.

International Maritime Organisation (IMO)

The objectives of the IMO are to ensure the highest possible

standards of safety at sea, of efficient navigation and the prevention of the pollution of the oceans caused by ships and other craft operating in the marine environment. There are 158 members of the IMO, while its Council has 32 members. South Africa is an active member of both the IMO and its Council. South Africa is located on the major sea routes joining the Atlantic and Indian Oceans. This is also the major shipping route for oil transportation from the Middle East to Europe and North America. An estimated 20 000 vessels pass around the South African coastline annually, of which a large number are very large crude-oil carriers (VLCCs). The Department co-ordinated and facilitated the effective participation of South African delegations in a number of IMO meetings in London. These delegations included representatives from the Department of Transport, South African Maritime Safety Authority (SAMSA), South African Ports Authority and South African High Commission in London. The High Commission is responsible for liaison with the IMO Secretariat, which is located in London. The following meetings were attended, the 88th and 89th Sessions of the IMO Council; the 84th Session of the IMO Legal Committee;

the 47th Session of the IMO Marine Environmental Protection Committee; the 76th Session of the Maritime Safety Committee meeting and the Diplomatic Conference on Maritime Security

The London Convention on the Prevention of Marine Pollution by Dumping Wastes and Other Matter (London Dumping Convention)

The London Dumping Convention was negotiated under the auspices of the International Maritime Organisation (IMO). The main objective of the London Dumping Convention (LDC) is the prevention and control of marine pollution caused by dumping and incineration of wastes at sea. The highest decision making body of the Convention is the Consultative Meeting. South Africa has played an active and constructive role in the activities of the LDC since its accession to the Convention on 7 August 1978. South Africa's position is that dumping at sea should not be regarded as a viable option for the disposal of wastes, including toxic substances and low-level radioactive wastes. South Africa's 3000-km coastline and its oceanic waters are endowed with a great diversity of

ecosystems and natural resources, which are subject to enormous pressures from an ever increasing in international maritime traffic. Oil pollution is a major concern, particularly in view of South Africa's vulnerable location on one of the world's busiest shipping routes. In addition to the regular attendance of LDC meetings, South Africa also participated in other activities of the Convention. South Africa is the current Chairperson of the LDC Scientific Group on Dumping. The work of this Scientific Group is of importance to South Africa, particularly in view of its development projects aimed at technical assistance to developing countries.

International Whaling Commission (IWC)

A South African delegation participated in the 54th Annual Meeting of the International Whaling Commission, which was held from 20 to 24 May 2002 in Japan. The annual meeting of the International Whaling Commission (IWC) is characterised by the continued polarisation between the pro- and the anti-whaling nations. South Africa is a founding member of the IWC and a member state of the International Convention for the Regulation of

Whaling. South Africa has a consistent non-whaling position in support of non-consumptive and sustainable use of whales in the form of whale watching, whale conservation, the establishment of whale sanctuaries and eco-tourism. South Africa voted against the proposal to lift the moratorium on commercial whaling; supported the proposal to establish a whale sanctuary in the South Atlantic; and voted in favour of the proposal regarding a Revised Management Scheme (RSM). South Africa will chair the Whale Watching Advisory Group, which was established by the Commission. A welcome development in the Commission is the enhanced participation



Whale watching is a major tourist attraction off the coast of Hermanus.

of scientists from developing countries (including Africa) in the activities of the IWC's Scientific Committee through participating and sharing in scientific and technical information and debates

International Hydrographic Organisation (IHO)

The South African Naval Hydrographer attended the quinquennial meeting of the IHO in Monaco from 14 to 19 April 2002. In view of the highly technical and scientific nature of the IHO agenda, the role of the Department was primarily to facilitate attendance of meetings as well as communication with the Secretariat and other member states. The primary objectives of the IHO are the co-ordination of the hydrographic services of maritime countries; uniformity in nautical charts; hydrographic surveying; provision of advice on hydrography and nautical cartography to developing countries and the development of the sciences in the field of hydrography and the techniques employed in oceanography. South Africa is an active and respected member of the IHO. South Africa participates in a broad range of IHO activities and initiatives, including capacity building, and technical

assistance and advice to the African member countries. A South African, Captain Neil Guy, served as Director of the IHO Council during the past five years. His term ended in April 2002.

United Nations Framework Convention on Climate Change (UNFCCC)

Following the finalisation of the outstanding elements of the Kyoto Protocol to the Climate Change Convention in Marrakech, Morocco, in November 2001, the focus during 2002 turned to the coming into force of the Protocol. Under the Kyoto Protocol, the developed countries must reduce their greenhouse gasses by an average of 5 per cent by 2012. The fact that the Bush Administration has maintained its opposition to the Protocol has also delayed its coming into force. South Africa deposited its instrument of accession to the Protocol in June 2002, prior to the WSSD that was held in Johannesburg. The WSSD called on countries to adopt the Protocol but by the end of 2002 it was still not in force. Canada's announcement in December 2002, that it will ratify the Kyoto Protocol was an important step forward and

it is anticipated that the Protocol will come into force once Russia deposits its ratification papers. The support of the EU and Japan for the Protocol was crucial indeed and has undoubtedly enhanced their standing in international multilateral and environmental circles.

During 2002, the UNFCCC held two meetings, namely the annual inter-sessional meeting in June in Bonn, Germany, and COP8 in October in New Delhi, India. Both meetings focussed on technical implementation issues, and attempts to commence negotiations on targets for the second commitment period (2012 onwards) stalled. Once the Kyoto Protocol comes into force, negotiation of targets for the developed countries for post 2012 will have to commence and pressure could also increase on selected developing countries with high greenhouse gas emissions to consider mitigation targets.

Domestically, South Africa has commenced with the process to establish a procedure for the consideration of Clean Development Mechanism (CDM) projects under the Kyoto Protocol. The CDM holds favourable mitigation and developmental opportunities for Africa and care should be taken to ensure that the continent is

not marginalised in CDM project activities. South Africa hopes to attract CDM projects in view of its high greenhouse gas emission levels and the multitude of domestic project opportunities that are available. Developing countries will use CDM mitigation projects to promote their sustainable development objectives while the developed countries that participate in CDM projects will receive credits which they can use to comply with their reduction commitments under the Kyoto Protocol.



Deputy Minister of Environmental Affairs and Tourism - Ms Rejoice Mabudafhasi

The National Committee for Climate Change (NCCC), under the chairmanship of the Deputy Minister of Environmental Affairs and Tourism Rejoice Mabudafhasi, held quarterly meetings during the past year to advance co-ordination of South Africa's interaction with the international climate change process. Prominent domestic issues that the NCCC dealt with were the finalisation

of the country's first National Communications, the formulation of national mitigation options and a domestic climate change response strategy. These studies incorporate a range of scientific, technical and mitigation data.

The Department also continued to monitor domestic Global Environmental Facility (GEF) projects in the climate change sector during the year. A range of climate change projects funded by GEF is currently underway in South Africa while others are under consideration.

Montreal Protocol on Substances that deplete the Ozone Layer

The administration and implementation of the provisions of the Montreal Protocol is currently the prime focus of South Africa's interaction with the ozone depletion process. During 2002/03 the



Emissions from power stations contribute to the depletion of the ozone layer.

Department actively participated in the regular domestic CFC Task Group meetings as well as meeting of the Ozone Layer Protection Committee that monitors domestic compliance with the CFC phase-out schedule.

The Montreal Protocol regulates the use and production of substances that contribute to the depletion of the ozone layer such as chlorofluorocarbons (CFC's) used in refrigerants, or metered dose inhalers (MDI's) used in asthma treatment. South Africa acceded to the Montreal Protocol in 1990, its London Amendment in 1992, and its Copenhagen Amendment in 2001. The Copenhagen Amendment brought forward the phase-out date for halons to 31 December 1995, established a phase-out schedule for HCFC's (hydrochlorofluorocarbons) and started the regulation of another ozone depleting substance namely methylbromide.

The 14th Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP14) was held in Rome, Italy, from 25 – 29 November 2002. MOP14 dealt with technical implementation issues such as essential use exemptions for controlled substances, status of destruction technologies of ozone depleting substances, review of non-compliance procedure for the implementation of the Montreal Protocol, monitoring of international trade and prevention of illegal trade in ozone depleting substances, production of CFCs for metered dose inhalers, clarification of terminology relating to ozone depleting substances and the relationship between efforts to protect the stratospheric ozone layer and efforts to safeguard the global climate system.

South Africa has not yet obtained parliamentary approval for its accession to the Beijing and Montreal Amendments to the Montreal Protocol. Approval has

to be requested from the National Assembly and National Council of Provinces in terms of section 231(2) of the Constitution.

Meeting of Co-ordinators of the Valdivia Group of Southern Temperate zone countries on the environment

As a result of the WSSD that was held in Johannesburg in August/September 2002, and additional multilateral travel schedule that this entailed, the Valdivia Group did not meet in

2002. The future of the Group is also uncertain since members are divided on whether stand alone meetings or meetings in the margins of yearly CSD meetings should be convened. It would seem that the majority of members hold the view that as a result of the proliferation of annual environmental meetings and financial constraints on



Plenary in Session during the WSSD.

national budgets, Valdivia Group meetings should be held in the margins of annual CSD meetings.

To date, the Valdivia Group's working groups have been largely inactive and their operational future needs to be reviewed. In addition, there is a clear developed/developing political divide in the Valdivia Group's membership, which manifests itself in international environmental negotiations. The future of this Group of southern temperate zone countries, consisting of Argentina, Brazil, Chile, Uruguay, Australia, New Zealand and South Africa will depend, to a significant degree, on the value of technical co-operation.

Prior Informed Consent (PIC) Convention relating to trade in chemicals and pesticides

The PIC procedure aims to promote a shared responsibility between exporting and importing countries in protecting human health and the environment from harmful effects of certain hazardous chemicals and pesticides that are traded internationally.

The Rotterdam Convention on the PIC Procedure for Certain

Hazardous Chemicals and Pesticides in International Trade was adopted on 10 September 1998. To date, 72 States and the European Community have signed the Convention, and has been ratified by 34 States (South Africa acceded in September during the WSSD held in Johannesburg). It will enter into force once 50 instruments of ratification or accession have been deposited. Until the Convention's first Conference on the Parties (COP), the Inter-governmental Negotiating Committee (INC) will continue to provide guidance regarding the implementation of the PIC procedure during the interim period.

The ninth session of the INC for an International Legally Binding Instrument for the Application of the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (INC-9), was held from 30 September to 4 October 2002, in Bonn, Germany. INC-9 considered the implementation of the interim PIC procedure and analysed progress on preparations for the entry into force of the Convention. Progress was also made on issues such as the draft financial rules and the compliance mechanism, while agreement was reached to

include the agricultural chemical monocrotophes in Annex III to the Rotterdam Convention.

INC-9 also considered an analysis of the problems encountered by Parties in their preparations of import and export notifications. It was noted that of the 166 countries participating in the interim PIC procedure, only 15% have provided all import responses, 25% have failed to provide any responses, while only 48% of countries have submitted responses concerning future imports for all 31 chemicals. It was clear that capacity within the national regulatory authorities is one of the main causes for non-compliance. Developing countries and countries with economies in transition will need further technical assistance, training and information exchange as well as financial assistance to facilitate compliance. Various workshops are being organized for 2003 to encourage implementation of the PIC Convention, including one for Africa.

A decision on the location of the permanent Secretariat of the Rotterdam Convention will be taken at the first meeting of the Conference of the Parties. The declared candidates are Germany, offering to host the Secretariat in Bonn, as well as Italy

and Switzerland, which offered to host the Secretariat jointly in Rome and Geneva. In line with the WSSD Johannesburg Plan of Implementation supporting the coming into force of the Convention by 2003, it seems likely that the target date will be met and administrative preparations are being made for the first Conference of the Parties of the PIC Convention to take place in 2004. South Africa is also actively participating in the regular annual meetings of the Interim Chemicals Review Committee (ICRC) of the PIC. The ICRC liaises closely with UNEP Chemicals in Geneva on its work programme and chemicals analysis registrar.

Persistent Organic Pollutants Convention (POPs)

The final negotiating session for the POPs Convention was held in Sandton, Johannesburg in December 2000 and the Convention was adopted in Stockholm, Sweden, in May 2001. The Stockholm Convention is a global treaty that protects human health and the environment from persistent organic pollutants (POPs). POPs are chemicals that remain intact in the environment for long periods, are distributed globally, accumulate in the fatty tissue of living

organisms and are toxic to humans and wildlife. In implementing the Convention, governments must take measures to eliminate or reduce the release of POPs into the environment.

The Seventh Session of the POPs international negotiating committee (INC) was held from 14 to 18 July 2002 in Geneva, Switzerland. INC7 focussed on implementation issues, reviewed the number of ratifications, considered new candidates to host the permanent POPs Secretariat, and discussed linkages with other conventions such as Basel and PIC.

In September 2002, during the WSSD, South Africa announced that it has ratified the Stockholm Convention. To date some 30 countries have also ratified and the Convention will come into force once 50 countries have deposited their instruments.

South Africa also hosted a sub-regional workshop in Pretoria



Communities contributed to waste management through the recycling of tin cans.

from 4 to 8 November 2002 on the reduction, elimination and management of pesticides in the context of the Stockholm and Basel Conventions. The workshop was co-convened by UNEP chemicals and the Regional Office for Africa of the World Health Organisation (WHO). Participants representing the environment, agriculture and public health sectors of countries in the Southern Africa region attended. The workshop

focussed on the following practical steps to enhance the regional objectives of the POPs Convention; it analysed obligations under the convention, discussed obsolete stocks and wastes and their elimination, raised awareness for available alternatives for POPs pesticides for pest and vector control, and developed proposals for national and regional follow-up activities regarding pesticide use.

Basel Convention on the Transboundary Movement of hazardous waste

The Basel Convention aims to reduce the trans-boundary movement of hazardous waste and, in cases where such movements cannot be avoided, to exercise strict control subject to sound environmental management principles. South Africa acceded to the Convention in 1994 and also supports the Basel Ban Amendment, which aims to prohibit all trans-boundary movement of hazardous waste for final disposal from OECD to non-OECD countries.

The Basel Secretariat, based in Geneva, has also established an English language African regional training centre at Vista University, in Pretoria for the implementation of the Convention. The centre is providing expert training in waste management and technology transfer and will enhance the objectives of NEPAD and the sustainable development targets of the WSSD. One aspect of continental hazardous waste management that still has to be resolved is the question of the coming into force of the Bamako Convention. The Bamako Convention is a blueprint copy of the Basel Convention but its membership is restricted to African parties.

The Basel Secretariat has already indicated that they are ready to assist with the establishment and operationalisation of Bamako. However, as a result of the additional annual membership contributions, many African states have been hesitant to support a convention that duplicates an existing one.

The Sixth Meeting of the Conference of the Parties of the Basel Convention (COP6) was held in Geneva, Switzerland, from 9 to 14 December 2002. COP6 made substantial progress on outstanding issues and reached agreement on the Basel compliance system, the legal establishment of the Regional Centres for training and technology transfer and a strategic implementation plan. These decisions are welcomed since the Convention is important for South Africa, which produces significant amounts of hazardous waste material.

Biodiversity (CBD)

The sixth Conference of Parties (COP-6) on Biodiversity (CBD) took place from 8 to 19 April 2002 in The Hague and was attended by a South African delegation.

The objectives of the Convention included the conservation of biodiversity, the sustainable use of biological resources, and the fair and equitable sharing of benefits arising from the use of genetic resources.

South Africa did not actively participate in the Convention negotiations and has largely been isolated from discussions around its issues. This has resulted in a general lack of awareness and understanding of the complex of issues that the Convention raises. Many of these issues are, however, of importance for the country's economic development and have considerable implications for the future use and conservation of our natural resources.

United Nations Forum on Forests (UNFF)

The second meeting of the United Nations Forum on Forests took place in New York from 4 to 15 March 2002. During UNFF-2 delegates addressed progress in the implementation of the Inter-governmental Panel on Forests and the Inter-governmental Forum on Forests (IPF/IFF) proposals for action related to the following substantive items, or elements: combating deforestation and forest

degradation; forest conservation and protection of unique types of forests and fragile ecosystems; rehabilitation and conservation strategies for low forest cover countries (LFCCs); rehabilitation and restoration of degraded lands and promotion of natural and planted forests; and concepts, terminology and definitions.

During the reporting period, the High-Level Ministerial Segment, which was attended by Minister Ronnie Kasrils, engaged in a policy dialogue with Heads of member organisations of the Collaborative Partnership on Forests (CPF) and also on UNFF's input to the WSSD. A Ministerial Declaration and Message to the WSSD was adopted during this segment.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora: The Twelfth Conference of Parties (COP-12)

The twelfth Conference of Parties (COP-12) of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), convened from 3 to 15 November 2002 in Santiago, Chile. The lobbying efforts of the Southern African

delegations paid off. A COP-12 ruling on ivory, whereby South Africa obtained permission for a once-off sale of its ivory stock, is seen as “an enormous victory for South Africa’s sustainable use policies”. The plus minus 30 tonnes of ivory is expected to earn approximately R20 million which would be ploughed back into elephant conservation.

The once off sale of 30 000 kilograms of ivory from the Kruger National Park will not take place before May 2004 and only after the completion of certain CITES safeguarding procedures. Also, the down listing of Aloe Thorncroftii from Appendix I to Appendix II was approved. As there has been no international trade in this species in the past few years, there was no need for its inclusion in Appendix I. The Cape Parrot’s listing in Appendix I was also withdrawn.

The Ramsar Convention on Wetlands of

International Importance

The Ramsar Convention adopted in Ramsar, Iran in 1971, is the oldest of the global multilateral environmental agreements (MEAs).

It owes its origins to the urgent need to combat widespread destruction of wetlands and the habitats they provide for the migrating species, notably water birds. There is increasingly wide appreciation that wetlands, in all forms, provide unique services to human societies.

Since its inception, the Ramsar Convention has progressively developed its scope and approach to address the sustainable utilisation of wetlands, which is considered to be synonymous with the Convention’s concept of “wise use”. At COP 8 of the Convention, which took place in Valencia Spain during November 2002, 46 resolutions covering a very wide spectrum of issues were adopted. These included resolutions on co-operation with NEPAD, agriculture, climate change, invasive species, culture, etc.



Wetlands, in all forms, provide unique services to human society.



Desertification is a major problem for Africa.

The Ramsar Convention has synergies with various other Conventions, notably those on Biodiversity, on Desertification and Climate Change. The cross cutting nature of the issues presently discussed within the Ramsar context, requires that closer synergies be created between the multilateral desks (environment and economic) in the Department, dealing with the various conventions in order to be aware of the implications of the decisions taken within the realm of the conventions might have on each other.

UNEP Agreement on Dams and Development Project

The Agreement between the Republic of South Africa and the United Nations Environmental Programme (UNEP), whereby the latter's Dams and Development Project would establish an office in Cape Town, neared conclusion at the close 2002/03.

SOCIAL DEVELOPMENT

Humanitarian Affairs

In January 2002, a volcanic eruption in the Eastern DRC caused massive disruption in the lives of approximately 500 000 citizens of Goma. There was no loss of life as the lava-flow was very slow, but the commercial centre, water-purification plants, airport and roads were devastated. In response to an appeal issued by the Department, two consignments of humanitarian assistance, totaling 80 tons of food, fresh water, water purifiers and medical supplies and clothing donated by civil society were flown to Kigali in Rwanda, and transported by road to Goma. In Goma the consignments were handed to the UN Office for the Co-ordination of Humanitarian Affairs for distribution by the international organisations on the ground in the disaster zone.

In late May 2002, a train derailment in Mozambique resulted in hundreds of people dead and others severely injured. The Department launched an appeal for contributions to ease the plight of the injured at the Maputo Central Hospital, which could

not cope with the sudden influx of trauma and burn victims. A consignment of medical supplies donated by NETCARE, valued at R1 million, was delivered to the Head of the hospital, and shortly thereafter an ambulance donated by TRANSNET was handed over to the hospital, for use in the transportation of burn victims.

