**7. Report of the Portfolio Committee on International Relations and Cooperation on Budget Vote 6: International Relations and Cooperation, dated 11 May 2022**

The Portfolio Committee on International Relations and Cooperation (hereinafter referred to as the Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of International Relations and Cooperation (hereinafter referred to as the Department) and the African Renaissance Fund (hereinafter referred to as the ARF), tabled by the Minister of International Relations and Cooperation, in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

1. **Background**

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that, the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009, section 10 (1) (c) clearly stipulates that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the strategic and annual performance plans, the Committee ensured that the Department of International Relations and Cooperation and the African Renaissance Fund plans and budget allocations are in line with Medium Term Strategic Plan 2019/24. The Budget allocation serves as a key instrument for government to promote socio-economic development. It plays a critical role as an economic instrument of the government to reflect on the country’s socio-economic policy priorities, by translating priorities and political commitments into expenditures. Furthermore, the Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. It also gets to highlight the constraints and trade-offs in policy choices.

1. **Introduction**

The Committee met on 4 May 2022 to consider presentations on the Department’s Annual Performance Plan (APP) 2022/23 and the related budget allocations. The Committee further considered the Annual Performance Plan 2022/23 of the African Renaissance and International Cooperation Fund (ARF) and its budget allocation. This report summarises the said presentations of the Department and the ARF, their budget allocations as well as allocations over the MTEF.

* 1. **Opening remarks by the Chairperson of the Portfolio Committee of International Relations and Cooperation, Honourable Mr Supra Obakeng Ramoeletsi Mahumapelo MP**

In his opening remarks, Honourable Mahumapelo welcomed both the Members and those representing the Department, led by Deputy Minister Alvin Botes. He further acknowledged the presence of the newly appointed Director General, Mr Zane Dangor, whom the Chair expressed hope that he would hit the ground running, as he has been with the Department as the Special Adviser to the Minister.

The Chairperson observed that the Committee was to consider the Budget Vote of the Department, which comprised the Annual Performance Plans of both the Department and its entity, the African Renaissance Fund (ARF). He reminded the Committee that the budget vote process is very important to Parliament, as it is an oversight tool that indicates where the budget allocation would be spent on in line with predetermined objectives. The Chair pointed out that the budget vote shapes the oversight strategy, as to what priorities for the year would be, and allows the Committee to scrutinise areas where the Department has set its targets, and would ensure that there would be implementation of the set objectives. In conclusion, Mr Mahumapelo thanked the Committee delegation that had conducted oversight on the state of state-owned properties in Namibia.

**2.2 Overview of the Annual Performance Plan 2022/23 by the Deputy Minister of International Relations and Cooperation, Mr Alvin Botes**

The Deputy Minister thanked the Chairperson for his opening remarks which would help guide the work of the Department. In his overview, the Deputy Minister hastened to acknowledge that the COVID-19 pandemic has brought about challenges in carrying out international work. The Deputy Minister highlighted that Africa remained the centrepiece of South Africa’s Foreign Policy. South Africa would continue to contribute towards a united and cohesive Africa. As a result, the Department would continue with its mandate as espoused in its Strategic Plan 2020-2025. In doing so, the Department would continue to focus on economic diplomacy. This would be in response to the call by President Cyril Ramaphosa in his State of the Nation Address of February 2022, to grow the economy, and to support the Economic Reconstruction and Recovery Plan.

Deputy Minister highlighted that the Department wold continue to enhance regional integration, and increase the balance of trade in the region and further beyond in the continent. This would be achieved through increasing regional and intra-Africa trade, and utilising opportunities created by the operationalisation of the African Continental Free Trade Area (AfCFTA).

He went further to point out that South Africa would continue to commit resources towards conflict resolution in the continent. This would be achieved through supporting efforts to address political conflicts in the SADC region and through being involved in African Union (AU) and United Nations (UN) conflict resolution mechanisms, such as participation in the SADC Military Intervention fighting insurgency in Cabo Delgado, Mozambique, and also South Africa’s presence in the UN Mission in the Democratic Republic of Congo (DRC). The Department would also focus on how it would harness its membership in multilateral forums to achieve inclusiveness and multilateralism. In striving to achieve this goal, South Africa would work through the SADC collective.

