

## **5. Report of the Portfolio Committee on International Relations and Cooperation on conducting an oversight visit on the status of state-owned properties in Namibia, and on the implementation and execution of South Africa's international relations policy, in Windhoek and Walvis Bay, Namibia, dated 18 May 2022**

### **1. Introduction**

The Portfolio Committee on International Relations and Cooperation (hereinafter referred to as Portfolio Committee), having conducted an oversight on the status of state-owned properties in Namibia and on the implementation and execution of South Africa's international relations policy in Windhoek and Walvis Bay, Namibia from 21 to 25 April 2022, report as follows:

#### **1.1 Delegation**

##### **1.1.1 Members of Parliament**

- 1) Honourable B Nkosi (ANC) Leader of delegation
- 2) Honourable M Chetty (DA)

##### **1.1.2 Parliamentary Officials**

- 1) Mr L Sigwela, Committee Secretary

##### **1.1.3 Representatives of the South African High Commission to Namibia**

- 1) His Excellency, High Commissioner William Whitehead and officials of the South African High Commission in Namibia

## 1.2 Background

During the 5<sup>th</sup> Parliament, the Portfolio Committees on International Relations and Cooperation and of Public Works, conducted a joint oversight on the status of state-owned properties in Namibia; and on the implementation and execution of South Africa's international relations policy in Windhoek and Walvis Bay, Namibia from 30 July-4 August 2018.

Key recommendations were that the Department should undertake the necessary repairs and renovations on some of the properties, in order that those properties could be used to accommodate officials who were otherwise in rented premises. During its 1<sup>st</sup> & 2<sup>nd</sup> quarterly reporting, the Department informed the Committee that it has begun maintenance processes for some of the dilapidated state owned properties in Windhoek, Namibia.

The Committee conducted virtual Oversight visits in March and June 2021, to South African Missions with vacant state owned land parcels and properties. The Committee resolved that the Department should ensure its readiness for the implementation of the Foreign Service Act 2019. Section 9, thereto, on Immovable Assets, provides that the Minister is the custodian of all immovable assets outside the Republic acquired for use by the Foreign Service.

The Committee has further resolved that there is a need to conduct a follow-up and monitoring oversight visit to Namibia, for the following reasons:

- As a verification visit to monitor progress on state owned properties since the last oversight to Namibia in 2018.
- As an assessment mission on the readiness of the Department to implement the Foreign Service Act, particularly section 9 on Immovable assets.
- The Auditor General has made recurring findings that the upkeep of vacant state owned land parcels and properties, when such missions also have rented properties, is tantamount to fruitless and wasteful expenditure. The Committee resolved to assess the extent of the dilapidation and monitor efforts to minimise leasing of properties.

## 1.3 Mandate of the Department of International Relations and Cooperation

The mandate of the Department of International Relations and Cooperation (the Department) has expanded due to global demands and the country's role within that space. The Department is reported

to be operating in a dynamic environment that encapsulates varying legislative and monetary regimes, which in turn, impact on its foreign policy operations. South Africa maintains<sup>1</sup> diplomatic relations with countries and organisations through 116 missions in 102 countries abroad, and through the accreditation of more than 160 countries and organisations resident in South Africa.

The South African diplomatic and consular missions abroad are charged with implementing South Africa's foreign policy to enhance its international profile, and serve as strategic mechanisms for the achievement of national interest. As widely argued by foreign policy analysts, a successful foreign policy can only be measured by how well domestic priorities are met through the country's bilateral and multilateral involvement and engagement.

The Department is responsible for developing and maintaining bilateral political and economic partnerships in the various regions of the world. This is usually pursued through structured bilateral mechanisms such as bi-national commissions (BNCs), joint national commissions (JNCs) or joint commissions (JTs). These bilateral mechanisms remain important vehicles for cooperation and promoting South Africa's national priorities as reflected in policy documents such as the National Development Plan (NDP). Through bilateral relations, the priority needs of Africa and the South are also pursued, and most importantly, these relations exist for the promotion of South Africa's trade, investment and tourism potential.