An appeal was launched for donations to a people-to-people humanitarian assistance initiative for Angola. The Department worked closely with the Chair of an Inter-Departmental Committee set up to co-ordinate the appeal, and thus far three consignments have been delivered to Angola:

- 65 tons of confiscated clothing donated by the SA Revenue Services;
- a consignment of medical supplies donated to the Angolan Ministry of Health;
- a mixed consignment of over 100 tons of food, clothing and agricultural inputs, received from civil-society donors, currently in a warehouse in Luanda awaiting a decision on funding from the SA Government for its distribution.

By the close of the reporting period, a further consignment of

over 100 tons of maize, fish, clothing and agricultural inputs is in warehouses in Durban and Cape Town, awaiting payment of the accounts for the above-mentioned consignment, before the shippers will transport it to Luanda.

International Humanitarian Law (IHL)

For the second year, during 2002/03 the Department co-hosted, with the International Committee of the Red Cross (ICRC), a training seminar for Senior Officials of SADC Governments, in the rules, application and implementation of IHL. Following the seminar, a draft Cabinet Memorandum was prepared, recommending the creation of a national committee on the implementation of IHL. The Cabinet Memorandum will be submitted in the near future.

Also, for the second year, the Department facilitated the holding of the annual All Africa Course in IHL, for legal academics, hosted by the ICRC and the Centre for Human Rights at the University of Pretoria.

During October 2003, the Department facilitated the holding of the first of a series of regional seminars to be held around the

world, on the issue of Civilians in Armed Conflict, presented by the UN Office for the Co-ordination of Humanitarian Affairs, in co-operation with the Institute for Strategic Studies in Pretoria. The Deputy Minister of Defence, Ms Nosiviwe Madlala-Routledge, delivered the keynote address on behalf of the host Government, and the Acting Director-General, Mr Abdul Minity, delivered the closing address. The conclusions and recommendations of the seminar were fed into the UN Secretary General's annual report to the Security Council on this issue.

Minister Nkosazana Dlamini Zuma delivered an address to the ICRC's annual Wolfsberg Forum, on the subject of "War and Accountability", during May 2002.

During the year under review, the South African Government participated in a number of initiatives of the Human Security Network including the issuing of joint statements at international meetings, with the other members of the Network, on matters including the universalisation of the Ottawa mine-ban convention; and on the issue of Children in Armed Conflict. A South African expert made contributions to the initiative of the Network to

compile a training manual for human rights educators, to ensure a more widespread dissemination of and respect for human rights.

The Department made financial contributions to a number of programmes of international organisations, aimed at providing relief to civilians and refugees from armed conflict and of famine in Africa and further abroad. These contributions were for the following:

- Angolan landmine victims, through the ICRC
- Angolan internally displaced children, through UNICEF
- Humanitarian relief in Africa, through the ICRC
- Food for starving refugees in Zambia, through UNHCR
- Assistance to Palestinian refugees, through UNRWA
- OAU Special Refugee Contingency Fund
- UN International Research and Training Institute for the Advancement of Women, programmes in Africa
- UN Development Fund for Women, programmes in Africa
- Food relief to flood-affected Malawians, through WFP
- Food relief to famine-affected Zimbabweans, through WFP
- Flood relief to Algerian communities, through Algerian Red

Crescent Society/IFRCRCS

- Government of Cuba, for relief of hurricane-displaced civilians
- Government of Lesotho, for famine-affected communities.

Disaster Management

The Department was an active participant in the work of an Inter-Departmental Committee Chaired by the Official dealing with Disaster Management at the Department of Provincial and Local Government (DPLG), set up to formulate a contingency plan in the event that the food insecurity situation in the sub-region resulted in a mass influx of either political refugees or economic migrants to South Africa.

The Department fast-tracked the opening of a regional office of the World Food Programme that co-ordinated a joint appeal to the international community for donations of food and financial contributions of US\$611 million, to provide over 1 million tons of food and non-food items to 15 million persons facing starvation in six countries of SADC due to crop failures. Also fast-tracked were the authorisations to the International Federation of Red Cross, Red

Crescent Societies, and the UN Office for the Co-ordination of Humanitarian Affairs (UN-OCHA) respectively, to open regional co-ordination offices to ensure the delivery of food assistance to the famine-affected communities in our sub-region. Following ongoing efforts, the South African Government was, on 29 January 2003, able to announce the donation of 100 000 tons of maize to the WFP-co-ordinated appeal, worth R170 million at current prices. This generous donation makes South Africa the fifth largest contributor to the international appeal, after the US, EU, UK and Japan.

During November 2002, the Department participated in a joint SA/French/Mauritian/Malagasy naval preparedness exercise in maritime Search and Rescue, off the coast of Reunion, aimed at



Members of the South African Navy on parade during the inauguration of the AU in Durban.

ensuring the inter-operability of the naval and air forces, and maritime Search and Rescue Control Centres of the participating countries, during actual Search and Rescue operations in the ocean between the African coast and the islands. A further joint humanitarian evacuation exercise of “refugees from civil war” is

planned for the coast of Northern KwaZulu Natal for early April with the French Navy.

During December 2002, the Department facilitated the hosting, by Rescue South Africa, of the UN International Search and Rescue Advisory Group (INSARAG) Team Leaders’ annual conference, in Boksburg. Search and Rescue teams from 17 countries participated in the conference.

SOCIAL DEVELOPMENT ORGANISATIONS

53rd Session of the UNHCR's Executive Committee

The Agenda for Protection formed the basis of the 53rd Session of the UNHCR's Excom, which took place from 30 September to 4 October 2002 in Geneva. The objectives of NEPAD were stressed and how a new sense of commitment amongst Africa's people to confront the problems facing the continent is perceived.

UNHCR and its involvement with NEPAD

In August 2002, the UN High Commissioner for Refugees, Mr. Ruud Lubbers, addressed a letter to President Mbeki regarding NEPAD in which he stressed the readiness of the UNHCR to work with the South African Government. This commitment of the UNHCR resulted in a request being forwarded to Professor Wiseman Nkuhlu, at the NEPAD Secretariat to address the relevant organisations in Geneva regarding developments of NEPAD and how the UNHCR could become involved. The Department recommended that a workshop be scheduled where the Heads of

all international organisations could be invited to be informed on the objectives of NEPAD and to explore how they could become involved in the process.

Attendance of the 84th IOM Council Session

The Department attended and participated in the 84th Council Session of the IOM in Geneva from 2 to 4 December 2002. The Acting Deputy Director-General of Home Affairs, Advocate R Malatji, led the South African delegation. The main theme of the Session was based on the management of orderly migration. Twenty-two African states are members of the IOM.

Election of the Director-General of the WHO

In August 2002, the Foreign Minister of Mozambique informed South Africa of the decision of the Government of Mozambique to present the candidature of Prime Minister Dr Pascoal Mocumbi for the position of Director-General of the WHO. At the meeting of the AU Standing Nomination Committee it was decided that Dr Mocumbi would be the sole African candidate for the position.

Eventually, on 28 January 2003, Dr Jong Wook Lee was nominated by WHO's Executive Board for the post of DG of the agency.

Re-appointment of the South African Auditor-General as the External Auditor of the WHO

South Africa was appointed as the External Auditor of the WHO for the two financial periods 2000 to 2001 and 2002 to 2003. In September 2002, the WHO invited member states to nominate candidates for appointment as External Auditor for the financial period 2004 to 2005 and 2006 to 2007. The Department of Health recommended that South Africa again nominate the Office of the Auditor-General to serve for a further term. The Office of the Auditor-General has accepted the proposal.



The Foreign Minister of Lesotho, Mr Kenneth Tsekoa, and Minister Nkosazana Dlamini Zuma briefing the media at the end of the Ministerial Meeting of the South Africa-Lesotho JBC in October 2002.

Lesotho Humanitarian Assistance

At the Ministerial meeting of the South Africa/Lesotho Joint Bilateral Commission for Co-operation in October 2002, the Lesotho Minister of Foreign Affairs Kenneth Tsekoa requested humanitarian assistance

from South Africa to counteract famine in Lesotho. South Africa made a donation to the Government of Lesotho from the Department's Humanitarian Assistance budget.

South Africa's Statement to the 57th Session of the UN General Assembly: Declaration of Commitment to HIV/AIDS

The Department co-ordinated the drafting of the South African

statement to the 57th Session of UN General Assembly with the Department of Health. Against the background of the negative publicity South Africa received on the HIV/AIDS issue, the Declaration of Commitment clearly demonstrated the Government's seriousness in its approach, enhanced by the slogan: "All our actions count!"

SOCIAL DEVELOPMENT PROGRAMMES

UN General Assembly Special Session on Children, New York: 8 to 10 May 2002

The General Assembly of the UN convened a Special Session on Children. The United Nations General Assembly Special Session (UNGASS) on Children had originally been planned for 19 to 21 September 2001. Preparations for participation by a Senior South African delegation were made and President Mbeki had accepted an invitation to participate, but the Special Session was postponed in the light of the events in New York on 11 September 2001. It subsequently took place in New York from 8 to 10 May 2002.

The two major objectives of the UNGASS on Children were to review the progress made in implementing programmes for the improvement of the living conditions of children during the past decade; and to achieve a renewed commitment to the cause of



Improvement in the living conditions of children was one of the major objectives of UNGASS on Children.

children, and a pledge for specific further actions.

The four priority areas for children in the coming decade are:

- Promoting healthy lives;
- Providing quality education;
- Protecting children against abuse, exploitation and violence;
- Combating HIV/AIDS.

Some 60 summit-level leaders were in attendance at the Special Session, part of more than 180 high-level government delegations. The Minister in the Presidency, Dr Essop Pahad, led the South African delegation and delivered South Africa's Statement. The Minister of Health Dr Manto Tshabalala-Msimang and the Deputy Minister of Justice Cheryl Gilwald also attended the Session. The Department was actively involved in South Africa's preparation for and participation in the Special Session. More than 3 000 non-government delegates took part, all of them concerned about children and nearly half of them from the developing world, where children face the greatest challenges of survival, health, education and well-being.

Disabled Peoples' International 6th World Assembly (Freedom from Barriers), Sapporo, Japan: 15 to 18 October 2002

The Department co-ordinated arrangements and participated in the Disabled Peoples' International (DPI) 6th World Assembly. It took place in Sapporo, Japan from 15 to 18 October 2002. Such an assembly is held every four years. The next one is to take place in South Africa in 2006. More than 3 000 people from 108 countries participated in the congress. Dr Essop Pahad, the Minister in the Presidency, led the South African Delegation.

The 6th World Assembly provided a forum for:

- DPI World Council and National Assemblies to examine the need for the UN Convention on the Rights of Disabled Persons to promote and protect the human rights of all disabled persons;
- Creating an opportunity for government officials, UN representatives and civil society to have a dialogue with national and international disability leaders;
- DPI's World Assemblies to share information and contribute to

the international community with their rich experience;

- An increase disability awareness world-wide.

The goal of Disabled Peoples' International is the full participation of all disabled people in the mainstream of life, particularly those in developing countries who form the vast majority of the world's 500 million disabled people.

In recent years, a number of new programmes have been developed in Africa, many of which support the objectives of NEPAD.

Planned Activities to address disabled people issues

The Office on the Status of Disabled People in the Presidency will convene a meeting during the coming year, in partnership with all South African stakeholders, to bring together representatives from civil society structures and governments across the continent to explore ways of ensuring a new impetus to the implementation of the African Decade of Persons with Disabilities. This meeting has been discussed with the Pan African Federation of People with

Disabilities (PAFOD), who are in agreement, and the meeting is scheduled to take place in Johannesburg in April 2003.

The Steering Committee of the African Decade under the leadership of PAFOD further requested South Africa to host the meetings of the Secretariat for the African Decade. The South African government is in agreement and further discussions are taking place to work out the modalities of operationalising the Secretariat in South Africa.

UN Second World Assembly on Ageing in Madrid, Spain, 8 to 12 April 2002

The UN held the Second World Assembly on Ageing in Madrid, Spain, from 8 to 12 April 2002, on the occasion of the twentieth anniversary of the Vienna World Assembly on Ageing. The Assembly devoted attention to an overall review of the outcome of the first World Assembly, as well as to the adoption of an international policy document to guide global action on ageing in the twenty-first century in the context of a society for all ages.

Some 160 countries attended the Assembly. The Minister of Social Development, Dr Zola Skweyiya, led the South African delegation.

UNGA57

During the year under review, preparations for UNGA57 involved the finalisation of directives and draft statements.

International and National Workshops

During the reporting period, the Department participated in several international and national workshops. These included the following:

- National Workshop on the Sexual Offences Bill, presented by the South African Law Commission, (Pretoria, 25 February 2002);
- Guidelines for Registration of Day Care Centres in the Office on the Rights of the Child in the Presidency, (Pretoria, 25 April 2002);
- National Conference on Youth Policy and Programmes,

(Midrand, 21 to 23 May 2002). The Minister in the Presidency, Dr Essop Pahad delivered the keynote address;

- Child Protection Week (27 May to 2 June 2002). Programmes such as HIV/AIDS, Poverty and Social Security were included;
- international Children's Day Workshop, (Parliament, Cape Town, 30 May to 1 June 2002);
- Workshop on the Volunteer Child Network (CSIR Crime Prevention Centre, 30 November 2002);
- Towards a barrier-free society: Ensuring access to rights and responsibilities for people with disabilities, (Johannesburg, November 2002);
- National Programme of Action for Children in South Africa Strategic Planning Workshop, (Pretoria, November 2002).

National Programme of Action for Children in South Africa

The Department worked closely with the Office on the Rights of the Child in the Presidency, UNICEF and other stakeholders regarding the above-mentioned Programme. The Department

was also actively involved in the drafting of South Africa's Second Report to the UN Committee on the Rights of the Child.

The Convention on the Rights of the Child: Optional Protocols

South Africa is in the process of ratifying the Optional Protocols to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography, and on Children in Armed Conflict.

UNICEF: Representative in South Africa

With regard to the UNICEF representative in South Africa, Mr Jesper Morch completed his assignment on 30 September 2002 after four years. Ms Misrak Elias has been appointed as his successor. Ms Elias, an Ethiopian national, has been serving as UNICEF Representative in Jordan since 1998.

Youth Issues

The Department was involved in discussions with the National

Youth Commission and other stakeholders regarding the compilation of a Guide to Youth Development Programmes. The guide has been compiled and published.

African Decade of Persons with Disabilities

Resolution EC/AU/AEC/Regl (1) of 9 to 10 July 2002, in Durban, provides a unique opportunity for Africa to contribute to efforts to improve the quality of the lives of disabled people on the African Continent. The African Continent is now in the third year since the launch of the African Decade for Disabled Persons in November 1999. Whilst the organisations of disabled persons have initiated some projects to implement the Decade, this challenge has given impetus to South Africa as the current chair of the AU.

During the reporting period, the Department played an active role in the Planning Meetings for the African Consultative Regional Conference that was held at the Union Buildings. (The African Regional Consultative Conference will be held in Johannesburg in April 2003.)

LEGAL SERVICES (INTERNATIONAL LAW)

During the year under review, the Department's Office of the Chief State Law Adviser (IL) (hereinafter "the Office") wrote 553 legal opinions on a wide variety of international and domestic law subject matters, while scrutinising and certifying all international agreements/treaties concluded by South Africa. In accordance with records of the reporting period, South Africa concluded 78 international agreements/ treaties. All of these treaties were bound by the Treaty Section of the Office, whose task it is to register, administer and safeguard all international agreements/treaties to which the Republic is party to. The Office is also responsible for providing advice on domestic law matters as it pertains to the Department. In this regard, the Office provided legal advice on 211 domestic law



matters. During 2002, the Office also assisted the Department in 9 cases that went to Court.

The Treaty and Information Management Services deliver a virtual information service on the Departmental Intranet. A

new homepage for the Office was developed and launched in 2002. On this site the electronic information is expanding daily as new information such as full text treaties, legal opinions and contents pages of popular textbooks are added. This Office is becoming one of the leading sources of information concerning treaties and international law, dealing with

a large amount of enquiries daily, not only from the government Departments but from the private sector as well. The whole filing system of the Office was re-organized in order to make it more accessible to users.

A Practical Guide on the services offered by the Office was

compiled for the benefit of its clients in the Department and government in general, while a series of information sessions on its work were offered within the Department.



Minister Nkosazana Dlamini Zuma with AU Interim Commissioners during the 3rd Extra- Ordinary Session of the Executive Council of the African Union in Sun City.

During the reporting period, the Office assisted the Department's Protocol arm with the regulation of the implementation of the new Diplomatic Immunities and Privileges Act that replaced the outdated Act of 1989 when it entered into force in February 2002. This new Act incorporated the provisions of international conventions on privileges and immunities as well as the conventions on diplomatic and consular relations into South African law. It further introduces equality in the treatment of international organisations and streamlines administrative procedures. In light of the above, the Office conducted an analysis in respect of the various agreements concluded with the UN family and the immunities and privileges granted therein vis-à-vis the new Diplomatic Immunities

and Privileges Act of 2001. The Office was requested to indicate with respect to each agreement where adjustments would be needed.

Through the Office, the Department represented South Africa as co-ordinator of operational issues to the International Criminal Court (ICC) and as a member of the South African delegation, participated in an International Criminal Court Preparatory Commission in New York at the United Nations Headquarters. The purpose of the meeting was to discuss documents necessary for the operation of the International Criminal Court. The Statute of the International Criminal Court was ratified during the aforesaid meeting by ten more countries and consequently achieved the necessary sixty ratifications for entry into force.

The Office advised the Department on the various international law aspects of the transition of the Organisation of African Unity to the African Union. The Office provided legal opinions on the

Rules of Procedure of the key organs of the African Union and on the draft Protocol on the Central Organ. The Office also assisted with the drafting of a Cabinet Memorandum requesting approval for South Africa's ratification to the Protocol on the Pan African Parliament. The Department, through the Office, attended a meeting of the OAU Sub Committee of Legal Experts held in Addis Ababa from 6 to 10 May 2002. The purpose of the meeting was to fine-tune and undertake editorial work on the Rules of Procedure of the Assembly, Executive Council and Permanent Representatives Committee, and the Statutes of the Commission. A detailed report on the meeting, including a synopsis of the substantive issues, was prepared for the Minister's information. Through the Office, the Department also participated as a member of the substance team for the AU Summit from 28 June to 10 July 2002 and also Chairs an Inter-Departmental Task Team on amendments to the Constitutive Act. Work of the Task Team proceeded according to the agreed timelines and all actions have been completed timeously. Action included drafting a Cabinet Memorandum on the proposed Libyan amendments to the Constitutive Act; compiling Briefing Notes for

the Ministers trip to Libya; convening meetings and compiling consolidated documents on agreed positions and liaising with a similar parliamentary task team. Furthermore, through the Office, the Department undertook a review of the OAU treaties to determine their relevance to the AU.

Actions taken included: obtaining copies of all the OAU treaties, identifying and making contact with line function Departments and Desks and requesting inputs from all Departments and desks. Thereafter, all inputs were consolidated and meetings, where necessary, have been convened to consider the various recommendations and inputs. A Cabinet Memorandum was drafted on the review of Treaties of the OAU for the purpose of recommending to Cabinet the treaties relevant to be transferred to the AU.

Through the Office, the Department participated in a Southern African Development Co-operation meeting on amendments to the AU, held in Maputo, from 12 to 14 November 2002. The purpose of the aforesaid meeting was to consult and formulate a common SADC position regarding the amendments proposed

by Libya, Nigeria, Senegal and South Africa respectively to the AU Constitutive Act. The Department also assisted with the drafting of the SADC position regarding the aforesaid amendments.



The 1st Extraordinary Session of the Executive Council of the African Union held in Tripoli.

