



Virtual address by the Honourable Deputy Minister of State Security, Mr. Ncediso Kodwa, on the occasion of the 2021/22 Budget Vote debate, in Parliament, Cape Town.

Honourable Chairperson and Honourable Members

Chairperson and Members of the Joint Standing Committee on Intelligence

Minister of State Security Honourable Ayanda Dlodlo (*On whose behalf I have the honour to present this Budget Speech. We wish her a speedy recovery*)

The Inspector General of Intelligence

Acting Director-General of the State Security Agency

Acting NICOC Coordinator

Head of ICCS

Principal of the Intelligence Academy

Veterans of the Intelligence Services

Distinguished guests

Members of the Intelligence community

Fellow South Africans

NATIONAL SECURITY IS THE PATRIOTIC DUTY AND RESPONSIBILITY OF THE STATE AND THE CITIZENS OF THE REPUBLIC.

The Security Services of the Republic of South Africa comprise a single defence force; a single police service and intelligence services established in terms of the Constitution.

The functions of these national security structures entail not only to protect and preserve national security as governed by Constitutional principles in Section 198, but are a critical component of our sovereignty, territorial integrity and our founding democratic values as enshrined in the Constitution.

Our national security structures are obliged to shield themselves from threats aimed at undermining their capacity to perform their functions and the capability of the State to fulfil its Constitutional obligations.

The ancient concepts of intelligence gathering, secrecy, discipline and security adopted during King SHAKA's time are even more relevant today to combat the security threats that our country is facing.

Our Constitution enjoins the state and the citizens to protect and preserve national security to ensure a free and prosperous South Africa. This national security imperative is informed by the history of Apartheid that had placed the role of intelligence and security organs of the state as weapons of mass repression.

It was also the very intelligence structures, both of the previous regime and the liberation movements that have played a central role in the negotiation process that led to the birth of the new South Africa.

The mission of our national security as guided by the principles prescribed in section 198 is to build a people centric national security doctrine which is based on the values of our constitution.

The battle of ISANDLWANA which took place on the 22nd of January 1879 is a classical illustration of unity of purpose and adherence to values to protect and preserve nationhood against hostile elements that seek to undermine the Republic and its people.

The defeat of the British colonial forces at ISANDLWANA was not accidental or magical, but was a calculation of greater military precision driven by the quality of intelligence and strategies employed by King CETSHWAYO ka MPANDE.

It was also a culmination of the values of patriotism, sense of duty, sacrifice, loyalty and above all the consciousness and the discipline to protect and preserve national security and national interests, which must be an embodiment of our national security policy.

On the 17th of January 1879, addressing the regiments in the great military kraal of NONDWENGU, King CETSHWAYO issued commands for the enemy that had invaded Zululand to be crushed and defeated.

And in so doing, he was informed by accurate intelligence on the enemy's movement and the need to ensure a coordinated strategy of concealing and protecting the movements of his regiments. In attendance were the regiments of iNtontela, uMxhapho, uBulawayo, iNdlondlo, uThulwana, uDukuza, iNgobamakhosi, uDududu and other great regiments.

The military deployment of the horn formation (the left horn, right horn and the chest/belly) flanking and disrupting the enemy allowing the chest (iNgobamakhosi) to move closer to the enemy and deliver the final blow was informed by the principle of concealment and protection of the striking force.

Aware of the striking capabilities of his regiments, King CETSHWAYO underscored the protection of iNgobamakhosi, which was the core, or belly striking elite regiment that delivered the ultimate stroke to the heart of the British forces at ISANDLWANA.

Aware of the need to protect the children, the elders, the vulnerable and properties, King CETSHWAYO deployed female regiments that comprised uThiyane, amaDludlu, amaDuku, amaQwathi and other great female regiments to maintain conditions of security and allay fears of the enemy's invasion.

While preserving and protecting national security is the mandate of national security structures, the leadership, like that of King CETSHWAYO, ought to inspire us to understand our critical responsibility in ensuring that national security structures are protected from hostile forces. South Africans of all walks of life also have a patriotic duty to protect the sovereignty, territorial integrity and the country against hostile elements that seek to undermine our hard-earned democracy.