#### **1.4 Mandate of the Portfolio Committee on International Relations and Cooperation**

In terms of sections 55 and 92 of the 1996 Constitution of the Republic of South Africa, the Portfolio Committee on International Relations and Cooperation (the Committee) is mandated to oversee and ensure accountability in the formulation and conduct of the South Africa's international relations policy. Consequently, the Committee conducts oversight on the activities of the Department of International Relations and Cooperation (the Department) including other activities carried by the Department and South Africa's missions abroad; its missions abroad on; policies, legislation, financial spending patterns, administrative issues, and hold the Department accountable for its operations and functions. including other activities carried by the Department and South Africa's missions abroad.

## **1.5 Structure of the report**

This report serves to outline the engagements of the delegation of the Committees (herein after simply referred to as, the Oversight Committee delegation) to Windhoek and Walvis Bay, Namibia. The report will cover the introduction which gives the background for the visit and the Committee delegation that undertook the Oversight visit. It would also depict the different constitutional mandates of the Committee and the Department which influenced the undertaking of the Oversight visit; the conducting of the inspection in loco in Namibia, thematic issues discussed with the High Commission and findings by the Oversight Committee delegation.

## **2. Foreign policy framework**

Chapter 7 of the National Development Plan (NDP) envisioned South Africa as a globally competitive economy and an influential, leading member of the international community. In pursuing South Africa's Foreign Policy, the Department is informed by South Africa's current global stature where the country is a respected, active and responsible global player.

In 2018, South Africa maintained diplomatic relations with countries and organisations through 124 missions in 106 countries abroad, and through the accreditation of more than 160 countries and organizations resident in South Africa. Thus South Africa hosts the second largest number of foreign representation in the world. As a consequence of this mandate, the Department has embassies in many parts of the world and it has to maintain its presence including with suitable accommodation for office use and for residence of staff members.

## **3. Property portfolio of the Department**

### **3.1 Current status of land and property portfolio of the Department**

The Department manages a portfolio of domestic and international properties. Expenditures incurred in the domestic portfolio include: unitary payments for the public-private partnership for the head office building; rental and maintenance costs for three state protocol lounges at the OR Tambo, Cape Town and King Shaka international airports; the costs of two diplomatic guesthouses; and the accommodation costs of United Nations agencies, the Pan African Parliament and the NEPAD secretariat.

The Department's international property portfolio is reported to consist of approximately 127 state owned properties and in excess of 1000 rented properties. The Department has developed a property acquisition strategy for the accelerated acquisition of state-owned accommodation via alternative funding mechanisms such as finance lease arrangements.

In response to the Committee's recommendations, the Department's new property management strategy was approved in August 2017<sup>2</sup> to provide for a mixture of rental and ownership. To reduce the cost of rental properties, the Department was in the process of drafting a plan to own properties in missions for office and residential accommodation. Accordingly, and for piloting purposes, the Department was in the process of purchasing a property in New York to house the country's mission office and residence in the United States.

All state owned properties are maintained annually from operational funds allocated to individual missions. The day-to-day property maintenance continues to be executed by missions and monitored by Head Office with specific key performance areas at both levels.

### **3.2 The obtaining situation on the ground relating to state-owned vacant land parcels and properties**

The Department has reported having 14 land parcels in the following countries:

New Delhi (India), Juba (South Sudan), Riyadh (Saudi Arabia), Kigali (Rwanda), Dakar (Senegal), Bamako (Mali), Mbabane, (Swaziland) and Gaborone (Botswana).

The Department furthermore reported owning **vacant/unused** offices and residences in the following countries:

- two in Blantyre (Malawi);
- four in Walvis Bay and five in Windhoek (Namibia);
- one in Banjul (the Gambia);
- one in Sao Paulo and two in Brasilia (Brazil);
- two in Bonn (Germany);
- one in Zurich (Switzerland);
- one in Funchal (Portugal) and
- one parking bay in Paris (France).

