

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



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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,

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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.

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**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.