Some of those hostile elements include the plethora of information peddlers, who in the words of a retired Ghanaian intelligence officer, Kofi Bentum Quantson, have become nation wreckers, whose mission is subversion and sabotage to destabilize legitimate governments.

The phenomenon of fake news is one other vehicle at the disposal of these hostile information peddlers.

As a country, we have not been immune from the hostile activities of these information peddlers who have been jumping from one administration to another seeking to engender a climate of plots and counterplots.

This includes entrenching a culture dominated by conspiratorial tendencies leading to mistrust and divisions that undermine social cohesion in South Africa and elsewhere in the African Continent.

Each time they manifested their hostile machinations, the South African intelligence community is left reeling from mandate disorientation, internal divisions, disruption of business and more of restructuring fatigue.

We have a national duty and a collective responsibility to deal decisively with this phenomenon and in order for national security to reflect the resolve of South Africans as individuals and as a nation, to live as equals, to live in peace and harmony, to be free from fear and want and to seek a better life, intelligence must be secured in order to perform its mandatory constitutional duties.

Our victorious history of the wars of resistance against colonial conquest teaches our current and future generations that our people have long understood the need to protect and preserve national security and to ensure discipline and loyalty amongst ourselves.

NATIONAL SECURITY STRATEGY AND NATIONAL INTEREST

As part of the consolidation of our national security doctrinal shift that embodies our constitutional values, Members of Parliament should be aware that the President re-established the National Security Council (NSC) in 2019. The role of the NSC is to advise and support the President and the Executive on matters of national security and national interests.

It is also charged with the responsibility to develop national security strategy, national interests and national security policy to give effect and expression to the governance of the new overarching security architecture of the Republic.

In order for national security to reflect the resolve of South Africans as individuals and as a nation, to live as equals, to live in peace and harmony, to be free from fear and want and to seek a better life, intelligence must be secured in order to perform its duties.

Parliament and the National Executive – in compliance with the law – must ensure that our State Security Agency does not only protect and preserve national security, but also shields itself from hostile forces in order to perform its constitutional mandate.

The concealment and protection of intelligence operations is an ancient art that has been passed on to us by our great warriors and kings who fought wars of resistance against colonial

conquest and foreign agendas that were designed to subjugate our people into becoming subservient, dehumanized and subordinate to ruthless foreign powers.

REBUILDING INTELLIGENCE CAPABILITY TO MEET THE CHALLENGES OF THE 21ST CENTURY

Honourable Members

In line with the doctrine shift Rebuilding intelligence capability involves improving systems and advancing our technological capacity to conduct intelligence, strengthening partnerships and collaborations with both our domestic and foreign counterparts and consolidating our human and financial resources.

We have thus begun a change management process that focuses on our short term, medium term and long term priorities towards the achievement of a transformed intelligence agency.

Our latest report on the implementation of the organization wide recommendations of the High Level Review Panel on State Security reveals that we are making steady progress in areas such as the establishment of governance structures, audit and risk issues, skills audit and issues involving capacity building and organizational culture change.

Among others, we have already established a Ministerial Advisory Council on Training (MACT); the Ministerial Implementation Task Team (MITT); the Ministerial Appeals and Adjudication Board; resuscitated the work of Audit and Risk Committee; and appointed a Task Team on Sexual Harassment and Bullying in the Workplace.

From a technological advancement point of view, members would be aware about the rapid rise in organized crime, cyber-crimes and other forms of sophisticated crimes propelled by advancements in technology both at local and global level. These type of crimes inevitably present complex challenges to intelligence and law enforcement authorities to effectively deal with.

The spread of new and smart technologies that enable a global information environment, empower people to see more, share more, create more, and organize faster than ever before, brings about new threats and opportunities in the intelligence environment. Individuals and groups today have access to more information than entire governments once possessed.

They can swiftly organise and act on what they learn, sometimes leading to violent change. It is upon this diffusion of technology and change in people's behaviour that we need an ICT-enabled environment to ensure an integrated approach in guaranteeing that the Republic is defended and protected in a co-ordinated and sustainable way.

Honourable Members

In the past we have highlighted our concerns with regard to cyber security vulnerability for both the state and private sector. This has been compounded by the onset of the coronavirus pandemic which has created new challenges and opportunities for business and governments, as they adapt to an operating model in which digital transformation and online communication has become the new normal.