During the year under review, the Department attended and participated in the 1st Extraordinary Session of the Executive Council held in Tripoli from 9 to 10 December 2002. The Session was convened for the purpose of considering the proposed amendments to the Constitutive Act of the AU submitted by a number of member states. The proposals for amendment focussed on two main themes, namely the strengthening and technical 'clean-up' of the Constitutive Act (proposals received from Nigeria, South Africa, Mozambique, Tanzania and Côte d'Ivoire), and enhancing the continental integration process towards the early establishment of a 'United States of Africa' or a 'Federation

of African States' (Libyan and Senegalese proposals).

The main outcome of the meeting was the adoption of a report aimed at reinforcing and strengthening the Union and all its institutions, which leaned more towards enhancing the continental integration process

rather than a mere technical clean up of the Constitutive Act. This followed the withdrawal by Senegal of some of its proposals, and the decision of the meeting to submit the proposed amendments on which no consensus was reached to a select Ministerial Committee (chaired by South Africa). The latter Committee is charged with the responsibility of making recommendations and alternative proposals. The Ministerial Committee met in Pretoria from 20 to 21 January 2003 and the proposed amendments to the Constitutive Act were incorporated. The Committee then submitted its report to a Session of the Executive Council held on 1 February 2003,

immediately before the Extraordinary Session of the Assembly in Addis Ababa held from 3 to 4 February 2003 to consider the proposed amendments of the Act.

During the reporting period, the Department, through the Office, drew up a draft Agreement on a Common African Defence and Security Policy after consultation with an InterDepartmental forum. The policy was mandated by an AU decision taken at the Durban Summit. The draft Agreement will now be forwarded to the AU Secretariat to serve as the working document for a meeting of continental experts that will take place in Pretoria during the first week of December 2003.

During the year under review, the Department's Africa Multilateral Desk requested assistance from the Office in preparing a draft resolution on co-operation between the AU and UN, that could be utilised by the New York Mission in negotiating such a resolution. Inputs were provided in this regard. One specific issue was whether or not a legal agreement between the AU and UN was required for this co-operation, as there is an agreement between the OAU and the UN in this regard. The agreement between the

OAU and UN was examined, and it was found that while such an agreement facilitates co-operation, and should therefore be updated to reflect the AU's inception, it is not a prerequisite for co-operation between the two bodies.

Through the Office, the Department also assisted the NEPAD Steering Committee on various matters. A meeting was held to urgently assist the NEPAD Secretariat in drafting a Declaration of Intent on the Implementation of the African Peer Review Mechanism. The NEPAD Secretariat provided the substance of the Declaration, which was to signify the progress made on this issue and the ongoing commitment of the Heads of State on the matter. An opinion was rendered to the NEPAD Secretariat on the procedures required for South African accession to the Declaration on Accession to the African Peer Review Mechanism. The procedures were explained and the Declaration analysed in some detail.

The Department, through the Office, represented South Africa in meetings of the United Nations Ad Hoc Committee on Measures to Eliminate International Terrorism, as well as other meetings on

the anti-terrorism issue. Legal advice was provided on various international law aspects of the international community's anti-terrorism measures. The legal advice ensured that South Africa is in compliance with its international obligations relating to terrorism and provides proactive inputs in the international endeavours to combat terrorism. The Office also participated in a meeting of the Ad Hoc Committee Measures to Eliminate International Terrorism from 28 January to 1 February 2002 at UN Headquarters, New York.

The Department participated in the InterDepartmental Working Group, convened by the UN Desk, for the purposes of compiling South Africa's report to the Security Council in terms of Resolution 1390 on sanctions against the Taliban, Osama Bin Ladin and associated persons, as well as South Africa's report on Resolution 1373 (2001) and related matters. Assistance was also offered to the InterDepartmental Working Group on Terrorism in preparing a position paper for South Africa's participation in an OAU meeting on terrorism, which was scheduled for 3 to 6 June 2002. The meeting was subsequently postponed to September, but the

position paper remained valid and informed the positions of the delegation that attended this meeting in September 2002. The meeting took place in Algiers from 11 to 14 September 2002, and focussed on the practical implementation of the Algiers Convention on the Prevention and Combating of Terrorism.

During the reporting period, a Cabinet memorandum was drafted in order to brief Cabinet on the progress made in ratifying the anti-terrorism conventions. This was accompanied by a ministerial submission in which it was recommended that the Minister request her counterparts to expedite the ratification of the Conventions, which their respective Departments administer.

Through the Office, the Department was requested to urgently make comments on the draft Commonwealth model legislation on terrorism. Detailed inputs were provided and sent to the Department of Justice and copies to the UN and Commonwealth Desks. The Commonwealth Secretariat subsequently responded to the Department of Justice, thanking South Africa for their detailed inputs, which were incorporated into the draft model legislation. Minister of Justice, Mr Penuel Maduna, attended the meeting of

Commonwealth Law Ministers and Senior Officials in Kingstown, St Vincent and the Grenadines, from 18 to 21 November 2002, on which occasion the report of the Commonwealth Secretariat and draft legislation material on anti-terrorist action was adopted. The latter incorporated inputs made by the Departments of Justice and Foreign Affairs.

At the regular meeting of the InterDepartmental Counter Committee the South African Police Service requested comments from all Departments on the Anti-Terrorism Bill. Comments were requested urgently in order to expedite the consideration of the Bill by Cabinet, and subsequently by Parliament. Through the Office, the Department provided comments on the Bill from an international law point of view, and specifically with reference to conformity and compatibility of the Bill with the various international conventions on terrorism. Several suggestions were made to ensure that the



Protestors demonstrating against a pending war on Iraq in Pretoria.

obligations in the various conventions were reflected in the Bill. It was also stressed that the expeditious adoption of the Bill was supported and the comments and inputs made were not intended to delay the passage of the Bill through the approval processes.

In view of the pending attack by the US on Iraq, it became crucial for South Africa, as the chair of NAM and a potential observer in the IOC, to start formulating a policy position with regard to Iraq. Possibilities of convening an inter-Departmental meeting on the issue were discussed. A task team consisting of members from relevant branches in the Department was formed to make policy proposals to the management. The Department attended a meeting between the Iraq Departmental Task Team and the Deputy Minister Aziz Pahad to discuss the interventions that can be made by South Africa to stop the pending US military attacks on Iraq. The Department prepared a legal opinion on the possible justifications in international law that a US-

led coalition may employ to justify an armed attack against Iraq, which was sent to the Permanent Representative in New York, and the Heads of Mission to the P5 States (Permanent Members of the UN Security Council - US, UK, France, Russian Federation and China) and states in the Middle East.



The Department was involved in the development of an international certification scheme for the trade in rough diamonds.

The Department was actively involved in the development of an international certification scheme for the trade in rough diamonds. Legal advice was provided with regard to international law aspects of the Kimberley Process on an International Certification Scheme for the Trade in Rough Diamonds, which aims at eliminating the illicit trade in diamonds that fuel African conflicts. Investigation regarding the legal procedures to be followed in order to register a standard logo to be used on the Kimberley Process Certificates, and briefing of the meeting of the SADC Group in this regard, as well as on the format of the final Kimberley Process Document were

undertaken. Also a cost estimation for a permanent Kimberley Process Secretariat for the SADC Group was done.

During the WSSD in September 2002, the Department was requested to represent South Africa in a meeting together with Australia and the European

Commission to try and resolve the paragraph dealing with climate change and the specific reference to the Kyoto Protocol.

Legal advice was also given on a continuous basis with regard to the draft treaties to establish a number of trans-frontier peace parks and conservation areas in Southern Africa. These initiatives are aimed at establishing Southern Africa as a unique international tourist destination.

During 2002/03, Department's Office of the Chief State Law Adviser (IL) travelled to Kinshasa to assist the South African component of the Third Party Verification Mechanism (TPVM)

(created by the Pretoria Agreement) to finalise the TPVM's Terms of Reference and its Standard Operating Procedures (SOP's). The Pretoria Agreement, entered into by the DRC and Rwanda, provides for the withdrawal of Rwandese troops from DRC territory as well as the repatriation of irregular forces from the territory of the DRC to Rwanda, and the TPVM is tasked with monitoring and verifying the implementation of the Pretoria Agreement. During consultations with the UN component in the TPVM, consisting of two Senior Members of the UN observation Mission in the DRC (MONUC), the document on the SOP's was finalised and signed by the Heads of the respective components, while a number of amendments were made to the draft Terms of Reference.

The main problem experienced with the draft Terms of Reference was, according to the UN component, that it does not adequately reflect the limited mandate that MONUC received from the UN. The draft Terms of Reference were then referred to the UN's law advisers in New York. The Permanent Representative in New York reported on 25 September 2002, on the amendments proposed by the UN's law advisers. These amendments were found to be

acceptable to the Department, but were forwarded to the law adviser of the President for final approval. The Department also drafted agreements providing for immunities for the South African staff of the TPVM in the territories of the DRC and Rwanda. The Rwandan Foreign Ministry proposed some minor amendments to the draft agreement with Rwanda, which were acceptable to the Department.

During the year under review, the Department was seized with the Van Zyl case. Mr Josias van Zyl instituted legal proceedings against the Government, the President, the Minister and the Deputy Minister, seeking an order from the High Court (Transvaal Provincial Division) for the setting aside of decisions by the Deputy Minister and the President not to afford him diplomatic protection in his dispute with the Lesotho Government relating to the alleged cancellation of diamond prospecting lease rights belonging to his companies by that Government. The Presidency indicated that the Department must handle this case on behalf of the Government. The Department then liaised with the State Attorney on the matter. The application sought to oblige the Government to afford diplomatic

protection to Mr Van Zyl and the companies he represents in his disputes with the Lesotho Government, which relate to the alleged confiscation of diamond mining leases by that Government. An attempt by Mr Van Zyl's attorneys to have the application placed on the unopposed role was successfully defeated by the State Attorney. The case has been scheduled for hearing before court later in 2003.

The Department attended a meeting of the International Inter-Governmental Consultative Group on Anti-Doping in Sport held in Moscow from 8 to 10 December 2002. The purpose of the meeting was to discuss, amongst other things, the Memorandum of Understanding (MOU) on Anti-Doping in Sport, which is part of a step by step approach in which a non-binding instrument is developed in the short term with a view to developing a legally binding instrument to which governments might accede in the longer term. The MOU formally establishes governments' relationship to the World Anti-Doping Agency in terms of governance and funding and reaffirms governments' support and commitment to individually and collectively fight against doping in sport. The

MOU was adopted by consensus at the said meeting.

The Department attended the 35th Session of the United Nations Commission on International Trade Law (UNCITRAL) in New York from 17 to 28 June 2002. UNCITRAL is the core legal body within the UN system in the field of international trade law. This body was established by the General Assembly (GA) in 1966 to, among other things, further the progressive harmonisation and unification of the law of international trade by promoting wider participation in existing international conventions; promoting the codification and wider acceptance of international trade customs and practices; and promoting ways and means of ensuring a uniform interpretation and application of international conventions and uniform laws in the field of the law of international trade. Amongst the topics discussed during the session were the draft UNCITRAL Model Law on International Commercial Conciliation; Insolvency law; Privately Financed Infrastructure Projects; as well as Monitoring the implementation of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

PROGRAMME 3: PUBLIC DIPLOMACY AND PROTOCOL

AIM

To market South Africa's Foreign Policy Objectives, project a positive image of South Africa and Africa, and provide State Protocol services. Activities are organised into two sub-programmes:

PUBLIC DIPLOMACY: addresses media liaison, engagement with national stakeholders, and promotion of South Africa's policies and programmes at the international level.

PROTOCOL: responsible for incoming and outgoing state visits, intergovernmental and provincial protocol services, protocol ceremonial; managing Presidential and Diplomatic and guest houses; facilitating international conferences; and managing diplomatic immunities and privileges.

PROGRAMME POLICY DEVELOPMENTS

Public diplomacy

The scope of activities undertaken included the following:

- ensuring that South African marketing campaigns were properly co-ordinated as an inter-Departmental and national effort
- ensuring that Missions in strategic countries undertook major positioning initiatives influencing local and foreign media

reporting on South Africa

- improving relations and co-operation with business, civil society, media and the labour movement within the targeted period
- implementing a pro-active communications strategy within the Department for all international visits.

Protocol

- instituted a unified State Protocol for South Africa (all three tiers of Government) render State Protocol facilitation to Heads of Government, Heads of State and Foreign Ministers
- managed protocol ceremonial functions for Government
- managed international conferences hosted by the Government
- regulated the diplomatic corps accredited to Government in terms of the Diplomatic Immunities and-Privileges Act
- managed , issued and controlled SA diplomatic passports in terms of the SA Passports and Travel Documents Act as well as SA diplomatic and official visas in terms of the Aliens Control Act
- managed diplomatic immunities and privileges.

OUTPUT AND SERVICE DELIVERY TRENDS:

• PUBLIC DIPLOMACY

The Department plays an important role in the branding and imaging of South Africa abroad mostly through South African Missions. The Department serves as a link between other Government Departments, Civil Society, NGO's and other private institutions. The year under review witnessed an improved activity rate by the Department's communications arm. Activities undertaken covered the spheres of media liaison, internal/external communications, marketing, logistical support, web development, and information management and dissemination.

Keeping to the priority areas set by the International Relations, Peace and Security (IRPS) Cluster and in support of the efforts of the International Marketing Council (IMC), the Department increased its efforts during 2002/03 to project a positive image of South Africa abroad, whilst also continuing to take part in national efforts of the same nature. Our Missions abroad were a great platform

for the country's international exposure and they assisted in the dissemination of the Department's AU/NEPAD publications and the country's promotional materials during their various imaging and branding initiatives.

During the reporting period, the following activities were undertaken in order to promote and project a positive image of our country:

- Showcasing South African products, cuisine and fashion in Freedom Day Celebrations: Islamabad on 27 April 2002, Kuwait on 27 April 2002, Moscow from 10 to 14 June 2002, Budapest Youth day on 16 June 2002, Hong Kong, Japan in 2002, Kampala from 28 April to 2 May 2003, Amman on 22 May 2003, Accra on 25 May 2003, Kingston from 25 to 30 May 2003.
- The International Folklore Festival in Madrid, 15 July to 2 August 2002. A Zulu cultural dance group, 'Phakama Africa' represented South Africa during the event.
- The 'Soweto Dance Theatre' represented SA in the International Rabat Festival in Morocco, from 16 to 25 July 2002.



Delegates to the International Women's Federation Conference in Mexico City watching a video produced by the Department.

- The WSSD, from 17 August to 2 September 2002. The Department, together with other Government Departments, formed part of the South African Pavilion in Ubuntu village from 17 August to 2 September 2002. The stand was specifically designed to promote and showcase the Department's achievements as well as the major conferences co-ordinated since 1994, namely, UNCTAD, CHOGM, NAM, WCAR, and the launch of the AU and its program of action - NEPAD. During the event, the Department's stand won 'the Best Small Exhibition' award.

- The Lefkada International Festival in Greece, from 17 August to 2 September 2002. A Tsonga cultural group, 'Shivulane' represented South Africa during the event.
- Seminar on Violence on Television in Santiago, 22 August 2002. Mr Tebogo Mahlatse, producer of the popular television series, 'Yizo-Yizo' was identified as a suitable candidate to represent the South African Film Industry during the event. His series, 'Yizo-Yizo', is about violence and crime as experienced by school children in Soweto.
- The International Women's Forum (IWF), in Mexico City, 10 October 2002. The Department showcased the Minister's achievements by mounting an exhibition at the IWF Conference on "Women Who Make a Difference" held in Mexico City, Mexico. The Minister had won an award and was honored for her work and achievements.
- The International Exhibition of Children's Painting in Greece, 23 October 2002. Three paintings by SA children won awards in this competition. President Stephanopoulos of Greece, while on a State visit to South Africa, presented the

awards to the children at a ceremony held at SAHETI Greek school in Johannesburg on 1 November 2002. The Acting Director-General, Mr. AS Minty, delivered a speech at the ceremony.

- Gala by the African Ambassadors' Wives Group to Commemorate the Launch of the AU in Addis Ababa, 1 November 2002. The group of Ambassadors' wives was assisted by the Department to secure Ms Yvonne Chaka Chaka to perform at the event.
- 7th International Fair, in Pretoria, 2 November 2002. The Department's Junior Foreign Service Officers Committee (JFSOC) co-ordinated the 7th International Fair held at



Department's JFSOC co-ordinated the 7th International Fair held in Pretoria.

the grounds of the Union Buildings. Other participating stakeholders included the foreign Missions accredited to South Africa, the City of Tshwane, and a number of Corporate Sponsors. Funds totaling R50 000 were raised on the day and donated to earmarked charities at a function held at the State Theatre on 5 March 2003. As JFSOC no longer exists, and taking into account the Imaging and Branding spin-offs that this fair provides, the event will be taken over by the Department from 2003.

- Qatar Winter Festival, 23 January to 14 February 2003. The Department identified and co-ordinated a cultural troupe of seventy participants, comprising practitioners of traditional arts and culture, jazz players, reggae musicians, children's



Guests arriving at the Department's annual opening of Parliament function in honour of the Diplomatic Corps.

entertainers and ten crafters drawn from Provinces, to participate in the event. The event not only created an opportunity for South Africans to show their talents but also provided exports opportunities.

- The Opening of Parliament in Cape Town, 15 February 2003. The Minister hosted her annual opening of Parliament function in honour of the Diplomatic Corps, on 15 February 2003 at the Vergelegen Wine Estate in Cape Town. BMW was the event's major sponsor. Other sponsors included Anglo-American, KVV and Distell.
- Canberra Multicultural Festival, in Australia, from 7 to 16 February 2003. A Tsonga cultural dance group, 'The Bongos' participated in this event.

- Minister's Budget Vote Speech, in Cape Town, 25 March 2003. The Minister presented her budget in Parliament on the 25 March 2003. An exhibition focusing on the Department's work and achievements was also on display and publications were distributed to Members of Parliament. The Minister hosted a cocktail afterwards. An invitation was also extended to the South African Youth Ministerial Project (SAYMP) run by AGE Foundation, for four Youth Ministers of Foreign Affairs to attend the Minister's budget vote speech.

The Department also played an important role in facilitating and co-ordinating major international sporting events. The following events highlight this role:

- The FIFA World Cup 2002. The Department assisted the Missions in Korea and Japan, which were the host countries, with the logistical arrangements for hosting the SA Team in their countries of accreditation. The Department also assisted with putting up an exhibition stand that promoted South Africa, its jewellery and artefacts whose sales were phenomenal,

among the people who attended the World Cup.

- The International Cricket Council (ICC) Cricket World Cup 2003. The Acting Director General, Mr. AS Minty, hosted the ICC World Cup Breakfast Briefing by Dr Ali Bacher and his committee on 22 November 2002 at the Diplomatic Guesthouse, for the Heads of Mission of the participating countries. The Department showed its unfaltering support to the ICC by assisting with forwarding information and ICC promotional material to the participating countries through South Africa's Missions.

It is crucial to note that these activities were possible because of the assistance of the Department's fellow partners, such as the Department of Arts and Culture (DAC), Sports and Recreation South Africa (SRSA), the National Arts Council (NAC), the National Film and Video Foundation (NFVF), Business Partners, NGO's and the co-operation of civil society.