1. **Presentation by the Department on Budget Vote 6: International Relations and Cooperation 2022/23 and Medium Term Expenditure Framework (MTEF) expenditure focus**

The Department presented on its work towards the realization of South Africa’s Foreign Policy objectives. This was reported done through:

* coordinating and aligning South Africa’s international relations,
* monitoring developments in the international environment,
* communicating government’s policy positions,
* developing and advising government on policy options, and creating mechanisms and avenues for achieving objectives,
* protecting South Africa’s sovereignty and territorial integrity,
* contributing to the creation of an enabling international environment for South African businesses,
* sourcing developmental assistance; and assisting South African citizens abroad[[1]](#footnote-1).
	1. **Strategic linkages to the National Development Plan (NDP) 2030**

It has been highlighted that South Africa’s Foreign Policy finds its inspiration on the country’s domestic agenda. It endeavours to address the triple challenges of poverty, inequality and unemployment through the implementation of an independent foreign policy, within a highly volatile, uncertain, complex, ambiguous (VUCA) and dynamic international environment.

According to the Annual Performance Plan (APP), the conduct of South Africa’s foreign policy would be driven by the quest to realise the aspirations of the NDP Vision 2030 and its development trajectory. This would be done with full recognition of the challenges posed by international environment the Department operates in.

With regard to international relations and cooperation Chapter 7, the NDP focuses on the need to enhance South Africa’s position in the region and the world, and to increase trade and investment. The plan further states that the country’s foreign policy should be shaped by the interplay between diplomatic, political, security, environmental, economic and regional dynamics that define international relations. The plan envisions the country positioning itself as one of Africa’s powerhouses, leading development and growth on the continent; and deepening integration with the Brazil-Russia-India-China-South Africa (BRICS) group of countries.

There has been a clear and deliberate move to ensure there is a link between the activities of the Department and the implementation of Chapter 7 of the NDP Vision 2030. The NDP underscores the importance of building a nation that contributes to the prosperity of the southern Africa region, the African continent and the betterment of the lives of the marginalised throughout the world.

The NDP further requires that South Africa build a resilient economy which would contribute towards creating a working nation, in order to narrow and eventually eliminate the gap between the rich and poor. The Department recognises that the national priorities as contained in the NDP are inextricably-linked to the aspirations of the African continent. Hence, economic diplomacy would be used to promote the country as a trade and investment destination, thereby attracting foreign investment and also boosting its tourism sector[[2]](#footnote-2).

The aspirations of the NDP have also found expression inthe Southern Africa Development Community (SADC)’s development mechanism, the Revised Regional Indicative Strategic Development Plan (RISDP). These aspirations are also found in the continental programme as encapsulated in the African Union’s (AU) Agenda 2063 Vision, and in the UN 2030 Agenda on Sustainable Development Goals. The economic development integration of SADC remains a key focus area[[3]](#footnote-3).

* 1. **State of the Nation (SoNA) February 2022**

In his SoNA of February 2022, President Cyril Ramaphosa set the strategic course for the country for 2022/23. He emphasised the need to grow the economy[[4]](#footnote-4), in light of the present situation of deep poverty, unemployment and inequality in the country, aggravated by the COVID-19 pandemic. Following this directive given by the President, the Department would continue with its focus on economic diplomacy in support of the President’s initiatives. This work would build on the foundation of the Economic Reconstruction and Recovery Plan (ERRP), which remains the common programme to rebuild the economy. In this regard, he indicated that the African Union had resolved that trade could resume under the African Continental Free Trade Area (AfCFTA). In this regard, South African companies are poised to play a key role in taking up the opportunities this presents for preferential access to other African markets[[5]](#footnote-5). President Ramaphosa emphasised that the AfCFTA is about Africa taking charge of its destiny and growing its economies faster[[6]](#footnote-6). The President further emphasised that South Africa would increase its efforts to develop Africa’s ability to manufacture vaccines[[7]](#footnote-7). In this regard, the Department is looking forward to the support of its Missions, especially in Africa, to make this a reality[[8]](#footnote-8).