The increased dependency on technology such as the internet and cloud, among others, has led to a rise in cyber-attacks, since the individuals working from home do not enjoy the same level of inherent protection or deterrent measures available in a normal working environment.

The increase in remote working calls for a greater focus on cybersecurity and vigilance against other sophisticated crimes presented by the accelerated use of technology.

As such and as part of the digital transformation efforts, the agency has completed its technology audit with a view of replacing obsolete legacy technologies and leveraging on new emerging technologies.

In the coming financial year, the Agency will be developing an integrated technology strategy and roadmap which will revolutionise our organisation's technologies, people and processes to fundamentally change our operations and performance.

Furthermore, our National Communications component, in line with the national intelligence priorities relating to cyber threats, will provide Information Assurance services to Organs of State in order to manage the cybersecurity risks related to the use, processing, storage and transmission of information. The National Communications component will also provide continuous ICT security monitoring by detecting cyber threats that may put confidentiality and continuity of government operations at risk, and by alerting clients on cyber threats and incidents timely and supporting cyber security incident response teams.

In this regard, we will continue to provide ICT Security services and solutions to clients to protect critical information assets. With increased reliability on technology, end-users are considered the weakest link in cybersecurity, and it is imperative that they understand security and ways of protecting themselves in cyber space.

The Agency together with other government stakeholders will intensify cybersecurity awareness training and campaigns.

Honourable Chairperson

Due to global interconnectedness, South Africa and the global community continue to face the lingering cyber threats from various hostile elements exploiting the cyber space to advance hostilities aimed at undermining the financial sector, privacy of our citizens, organising and planning terrorist related activities and harming our national security.

In dealing with these threats, the agency will ensure that the Cybersecurity and Cybercrime legislation and regulatory framework is completed during the MTSF in order to provide legal protections to people using internet including government, businesses and private citizens. The legislative framework will identify and enforce standards of acceptable behaviour in cyberspace and prevent harm to people, data, systems, services and critical information infrastructure.

In the past financial year our National Communications completed training in various ICT security solutions, cyber response, Artificial Intelligence, technology hardware and management.

In the medium term, we will look at the provision of foundational cyber training; cyber range (tactical and strategic) training; malware analysis; digital forensics training; cyber monitoring and response.

In addition, we will also focus on the facilitation of cybercrime investigation, methodology and prosecution; public reporting mechanisms, situation reports, statistics and documentation of cases. All these efforts will be geared towards ensuring a well secured cyberspace.

Threats to national security including cyber security threats, terrorism and violence, espionage, trans-national organised crime, drug and human trafficking, corruption, subversion, sabotage, spread of pandemic, degrading and undermining the sovereignty and territorial integrity of the Republic are active forms of threats that are transmitted through various platforms at home and abroad.

The agency's primary responsibility is to develop the legislative framework that will strengthen the mandate of intelligence to monitor and impede these threats that are transmitted through various platforms.

Like Odysseus of the Greek epic, we will continue to spare no effort in our work, no matter how long the turn-around and journey takes, and we will also reach our Ithaca and prevail.

In this journey, part of our important assignment is to be able to capacitate government to respond to identified threats that may have the potential to impact on its ability to fulfil its Medium Term Strategic Framework (MTSF) undertakings as well as post COVID-19 pandemic recovery plans.

The last time we presented a budget in this August house we made a commitment towards the overhaul of the Intelligence machinery in order to meet the security challenges of our times.

Part of our priorities were and still are, informed by the recommendations of the High Level Review Panel on State Security. It is important that we also understand that, given the complexities and dynamics of our working environment, some of these recommendations can only be implemented incrementally, as short-term, medium-term and long-term priorities.

As we continue to reform the Intelligence capability of our country, we have decided to do so by imagining the future. Therefore, this budget takes on a futuristic posture based on the threats, opportunities and challenges facing the South African Intelligence community in this century.

Some of the threats and priorities we identified include socio-economic vulnerabilities such as high levels of unemployment, cyber space security, regional security challenges, countering international terrorism, domestic political stability and economic prosperity.

Responding to these threats and harnessing opportunities where such exist, we believe that this requires a transformed Intelligence capability and organisation responsive to the complex challenges of the 21st century.

