

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.

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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

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