During the year under review, the Department ensured that the people are informed on the progress it has made in the execution

of its mandate through the production of the 2001/02 Annual Report – ‘Report-back to the people’. Furthermore, the Department made sure to exploit every opportunity to promote the country and popularise AU/NEPAD by participating and distributing informative AU/NEPAD promotional leaflets and booklets during national and international shows, exhibitions, fairs, as well as sports and culture related activities. In this regard, the Department, in collaboration with the Department of Arts, Culture, Science and Technology and the Film Resource Unit, facilitated South Africa’s participation in the following events:

- Lisbon Viana Do Castelo Book Fair, July 2002
- Alexandrina Bibliotheca International Book Fair, July - August 2002
- Ottawa Tourism writing and publishing Joint Function, September 2002
- Moscow International Book Exhibition/ Fair, September 2002
- Copenhagen Africa Day Celebrations, September 2002
- Hong Kong Cultural Promotion Function, October 2002
- Sao Paulo 26th Annual International Film Festival, October 2002

- New Delhi International Film Festival (IFFI 2002), October 2002
- Chilean International Book Fair, October - November 2002
- Port Louis Book Fair - International Day of African Writers, November 2002
- Hong Kong (Polytechnic University) Cultural Festival, September 2002
- Helsinki Matka 2003 Travel Fair, January 2003
- Berne Tourism Fair, January - February 2003
- Taipei International Book Exhibition, February 2003
- Budapest Tourism Exhibition, March 2003
- Hong Kong Film Festival and Children Book Fair, March 2003.

During the year under review, the Department also provided audiovisual and photographic coverage of the historic birth of the AU in Durban, South Africa, while also distributing AU/NEPAD promotional leaflets and booklets at the event. The audiovisual and photographic material produced from the event went on to

be utilised effectively in Departmental projects and by the public, but most importantly the Department managed to document and archive this continental milestone to the benefit of future generations.

Another audiovisual and photographic coverage of significance by the Department took place during the withdrawal of the Rwandan troops from the Democratic Republic of Congo and the subsequent implementation of the Rwanda Demolition and Reintegration Programme for the ex-combatants. The Programme's aim is to ensure a successful social and economic integration of all the demobilised ex-combatants into the communities. The audiovisual material produced during the coverage was utilised during news programmes on all 3 national SABC channels, including SABC Africa. This achievement marked a great milestone for the Department and has led to the development and consolidation of very healthy relationship with the SABC with regard to sharing



Minister of Provincial and Local Government, Mr Sydney Mufamadi, played a key role during the DRC peace talks at Sun City.

video material.

The Department also made use of the great marketing platform provided by the hosting of WSSD, known as the 'Joburg Summit', to further popularise the AU and NEPAD through informative leaflets and booklets. This event, which was a well passed test of character for South Africa's ability to successfully host major international events, was also documented successfully, audio-visually and through photographs, in collaboration with

Government Communication and Information System (GCIS).

During the reporting period, the official outgoing visits by the Ministry of Foreign Affairs were also documented and produced into video programmes for different official Departmental events. These included Ministerial trips to the following countries:

- Rwanda, where Minister Nkosazana Dlamini Zuma signed a Joint Commission of Co-operation (JCC) with that country;

- Democratic Republic of Congo, where Minister Nkosazana Dlamini Zuma was invited to address the Foreign Diplomats and Civil Society on South Africa's Foreign Policy with regard to The Great Lakes; and
- Tripoli, where Minister Nkosazana Dlamini Zuma chaired the First Extraordinary Session of the Executive Council of the AU.

The Department also provided audio-visual and photographic coverage of official incoming and outgoing State Visits of the President/Deputy President, as well as Foreign Heads of State and Ministers. The commendable relationship that the Department has developed with the SABC has helped with the securing of video footage of our Principals' international outgoing official visits, especially when the Department could not afford to travel with the Principals. The footage has been used to complement the Department's video archives.

During the reporting period, the Media Liaison function remained the flagship of the Ministry and Department of Foreign Affairs. To this end, the Department was at the centre of communications in its ongoing efforts to promote a positive image of the country through

projection of activities of Ministry and Department in general, including those of the Presidency, at home and abroad.

In this regard, in 2002/03 the Department continued to organise media briefings, press conferences and timeous dissemination of information to the media regarding state, official and working visits; Joint Commissions; bilateral meetings; as well as attendance of the Ministry and Presidency of important international functions. These were all done in support of the country's efforts to push back the frontiers of poverty and underdevelopment with a specific focus on South Africa, the African continent and countries of the South.

South Africa's leadership of the NAM, the AU and the Commonwealth also received positive coverage and thus enhanced the status of the country as a global player in international relations.

In this context, efforts by south Africa, acting in concert with regional and international organisations to bring about a peaceful resolution of conflicts, such as in Burundi and the Democratic Republic of Congo, received massive coverage both at home and

abroad and thus helped to create a positive image of the country as an honest broker in international affairs.

During the reporting period, the Department, working in conjunction with Government Communications (GCIS), was at the epicentre of communication of the launch of the AU and the UN World Summit on Sustainable Development (WSSD), held in Durban and Johannesburg respectively.

In this regard, the launch of the AU brought considerable media attention and coverage for both South Africa and the African continent. Furthermore, South Africa was portrayed as a country with world class infrastructure to host international events of such magnitudes.

During the year under review, the Department continued to provide a 24-hour support service to the staff, its foreign Missions,



Part of the media contingent covering developments during the WSSD.

the whole of government and the general public. In this regard, after-hours and during weekends the Department arranged flight clearances for incoming and outgoing planes from the Waterkloof Airbase. There was also an improvement in the scope and the areas of coverage of the daily news bulletins compiled

through the continuous monitoring of both the electronic and print media, including SAPA, Internet Sources and Reuters news agencies. The Department also provided the entire country and staff with regional reports based on inputs from South Africa's international information update.

During 2002/03, the Department continued with managing its own official Departmental web site; as well as the managing of electronic information and provision of library and archive services. The official Departmental web site, www.dfa.gov.za,

continued to grow further in both stature and capacity. The web site also continued to be a growing source of information on the activities of the Department and international events. On the other hand, the Department continued with maintenance of the AU web site (<http://www.au2002.gov.za>). This is meant to continue only for South Africa's hosting and chairing of the AU, unless there is an arrangement for the Department to continue with the maintenance work.

During the reporting period, the five Departmental Libraries replied to over 2 800 queries. In addition, 15 138 United Nations documents were received and filed. The Libraries were further involved in different marketing activities and orientation of new employees. During this period, the management of electronic information and provision of research information also continued. The Department is in the process of finalising the transfer of Storage and Information Retrieval System (STAIRS) from SITA to the Department. The system will provide the Department with valuable information on a variety of topics (classified as well as unclassified), dating back to the late 1970's.

• STATE PROTOCOL

The Department established capacity in 2000, in order to render service to the President and Deputy President, Foreign Heads of State/Government, Ministers, Premiers, Parliament, the NCOP, Provincial Legislatures, Local Governments, SA Foreign Missions, Foreign Ministers, Diplomatic Corps, Provincial Members of the Executive Committee (MECs), Local Governments, Kings, National House of Traditional Leaders, other foreign dignitaries, National Departments, parastatals, and the public more effectively. It is Headed by the Chief of State Protocol at Ambassadorial ranking, appointed by the President; a Deputy Chief of State Protocol, to oversee the areas of State Visits and Protocol Ceremonial, including the State Protocol Lounge at Johannesburg International Airport and Presidential and Diplomatic Guest Houses; Inter-Governmental and Provincial Protocol rendering State Protocol services to South Africa's second and third spheres of government when interacting internationally, and lastly the regularisation of the diplomatic corps accredited to South Africa.

A new section, Chief Directorate: Conferences was established and is responsible for organising and managing logistics for International Conferences and Summits on behalf of the Department (DFA).



The Chief of State Protocol, Ambassador Billy Modise, receiving Russia's Deputy Prime Minister Matviyenko at the Presidential guesthouse in Pretoria.

Protocol State Visits and Ceremonial

In the past financial year, the Department managed logistics for a total of 66 International Presidential outgoing visits; 40 for the President and 24 for the Deputy President, 2 for the First Lady Mrs Zanele Mbeki, and 88 incoming visits. Incoming visits included those by Foreign and Deputy Foreign Ministers.

The Department also co-ordinated and managed 82 ceremonial functions, e.g. dinners, banquets, receptions, credentials and signing ceremonies, as well as protocol assistance at bilaterals,

summits and conferences, among others. 39 Heads of diplomatic missions were accredited to South Africa as well as 32 Heads of consular posts. 51 South African Heads of diplomatic missions were accredited as well as nine South African Heads of consular posts. One South African Head was appointed to a multilateral organisation and seven foreign

Heads of international organisations to South Africa. A total of approximately 10122 dignitaries were facilitated through the State Protocol Lounge at the Johannesburg International Airport. These included Foreign Heads of State/Government, Ministers, members of the Diplomatic Corps and other dignitaries.

The Department facilitated and co-ordinated functions at the Diplomatic and Presidential Guesthouses. In the past financial year, 18761 guests were attended to at both guesthouses

Diplomatic Immunities and Privileges

At the close of the reporting period, the diplomatic community in South Africa consisted of 8 462 members, which included diplomats, consular, administration and technical staff and their dependents.

A total of 629 diplomatic, 145 consular and 535 administrative requests for identity certificates were processed.

A total of 32 diplomatic, 9 consular and 69 administrative requests for the expansion of staff establishments were processed.

Approximately 5 000 official and privately owned vehicles belonging to the diplomatic community in South Africa are registered with the Department.



The Department continued to facilitate travel documents for diplomatic and official passport holders nationally.

Missions are exempted from transfer duties and municipal rates in respect of properties for offices and residences for Heads of Mission. During 2002/03, the Department paid R7,3 million to local authorities in respect of diplomatic property taxes and R44 million in terms of VAT refunds.

The Department continued to facilitate travel documents for diplomatic and official passport holders nationally. Approximately 2586 Diplomatic passports were

issued in 2002/03 and 6545 visas were requested from foreign missions in South Africa in respect of South African diplomatic and official passport holders.

16 Training sessions on the handling of diplomats were provided to stakeholders.

Inter-governmental and Provincial Protocol

The Department is responsible for the provision of training in protocol and etiquette to relevant Council members and officials of the second and third sphere of Government. It also co-ordinates international activities of Provincial and Local Governments. In the past year, it conducted 37 workshops and co-ordinated 95 visits by the second and third sphere of Government. In addition, the Department co-ordinated a total of eight twinning agreements.

Conferences/Summits

During 2002/03, the Department managed the logistical arrangements for the following:

- NAM Ministerial meeting in April/May 2002 in Durban
- African Union Summit in Durban in August/September 2002
- NAM Ministerial meeting in Arabella Estate, Hermanus in December 2002
- African Union Officials/Ministerial meeting: Randburg. February 2003
- Inter-Congolese Signing Ceremony: Sun City February 2003.

SPECIAL PROJECTS

State Protocol Lounge

During the past year, Phase 1 of the revamping of State Protocol Lounge at the Johannesburg International Airport was completed.

Transfer of Presidential Households to the Presidency

Presidential Households was transferred to the Presidency. The transfer was implemented based on the Task Team Report consisting of relevant Departments.

Policies and Procedures

The Departmental Management Committee approved the following policies:

- Management of Note Verbales;
- Usage of State Protocol Lounge;
- Diplomatic and Official Visa Policy; as well as
- Diplomatic and Official Passports.

PROGRAMME 4: FOREIGN PROPERTIES

AIM

To provide secure, economic, representative housing and office accommodation to all staff members abroad (including partner Departments), and maintenance of immovable properties abroad.

Priorities are determined according to a needs analysis, which takes into account local property market, political stability, environmental factors and South Africa's foreign policy objectives.

Activities are organised into three sub-programmes:

- Procurement and Construction of State owned property
- Maintenance and Refurbishment
- Disposals.

PROGRAMME POLICY DEVELOPMENTS

The following scope of activities were undertaken:

- The adoption of the Foreign Properties Bill, which will establish a revolving capital fund to enable the Department to manage and restructure its foreign property portfolio
- The establishment of a database of all state owned and rented properties abroad and continued maintenance of Asset and Lease register
- The maintenance and execution of a 20 year procurement programme for fixed properties abroad
- The maintenance and execution of maintenance programme to

manage and protect the properties

- The development and implementation of suitable and affordable norms with regard to accommodation to South African representation abroad
- The conducting of a research for alternative means to procure fixed properties abroad such as Private Public Partnerships and assets swaps with other foreign countries with Missions in South Africa.

OUTPUTS AND SERVICE DELIVERY TRENDS:

During the year under review, the Department continued with the building projects in Kinshasa and started construction of the Chancery project in Berlin. These projects as well as their entire budgets were inherited from the Department of Public Works when the property function was transferred to the Department of Foreign Affairs. The sites in Berlin were officially handed over for development in April 2002, where construction works have begun. The Berlin building project is scheduled for completion in

July 2003 while the Kinshasa project is scheduled for completion in June 2003. The required funds for the completion of these projects have accordingly been budgeted for.

The Department has embarked on a systematic program for the acquisition of professionally evaluated maintenance reports on all state-owned properties abroad. 80% of all state owned properties abroad have been completed and the commissioning of evaluations for the remainder of the properties have been scheduled for the next financial year. These evaluations form part of the Department's short, medium and long term maintenance planning and program. Currently the Department has a maintenance backlog of 40% of its State-owned properties abroad. Since immediate attention is given to all required emergency repairs, the existing maintenance backlog refers to general required upgrading and repairs. The maintenance backlog has been addressed in both the medium term expenditure frameworks as well as the Departments long term expenditure planning program.

Generally the maintenance of the Department's assets abroad is in a fair condition with a few properties requiring urgent

attention. These properties have been specifically addressed in the Department's MTEF budget.

During the year under review, the Department undertook major maintenance/structural works to official residences in Paris, Tel Aviv, Copenhagen, London, Brussels, Buenos Aires and The Hague. Maintenance/structural works for chanceries were addressed in The Hague, Buenos Aires and Harare, while other housing received maintenance attention in Lilongwe and Maputo.

The asset holdings of the Department remained constant, with the exception of the sale of a property in Paris. The former Bophuthatswana Official Residence was sold for an amount of FF. 21 million.

Projects to be carried over from the 2002/03 financial year include the Berlin and Kinshasa building projects. During

the 2003/04 financial year continuing major maintenance/refurbishment will also take place in Rome, Copenhagen and Windhoek for which the necessary funds have been allocated. The Department has planned for new buildings and refurbishment projects for the next MTEF period. However the implementation will depend on receiving the required funding.

With regards to the process of the tendering of projects, the Department is investigating the initiation of PPP projects abroad and asset swaps.

Through the Department's medium and long-term forecast, financial planning has been ensured for 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 2003/04 financial year.

PROGRAMME 5: AUXILIARY SERVICES

AIM

Provide for the payment of international organisations and render a support service to all officials on transfer abroad. The activities are organised into the following sub-programmes:

International Organisations: *payment of membership fees, as well as contributions to international organisations.*

Administrative Support: *provides assistance to staff in relation to transfer related matters (Hotel accommodation, Small airfreight, In-and export privileges, storage facilities) as well for medical support.*

PROGRAMME POLICY DEVELOPMENTS

- continued payment of membership fees to various international institutions in which South Africa is a member
- met the transfer objectives and requirements of the Department through assisting transferred officials both coming in or out
- conducted research for a possible Medical Aid for transferred officials abroad.

OUTPUTS AND SERVICE DELIVERY TRENDS:

Transfer Payments

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 of Foreign Affairs, generally take the form of:

- Membership dues to organisations such as the United Nations (UN), the Organisation of African Unity (OAU), the Southern African Development Community (SADC), the

Commonwealth, etc.

- Contributions to peacekeeping operations of the United Nations.
- 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.

During the year under review, the Department has transferred a total amount of R310 813 Million to various organisations and institutions as reported in note 9. of the Financial Statements.

Transfer programme

The Sub-directorate: Transfer Assistance facilitates the relocation

of Foreign Affairs' and staff of certain partner Departments to, from and between overseas missions.

For the year 2002/2003 a total of 190 officials were transferred to missions whilst 167 were transferred from missions back to Head Office.

Medical benefits

The Department offers medical benefits to employees abroad according to Resolution no. 11 of 2000 which makes provision for the continuation of Part II of Chapter D.IX of the former Public Service Staff Code. During the year under review, the Department conducted an independent investigation with regard to medical services abroad. The Department's findings were submitted to the Department of Public Service Administration (DPSA) with the view of incorporating the findings into the DPSA's investigation report for a new medical policy for government employees.

PART 4:
REPORT OF THE
AUDIT COMMITTEE

1. AUDIT COMMITTEE

The audit committee currently comprises of three (3) members. Ms Londiwe Mthembu continued to perform as the Chairperson of the Audit Committee. Ms Magojo continued as a member. Ms Kwinana resigned as a member of the Audit Committee with effect from January 2003 and Mr Zanemvula Jojwana was appointed with effect from March 2003. We welcome Mr Jojwana to the Department and wish him everything of the best. The Internal Audit Directorate also wishes to thank Ms Kwinana for the tremendous contribution that she had made. We look forward to the continued support and contribution from the Audit Committee.

2. AUDIT COMMITTEE CHARTER

An Audit Committee Charter, detailing the role, responsibilities, duties and authority of the Audit Committee was prepared and is currently being reviewed by members. After the required

corrections and amendments have been made, the Charter will be formalised.

3. HEAD OF INTERNAL AUDIT

The Director: Internal Audit was appointed and assumed duties on 01 August 2002.

4. INTERNAL AUDIT CHARTER

The Public Finance Management Act as well as the Treasury Regulations prescribe that the Internal Audit Unit must comply with the Standards for the Professional Practice of Internal Auditing. In pursuance thereof, an Internal Audit Charter, in accordance with the provisions of the Standards was formalised after review by management and the Audit Committee. The Internal Audit Charter sets out the role, responsibilities, duties and authority of the Internal Audit Directorate.

5. INTERNAL AUDIT APPROACH, METHODOLOGY AND REPORTING CONVENTION

The Internal Audit Directorate formulated the audit approach in accordance with the requirements of the Public Finance Management Act and the Treasury Regulations. These prescripts require that a "Risk-Based" approach be followed. The Internal Audit methodology and reporting convention were formulated in accordance with international internal auditing standards. These were reviewed by members and formalised.

6. BUSINESS PLAN, STRATEGIC PLAN AND OPERATIONAL PLAN

During September and October 2002, the Directorate's Business Plan, the three-year rolling Strategic Plan and an Operational Plan for the remainder of the year was prepared, accepted, formalised and implemented.

These plans have all been revised and a new three-year as well

as a five-year Strategic Plans have been prepared and circulated to members.

7. SECRETARY TO THE DIRECTORATE

The secretary to the Directorate joined on 2 September 2002.

8. FRAUD PREVENTION STRATEGY

A comprehensive Fraud Prevention and Anti-Corruption Strategy and Fraud Prevention Policy was compiled based on international standards, industry norms and professional practice. The Chairperson of the Audit Committee has signed both the Strategy and the Policy. These are now in the process of being signed by the Acting Director General.

The Corporate Services Branch has been tasked with the responsibility of putting together a Fraud Prevention Plan in order to implement the provisions of the Strategy and the Policy. The Internal Audit Directorate will review the work done by Corporate Services in this regard.

9. AUDIT WORK DONE

9.1 Internal Audits

During September 2002 and March 2003, internal audits were conducted at eight missions. Recommendations were offered for improvements to the control structure and performance at these missions.

9.2 Special Assignments

The Internal Audit Directorate undertook 4 special assignments during the year under review. The necessary reports were prepared and forwarded for further attention by the Department.

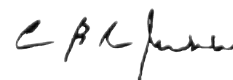
10. ANNUAL FINANCIAL STATEMENTS

The Audit Committee wishes to place on records its thanks to the Deputy Director General: Corporate Services and the staff of the

Office of the Chief Financial Officer for the timely compilation of the Department's annual financial statements. This is no mean feat and its timely completion is a great achievement.

The Audit Committee has reviewed the Department's annual financial statements, the external auditors assessment of the annual financial statements, the management letters issued by the Office of the Auditor General as well as the internal audit reports issued by the Internal Audit Directorate.

The Audit Committee, after considering the work performed by the Office of the Auditor-General (external auditors) and that of the internal auditors, accept the annual financial statement as presented by the Department.