In this regard, the Department pointed out that it continued to engage with Public Works on the disposal of these properties whilst performing basic maintenance, security and cleaning services. Two properties, that is in Blantyre and in Windhoek are being rented out, while others remain unoccupied. Rates such as water and electricity connections, security, maintenance and cleaning services are undertaken by the Missions for all the properties.

Regarding unoccupied properties, the following reasons were advanced by the Department: The Government has downsized its diplomatic presence and also closed offices in Walvis Bay, Blantyre, Banjul, and in Funchal. The Department has also moved its offices from Bonn to Berlin and from Zurich to Bern. In the case of Brasilia and Sao Paolo; due to security considerations, the areas where the properties are situated have deteriorated and are no longer suitable as official residences for diplomats.

#### **5. Meeting with the South African High Commission in Windhoek on 22 April 2022**

The Oversight Committee delegation was met by the Head of Mission, H.E Mr William Whitehead, South African High Commissioner to Namibia, The High Commission gave a detailed report that, there are 20 State-owned properties in Namibia that is managed by the South African High Commission. It was reported that 16 of the properties are located in Windhoek and 4 of the properties are located in Walvis Bay.

Due to the deterioration of properties because of the age and the lack of maintenance, the Mission had to resort to housing some of the staff members in rented accommodation. This includes staff from Partner Departments. Renting accommodation whilst state owned accommodation is available is seen as fruitless and wasteful expenditure. It is therefore imperative to renovate and restore some of the houses to allow for officials currently in rented accommodation to move into state-owned accommodation.

Two properties are earmarked for occupation by transferred officials from the Department of Defence and the South African Police Services. In addition, two new staff members will be joining the South African High Commission within the next three months.

To initiate this project, the Mission commissioned a local company to do conditioning assessments of four of the vacant houses. Namibia Facilities Management was appointed to do

the conditioning assessment and the costed scope of works are completed. The possible cost of fully repairing and refurbishing the houses were projected as follows:

The main objective was to address the issue of the deteriorating properties and to avoid having to relocate transferred staff to rented accommodation. As a result, a concerted effort was made in 2021 to renovate and repair the properties in which staff were residing and to initiate a project of renovating four houses to accommodate those staff members residing in rented accommodation.

The following three properties were renovated in 2021, costed in Namibian dollars:

- 83 Joseph Mukwayu Ithana Street for NAD 447, 472.88
- 45 Hebenstreit Street for NAD 236, 272.51
- 127 David Kenneth Kaunda Street for NAD 279, 993.46

In addition to the rehabilitation of the three properties and the conditioning assessment, the following projects were also completed in the 2021 and the beginning of 2022:

- Chancery: installation of new lift for NAD 816, 972.80
- Chancery: demolishing and rebuilding the guard house for NAD 402, 902.50
- Chancery: repair of leaking roof slab at the Consular Section for NAD 7, 475.00
- House 29 Hamutanya Ndadi Street, painted out and minor repairs done for NAD 81, 282.00
- Official Residence, Repair of the swimming pool for NAD 73, 750.97

## **6. Oversight inspection in-loco on state-owned properties in Windhoek**

It is important to note that all the twenty state-owned properties in Namibia have valid registered Title Deeds that confirmed full ownership of the properties by the South African Government.

### **6.1 Windhoek Property: Chancery: C/O Jan Jonker and Nelson Mandela Avenue: Status: Occupied**

The Windhoek Property A is a former six (6) storey hotel building, said to have been built in 1959. The structure walls are very solid, although showing signs of lack of regular maintenance and renovations where needed. The security walls around the Windhoek Property A had deep

cracks, and the access from the main road is wide open, such that the premises are exposed along the front entrance. The wall at the back car park was too low, and needed heightening.

The following projects were completed in 2021, a new lift was installed and completed at a cost of NAD 974, 396.60. The Missions further demolished and built a new guard house at a cost of NAD 402 902.50 The Guard house was structurally compromised due to poor compaction of the foundations when the two additions to the original guard house were constructed. The Structure was severely damaged and the only other alternative was to demolish the existing guardhouse, re-compact the foundation and rebuild the guard house.