YOUTH DEVELOPMENT, SKILLS AND ORGANIZATIONAL CAPACITY BUILDING

Honourable Chairperson

Today marks the beginning of a historic moment in our country's history, June Month, where the youth confronted a powerful and racist regime in a struggle to free the country from the clutches of racism and under development. Since that historic moment, of 16 June 1976, the youth of our country have always defined and pursued the struggle for their emancipation as a strategic pillar of our democratic society.

In our change management journey to revitalize and reposition the agency into a dynamic and efficient organisation, we have embraced the strategic posture to bring the youth into the mainstream of our organizational mission. The inescapable reality is that ours is an ageing

organisation whose median/average age is not in line with the country's age demographic profile which is largely made up of young people.

This is further coupled with the challenge that the organization is characterised by a high attrition rate which far outstrips the rate of recruitment resulting in limited capacity to respond to the ever growing and changing security demands of the 21st century. To address this challenge, we have started with the implementation of a Cadet programme which is aimed at rejuvenating the SSA talent pool with young, capable and energetic youth.

This Cadet Programme is targeting Youth and particularly Women in response to government's call to address the unemployment and poverty challenge facing South African communities.

The Intelligence Academy will be responsible for developing the Curriculum for this programme so that the Learning Outcomes address the specific Intelligence skills required. It is also anticipated that the Cadet Programme will address skills needs within the agency to build capacity and professionalise the Intelligence environment.

Other skills development initiatives we will be implementing this financial year include the development of an Intelligence Officer/Operator Development Programme; the establishment of a Career Mobility Program to allow for career mobility/progression through a variety of occupational streams; and the development of a Management Development Programme that embraces the new world of work methodology.

This will be directly aimed at capacitating emerging young leaders/managers within the SSA with the necessary skills for their craft. We will also research the feasibility of implementing a digital learning process within the State Security Agency or blended learning solutions; and also finalise the draft Skills Development Framework that is couched in learner adaptability, future literacy and future skills.

Honourable Members

In line with the rapidly changing Education, Training and Development (ETD) sector, the Intelligence Agency (IA) is undergoing a major restructuring process. This is being done in order to review and realign its vision, mission, values, and operational disposition and product offerings as per the recommendations of the Panel and a constantly changing environment.

To this end, the Minister of State Security has since approved the institutionalisation of the philosophical framework. This important intervention is in the form of a guiding document that was approved on 16 March 2021. Essentially, the philosophical framework of the Intelligence Academy outlines a new vision, values and principles to be observed by all involved in the work of education, training and development within the South African Civilian Intelligence community.

It also informs the approach to product design, development and offering. This includes providing guidance on how internal and external relationships are to be managed.

To the extent that the philosophical framework is to be given practical expression, internal consultations around the development of a turnaround strategy are ensuing, and the processes towards approving it will be completed in the current financial year.

The Intelligence Academy continues to coordinate corporate-related training based on the prioritised skills generated from the Workplace Skills Plan (WSP). For purposes of coordinating the acquisition of the prioritised corporate related skills, the Agency has since approved a proposal to start with the process of launching a School for Governance and Ethical Conduct.

STABILIZING THE AGENCY AND REBUILDING ITS IMAGE

Honourable Chairperson

As you may be aware of the disturbing findings and the recommendations of the HLRP and the subsequent allegations and counter allegations of corruption and malfeasance at the

Zondo Commission and in the media space, the public image of the Agency has been compromised.

We continue to support all interventions and efforts to improve and professionalise the Agency. In this respect, we support the process that is unfolding at the Zondo Commission and are also implementing the recommendations of the HLRP to enhance accountability and transparency.

Among the crucial and significant HLRP interventions, is the need to secure the services of an independent forensic investigation that would probe allegations of corruption committed by some members of the Agency. The agency is at an advanced stage in appointing an independent forensic firm to deal with the alleged misconduct. There are currently more than five (5) cases that have been referred to the police for further investigation and prosecution.

Honourable Members

We have also made significant progress in stabilising management of the agency and curtail the practice of prolonged, often illegal acting periods in line with HLRP recommendations. After a consultative process with management of the Agency, we have finalised the permanent appointment of senior managers in line with the National Intelligence Services Act 65 of 2002, promotional policies of the Agency and internal consultations with the management of the Agency.