1. **Planned policy initiatives**

The Department intends to enhance its operational capacity in the following key area in the medium term[[9]](#footnote-9):

1. The revival of the Partnership Fund for Development Bill. The Partnership Fund for Development Bill aimed at repealing the African Renaissance and International Cooperation Fund Act 51 of 2000.
2. **Legislative mandates of the Department**

According to the Strategic Plan 2020-2025, the Department is further responsible for regulation and implementation under the following Acts[[10]](#footnote-10):

* *The African Renaissance and International Cooperation Fund (ARF) Act, 2001 (Act 51 0f 2001)*: The Act establishes the Fund to enhance cooperation between the South Africa and other countries, in particular, African countries. This is achieved through the promotion of democracy, good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development.
* *The Foreign States Immunities Act, 1981 (Act 87 of 1981)*: This Act regulates the extent of the immunity of foreign states from the jurisdiction of courts of the Republic and provides for matters connected therewith.
* *The Diplomatic Immunities and Privileges Act, 2001 (Act 37 of 2001)*: This Act provides for the immunities and privileges of diplomatic missions and consular posts and their members, heads of state, special envoys and certain representatives of the United Nations and its specialized agencies, and other international organizations and of certain other people. Provision is also made for immunities and privileges pertaining to international conferences and meetings held in South Africa.
* The *Measures and Guidelines for Enhanced Coordination of South Africa’s International Engagements* and its annexures, approved by Cabinet in 2009, establish more effective measures and mechanisms to coordinate the conduct of international relations and the implementation of South Africa’s foreign policy.
* *The White Paper on Foreign Policy*, approved by Cabinet in 2011, assesses South Africa’s foreign policy against the rising expectations of the critical role of foreign policy to meet domestic priorities.
* Foreign Service Dispensation (FSD) is implemented in terms of the provisions of Section 3(3) (c) of the Public Service Act, 1994 (Act 103 of 1994), as amended, and is applicable to designated employees who serve in a foreign country at a South African mission abroad and fall within the scope of the Public Service Coordinating Bargaining Council.

The Department is also a custodian of international agreements (bilateral and multilateral) concluded by the Republic in terms of relevant constitutional provisions (sections 231(2) and 231(3) of the Constitution.

1. **Strategic outlook in the Strategic Plan 2020-2025**

International responsibility is to build the country’s role as an influential continental and global actor and partner. Key deliverables would be around the participation of South Africa in the Southern Africa Development Community (SADC) Organ on Politics Defence and Security Cooperation (Troika), as the Chairperson of the SADC Organ.

1. **Performance delivery environment**

At the outset, it was highlighted that the Department’s work would be impacted by various challenges that exist in the international environment, such as the long-term impact of COVID-19 on the welfare and financial well-being of the world, an increasing trend towards unilateralism, protectionism, nationalism, populism and an inward-looking focus on countries’ domestic priorities. Strong tendencies to pursue national interests and the fragmentation of global decision-making were said to be emerging.

This has demonstrated that South Africa needs to review certain relationships and alliances in a pragmatic way to better realise its foreign policy objectives[[11]](#footnote-11). It is reported that this would require a re-evaluation of all previous assumptions, in the realisation that there are and would be fundamental shifts in the global political and economic environment i.e. the global trend away from multilateralism to unilateral-centred international relations and being able to adapt to fluidity in the global environment[[12]](#footnote-12).

As a result, the Department would be required to engage strategically in this uncertain international environment and use its strong bilateral footprint and respected multilateral presence to continue to advance the interests and values of South Africa, Africa and the Global South. Multilateralism remains a focal point of South Africa's foreign policy. South Africa’s foreign policy implementation is guided and shaped by its national interest, South Africa would continue to utilise high-level multilateral and bilateral meetings to advance the national interest.

It was pointed out that despite the above, the Annual Performance Plan for 2022/23 was delivered in an environment that was still characterised by fiscal constraints, recurring qualified audit outcomes and an outdated information and communications technology (ICT) infrastructure. However, the Department confirmed that the ageing ICT infrastructure is currently in the process of being upgraded following the approval of the Digital Strategy.

The Department has acknowledged that the COVID-19 pandemic has fundamentally altered the way it interacts with the world. The challenges of the pandemic in the international environment include a severe impact on most socio-economic activities globally[[13]](#footnote-13). There has been a reduction in global trade, including manufacturing and transportation, an increase in unemployment, devastation of the tourism, hospitality, entertainment and sporting industries, and education on all levels has been widely disrupted.