On 1 June 2021, LC Engineering was appointed and replaced electric cables within a week as the matter was urgent. The cost was NAD 18 557.40. Further repairs were done on leakages at a cost of NAD 7 475.00. Air conditioners were replaced a cost of NAD 75 570.00.

The Committee delegation then made an inspection in loco and observed that the office building while being functional, needed more attention in terms of general maintenance. The High Commission is in possession of the relevant Deeds Registry documents confirming full ownership of the building. The delegation was taken to the strong room where it was shown the Consular section and had a record of South Africans living and working in Namibia. The Committee delegation was further shown the asset register and the store room with assets to be disposed. The High Commission reported it was up to date with its registration of both movable and immovable assets.

## **6.2 Windhoek Property: Official Residence: 3 Ilse Street**

### **Status: Occupied**

The property was constructed in 1999 by the South African Government and is now due for renovation.

The Mission is in the process of finalising the terms of reference for the renovation work. Once the terms of reference are completed the Mission will follow supply chain management processes in having the terms of reference approved before going out in the market to appoint a suitable contractor. The possible cost of renovation and repair are not known at this stage.

However, work was done on the leaking swimming pool. The service provider was appointed and started with the work but was interrupted by Christmas holiday closures. The repair work resumed and was completed in January 2021. The costs of repairs were NAD 60 342.67.

### **6.3 Windhoek Property: Staff Accommodation: 3 Anna Street**

#### **Status: Vacant**

The property has been vacant for more than 10 years. The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

The property is in Ludwigsdorf which is considered an upmarket area where most of the Diplomatic community resides. This property was previously allocated for use by the Councillor (Political).

The recommended cost of renovation and repair is NAD 2,275,548.70 and the Valuation given by the Namibian Department of Housing and Property Management in 2018 is NAD 4, 148,000.

### **6.4 Windhoek Property: Staff Accommodation: 83 Josef Ithana Street**

#### **Status: Occupied**

The four bedroomed house is more than 40 years old. The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

The work in the house include painting both the house and the boundary wall. The stoep was re-tiled. The torn shade netting next to the garage was removed and replaced with a new net. The carpets in the four bedrooms were removed and replaced with tiles.

The water supply pipe to the house was replaced. The property was renovated in 2021 at a cost of NAD 431 372.88.

### **6.5 Windhoek Property: Staff Accommodation: 21 Quenta Street**

#### **Status: Vacant**

The property has been vacant for 4 years. The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft. The property is in Ludwigsdorf which is considered an upmarket area where most of the Diplomatic community resides. This property was previously allocated for use by the Councillor (Political).

The recommended cost of renovation and repair is NAD 1,981,947.95 and the valuation done in 2019 was NAD 3,039,000.00.

#### **6.6 Windhoek Property: Staff Accommodation: 13 Charles Winslow Street**

##### **Status: Vacant**

The following property is earmarked for disposal within the 2022/2023 financial year. The valuation as at 2019 is NAD 2,233,000.00.

The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft

#### **6.7 Windhoek Property: Staff Accommodation: 29 Jason Hamutenya Street**

##### **Status: Occupied**

The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft. The property was renovated in 2021 at a cost of NAD 81 282.00.

#### **6.8 Windhoek Property: Staff Accommodation: 45 Hebenstreit**

##### **Status: Occupied**

The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft. The three-bedroom house is more than 40 years old.

The work done to the house included painting of both the house and the boundary wall. The front door was sanded down and varnished and the front stairs leading to the pedestrian gate were painted. The torn and broken swimming pool cover was removed and replaced with a new one.

The ceiling and the interior walls were painted. The wooden curtain railing in the lounge was repaired and the curtain railings in the kitchen was replaced. The water pipe to the house was replaced. The property was renovated in 2021 at a cost of NAD 236 272.51.