Ms Londiwe Mthembu

Chairperson: Audit Committee

PART 5:
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

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MANAGEMENT REPORT**FOR THE YEAR ENDED 31 MARCH 2003**

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 (department) 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 (minister). Liaison with foreign governments on matters of international relations is effected through South Africa's accredited representatives. The head of a South African mission abroad acts as the representative of the head of state. During the year under review, the department increased its foreign representation by opening six additional missions in Africa, Asia and the Middle East regions as reflected hereunder:

SOUTH AFRICAN MISSIONS

Region	1990/00	2000/01	2001/02	2002/03
Africa	25	25	28	30
Asia & Middle East	21	21	21	25
America	16	16	16	16
Europe	25	23	23	23
Multilateral	3	4	4	4
Total	90	89	92	98

Total number of missions 2002/2003 = 98

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 2002/03 to 2004/05 and identified the following strategic priorities for implementation during the year under review:

- Facilitating the successful transition of the Organisation of African Unity (OAU) to the African Union (AU);
- Working towards the restructuring of the Southern African Development Community (SADC) and the physical creation of the SACU institutions;

- Focusing on the implementation of the new partnership for African development (NEPAD);
 - Working towards peace, stability and security;
 - Facilitating sustainable foreign direct investment, international trade, tourism and environmental conservation; and
 - Focusing on imaging and branding.
- 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 were revised as follows:
- *Administration* provides for the overall policy development, execution and management of the department.
 - *Foreign Relations* involve the promotion of relations with countries, and participation in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives.
 - *Public Diplomacy and Protocol* promote an understanding,

both domestically and internationally, of South Africa's foreign policy objectives, project a positive image of South Africa's role and position in international relations and provide protocol services.

- *Foreign Properties* provide secure, economical housing and office accommodation to all staff members abroad and maintain immovable property abroad.
- *Auxiliary and Associated Services* provide for the payment of membership fees to international organisations, transfer payments and support services for all officials on transfer abroad, and make provision for the inauguration of the president of South Africa.

This report seeks to assist in measuring the extent to which the department's resources allocated for the 2002/03 financial year were utilised in terms of the PFMA.

1.2 REVENUE

During the year under review, the department received total

revenue of **R2,521** billion made up of voted funds and non-voted funds, as set out hereunder: -

Voted funds – R2,451 billion

- **Charge to the National Revenue Fund (R2,407 billion)**

The department received a budget allocation of R2,407 billion for the 2002/03 financial year, which showed a 13,32% increase against the budget allocated for the 2001/02 financial year. The budget increase can be attributed to additional funding (R250 million) received for specific items; R170 million, which was a South African contribution to SADC countries for food shortages through the World Food Programme (WFP) administered by the United Nations (UN) and R80 million for the implementation of the new Foreign Service Dispensation. During the adjustment estimates an additional amount of R67 million was received. The amount received was utilised for the inaugural summit of the AU (R37 million), South Africa's term as chairperson of the AU (R6 million), the establishment of the Democratic Republic of the Congo (DRC)

secretariat (R10 million), the NEPAD secretariat (R5 million) and the Commonwealth Fund for Technical Co-operation (R9 million).

As reported in the previous financial year, the department requested for a roll-over of funds (R129 million) in respect of specific commitments, which was approved. The roll-over was in respect of the Non-Aligned Movement Summit (R26 million), taxation of foreign allowances (R10 million) and capital works (R93 million). In addition, an amount of R14 million was allocated for the contribution to the NEPAD secretariat.

It should be noted that some of these amounts do not form part of the baseline amount. Hence it can be regarded as once-off. Taking this into account, the budget for 2002/03 has actually decreased in real terms as compared to the budget of the 2001/02 financial year.

- **Appropriation for unauthorised expenditure (R44 million)**

For the past financial years, the department has been reporting unauthorised expenditure (R57,412 million) in respect of previous years: R8,380 million (excess expenditure 1998/99),

R35,896 million (excess expenditure 1999/2000), R6,358 million (excess expenditure 2000/01) and R6,778 million (TBVC salary claims). During the year under review, Parliament has authorised the expenditure and approved additional funding (R44 million) in respect of the excess expenditure. However, in respect of the TBVC salary claims, Parliament approved that voted funds of the department be utilised to off-set the expenditure.

Non-voted funds – R70 million

- **Other revenue to be surrendered (R67 million)**

Other revenue relates to revenue received in respect of ad hoc activities, as the department does not have any income-generating programmes. During the year under review, the department sold a building in Paris for R29 million, which was previously used by the then Bophuthatswana government. The other R27 million is in respect of value-added tax (VAT) claims as missions in other countries are allowed to reclaim VAT. The remaining balance is proceeds from sale of equipment, interest received, stale cheques

written back, etc., detailed in note 2 to the income statement.

- **Local and foreign-aid assistance (R3 million)**

As previously reported, our mission in London hosted a project “Celebrate South Africa” aimed at promoting South Africa in the United Kingdom (UK). The project was funded through donors and a total amount of R21 million was received during the 2001/02 financial year. However, there were still outstanding pledges to be collected for the Celebrate South Africa project and the World Conference Against Racism (WCAR).

1.3 EXPENDITURE

Spending trends

South Africa maintains diplomatic relations with countries and organisations through 98 missions in 85 countries located throughout the world. Therefore the bulk of its expenditure is incurred in foreign currencies. This poses a major risk with regard to budgetary controls as the department has no control over the fluctuation of the Rand against major foreign currencies. Due to this

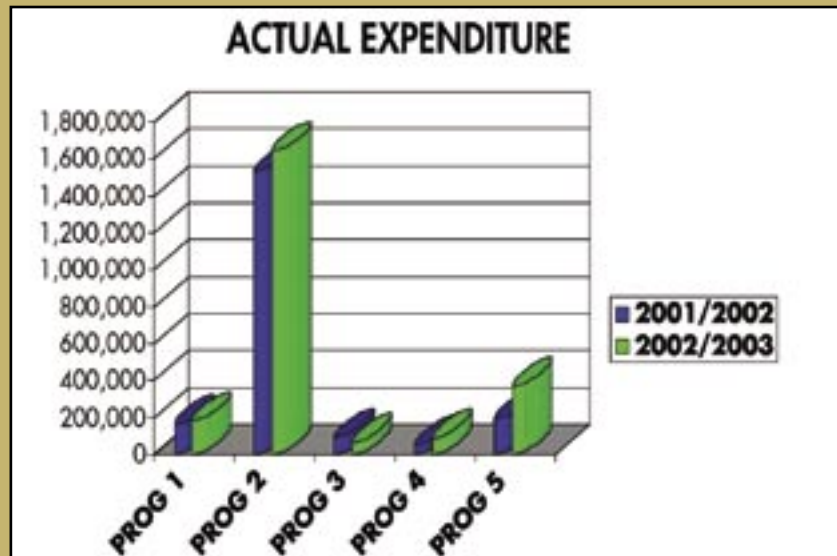
unpredictable or uncontrolled situation, the department can either overspend or underspend its budget. However, the department has reached an understanding with the National Treasury to use the fixed exchange rates determined by the treasury for budget purposes. Therefore, if there is a difference between 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 depreciation of the Rand take place after the adjustment estimate process, the department has to fund such losses from within its allocated resources.

During the year under review, the Rand has performed fairly well as against major foreign currencies. As shown in the graph below the budget exchange rate has been higher than the average spot rate, and the spot rate at which we bought dollars has also been lower: -



Over the years the expenditure on the vote as a whole has been increasing by an annual average of 5%. However, there was a considerable jump during the 2001/02 financial year of approximately 27% compared to previous financial years. During the year under review, the expenditure has increased by 14.73%. This increase can be attributed to the unique role that has been imposed on South Africa as a torchbearer for the revitalisation of the African continent. This includes our involvement in peace processes, development of NEPAD, South Africa's role as the chairperson of the AU, etc. As shown in the graph below, the major increase is in programme 2 as a result of our international responsibilities and commitments, and programme 5 due to the R170 million paid to the UN for the WFP, as well as South Africa's

contribution to the NEPAD secretariat:



During the year under review, the department utilised 94,34% of the total budget allocated for the 2002/03 financial year. Savings realised can be attributed to unspent funds in programme 2: Foreign Relations and programme 4: Foreign Properties. It is important to report that the department had in fact not realised any savings since this amount is already committed as follows: -

- Foreign Service Dispensation (FSD) – R90 million

The Department of Public Service Administration was

mandated by cabinet to investigate and implement a Foreign Service Dispensation (allowances for employees serving abroad) that would be fair, affordable and equitable. During the year under review, negotiations were finalised with the unions and agreement signed in this regard. However, due to fundamental difficulties, the new Foreign Service Dispensation was not implemented. The Department of Public Service Administration, the National Treasury and the department are looking at this matter with a view of finding a lasting solution.

- Equipment – R8 million

The department was involved in a process of opening missions in Muscat and Doha. However, there were delays beyond the department's control in the refurbishment of the chanceries. Computers and other equipment have already been ordered.

- Capital projects – R43 million

These savings are attributed to projects taken over from the Department of Public Works in Kinshasa and Berlin. These

projects will be finalised during June 2003 and March 2004, respectively.

The department has already submitted a request for the roll-over of funds to the National Treasury in respect of these savings. Taking the above into account, the department has managed its financial affairs reasonably well. However, there was an over-expenditure of R6, 880 million as reflected in programme 3. This expenditure must be classified as unauthorised expenditure in terms of the PFMA, chapter 1, "unauthorised expenditure". It is also important to report that this amount was supposed to be allocated against unauthorised expenditure. However, due to the closure of the financial management system (FMS) this transaction will be processed in the next financial year. The same process was followed in respect of 2001/02 over-expenditure.

2. UTILISATION OF DONOR FUNDS

As reported last year, the department hosted a Celebrate South Africa event, which was organised by our mission in London

during May 2001, to promote South Africa in the UK. The project was financed through secured sponsorships, although it was an objective of the department (imaging and branding). In terms of the project there were certain activities such as digital video display sales and television rights which were intended to raise some funds over a period of four years.

During the year under review, an amount of R2,9 million has been received, but not yet claimed from the RDP account. Therefore, there is an outstanding balance of R683 000 not yet cleared as against the balance of R3,5 million during the last financial year. In addition, an amount of R4,4 million has been received in respect of the WCAR and the United Nations Development Program (UNDP), but not yet claimed from the RDP account.

3. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN 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 OAU, the SADC, the Commonwealth, etc.
- Contributions to peacekeeping operations of the UN.
- Meetings of state (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.

The Development Bank of Southern Africa (DBSA) was requested by the presidency to establish the NEPAD secretariat. The NEPAD initiative is a pledge by African leaders to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and body politic.

The DBSA agreed to this request and initially entered into a memorandum of understanding (MOU) with the presidency to act, as agent, on behalf of the NEPAD secretariat in terms of all NEPAD's contractual, financial, administrative and certain logistical needs and requirements. Therefore the receipt and disbursement of funds are administered by the DBSA on behalf of NEPAD.

During the adjustment estimates, the department was allocated resources to partially fund the NEPAD secretariat. To date, NEPAD's activities have been funded by international donor funding, private sector sponsorships and through a bridging facility supplied by the DBSA. The South African government contributed R2 million during the 2001/02 financial year and R14.1 million

has been transferred to the NEPAD secretariat during the year under review. A memorandum of understanding between the department and the DBSA is being finalised.

During June 2002, the WFP conducted an assessment on behalf of the UN and quantified the amount of emergency food assistance that was needed to avert widespread deaths through starvation. The monetary value of the need was US\$611 million.

On 18 July 2002, the WFP issued an international appeal on behalf of the UN for assistance to deal with food shortages across the world. At the SADC Summit in Luanda in October 2002 president Mbeki announced that South Africa would contribute 100 000 tons of maize to be delivered to the WFP for distribution to SADC countries. An amount of R170 million was transferred to the UN as South Africa's contribution to meet its commitment to provide the 100 000 tons of maize to the WFP.

The WFP has already disbursed most of the funds in effecting purchases from local grain mills and has exported most of the 100 000 tons of grain. The balance is in the process of being purchased on local markets and will be delivered to recipients in

the next financial year.

With regard to accountability, these organisations and institutions prepare detailed financial statements which are subject to auditing and public scrutiny.

4. SERVICES RENDERED BY THE DEPARTMENT

Consular services

Consular services reflect the mandate of the South African government to provide assistance and protection to its citizen's abroad. Consular matters can be summarised as services provided by the department in terms of the 1963 Vienna Convention on Consular Relations.

During the year under review, the department was also involved in a number of cases pertaining to South African citizens detained abroad (statistics at present: approximately 713 detainees/prisoners). 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 have to be rendered. Often the rendering of consular services is unplanned and this means that the department incurs expenses that it was unable to accurately provide for.

In addition, the department assisted South African citizens after the 12 October 2002 Bali bomb blasts by locating 90 reportedly missing citizens and informing family members accordingly.

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 directorate 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 transferred officials, 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.

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 Apostille (where countries are party to the Hague Convention of 1961) or to a Certificate of Authentication. Between 1 000 and 1 200 documents are handled/processed by the legalisation section per month.

African Renaissance and International Co-operation Fund

The department, in consultation with the National Treasury, is also 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, keeps records and accounts of all payments into and out 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) (act). Due to the urgency of some of the projects as well as the lengthy process to be followed to finalise the projects, the department had to utilise its funds on the approval of the Acting Director-General or the Minister. This is done with a view of claiming it back from the fund once a letter of concurrence has been received from the Minister of Finance. This has resulted in the opening of a receivables account in the books of the department and a payables account in the trust fund's books of account.

During the year under review, the department has utilised approximately R39,465 million of its funds, of which letters of concurrence from the Minister of Finance are still awaited. This arrangement poses a risk to the department, as the amount owed

by the fund is not enforceable in the event that the Minister of Finance does not issue the letters of concurrence.

Due to the nature of the projects funded and the administrative processes to be followed, it is the view of the department to propose some amendments to the act.

The financial statements of the fund are attached as Annexure A.

5. CAPACITY CONSTRAINTS

As reported already, the department is responsible for co-ordinating and leading the entire spectrum of South Africa's interaction with the world. Its activities are therefore multifunctional, varied and complex. During the last financial year, the department conducted an in-depth analysis of its activities both at head office and at missions to determine its capacity requirements in terms of the challenges it faces (the capacity building project). This analysis focused on the department's needs in terms of systems, processes, infrastructure and human resources. The conclusion was that the department lacks capacity to fulfil its role as custodian of South Africa's international relations and obligations. Due to scarce

resources, the department resolved to implement the project in different phases.

Good progress has been made with some elements of the project, taking into account the limited available funding. With regard to the filling of posts, the implementation of Resolution No.7, which deals with the transformation and restructuring of the Public Service, placed a moratorium until certain processes were complete. Therefore, the department was unable to fill all its vacant funded posts during the year under review. However, the department has made good progress in this regard and it will be able to fill these positions in the next financial year.

6. CORPORATE GOVERNANCE ARRANGEMENTS

The department continues with its endeavours to subscribe to the principles of openness and integrity, more especially in the area of corporate governance. In this regard the department ensures that its processes and practices are transparent, that utilisation of resources is economical, efficient and effective, and benchmarked with international best practices.

Risk management approach

The department complies with a risk-based approach to internal control systems. During the year under review, a number of business processes were documented and analysed, and the result of the risk analysis updated. The complexity of the department and the fact that it has to comply with certain security requirements resulted in this exercise being restricted to the corporate service branch only. In the new financial year a full risk assessment will be conducted throughout the department with the assistance of internal audit.

A risk profile for the department and the internal audit operational plan (taking into consideration the risk profile) has been developed.

Fraud prevention policies

During the year under review, the department developed a departmental fraud prevention strategy and a fraud prevention plan. Management and the audit committee extensively reviewed these policy documents, and the audit committee accepted the strategy and the policy.

The department is currently busy developing a fraud operational plan in order to implement the strategy and the policy. A tender for an anti-corruption and fraud hotline has been prepared and this will be advertised in the new financial year.

Audit committee and internal audit

The audit committee remained at three members and was functional throughout the year under review. The chairperson of the audit committee and the majority of the members are from outside of the public sector. The audit committee approved the internal audit business plan, strategic plan and operational plan as well as the internal audit approach, convention and methodology.

A suitably qualified person with appropriate experience and skills was appointed to the post of head of internal audit with effect from 1 August 2002. The internal audit directorate is currently staffed by two deputy-directors, a senior state accountant and a secretary. In the next financial year the capacity of the internal audit is to be strengthened so that a more effective service can be rendered to the department. With limited resources, the internal

audit directorate has conducted several internal audits, special assignments as well as consulting assignments during the year under review.

Other governance structures

Management consultancy unit (MCU)

In addition to internal audit, the department established a management consultancy unit (MCU). This component is tasked mainly to monitor and assist with the performance of South Africa's missions abroad, which includes the optimal functioning of missions and the optimal utilisation of mission resources, including staff.

During the year under review, the MCU produced three reports on the reporting performance of missions. In addition, the MCU visited the following missions to evaluate their performance: Port Louis, Accra, Kuala Lumpur, London, Budapest, Warsaw, Lagos and Abuja. Comprehensive reports with findings, specific recommendations and action plans were compiled for each mission and submitted both to the business units and missions for implementation.

7. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

A stable CFO infrastructure is now in place to facilitate a programme of financial management improvement initiatives in the department. With the PFMA espousing an approach of *management for results*, the following is part of a suite of initiatives that were introduced and is currently being implemented in a phased approach:

Decentralisation

“Let the manager manage” is a salient principle of the PFMA. The restructuring of the department in line with its strategic mandate took into account this principle and provided for the decentralisation of the corporate service function to branch level. The following are functional areas considered for decentralisation:

- Finance;
- Human resource administration;
- Provisioning; and
- Service centres.

Operational matters are being decentralised whilst policy co-ordination and liaison with outside stakeholders will continue to be administered centrally. In this regard, the business units are also responsible to manage their respective missions. Funds have been earmarked in the 2003/2004 financial year to operationalise corporate service decentralisation to branch level.

Financial systems

During the period under review, much effort was expended on the facilitation processes between the department and the State Information Technology Agency (SITA) for the appointment and consideration of a preferred service provider. The way is now clear for the department to implement an electronic financial system (on-line) at our missions. This will enable the department to fully comply with the reporting requirements of the PFMA.

It is also envisaged that the system will enable the department to comply with generally recognised accounting practice as the Accounting Standards Board and the National

Treasury migrate to full accrual accounting.

Normative measures for financial management

The department is committed to improving financial management and undertakes to monitor, on an on-going basis, the standards for financial management as developed by the National Treasury. Initiatives, which have been institutionalised since the implementation of the PFMA are:

- Financial training modules (PFMA, Treasury Regulations, budget and cash flow management and asset management) provided to officials.
- On-going review of departmental prescripts and policies aimed at improving the department's internal controls.
- Programme and responsibility managers (especially new ambassadors and heads of management to be deployed at our missions abroad) were provided with financial management training which included modules on the PFMA and Treasury Regulations, budgeting and cash flow management, procurement matters, financial processing

guidelines, and asset and lease management issues.

- Key finance personnel have attended formal training in financial management (BAS, preparation of financial statements and budgets).
- Involved key role-players in the development of the department's strategic plan (2003-2005) and the production of the departmental MTEF for 2003-2005. Despite all the constraints, the department has endeavoured to comply with all financial legislation relating to reporting (accounting and budgetary) requirements.

8. 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).

To enhance service delivery and performance, measurable

objectives, performance indicators and time frames have been developed.

Performance management system

The performance management and development system is a management tool for the effective translation of the departmental goals into actual deliverables in line with its mandate. A departmental policy on performance management has also been developed that is compliant with the regulatory framework that governs performance management at all levels in the public service.

It is an on-going process between the supervisor and the official that involves establishing clear targets and expectations, evaluating performance and taking constructive measures. All employees of the department are required to have a performance agreement.

Systems of implementation and monitoring

The minister, deputy-minister and director-general monitor 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. This operational level monitors implementation 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:

- Head office 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.