This outlook is underscored by the global economic and financial community. In its “Global Economic Prospects January 2022”, the World Bank highlighted the fact that, despite rebounding to an estimated 5.5% in 2021[[14]](#footnote-14), it is expected that global growth will decrease to 4.1% in 2022[[15]](#footnote-15) inter alia due to continued COVID-19 waves. Global growth is projected to decline further to 3.2% in 2023[[16]](#footnote-16). Although the economic outlook for advanced economies for 2023 is considered positive, it is expected that emerging market and developing economies would struggle to return to pre-pandemic levels, due to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic[[17]](#footnote-17).

The APP provided that South Africa's economic growth was already under pressure prior to COVID-19. This is said to have been due to, inter alia, ailing state-owned enterprises (SOEs), public debt, high unemployment and the weakened international economic situation, which impacted on the country’s prospects for sustained growth[[18]](#footnote-18). This situation has been exacerbated by the pandemic.

It is argued that the pandemic has clearly resulted in diminished global growth. It has been estimated that the pandemic has pushed back the attainment of the 2030 SDGs for less developed economies by a decade[[19]](#footnote-19). It is further argued that poverty and inequality have been further exacerbated, especially by a diminution of opportunities because of travel and educational restrictions. It has been evident that oil prices have been volatile and that global supply chains have become more complex and complicated due to COVID-19[[20]](#footnote-20).

**7.1. Strategic focus areas**

The Department is committed to continue to focus and deliver on the following strategic areas in the 2022/23 financial year, in line with the MTSF 2019-2024:

**7.1.1 Building a better Africa**

The Department has put emphasis on the centrality of Africa as the centrepiece of South Africa’s Foreign Policy. At the core of this focus, is South Africa’s Pan-Africanist vision of unity, solidarity and a common African destiny. Africa remains at the centre of South Africa’s foreign policy trajectory. Cognisant of the intrinsic link between South Africa’s national interest and Africa’s stability, unity and prosperity, the country has placed the advancement of the African Agenda at the centre of its foreign policy and has had considerable success in promoting the interests of Africa in different fora[[21]](#footnote-21). South Africa remains a relevant and significant player in issues relating to the regional agenda. This role is played both through bilateral and multilateral platforms. The ability to contribute to humanitarian relief efforts and peace and mediation initiatives, places the country in a strategic position of influence[[22]](#footnote-22).

With regard to the AU, Morocco has been observed as active since re-joining the organisation[[23]](#footnote-23). The issue of Morocco has been of concern to the Committee in terms of its non-action in facilitating self-determination for the people of Western Sahara, since its return to the AU. As far as the situation in the Saharawi Arab Republic is concerned, it has been observed that the AU support for the cause appears to be weakening[[24]](#footnote-24). During 2021, South Africa objected to the granting of observer status to Israel, a decision taken by the Chair of the AUC. The Committee has also impressed upon the Department that the African Agenda should continue to be prioritised, even when rationalising missions, as far as possible, those in African countries should be assisted to remain relevant.

The APP provides that South Africa remains a relevant and significant player in issues relating to the regional agenda. This role is played both through bilateral and multilateral platforms[[25]](#footnote-25). It has been argued that the ability to contribute to humanitarian relief efforts, peace and mediation initiatives, positions the country in a strategic pole position of influence[[26]](#footnote-26). The economic outlook for sub-Saharan Africa is, therefore, “clouded”. COVID-19 has had severe negative economic implications and impacted on the attainment of the SDGs.

In terms of threats to security and safety, it has been reported that the continent has seen an increase in terrorism in all regions with involvement by outside players, including in the SADC region. The situation in Cabo Delgado, in Northern Mozambique, remains a source of concern, as is that in eSwatini and Lesotho[[27]](#footnote-27).

The start of trading under the African Continental Free Trade Area (AfCFTA) Agreement, on 1 January 2021, marked the dawn of a new era in Africa’s development journey. It is expected that over time, the AfCFTA would eliminate import tariffs on some of goods traded on the continent, as well as address non-tariff barriers[[28]](#footnote-28).

Regarding the African economic situation, economies have been struggling due to volatile oil prices. The South African economy is not growing sufficiently. Furthermore, COVID-19 has limited international trade and economic interactions with Africa.