### **6.9 Windhoek Property: Staff Accommodation: 7 Franciska Street**

#### **Status: Vacant**

The following property is earmarked for disposal within the 2022/2023 financial year. The valuation as at 2019 is NAD 3,210,000.00. The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

### **6.10 Windhoek Property: Staff Accommodation: 58 Moses Tjidendero Street**

#### **Status: Vacant**

The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

The work in the house include painting both the house and the boundary wall. The stoep was re-tiled. The torn shade netting next to the garage was removed and replaced with a new net. The carpets in the four bedrooms were removed and replaced with tiles.

The water supply pipe to the house was replaced. Electrical work was done by replacing, light fitting in the lounge, dining room and bedrooms. The property was renovated in 2021 at a cost of NAD 421 845.88.

### **6.11 Windhoek Property: Staff Accommodation: 17 Jeanett Street**

#### **Status: Vacant**

The property has been vacant for more than 8 years. The property is in Ludwigsdorf which is considered an upmarket area where most of the Diplomatic community resides.

The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

The electrical fence has been vandalised and is not functional and the garden and screen walls are in a poor condition. Access to the ground floor garage was not possible due to the garage

door motors not functional. The external timber doors as well as the aluminium sliding doors are damaged due to forcible entry.

The master bedroom and the lounge are the only rooms which had air-conditioning units installed. The rest were stolen.

The recommended cost of renovation and Repair is NAD 2,092,642.35.

#### **6.12 Windhoek Property: Staff Accommodation: 75 Richter Street**

**Status: Vacant**

The following property is earmarked for disposal within the 2022/2023 financial year The valuation as at 2019 is NAD 2,233,000.00.

The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

#### **6.13 Windhoek Property: Staff Accommodation: 1 Bruce Street**

**Status: Vacant**

The Missions reported that, the Chief Directorate: Properties and facilities management conducted an analysis on the conditioning assessment and the scope of works highlighting the high cost of renovating house, (No 1 Bruce Street) in comparison with the other three properties.

A decision was taken by the acting CFO to postpone the renovation of No 1 Bruce Street and to focus on the renovation of the three remaining properties. The total cost of renovating the remaining three properties is estimated at NAD 6, 350, 139.00. No 1 Bruce Street is earmarked for renovation later in the financial year.

#### **6.14 Windhoek Property: Staff Accommodation: 87 Frans Indonga**

**Status: Vacant**

The following property is earmarked for disposal within the 2022/2023 financial year The valuation as at 2019 is NAD 3,000,000.00.

The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

#### **6.15 Windhoek Property: Staff Accommodation: 4 Allacio Court: Apartment**

**Status: Vacant**

The condition of the property is generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

#### **6.16 Windhoek Property: Staff Accommodation: 127 Kenneth Kaunda Street**

**Status: Vacant**

The four-bedroom house is more than 40 years old. The condition of the property was generally poor, showing signs of deterioration, wear, and tear as well as signs of vandalism and theft.

According to the mission, the work done to the property included repairs of cracks in the exterior wall of the house, the garage and the out building. The exterior walls were painted, this included boundary walls. The motor gage and security gate were also painted.

Carpets in all four rooms were removed and replaced with tiles. The ceilings were repaired and painted all through the house. The hardwood floors were sanded and vanished. The water supply pipe was replaced and the taps throughout the house were replaced. The property was renovated in 2021 at a cost of NAD 279 993.46.

### **7. Oversight Committee delegation de-briefing session**

The de-briefing session was held with the High Commission, where the delegation expressed their views on the situation in Windhoek, informed by what they had observed during the inspection in loco.

### **8. Inspection of state-owned properties in Walvis Bay**

#### **8.1 State-owned properties at Walvis Bay**

The four properties in Walvis Bay are located in a prime area of Walvis Bay. It is important for the department to sell the four properties in Walvis Bay. Currently the mission pays the

rates and taxes on these properties and there are no returns in the form of rent, except house no 15, 6<sup>th</sup> Street, Lagoon receiving R2,800 per month. The Condition of the properties will continue to deteriorate and it is financially not viable to renovate the properties.

The Properties were valued in 2019 and the valuation of these properties ranged between R1,3million and R2,3million.