9. NEW/PROPOSED ACTIVITIES

In June 2000 the department embarked on a process to secure a new head office premises. In consultation with the Department of Public Works a professional team was put together from various sectors to compile a feasibility study and to propose various options open to the department for acquiring a building. Of the various financial models investigated and after extensive analysis, the Public Private Partnership (PPP) model emerged as being the most suitable option. The main criteria against which these options were measured were affordability, value for money and the transfer of risk to the private party.

The feasibility study confirmed that the existing land owned by the department would not be sufficient to cater for the required space and that additional land would need to be acquired. A suitable government owned site has been identified and reserved for this purpose and cabinet approval has been granted to procure

the building through the PPP process.

During the 2003/04 financial year, the appointment of a lead transaction advisor and departmental project officer will be finalised. A feasibility study will be conducted and the process of identifying and selecting a service provider will be finalised. The estimated completion date for the project is November 2006.

10. PAYABLES – CURRENT

The amount of R410,013 million included under payables relates to the inter-departmental suspense account (foreign currency system (FCS)/FMS interface). It represents the double entry (interface) of all transactions processed in foreign currencies. This account is cleared by means of a departmental transfer between the Rand and foreign currency Paymaster-General account. As soon as an accounting month is closed off on the FCS, a payment advice is completed which debits this account and clears it off. The balance is due to a timing difference, as the amount will be cleared in the next financial year.

11. RECEIVABLES

The bulk of the amounts owing by other departments relate to foreign allowances and accommodation expenses in respect of employees of partner departments. 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 facing difficulties to forward claims to partner departments on a monthly basis. This situation severely impacts on the cash-flow management of the department. During the year under review, the department has put numerous processes in place to deal with the situation as shown by the decrease of the outstanding amount from R274 million to R175 million.

However, it is important to report that despite management's proactive efforts in the expeditious settlement of inter-departmental claims, by establishing a process to deal with disputed amounts, it is disheartening to note that this matter has not yielded the desired results.

This is a challenge which the department pledges to tackle with greater vigour in the next financial year. Alternate strategies

will be explored to deal with the issue to the satisfaction of all stakeholders (including users and taxpayers who examine annual financial statements to measure departmental performance).

12. CONTINGENCY LIABILITIES

Housing and motor finance guarantees

This relates to the financial guarantees made to commercial banks in respect of 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 obligations to the bank, the department either deducts the amount in instalments from that employee's salary or against his/her pension. In addition, if the employee resigns from the service, the department notifies the bank concerned and terminates the guarantee.

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 was to supply water to South Africa.

In order for the Lesotho Highlands Development Authority to meet this challenge, it had to improve its infrastructure. They then 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 have been kept up to date.

Possible disputed agency services claims

This refers to amounts owed by various national and provincial departments in respect of agency services. The department embarked on a collection drive and some departments disputed the amounts owed. Although the department has an agreed process with the departments to verify the debts, it would be prudent to make a provision, as other departments may in some cases be proved to be correct. Although a provision of R50 million was made it is important to report that other departments were only able to confirm R23 million of the total outstanding amount of R175 million. Technically R152 million should therefore be regarded as

claims in dispute. However, an amount of R50 million included in the total of R175 million represents the March 2003 claims, which were not submitted to other departments before year-end.

Approval

The financial position of the department as at 31 March 2003 and the results of its operations are set out in the attached financial statements:

- Appropriation statement
- Notes to the appropriation statement
- Income statement
- Balance sheet
- Statement of changes in net assets/equity
- Cash flow statement
- Notes to the annual financial statements
- Disclosure notes to the annual financial statements
- Statement of financial guarantees – Annexure 1
- Physical assets movement schedule – Annexure 2
- Intangible asset movement schedule – Annexure 3

PART 5: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

The above-mentioned financial statements set out on pages 19 to 48 have been approved by the accounting officer.



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AS Minty

Acting Director-General:

Department of Foreign Affairs

31/05/2003

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON
THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF
FOREIGN AFFAIRS - VOTE 3 FOR THE YEAR ENDED 31
MARCH 2003**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 19 to 48, for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. 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.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Foreign

Affairs at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following.

4.1 Receivables - interdepartmental balances

As reported in the previous audit report and disclosed in paragraphs 11 and 12 of the management report and notes 15.1 and 25 to the financial statements, the Department of Foreign Affairs (department) made provision for an amount of R50 million in respect of possible disputed agency services claims. Confirmations received from some of the departments indicated that the differences might be in excess of R150 million (2001/02: R150 million) on interdepartmental balances disclosed on their financial statements. The total amount of differences is unknown.

The department had continued with its efforts to resolve the amounts owing by the other departments and the agreed-upon process to verify the disputed amounts.

4.2 Receivables - African Renaissance and International Co-operation Fund

According to note 15.3 to the financial statements, receivables include an amount of R29 861 680 in respect of the Africa Cup of Nations. The department effected these payments through a suspense account to the Mali Trust for the 23rd Africa Cup of Nations, on behalf of the African Renaissance and International Co-operation Fund. However, these payments had not been made in accordance with the requirements of section 5 of the African Renaissance and International Co-operation Fund Act, 2000 (Act No. 51 of 2000) and require, *inter alia*, regularisation by the Advisory Committee and the Minister of Finance.

4.3 Unauthorised expenditure

The department overspent its operational budget by R6.9

million as reflected under Programme 3: Public Diplomacy and Protocol. The expenditure is regarded as unauthorised in accordance with the Public Finance Management Act of 1999. Specific disclosure was not made in the notes to the financial statements in this regard nor was it allocated against unauthorised expenditure due to the closure of the Financial Management System. The department reported that the transaction would be processed in the next financial period.

5. APPRECIATION

The assistance rendered by the staff of the Department of Foreign Affairs during the audit is sincerely appreciated.



S A Fakie

Auditor-General

PRETORIA

30 July 2003

**STATEMENT OF ACCOUNTING POLICIES AND
RELATED MATTERS
FOR THE YEAR ENDED 31 MARCH 2003**

The 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 financial statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (act), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the act and the Division of Revenue Act, 2002 (Act No. 5 of 2002).

1. BASIS OF PREPARATION

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of

accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. REVENUE

Voted funds are the amounts appropriated to the department in accordance with the final budget known as the Adjusted Estimates of National Expenditure. Unexpended voted funds are surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the National Revenue Fund.

3. DONOR AID

Donor aid is recognised in the income statement in

accordance with the cash basis of accounting.

4. CURRENT EXPENDITURE

Current expenditure is recognised in the income statement when the payment is made.

5. UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure means:

The overspending of a vote or a main division within a vote, or expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from the official (a debtor account should be raised), or the vote if responsibility cannot be determined.

6. DEBTS WRITTEN OFF

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

7. CAPITAL EXPENDITURE

Expenditure for physical items on hand on 31 March 2003

to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed, i.e. written off in the income statement when the payment is made.

8. RECEIVABLES

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

9. PAYABLES

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial/National Revenue Fund or another party.

10. PROVISIONS

A provision is a liability of uncertain timing or amount.

Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

11. LEASE COMMITMENTS

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

12. ACCRUALS

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year-end, or where the goods/services have been delivered, and an invoice is on hand but remains unpaid at year-end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements

are prepared on a cash basis of accounting, but are however disclosed.

13. EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for 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 money is paid to the fund. 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 Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits to its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

14. CAPITALISATION RESERVE

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees at foreign missions before 31 March 2003. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

15. RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

17. EXPENDITURE ABROAD IN FOREIGN CURRENCY

For expenditure incurred for 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.

APPROPRIATION STATEMENT for the year ended 31 March 2003

Programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1 Administration	223,443	(41,900)	181,543	180,327	1,216	99%	154,660	160,558
Current	201,169	(41,900)	159,269	173,582	(14,313)	109%	133,590	140,906
Capital	22,274	0	22,274	6,745	15,529	30%	21,070	19,652
2 Foreign Relations	1,704,147	41,900	1,746,047	1,641,203	104,844	94%	1,543,395	1,529,815
Current	1,602,278	41,900	1,644,178	1,547,569	96,609	94%	1,494,601	1,453,734
Capital	101,869	0	101,869	93,634	8,235	92%	48,794	76,081
3 Public Diplomacy and Protocol	55,070	0	55,070	61,949	(6,879)	112%	47,830	55,874
Current	55,031	0	55,031	60,641	(5,610)	110%	46,921	55,531
Capital	39	0	39	1,308	(1,269)	3354%	909	343
4 Foreign Properties	131,156	0	131,156	87,700	43,456	67%	188,813	47,202
Current	0	0	0	17	(17)		0	108
Capital	131,156	0	131,156	87,683	43,473	67%	188,813	47,094
5 Auxiliary	365,807	0	365,807	365,571	236	100%	189,330	201,151
Current	365,807	0	365,807	365,565	242	100%	189,330	201,140
Capital	0	0	0	6	(6)		0	11
6 Special Functions	0	0	0	2,651	(2,651)		0	9
Current	0	0	0	2,651	(2,651)		0	9
Total	2,479,623	0	2,479,623	2,339,401	140,222	94%	2,124,028	1,994,609

APPROPRIATION STATEMENT for the year ended 31 March 2003

Economic classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Current	2,224,286	0	2,224,286	2,132,856	91,430	96%	1,865,351	1,851,419
Transfer payments	317,807		317,807	310,813	6,994	98%	128,607	119,143
Personnel	1,134,326	27,313	1,161,639	1,069,382	92,257	92%	1,072,930	1,050,173
Other	772,153	(27,313)	744,840	752,661	(7,821)	101%	663,814	682,103
Capital	255,337	0	255,337	203,894	51,443	80%	258,677	143,181
Acquisition of capital assets	255,337	0	255,337	203,894	51,443	80%	258,677	143,181
Special Functions				2,651	(2,651)			9
Current				2,651	(2,651)			9
Total	2,479,623	0	2,479,623	2,339,401	140,222	94%	2,124,028	1,994,609

Standard item classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Transfer payments	317,807	(500)	317,307	310,813	6,494	98%	128,607	119,143
Inventories	36,118	(5,400)	30,718	35,522	(4,804)	116%	28,336	32,027
Personnel	1,135,340	20,483	1,155,823	1,069,382	86,441	93%	1,072,929	1,050,173
Administrative	349,458	(7,413)	342,045	405,426	(63,381)	119%	312,865	363,684
Equipment	104,670	0	104,670	78,893	25,777	75%	64,754	65,747
Land and Buildings	324,369	0	324,369	206,206	118,163	64%	235,442	213,526
Professional and special services	198,517	(7,170)	191,347	215,111	(23,764)	112%	266,906	135,980
Miscellaneous	13,344	0	13,344	18,048	(4,704)	135%	14,189	14,329
Total	2,479,623	0	2,479,623	2,339,401	140,222	94%	2,124,028	1,994,609

DETAIL PER PROGRAMME 1 for the year ended 31 March 2003

Programme per sub programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1 S/P 1: Corp Serv	202,549	(41,900)	160,649	160,711	(62)	100%	146,021	152,140
Current	180,275	(41,900)	138,375	154,283	(15,908)	111%	124,951	132,488
Capital	22,274		22,274	6,428	15,846	29%	21,070	19,652
1 S/P 2: Minister	7,537	0	0	10,860	(10,860)		634	778
Current	7,537	0	0	10,854	(10,854)		634	778
Capital	0	0	0	6	(6)		0	0
1 S/P 3: Deputy Minister	3,786	0	3,786	4,235	(449)	112%	515	636
Current	3,786	0	3,786	4,235	(449)	112%	515	636
Capital	0	0	0	0	0		0	0
1 S/P 4: Management	9,571	0	17,108	4,517	12,591	26%	7,090	7,004
Current	9,571	0	9,571	4,206	5,365	44%	7,090	7,004
Capital	0	0	7,537	311	7,226	4%	0	0
2 S/P 5: Gov M/Transp	0	0	0	0	0		400	0
Current	0	0	0	0	0		400	0
Capital	0	0	0	0	0		0	0
2 S/P 6: Statutory	0	0	0	4	(4)		0	0
Current	0	0	0	4	(4)		0	0
Capital	0	0	0	0	0		0	0
Total	223,443	(41,900)	181,543	180,327	1,216	99%	154,660	160,558

DETAIL PER PROGRAMME 1
for the year ended 31 March 2003

Economic classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current	201,169	(41,900)	159,269	159,064	205	100%	133,590	140,906
Personnel	110,360	(5,400)	104,960	93,893	11,067	89%	89,270	89,055
Other	90,809	(36,500)	54,309	65,171	(10,862)	120%	44,320	51,851
Capital	22,274	0	22,274	21,263	1,011	95%	21,070	19,652
Acquisition of capital assets	22,274	0	22,274	21,263	1,011	95%	21,070	19,652
Total	223,443	(41,900)	181,543	180,327	1,216	99%	154,660	160,558

Standard item classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Inventories	4,382	(500)	3,882	5,465	(1,583)	141%	3,549	4,311
Personnel	110,360	(5,400)	104,960	93,893	11,067	89%	89,270	89,055
Administrative	44,846	(12,230)	32,616	41,890	(9,274)	128%	29,094	35,137
Equipment	40,626	(16,600)	24,026	16,899	7,127	70%	19,422	19,885
Professional and special services	21,560	(7,170)	14,390	21,624	(7,234)	150%	13,323	12,162
Miscellaneous	1,669	0	1,669	556	1,113	33%	2	8
Total	223,443	(41,900)	181,543	180,327	1,216	99%	154,660	160,558

DETAIL PER PROGRAMME 2 for the year ended 31 March 2003

Programme per sub programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2 S/P 1: Africa & M/East	563,553	13,988	577,541	556,410	21,131	96%	627,089	622,043
Current	516,332	13,988	530,320	521,805	8,515	98%	605,373	591,996
Capital	47,221	0	47,221	34,605	12,616	73%	21,716	30,047
2 S/P 2: Americas-Caribbean	278,919	19,175	298,094	248,207	49,887	83%	658,460	658,583
Current	265,415	19,175	284,590	237,435	47,155	83%	634,947	625,655
Capital	13,504	0	13,504	10,772	2,732	80%	23,513	32,927
2 S/P 3: Asia-Australia	224,463	0	224,463	220,762	3,701	98%		
Current	215,588	0	215,588	212,979	2,609	99%		
Capital	8,875	0	8,875	7,783	1,092	88%		
2 S/P 4: Europe	476,159	0	476,159	470,617	5,542	99%		
Current	448,178	0	448,178	435,810	12,368	97%		
Capital	27,981	0	27,981	34,807	(6,826)	124%		
2 S/P 5: Multi (Dev & Corp)	13,185	0	13,185	14,279	(1,094)	108%		
Current	13,181	0	13,181	12,319	862	93%		
Capital	4	0	4	1,960	(1,956)	49000%		
2 S/P 6: Multi (Sec Gov)	147,868	8,737	156,605	130,928	25,677	84%	257,846	249,189
Current	143,584	8,737	152,321	127,221	25,100	84%	254,281	236,082
Capital	4,284		4,284	3,707	577	87%	3,564	13,107
Total	1,704,147	41,900	1,746,047	1,641,203	104,844	94%	1,543,395	1,529,815

**DETAIL PER PROGRAMME 2
for the year ended 31 March 2003**

Economic classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current	1,602,279	41,900	1,644,179	1,547,569	96,610	94%	1,494,601	1,453,734
Personnel	993,899	32,713	1,026,612	947,500	79,112	92%	962,603	934,078
Other	608,380	9,187	617,567	600,069	17,498	97%	531,998	519,656
Capital	101,868	0	101,868	93,634	8,234	92%	48,794	76,081
Acquisition of capital assets	101,868	0	101,868	93,634	8,234	92%	48,794	76,081
Total	1,704,147	41,900	1,746,047	1,641,203	104,844	94%	1,543,395	1,529,815

Standard item classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Inventories	29,658	0	29,658	26,739	2,919	90%	23,518	23,882
Personnel	994,913	32,713	1,027,626	947,500	80,126	92%	962,602	934,078
Administrative	246,326	9,187	255,513	301,838	(46,325)	118%	208,522	238,140
Equipment	63,484	0	63,484	57,230	6,254	90%	44,302	44,933
Land and buildings	202,066	0	202,066	183,566	18,500	91%	187,062	194,110
Professional and special services	166,631	0	166,631	123,596	43,035	74%	113,150	94,214
Miscellaneous	1,069	0	1,069	734	335	69%	4,239	458
Total	1,704,147	41,900	1,746,047	1,641,203	104,844	94%	1,543,395	1,529,815

DETAIL PER PROGRAMME 3 for the year ended 31 March 2003

Programme per sub programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
3 S/P 1: Protocol Matters	38,425		38,425	46,918	(8,493)	122%	44,430	52,417
Current	38,425		38,425	46,459	(8,034)	121%	43,521	52,074
Capital	0		0	459	(459)		909	343
3 S/P Public Diplomacy 2	16,645		16,645	15,031	1,614	90%	3,400	3,457
Current	16,606		16,606	14,182	2,424	85%	3,400	3,457
Capital	39		39	849	(810)	2177%	0	0
Total	55,070	0	55,070	61,949	(6,879)	112%	47,830	55,874

DETAIL PER PROGRAMME 3 for the year ended 31 March 2003

Economic classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Current	55,031		55,031	60,641	(5,610)	110%	47,830	55,531
Personnel	30,067		30,067	27,956	2,111	93%	21,057	20,260
Other	24,964		24,964	32,685	(7,721)	131%	26,773	35,271
Capital	39		39	1,308	(1,269)	3354%	0	343
Acquisition of capital assets	39		39	1,308	(1,269)	3354%	0	343
Total	55,070	0	55,070	61,949	(6,879)	112%	47,830	55,874

Standard item classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Inventories	2,078		2,078	3,318	(1,240)	160%	1,269	3,439
Personnel	30,067		30,067	27,956	2,111	93%	21,057	20,260
Administrative	12,286		12,286	13,628	(1,342)	111%	16,526	24,667
Equipment	560		560	1,925	(1,365)	344%	1,030	875
Land and buildings	0		0	0	0			0
Professional and special services	1,473		1,473	7,679	(6,206)	521%	0	317
Miscellaneous	8,606		8,606	7,443	1,163	86%	7,948	6,316
Total	55,070	0	55,070	61,949	(6,879)	112%	47,830	55,874

DETAIL PER PROGRAMME 4 for the year ended 31 March 2003

Programme per sub programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4 S/P 1: Land, buildings and structure	131,156		131,156	87,700	43,456	67%	188,813	47,202
Current	0		0	17	(17)			108
Capital	131,156		131,156	87,683	43,473	67%	188,813	47,094
Total	131,156	0	131,156	87,700	43,456	67%	188,813	47,202

**DETAIL PER PROGRAMME 4
for the year ended 31 March 2003**

Economic classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current	0		0	17	(17)		0	108
Personnel								15
Other				17	(17)			93
Capital	131,156		131,156	87,683	43,473	67%	188,813	47,094
Acquisition of capital assets	131,156		131,156	87,683	43,473	67%	188,813	47,094
Total	131,156	0	131,156	87,700	43,456	67%	188,813	47,202

Standard item classification	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Inventories	0		0	0	0			
Personnel	0		0	0	0			15
Administrative	0		0	17	(17)			93
Equipment	0		0	2,839	(2,839)			5
Land and buildings	122,303		122,303	22,640	99,663	19%	48,380	19,454
Professional and special services	8,853		8,853	62,204	(53,351)	703%	140,433	27,635
Total	131,156	0	131,156	87,700	43,456	67%	188,813	47,202

DETAIL PER PROGRAMME 5 for the year ended 31 March 2003

Programme per sub programme	2002/03						2001/02	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
5 S/P 1: Admin Support	48,000		48,000	54,759	(6,759)	114%	60,723	82,008
Current	48,000		48,000	54,753	(6,753)	114%	60,723	81,997
Capital	0		0	6	(6)			11
5 S/P 2: Intern Org	317,807		317,807	310,812	6,995	98%	126,107	115,465
Current	317,807		317,807	310,812	6,995	98%	126,107	115,465
Capital	0		0	0	0			
5 S/P 3: Techn Assistance	0		0	0	0		2,500	3,678
Current	0		0	0	0		2,500	3,678
Capital	0		0	0	0			
Total	365,807	0	365,807	365,571	236	100%	189,330	201,151

DETAIL PER PROGRAMME 5 for the year ended 31 March 2003

Economic classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Current	365,807		365,807	365,565	242	100%	189,330	201,140
Transfer Payments	317,807		317,807	310,813	6,994	98%	128,607	119,143
Personnel	0		0	33	(33)		0	6,765
Other	48,000		48,000	54,719	(6,719)	114%	60,723	75,232
Capital				6	(6)		0	11
Acquisition of capital assets				6	(6)		0	11
Total	365,807	0	365,807	365,571	236	100%	189,330	201,151

Standard item classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation R'000	Revised Allocation R'000	Actual Expenditure R'000
Transfer Payments	317,807		317,807	310,813	6,994	98%	128,607	119,143
Personnel	0		0	33	(33)		0	6,765
Administrative	46,000		46,000	48,053	(2,053)	104%	58,723	65,647
Inventories								395
Professional services				8	(8)			1,652
Equipment								49
Land and buildings								(38)
Miscellaneous	2,000		2,000	6,664	(4,664)	333%	2,000	7,538
Total	365,807	0	365,807	365,571	236	100%	189,330	201,151

Notes to the Appropriation Statement for the year ended 31 March 2003

- 1 Detail of current and capital transfers as per Appropriation Act (after virement):**
Detail of these transactions can be viewed in note 9 (transfer payments) 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 (charge to National/Provincial Revenue Fund) to the annual financial statements.
- 3 Detail of special functions (theft and losses)**
Detail of these transactions per programme can be viewed in note 11.3 (details of special functions) to the annual financial statements.
- 4 Explanations of material variances from amount voted (after virement):**

4.1 Per programme:

Programme 2: Foreign Relations

Savings under this programme relate to the new Foreign Service Dispensation which was not implemented during the year under review as well as the delay in the process of opening Missions in Muscat and Doha.