As part of this ongoing process, nearly 70% of vacant posts (94 posts filled out of 141 position) are now filled with the remainder currently in various recruitment stages. We are confident that this will bring much overdue stability and certainty with a spill-over effect on efficiency and optimal performance.

Honourable Chairperson

In line with the above stabilization efforts, the agency has established effective arrangements to ensure that public funds and resources are properly safeguarded and are used economically. The internal structures such as the Internal Audit, Risk Management Office as

well as Management Services, which are located in the office of the Accounting Officer, are key instruments towards ensuring good governance and internal administrative control.

Members should also note that the agency has a good working relationship with the office of the Auditor General of South Africa (AGSA) and the Audit and Risk Committee (ARC). The agency has come a long way in ensuring that systems that improve governance are developed and implemented, and the AGSA and ARC played a pivotal role in realising this goal. We are grateful for their continued cooperation.

Notwithstanding these measures, corruption remains a threat not only to South Africa's economy but is a challenge in some government entities and departments. The agency is not immune to this scourge. The agency had uncovered some elements of corrupt activities among its members. Unfortunately, corruption is a centre offence and in the past, weak oversight of governance and management systems have been identified as the main contributing factors.

We are encouraged by the ongoing process to prosecute some of our members who were allegedly involved in corrupt and fraudulent activities in the State Security Agency. We will continue supporting any initiative that seeks to root out corruption and fraudulent activities in the agency in order to turn-around the institution and ensure the safety of our country and its people.

In this regard, we are finalising the re-modelling of our vetting capacity and integrity framework for both the Agency and Organs of State. This will require extensive human and financial resources. As part of the intervention to improve its image and governance systems, the Agency will strengthen its Policy and Compliance Enforcement Unit.

A SECURE REGION, BETTER AFRICA AND WORLD

Honourable Chairperson

National security is an expression of the resolve of the Republic and its people to create conditions conducive to democracy, economic development, prosperity and the wellbeing of our people. At the same time, the agency is cognisant of the fact that the security of South

Africa is intrinsically linked to the security of countries in the Southern African region, the African continent in general, as well as global security and stability.

As part of the global community, South Africa has also been impacted by the invisible enemy in the guise of Covid-19. The proliferation of infectious diseases such as COVID-19 have had a negative impact not only on the ways and means in which the Agency pursues its mandate to protect national security and advance national interests, it has also affected our economy and our ability to deal with poverty, unemployment and systemic inequality. Like any foreign invading force, COVID-19 has all the hallmarks of threats to our national security.

Southern Africa is experiencing growing threats of insecurity and these include transnational organised crime, threats of terrorism, displacement of people, humanitarian crisis, illegal migration, illicit mining and illicit flow of funds. The recent terror related violent attacks in Northern Mozambique and Southern Tanzania are some of the concerning emerging insecurities in the region.

As Honourable Members may be aware, our security services across the cluster acted swiftly in the evacuation of our nationals. We want to assure our citizens that we will continue to be seized with the situation in Northern Mozambique and monitor any potential threats to our security. We are also playing an active role in the current collective efforts from SADC aimed at finding sustainable solutions to the instability in the Mozambique region.

Africa as a continent is experiencing deteriorating stability that is unlikely to improve over the next few years. Transitional arrangements, mounting public agitation over governance and economic mismanagement, contention over election outcomes and increased social protest on the continent contribute to the rise in military determined political outcomes. As a result the Agency continues to be concerned with the security developments in the Sahel and Maghreb region. The Israel – Palestine conflict, indiscriminate bombing of civilian targets, the ongoing conflict in Syria and the Middle East region in general continues to threaten global security and importation of such threats to South Africa.

In line with the theme of this budget policy statement “**NATIONAL SECURITY IS THE PATRIOTIC DUTY AND RESPONSIBILITY OF THE STATE AND THE CITIZENS OF THE REPUBLIC**“, our strategic focus will continue to ensure that national security is the patriotic duty and responsibility of every citizen.

I would like to take this opportunity to thank senior management of SSA, support staff and members for their support throughout the year.

In conclusion Chairperson, I have the pleasure to table this budget vote and policy statement on behalf of the Ministry and the Agency for the financial year 2021/22. I recommend the house to approve this budget vote.

I thank you.

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