#### **8.1.1 Walvis Bay House no 31 2<sup>nd</sup> Street North, Lagoon**

The House is completely stripped of fittings, taps, electrical wires and is not habitable. According to the mission, as is in the case with the property in Thomas Morris Street, the construction of the boundary wall has helped tremendously in preventing further destruction of the house. Photos of the state of the house is attached as Annexure A.

#### **8.1.2 Walvis Bay House 10, 1<sup>st</sup> Street North Lagoon**

As with the other the other houses, this house is stripped of fittings, taps, electrical wires and is not habitable. Photos of the state of the house is attached as Annexure B.

#### **8.1.3 Walvis Bay House 15, 6<sup>th</sup> Street, Lagoon**

On observation and according to the mission, the property is currently occupied by a tenant that functions more like a caretaker to ensure that this property does not get vandalised. The rent paid by the tenant is low (NAD 2,800 per month) and not market related but the interior condition of the house is extremely poor.

According to the mission, when the Mission constructed boundary walls around the properties, this property was left out of the project. The fact that there is a tenant currently living in the house, is the only deterrent for vandals. Photos of the property are attached as Annexure C

#### **8.1.4 Walvis Bay House 30 Thomas Morris Street, Street, Lagoon**

The House is completely stripped of fittings, taps and electrical wires and is not habitable. According to the Mission, a boundary wall was constructed around the house in April 2019 and this deterred the further destruction of the house. The disadvantage of the wall is that the

property is now being used for the dumping of garden refuse. Photos of the property are attached as Annexure D.

## **9. Findings and recommendations**

During the inspection in loco and the High Commission's specific issues, the Oversight delegation made the following findings and recommendations:

- 9.1 There was notable progress on addressing issues since the Portfolio Committee Oversight in 2018.
- 9.2 The conditions of properties in Walvis Bay and some in Windhoek are a source of diplomatic embarrassment and have caused a representational risk to the image of the country.
- 9.3 House 87 Frans Ndongo Street is illegally occupied by at least four families and is illegally connected to water and electricity by the neighbour, who says he does so to prevent further vandalism and theft.
- 9.4 House 29 Jason H Ndadi Street, occupied by a staff member whose swimming pool net was also torn shortly after it was repaired, the Committee may want to recommend disciplinary action against the official.
- 9.5 The costs to renovate the guard house at the chancellery, the Department should give more detail on the tender process and the work done.
- 9.6 The Delegation noted that there is progress from 2018, however it is concerning that the department has not done preventative maintenance on the properties thus allowing such state of degradation.
- 9.7 House Walvis Bay House 15, 6<sup>th</sup> Street, Lagoon which is rented out also has subtenants who are apparently renting and paying same to the main tenant, although they were not willing to disclose, may recommend that the Department and mission must investigate such and take appropriate action.
- 9.8 The property evaluation reports were for 2019, the market may have changed and there is a need in preparation for any method of disposal to do a re-evaluation and compare

the market to the local council evaluations, i.e. the evaluations must be as current as possible to the decision to dispose.

- 9.9 None of the properties that the South African High Commission manages are new properties and with the average age of 40 years and older, maintaining these properties will become very difficult. Even performing basic maintenance on the properties with the limited resources, both human and financial, at hand will be difficult. This will result in the further deterioration of the aging properties.
- 9.10 The unoccupied houses are show signs of illegal use or occupation and have elicited some form of complaints from neighbours.
- 9.11 Walvis Bay may develop into a vital economic business and processing hub due to the discovery of oil in the Atlantic, as such the Department may in taking decision consider this aspect.
- 9.12 The challenges between the Department and Public Works over the disposal of the properties, something which has contributed to the delays in the decision making on the disposal.
- 9.13 On disposal, the Department should consider latest evaluations, weigh options ranging from sale, auction, lease and rental, based on law and policies and speed up the process to gazette the regulations on the Foreign Service Act 2019.
- 9.14 The delegation acknowledges the assistance of the staff High Committee staff who provided technical and background information to the delegation.

Report be considered.