Programme 3: Public Diplomacy and Protocol

The over-expenditure is to protocol services. During the year under review, South Africa took over the chair of the African Union (AU), which increased the travelling of our principals and resulted in the increase in demand of protocol services. However, additional funding was granted under programme 2 during adjustment estimates but the funding was not transferred to programme 3.

Programme 4: Foreign Properties

These savings can be attributed to Kinshasa and Berlin projects which were not finalised during the year under review. However it is envisaged that these projects will be finalised in June 2003 and March 2004, respectively.

Special Functions

This relates to a law suit by one of our locally recruited employees in the New York mission who was employed as a marketing officer. When he reached his

pension age, his retirement was put into effect in terms of the South African Public Service Act, which was in conflict with the local legislation.

Then the department was sued for the violation of the Age Discrimination Act and an out of court settlement was reached.

4.2 Per standard item:

Personnel

The savings under personnel is due to the new Foreign Service Dispensation which was not implemented and vacant funded posts, which were not filled due to the implementation of resolution no.7

Administrative

The over-expenditure can be attributed to the increased role and responsibilities of the department. This includes our involvement in peace processes, development of NEPAD, South Africa as the chair of the African Union.

Equipment

The savings under equipment relates to the opening of the missions which were not finalised during the year under review.

Land and Buildings, and Professional and Special Services

The net savings between the two standard items relates to the projects in Kinshasa and Berlin which were not finalised during the year under review.

Miscellaneous

This relates to the case in New York as explained under Special Functions.

5 Reconciliation of appropriation statement to income statement:

	2002/03 R'000	2001/02 R'000
Total expenditure per income statement	2,383,787	2,025,021
Less: Expenditure from other revenue	44,275	0
Less: Local and foreign-aid assistance (including RDP funds)	111	30,412
Actual expense per appropriation statement	2,339,401	1,994,609

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE) for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000		Note	2002/03 R'000	2001/02 R'000
REVENUE				Capital			
Voted funds		2,450,877	2,124,028			203,894	143,181
Charge to National/Provincial Revenue Fund	1	2,406,602	2,124,028	Machinery and equipment	6	65,301	55,456
Appropriation for unauthorised expenditure		44,275	0	Land and buildings	7	22,640	19,454
				Professional and special services	8	115,953	68,271
Non voted funds		69,670	74,434	TOTAL EXPENDITURE		2,383,787	2,025,021
Other revenue to be surrendered to the revenue fund	2	66,704	53,433	NET SURPLUS		136,760	173,441
Local and foreign-aid assistance (incl. RDP funds)	3	2,966	21,001	Add back unauthorised, and fruitless and wasteful expenditure disallowed	12	5,898	6,358
TOTAL REVENUE		2,520,547	2,198,462	NET SURPLUS FOR THE YEAR	13	142,658	179,799
EXPENDITURE							
Current		2,179,893	1,881,840				
Personnel	4	1,069,382	1,050,173				
Administrative		405,426	363,684				
Inventories	5	35,522	32,027				
Machinery and equipment	6	13,592	10,291				
Land and buildings	7	183,566	194,072				
Professional and special services	8	99,158	67,709				
Transfer payments	9	310,813	119,143				
Miscellaneous	10	15,397	14,320				
Special functions: authorised losses	11	2,651	9				
Local and foreign aid assistance (incl. RDP funds)	3	111	30,412				
Unauthorised expenditure approved		44,275	0				

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) at 31 March 2003

ASSETS	Note	2002/03 R'000	2001/02 R'000
Current assets		684,356	1,045,804
Unauthorised, and fruitless and wasteful expenditure	12	12,257	57,412
Cash and cash equivalents	14	319,156	594,392
Receivables	15	347,677	386,076
Loans	16	1,037	840
Local and foreign aid assistance (including RDP funds) receivable from donors	3	4,229	7,084
Non-current assets		40,503	34,023
Receivables	17	7,421	3,901
Loans	16	33,082	30,122
TOTAL ASSETS		724,859	1,079,827
LIABILITIES			
Current liabilities		686,883	978,548
Voted funds to be surrendered	18	73,098	135,777
Revenue funds to be surrendered	19	4,868	4,919
Payables	20	608,917	837,852
Non-current liabilities		3,667	70,240
Payables	21	3,667	70,240
TOTAL LIABILITIES		690,550	1,048,788
NET ASSETS		34,309	31,039
EQUITY		34,309	31,039
Capitalisation reserve		34,076	30,962
Recoverable revenue		233	77
TOTAL EQUITY		34,309	31,039

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2003

	2002/03 R'000	2001/02 R'000
Capitalisation reserve		
Opening balance	30,962	25,889
Transfers to Revenue Fund	4,253	2,999
New debits	7,206	7,538
Transfers/miscellaneous	161	534
Closing balance	<u>34,076</u>	<u>30,962</u>
Recoverable revenue		
Opening balance	77	92
Transfer to Revenue Fund	31	109
Debts raised	186	94
Closing balance	<u>233</u>	<u>77</u>
TOTAL EQUITY	<u>34,309</u>	<u>31,039</u>

CASH FLOW STATEMENT

for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	22	199,839	220,618
Cash generated/(utilised) to (increase)/decrease working capital	23	(215,361)	295,225
Voted funds and Revenue funds surrendered	24	(202,532)	(206,016)
Net cash flow available from operating activities		(218,054)	309,827
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(87,941)	(74,910)
Proceeds from sale of equipment	2	1,294	1,185
Proceeds from sale of land and buildings	2	29,466	32,905
Net cash flows from operating and investing activities		(275,235)	269,007
Net increase/(decrease) in cash and cash equivalents		(275,235)	269,007
Cash and cash equivalents at beginning of period	14	594,392	325,385
Cash and cash equivalents at end of period	14	319,157	594,392

Notes to the Annual Financial Statement for the year ended March 2003

1 Charge to National/Provincial Revenue Fund

1.1 Included in the above are funds specifically and exclusively appropriated for National Departments (Voted funds) and Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2002/03	Actual	Variance over/(under)	Total Appropriation 2001/02
Programme 1: Administration	181,543	181,543	0	
Programme 2: Foreign Relations	1,704,047	1,699,297	4,750	154,660
Programme 3: Public Diplomacy and Protocol	55,070	53,770	1,300	1,543,395
Programme 4: Foreign Properties	131,156	129,685	1,471	425,973
Programme 5: Auxiliary	365,807	342,307	23,500	
TOTAL	2,437,623	2,406,602	31,021	2,124,028

1.2 Explanation of material variances including whether or not application will be made for a roll-over.

The amount of R31 021 m was not requested due to the non-finalization of capital works in Berlin and Kinshasa. Roll-over of funds have been requested.

	Note	2002/03 R'000	2001/02 R'000
2 Other revenue to be surrendered to revenue fund			
Description (Specify material amounts separately)			
Material losses recovered	2.1	471	7
Gifts donations and sponsorships received	2.2	25	113
Cheques written back/stale cheques		7,291	2,591
Proceeds from sale of equipment		1,294	1,185
Proceeds from sale of land and buildings		29,466	32,905
Interest received		1,442	2,260
Other		26,715	14,372
		66,704	53,433

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03 R'000	2001/02 R'000
2.1	Material losses recovered		
	Nature of loss recovered		
	Chicago: Loss Sony Digital Camera	0	6
	Shortage on Foreign Petty Cash	0	1
	Fraud Case	78	0
	Departmental Debt: Recovered		
	Milan: Theft of cellular phone	13	0
	Maseru: Alleged misconduct	71	0
	Recovered		
	Algiers: Accident CD-66-4	114	0
	Recovered		
	Alleged theft of cellular phones	15	0
	Alleged fraud:	42	0
	Theft Laptop DDG Africa:	35	0
	Recovered		
	Loss of cellular phone: WCAR	1	0
	Recovered		
	Maseru: Official vehicle	102	0
		471	7
		2002/03 R'000	2001/02 R'000
2.2	Gifts, donations and sponsorships received by the department		
	Nature of gift, donation and sponsorship		
	Estate Martha Kupfer - Switzerland	0	113
	Estate Gunter Christ - Germany	17	0
	Donation from Denel	8	
		25	113

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03 R'000	2001/02 R'000
2.3	Gifts, donations and sponsorships received in kind excluding RDP funds by the department (Total not included above)		
	Nature of gift, donation and sponsorship		
	WORKS OF ART		
	Donated by various artists for display in South African Missions	7	36
	SCULPTURE	0	7
	WALL HANGINGS	0	
	WOOD CARVINGS	0	1
	SILVER, CRYSTAL & CERAMICS		
	African Ambassadors in Cairo - presented a Silver Plate to Amb. Mdlalose	1	3
	VARIOUS SA CRAFTS		18
	PERFORMANCE FEES & PUBLICITY		
	Bangkok		80
	Financial support for Flower Float decoration 220th anniversary of City of Rattanakosin	2	

Notes to the Annual Financial Statement for the year ended March 2003

2.3 Cont. Gifts, donations and sponsorships received in kind excluding RDP funds

		2002/03 R'000	2001/02 R'000
Gaborone			
South Africa Week	FNB	26	0
South Africa Week	KBL	15	0
South Africa Week	SA Express	15	0
South Africa Week	DEBSWANA	15	0
South Africa Week	Murray & Roberts	15	0
South Africa Week	Clover	15	0
South Africa Week	Engen	15	0
South Africa Week	Multichoice	15	0
South Africa Week	Time Projects	16	0
South Africa Week	Distillers	2	0
Hampers for golf tournament			
Jakarta, South Africa Week			
Supplement published in Jakarta Post	Various SA companies in Indonesia	42	0
Air fare and performance fee	DACST	135	0
New Delhi			
Performance Fee Dr Abdullah Ibrahim	Foskor		
African Footprint		43	0
Performance fees	SAB Miller		
International tickets	SAA	102	0
Technical equipment	Sun group	277	0
Ground transport	SOTC	72	0
Discounted Tickets	Jet Airways	24	0
Cargo discount	Jet Airways	37	0
		16	0
			139
ACCOMMODATION			
New York (CG)			
Hotel accommodation to attend The Links Inc.	The Links Inc.	7	0
Hotel accommodation and meals	RISA	3	0

Notes to the Annual Financial Statement for the year ended March 2003

2.3 Cont.

Gaborone, South Africa week

18 complementary rooms

4 complementary rooms

Gaborone Sun	37	0
Grand Palm Hotel	3	0

New Delhi

Hotel accommodation Dr Abdullah Ibrahim

African Footprint

Hotel accommodation

Meals

Taj Hotels	8	0
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Taj Hotels	177	0
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Livingstones	24	0
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AIR TRAVEL

Athens

Air fare, Athens – Johannesburg – Athens to accompany a potential investor

Mr S Restis	16	0
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Jakarta

Air ticket – Indaba 2002

SAA/SATOUR	11	0
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New Delhi

African Footprint

Ground transport

Discounted Tickets

Cargo discount

SOTC	24	0
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Jet Airways	39	0
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Jet Airways	16	0
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0 291

0 103

0 10

0 5

0 75

FOOD & BEVERAGES

GRAPHIC DESIGN & PRINTING

VENUE

OTHER

CHARTER FLIGHT

FURNITURE AND EQUIPMENT

Pool table

Stinkwood Armchair and footstool

Cell phone

Hawley Furnishers	6	0
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Mrs C Loft	3	0
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Cubacell	2	0
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1,283 925

Notes to the Annual Financial Statement for the year ended March 2003

3	Local and foreign aid assistance (including RDP)					
3.1	Assistance received in cash	Opening Balance	Revenue	Expenditure Current	Capital	Closing Balance
	Name of Donor and purpose					
	Foreign					
	United Kingdom	(3,537)		111		
	Billiton		1,475			
	Capespan		269			
	Meer Care % Desai		498			
	HM Customs		199			
	Harmony Gold Mining Co.		482			
	D. Hitchcock		17			
	Chris Madge and Co.		26			
		(3,538)	2,966	111	0	(683)
	Protocol Training: Spain	64	0	0	0	64
	UNDP	(340)	0	0	0	(340)
	Foreign Governments: WCAR	(3,270)	0	0	0	(3,270)
		(7,084)	2,966	111	0	(4,229)
	Analysis of balance				2002/03	2001/02
					R'000	R'000
	Amounts owing by donors				4,293	7,148
	Assistance rolled over				64	64
					4,229	7,084

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03 R'000	2001/02 R'000
4	Personnel		
4.1	Current expenditure		
	Appropriation to Executive and Legislature	6,849	1,380
	Basic salary costs	485,083	416,001
	Pension contributions	28,574	27,266
	Medical aid contributions	61,771	56,559
	Other salary related costs	487,105	548,967
		1,069,382	1,050,173
	Average number of employees (DFA officials)	1,655	1,766
	Average number of employees (LRP's at missions)	1,697	1,511
		3,352	3,277
	Total Personnel Costs	1,069,382	1,050,173
		2002/03 R'000	2001/02 R'000
5	Inventories		
5.1	Current expenditure		
	Inventories purchased during the year		
	Printing:general	5,082	4,189
	Stationary:general	10,575	7,744
	Publications	6,677	5,854
	Overalls and uniforms	1,558	1,533
	Consumables and groceries	2,773	4,530
	Household, garden and audio visual	4,561	3,920
	Fuel purchases	4,125	3,512
	Other stocks	171	745
	Total cost of inventories	35,522	32,027
5.2	Inventories on hand at year end (for disclosure purposes only)		
	Costing method used		
	E-class on hand	7,931	885
	Cost price		

Notes to the Annual Financial Statement for the year ended March 2003

	Note	2002/03 R'000	2001/02 R'000
6 Machinery and Equipment			
Current (rentals, maintenance and sundry)		13,592	10,291
Capital	6.1	65,301	55,456
Total current and capital expenditure		78,893	65,747
6.1 Capital machinery and equipment analysed as follows:			
Computer equipment		15,460	23,076
Furniture and office equipment		28,263	14,234
Other machinery and equipment		3,693	1,667
Transport		11,797	8,051
Security equipment		1,250	2,920
Labour saving devices		1,950	3,554
Telephone systems		2,274	1,944
Works of art		614	10
		65,301	55,456
	Note	2002/03 R'000	2001/02 R'000
7 Land and buildings			
Current expenditure			
Rental official residences and offices		183,566	194,072
Total current expenditure		183,566	194,072
Capital expenditure	7.1	22,640	19,454
Total current and capital expenditure		206,206	213,526
7.1 Capital land and building expenditure analysed as follows:			
Construction office accommodation		3,816	19,454
Construction official housing		18,824	0
		22,640	19,454

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03	2001/02
		R'000	R'000
8	Professional and special services		
8.1	Current expenditure		
	Auditors' remuneration	4,117	1,248
	Contractors	23,712	1,343
	Consultants and advisory services	4,254	6,122
	Commissions and committees	2	5
	Computer services	3,867	2,174
	Other	63,206	56,817
		99,158	67,709
8.2	Capital expenditure		
	Contractors	16,761	19,136
	Consultants and advisory services	61,684	4,382
	Computer services	1,023	967
	Other	36,485	43,786
		115,953	68,271
	Total professional and special services	215,111	135,980
		2002/03	2001/02
		R'000	R'000
9	Transfer payments		
	Manpower: Secondments	12	153
	Technical and other assistance	2,442	3,526
	World Food Program	170,000	0
	Membership Fees: UN	57,418	78,425
	United Nations Development Programme	5,620	950

Notes to the Annual Financial Statement for the year ended March 2003

9 conti. South Centre	0	613
Maritime Law Institute	120	120
Humanitarian Aid	5,858	5,351
NEPAD	19,200	0
African Union	11,965	15,652
Membership fees: Commonwealth	16,248	7,684
SADC Membership fees	4,356	3,609
UNICEF	200	0
Bureau International Exhibition -Membership fees	0	18
IORARC	56	0
G77 : Economic Cooperation	41	0
African Caribbean and Pacific	1,875	0
IOR Research Centre: Wits	0	101
Comprehensive Test Ban Treaty	0	362
Perrez-Guerrero Trust Fund	0	24
Economic Cooperation Among Developing Countries	0	41
UNDP - Local Office Costs (GLOC)	13,600	2,373
Bacterial and toxic weapons convention	24	141
Other International Organizations	1,391	0
UN Technical Cooperation	97	0
UN Human Rights	290	0
Total transfer payments made	310,813	119,143

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03 R'000	2001/02 R'000
10	Miscellaneous		
10.1	Current expenditure		
	Recoverable loans and rental deposits	7,206	7,538
	Diplomatic Privilege Act	7,387	6,059
	Gifts by the State Purchased	254	268
	Other	550	455
	Total miscellaneous expenditure	15,397	14,320
		2002/03 R'000	2001/02 R'000
10.2	Gifts, donations and sponsorships made in kind (items expensed in previous periods -Total value not included above)		
	Nature of gifts, donations and sponsorships		
	Gifts presented to foreign dignitaries and visiting heads of state	112	166
		2002/03 R'000	2001/02 R'000
11	Special functions: Authorised losses		
	Material losses through criminal conduct	11.1	0
	Other material losses written off	11.2	2,651
		2,651	9
		2002/03 R'000	2001/02 R'000
11.1	Material losses through criminal conduct		
	Nature of losses		
	Mumbai - stolen crystal ware	0	9
		2002/03 R'000	2001/02 R'000

Notes to the Annual Financial Statement for the year ended March 2003

11.2 Other material losses written off in income statement in current period

Nature of losses

New York settlement

Oslo: Legal fees

2,586	0
65	0
2,651	0

2002/03	2001/02
R'000	R'000

11.3 Details of special functions (theft and losses)

Per programme

Special Functions

2,651	9
2,651	9

12 Unauthorised and fruitless and wasteful expenditure disallowed

Unauthorised expenditure

Note

13.2

2002/03	2001/02
R'000	R'000

5,898	6,358
--------------	--------------

12.1 Reconciliation of unauthorised expenditure balance

Opening balance

Unauthorised expenditure current year

Approved by Parliament

Closing balance

2002/03	2001/02
R'000	R'000

57,412	51,054
5,898	6,358
(51,053)	0
12,257	57,412

2002/03	2001/02
R'000	R'000

12.2 Unauthorised expenditure

Incident

Excess expenditure - 2000/01

Excess expenditure - 2001/02

0	6,358
5,898	0
5,898	6,358

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03 R'000		2001/02 R'000							
13 Analysis of surplus											
Voted funds to be surrendered to the National/Provincial Revenue Fund		73,098		135,777							
Non voted funds		69,560		44,022							
Other revenue to be surrendered to the Revenue Fund		66,704		53,433							
Local and foreign-aid assistance (including RDP funds) rolled over		2,856		(9,411)							
Total		142,658		179,799							
		2002/03 R'000		2001/02 R'000							
14 Cash and cash equivalents											
Paymaster General Account		318,864		594,203							
Cash on hand		292		189							
		319,156		594,392							
		2002/03 R'000		2001/02 R'000							
15 Receivables - current											
			Note								
	Amounts owing by other departments	15.1		174,625	274,260						
	Staff debtors	15.2		11,395	7,555						
	Other debtors	15.3		158,088	100,704						
	Advances	15.4		3,569	3,557						
		347,677		386,076							
15.1	Amounts owing by other departments	2001/02	R	2002/03	R	2002/03	R	2002/03	R	2002/03	R
			Closing Balance		Payments made		Receipts received		Closing Balance		Advances Received
	Department										
	Eastern Cape		548,152.80		1,019,521.55		179,525.72		1,388,148.63		
	Northern Cape		147,648.63		497,837.00		224,847.58		420,638.05		
	Free State		277,964.81		607,924.38		463,589.72		422,299.47		
	Northern Province		953,598.16		1,143,420.79		87,924.95		2,009,094.00		
	Mpumalanga		443,320.90		1,482,223.21		769,243.81		1,156,300.30		
	North West		335,383.19		1,518,539.67		222,052.63		1,631,870.23		
	Kwazulu Natal		114,468.64		1,534,048.06		26,491.44		1,622,025.26		

PART 5: ANNUAL FINANCIAL STATEMENTS – VOTE 3 FOR THE YEAR ENDED 31 MARCH 2003

15.1 conti.	Gauteng	2,206,958.44	2,054,904.96	1,213,002.01	3,048,861.39	
	Western Cape	287,679.80	337,955.85	18,389.25	607,246.40	
	Art,culture,Sc & Technology	2,086,740.98	6,211,509.89	4,458,065.14	3,840,185.73	4,140,605.82
	Welfare	197,614.66	779,887.95	926,097.68	51,404.93	29,501.67
	Agriculture	28,174,538.76	19,450,886.67	43,323,128.27	4,302,297.16	878,927.44
	Justice	1,284,499.61	1,370,009.96	1,172,372.68	1,482,136.89	741,262.22
	Public service Administration	419,569.47	1,011,038.84	863,773.59	566,834.72	294,762.72
	Housing	210,794.15	627,888.27	612,698.17	225,984.25	144,006.78
	Public service Comm	375,156.81	16,616.18	15,897.95	375,875.04	
	Environmental Affairs	2,271,525.29	4,690,560.10	5,995,537.82	966,547.57	
	Public Works	46,225,725.04	20,923,746.96	29,954,860.83	37,194,611.17	11,545,217.93
	Health	25,932,842.72	34,735,011.21	48,547,335.08	12,120,518.85	2,601,244.47
	Office of the President	5,003,144.03	4,412,730.61	3,045,910.91	6,369,963.73	
	Transport	257,006.16	563,859.36	355,799.10	465,066.42	453,037.78
	Minerals and Energy	1,539,504.02	2,789,125.67	2,361,920.94	1,966,708.75	73,503.07
	Office for Public Enterprises	18,217,479.28	7,450,396.78	14,641,558.27	11,026,317.79	12,230,127.39
	Trade & Industry	54,883,772.21	170,078,185.54	196,737,155.50	28,224,802.25	4,992,627.58
	Water Affairs and Forestry	1,303,420.89	1,497,624.09	1,261,888.36	1,539,156.62	
	Home Affairs	0	266,745.45	0	266,745.45	
	Labour	13,786,587.18	17,646,788.07	19,465,431.45	11,967,943.80	17,284,822.96
	Land Affairs	54,116.21	79,535.76	103,529.64	30,122.33	
	National Treasury	193,511.66	22,869.30	332.71	216,048.25	
	Finance	4,304,265.08	1,820,764.46	2,185,360.09	3,939,669.45	
	Finance pension	10,560,454.49	16,481,719.03	20,978,864.09	6,063,309.43	
	Post & Telecommunication	3,394,113.19	3,162,270.89	4,588,454.43	1,967,929.65	277,873.86
	Sport & Recreation	101,539.30	164,252.60	128,384.84	137,407.06	
	South African Comm. Service	1,535,273.03	1,174,794.19	2,685,781.55	24,285.67	
	South African Revenue Service	2,309,260.18	459,371.99	1,530,738.41	1,237,893.76	509,501.49
	Police	25,136,911.62	17,833,018.67	28,164,013.34	14,805,916.95	
	Education	250,355.39	802,757.53	874,040.40	179,072.52	
	National Defence Force	18,578,609.67	56,204,402.53	64,337,211.49	10,445,800.71	
	Provincial and local affairs	197,144.53	339,594.40	425,205.65	111,533.28	
	Government Printer	127,139.20	0	25,677.67	101,461.53	
	Central statistical services	3,334.86	0	0	3,334.86	
	Correctional services	28,878.46	72,706.83	0	101,585.29	
		274,260,003.50	403,337,045.25	502,972,093.16	174,624,955.59	56,197,023.18

~ Departments were only able to confirm R23 million of the total outstanding amount of R175 million. Technically R152 million should therefore be regarded as claims in dispute, however an amount of R50 million included in the total of R175 million, represents the March 2003 claims which were not submitted to departments before year-end. A provision of R50 million has been made for claims in dispute. (Refer to note 25.)

PART 5: ANNUAL FINANCIAL STATEMENTS – VOTE 3 FOR THE YEAR ENDED 31 MARCH 2003

		2002/03 R'000	2001/02 R'000
15.2	Staff debtors		
	Departmental debt accounts	2,461	1,203
	Disallowances	5,816	4,484
	Persal accounts	1,596	592
	Study fees/bursaries	1,522	1,276
		11,395	7,555
		2002/03	2001/02
		R'000	R'000
15.3	Other debtors		
	Detainees	16	7
	African Renaissance and International Co-operation Fund	80,227	30,276
	Debtors - governments	24,281	22,344
	Claims recoverable: Institutions	53,564	48,077
		158,088	100,704

* Balance restated: RDP Funds receivable is disclosed under note 3 above

< The amount disclosed for the African Renaissance and International Co-operation Fund (fund) represents amounts paid by the department on behalf of the fund whilst processing requests in terms of the African Renaissance and International Co-operation Fund Act (act). This is largely due to the urgency of the project as well as the lengthy process to be followed to finalise the projects. The balance showed is inclusive of an amount of approximately R44,340 million, of which letters of concurrence from the Minister of Finance is still awaited. In terms of the act, before any amount is disbursed the Minister of Finance has to give concurrence; therefore amounts owed by the fund is not enforceable.

		2002/03 R'000	2001/02 R'000
15.4	Advances		
	Nature of advances		
	Advance to state departments	69	74
	Subsistence and transport advances	3,500	3,483
		3,569	3,557
		2002/03	2001/02
		R'000	R'000
16	Loans		
	Granted to		
	Rental deposits: Residences - landlords	11,524	9,640
	Rental deposits: Offices - landlords	20,297	18,785
	Interest free motor loans - junior transferred officials stationed at diplomatic missions	1,736	1,705
	Interest free loans: other - schools abroad	562	832
		34,119	30,962
	Less amount repayable within 12 months included in current assets	1,037	840
		33,082	30,122

Note

Notes to the Annual Financial Statement for the year ended March 2003

- 16.1** This amount represents various payments to landlords abroad for rental deposits in respect of official residences for transferred personnel. These loans are secured by the rental payments to landlords. The rental deposits are refunded at the expiry of the lease.
- 16.2** This amount represents various payments to landlords abroad for rental deposits in respect of official chanceries for diplomatic missions. These loans are secured by the rental payments to landlords. The rental deposits are refunded at the expiry of the lease.
- 16.3** This amount represents various interest free motor loans granted to junior officials abroad to enable them to perform their representation duties abroad. These loans are secured by recovery from the foreign allowances. In the event of a resignation, prior to full settlement, the balance will be recovered from the pension benefits.
- 16.4** This amount represents various deposits paid to educational institutions abroad to admit transferred officials' children to these schools. Deposits are refunded to the department when tuition services are terminated.

	2002/03 R'000	2001/02 R'000
17 Receivables – non-current		
Description		
Theft & losses	1,946	1,810
Unsettled claims	2,550	2,056
LOGIS	2,925	35
	7,421	3,901
	2002/03 R'000	2001/02 R'000
18 Voted funds to be surrendered		
Opening balance	135,777	144,719
Transfer from income statement	73,098	135,777
Paid during the year	(135,777)	(144,719)
Closing balance	73,098	135,777
	2002/03 R'000	2001/02 R'000
19 Revenue funds to be surrendered		
Opening balance	4,919	12,783
Transfer from income statement for revenue to be surrendered	66,704	53,433
Paid during the year	(66,755)	(61,297)
Closing balance	4,868	4,919

Notes to the Annual Financial Statement for the year ended March 2003

	Note	2002/03 R'000	2001/02 R'000
20 Payables - current			
Description			
Amounts owing to other departments (salary deductions)		671	840
Receipts payable to other departments		79,428	50,958
Advances received	20.1	60,671	100,491
Other payables	20.2	468,147	685,563
		608,917	837,852
	Note	2002/03 R'000	2001/02 R'000
20.1 Advances received			
Advances received - state departments	15.1	56,197	87,175
Advances received - state institutions		4,297	13,207
Other advances received		177	109
		60,671	100,491
		2002/03 R'000	2001/02 R'000
20.2 Other payables			
FCS/FMS interface		410,013	665,455
Persal accounts		7,085	868
Disallowances		51,049	19,240
		468,147	685,563
		2002/03 R'000	2001/02 R'000
21 Payables – non-current			
Description			
Study bursaries		1,241	1,280
Rate of exchange		2,426	68,960
		3,667	70,240

Notes to the Annual Financial Statement for the year ended March 2003

	Note	2002/03 R'000	2001/02 R'000
22 Net cash flow generated by operating activities			
Net surplus as per income statement		142,658	179,799
Adjusted for items separately disclosed		57,181	40,820
Proceeds from sale of equipment	2	(1,294)	(1,185)
Proceeds from sale of land and buildings	2	(29,466)	(32,905)
Purchase of equipment	6	65,301	55,456
Purchase of land and buildings	7	22,640	19,454
Net cash flow generated by operating activities		199,839	220,619
		2002/03 R'000	2001/02 R'000
23 Cash generated (utilised) to (increase)/decrease working capital			
(Increase) / decrease in receivables – current		38,411	(161,644)
(Increase) / decrease in receivables – non-current		(3,519)	1,947
(Increase) / decrease in prepayments and advances		(11)	1,163
(Increases) in other current assets		41,997	(11,431)
Increase/(decrease) in payables		(295,508)	460,132
Increase / (decrease) in other current liabilities		3,269	5,058
		(215,361)	295,225
**Previous year's figures reclassified.			
	Note	2002/03 R'000	2001/02 R'000
24 Voted funds and Revenue funds surrendered			
Voted funds surrendered	18	(135,777)	(144,719)
Revenue funds surrendered	19	(66,755)	(61,297)
		(202,532)	(206,016)

Notes to the Annual Financial Statement for the year ended March 2003

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (act), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the act and the Division of Revenue Act, 2002 (Act No. 5 of 2002).

		Note	2002/03 R'000	2001/02 R'000
25	Contingent liabilities			
	Liable to	Nature		
	Motor vehicle guarantees	Employees	2,864	1,063
	Housing loan guarantees	Employees	292	3,845
	Other guarantees	Annexure 1	232,466	336,642
	Claims		1,513	4,075
	Other (amounts owing by other departments)		50,000	50,000
			287,135	395,625
			2002/03 R'000	2001/02 R'000
25.1	Claims			
	Catlin v Minister of Foreign Affairs		280	280
	Kgaphola v Minister of Foreign Affairs		0	19
	Turkey : Madencilik Metal Ticaret Anonim Sirket v Government of South Africa		200	200
	Kattini v Republic of South Africa (LRP New York)		0	2,970
	Filippatos v Minister of Foreign Affairs (Lusaka rented property)		386	386
	Fintech v Minister of Foreign Affairs (WCAR conference – accommodation)		220	220
	Smit v Minister of Foreign Affairs		75	0
	Deeb v Minister of Foreign Affairs		252	0
	Drake v Minister of Foreign Affairs		100	0
			1,513	4,075

Notes to the Annual Financial Statement for the year ended March 2003

	2002/03 R'000	2001/02 R'000
26 Commitments		
Capital expenditure		
Approved and contracted/ordered	72,631	188,000
Approved but not yet contracted	8,661	0
Total commitments	81,292	188,000
	2002/03 R'000	2001/02 R'000
27 Accruals		
Listed by standard item		
Administrative	550	1,412
Inventory	31	193
Equipment	771	209
Professional and special services	0	78
	1,352	1,892
	2002/03 R'000	2001/02 R'000
Listed by programme level		
Programme 1: Administration	898	664
Programme 2: Foreign Relations	187	331
Programme 3: Public Diplomacy and Protocol	267	0
Programme 5: Auxiliary	0	897 \$
	1,352	1,892

\$ Programme 3 (previous financial year) was restructured to Programme 5 for the year under review.

Notes to the Annual Financial Statement for the year ended March 2003

		2002/03	2001/02
		R'000	R'000
28	Employee benefits		
	Leave entitlement	5,770	184
	Thirteenth cheque	10,645	10,299
	Performance bonus	2,634	1,142
		19,049	11,625
		Total	Total
		2002/03	2001/02
		R'000	R'000
29	Leases		
29.1	Operating leases		
	Name of financial institution	Property	Equipment
		Various	Various
	Not later than 1 year	216,196	5,882
	Later than 1 year and not later than 3 years	181,448	5,999
	Later than 3 years	177,379	1,355
	Total present value of lease liabilities	575,023	13,236
			222,078
			324,940
			187,447
			405,016
			178,734
			65,965
			588,259
			795,921

ANNEXURE 1

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2003
DOMESTIC/ FOREIGN (provide separate returns)

Guaranteed institution	Guarantee in respect of	Guaranteed capital amount R'000	Opening balance as at 01/04/2002 R'000	Guarantees raised during the year R'000	Guarantees repaid during the year R'000	Guaranteed capital amount outstanding as at 31/03/2003 R'000	Guaranteed interest outstanding as from last date of interest until 31/03/2003 R'000	Claims paid out during past financial year R'000	Realised losses i.r.o. claims paid out R'000
Domestic									
Standard Bank	Housing loans	495,140.00	528,906.00	66,624.00	100,390.00	495,140			
Nedbank Ltd.	Housing loans	78,156.00	215,456.00	18,000.00	137,300.00	78,156			
Firststrand Bank: FNB	Housing loans	399,921.00	461,771.20	14,000.00		399,921			
ABSA Bank	Housing loans	508,690.00	761,541.60	0	252,851.60	508,690			
Fidelity Bank	Housing loans	46,420.00	59,725.00			46,420			
BOE Bank (NBS Division)	Housing loans	363,175.00	507,695.00	0	144,520.00	363,175			
Saambou Bank	Housing loans	800,133.00	1,003,062.80	16,756.00	202,929.80	800,133			
Peoples/ Permanent Bank	Housing loans	144,595.00	279,334.80		134,739.80	144,595			
VBS Mutual Bank	Housing loans	23,120.00	23,120.00			23,120			
Hlano Fin Services	Housing loans	4,399.00	4,399.52			4,399			
Total Domestic		2,863,749.00	3,845,011.92	115,380.00	482,189.60	2,863,749	0.00	0.00	0.00
Stannic	Motorfinance	292,410.30	1,063,081.98	0	770,671.60	292,410			
	Domestic	3,156,159.30	4,908,093.90	23,249,274.90	17,229,366.60	8,476,260.78	8,245,500.78	6,019,908.38	0.00

ANNEXURE 1 continued

Guaranteed institution	Guarantee in respect of	Guaranteed capital amount R'000	Opening balance as at 01/04/2002 R'000	Guarantees raised during the year R'000	Guarantees repaid during the year R'000	Guaranteed capital amount outstanding as at 31/03/2003 R'000	Guaranteed interest outstanding as from last date of interest until 31/03/2003 R'000	Claims paid out during past financial year R'000	Realised losses i.r.o. claims paid out R'000
Foreign									
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02 021	54,044,845.81	54,044,845.81			35,724,470.45			
South African Development Bank	Lesotho Highlands Development Authority for the northern access road project IHT 02 022	154,279,000.00	154,279,000.00			107,586,557.15			
South African Development Bank	Lesotho Highlands Development Authority Katze Bridge Project IHT 02 023	2,385,008.88	2,385,008.88			1,418,807.64			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for the northern access road project IHT 01 678	24,804,821.39	24,804,821.39			13,510,487.32			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for Lesotho infrastructure (construction of northern access road project) IHT 02 485	41,599,614.66	41,599,614.66			30,449,597.80			
South African Development Bank	Loan granted to Lesotho Highlands Authority for Katze-town programme (Project 1) IHC 02 024	21,393,000.00	21,393,000.00			20,128,440.62			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of borderpost facilities Maputo and Caledonspoort IHT 02 270/2	7,530,162.32	7,530,162.32			6,134,691.77			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for advanced infrastructure. Upgrading of current roads. IHT 02 214/2	29,058,612.97	29,058,612.97			17,512,541.36			
South African Development Bank	Loan granted to Lesotho Highlands Development Authority for communication systems IHK 02 653	1,546,475.22	1,546,475.22						
Total Foreign		336,641,541.25	336,641,541.25	0.00	0.00	232,465,594.11	0.00	0.00	0.00
		339,797,700.55	341,549,635.15	23,249,274.90	17,229,366.60	240,941,854.89	8,245,500.78	6,019,908.38	0.00

ANNEXURE 2

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
LAND AND BUILDINGS	(13,451)	86,571	29,466	0	0	43,654
Dwellings	(32,905)		29,466			(62,371)
Capital work in progress	19,454	86,571				106,025
MACHINERY AND EQUIPMENT	183,654	65,025	1,294	0	0	247,385
Computer equipment	21,482	15,184				36,666
Furniture and office equipment	144,026	28,263	1,294			170,995
Other machinery and equipment	10,095	9,781				19,876
Transport assets	8,051	11,797				19,848
	170,203	151,596	30,760	0	0	291,039
PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
LAND AND BUILDINGS	0	19,454	32,905	0	0	(13,451)
Land	0					0
Dwellings	0		32,905			(32,905)
Capital work in progress	0	19,454				19,454
MACHINERY AND EQUIPMENT	130,977	53,862	1,185	0	0	183,654
Computer equipment	0	21,482				21,482
Furniture and office equipment	130,977	14,234	1,185			144,026
Other machinery and equipment	0	10,095				10,095
Transport assets	0	8,051				8,051
	130,977	73,316	34,090	0	0	170,203

ANNEXURE 3

INTANGIBLE ASSET MOVEMENT SCHEDULE (Not including inventories)

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	16,873	275				17,148
	16,873	275	0	0	0	17,148
NOTE: **						
INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	2,907	13,966				16,873
	2,907	13,966	0	0	0	16,873

** NOTE: The Additions for 2002/3 are catered for in the Equipment Allocation.