According to the African Development Bank (AfDB), in its “African Economic Outlook” supplement[[29]](#footnote-29), published on 12 March 2021, although all economies in Africa have been affected by the pandemic, tourism-dependent economies, oil-exporting economies and other-resource intensive economies were the most significantly hit by the pandemic.

According to the AfDB, African policymakers must turn the COVID–19 crises into opportunities by focussing sharply on food and nutritional security[[30]](#footnote-30). It is expected that Africa to consider re-thinking healthcare and social protection systems; nurturing the private sector, especially small and medium-sized enterprises and women-led firms; harnessing and better managing the natural resources revenue streams; by operationalising the AfCFTA; and by paying greater attention to climate change and resilience[[31]](#footnote-31).

Africa is the world's youngest continent with around 60% of the population currently under the age of 25[[32]](#footnote-32). Within the next two generations, it is expected that this youthful population will increase more than 180%, compared to that of Europe and Asia, which will shrink by more than 21% and by almost 28% respectively[[33]](#footnote-33).

Towards the end of the century, it is estimated that Africa's youth population would reach 1.3 billion[[34]](#footnote-34), double the expected total population of Europe, and would represent almost half of the world’s youth[[35]](#footnote-35). By 2034, the region is expected to have a larger workforce than either China or India[[36]](#footnote-36). The youth bulge in Africa is seen as a huge advantage, provided they are engaged in productive economic activities.

The SADC’s integration agenda is anchored in political, security and economic integration. To facilitate the process of integration, SADC has developed economic and strategic blueprints, in particular the SADC Industrialisation Strategy and Roadmap as approved by the summit in April 2015. The strategy has been aligned to the AU Agenda 2063. Critical to regional economic integration is the rapid implementation of the Tripartite Free Trade Area (TFTA), as well as the AfCFTA, to boost industrial and infrastructure development and enhance intra-regional trade. The Department would closely monitor South Africa’s progress on the implementation of the Regional Indicative Strategic Development Plan (RISDP) projects[[37]](#footnote-37).

 With regard to the Southern African Customs Union (SACU), the customs union has to be transformed into a vehicle for regional integration, capable of promoting equitable development, sustainable infrastructure development and industrialisation.

**7.1.2 Building a better world: Reform of the United Nations Security Council (UNSC)**

South Africa’s engagement in the UN is based on its commitment to promote an equitable rules-based multilateral system. It is informed by the recognition that the UN does not reflect current global political and economic realities. South Africa would continue to advocate for the reform of global governance institutions, as well as promote participation in selected multilateral fora outside the UN system as a force multiplier for the overall strengthening of multilateralism[[38]](#footnote-38).

South Africa’s engagement in the UN is based on its commitment to promote an equitable rules-based multilateral system. It is informed by the recognition that the UN does not reflect current global political and economic realities. South Africa’s engagement is to advance the reform of the existing global governance architecture with a view to improve the voice and representation of Africa and the developing world[[39]](#footnote-39). It also intends to draw attention to the responsiveness of the UN system to the needs and challenges faced by Africa and developing states. In line with South Africa’s foreign policy, the Department would continue to advocate for the reform of global governance institutions[[40]](#footnote-40). With regard to the UN, UNSC reform and the granting of an African permanent seat(s) have not been achieved[[41]](#footnote-41).

**7.1.3 Promotion of cooperation between the AU and the UN**

The APP provided that South Africa’s third two-year term on the UN Security Council (SC) ended in December 2021. During its term, South Africa endeavoured to promote its views and values. These were, among others, the importance of women in peace and security; championing the cause of children in armed conflict situations; the rule of law at national and international levels; post-conflict reconstruction and development; and the peaceful resolution of conflict while fighting impunity. Although South Africa has handed over the Chairship of the AU, it still supports closer cooperation between the AU and UN. President Cyril Ramaphosa was appointed as AU Champion for COVID-19[[42]](#footnote-42).

**7.1.4 Disarmament**

According to the APP, the Department’s assessment of international developments, the risk of a major conflict involving nuclear weapons and the radical consequences thereof couldn’t be discounted[[43]](#footnote-43). The Treaty on the Prohibition of Nuclear Weapons entered into force on 22 January 2021. Globally, there are an estimated 13 080 nuclear warheads at the start of 2021 of which 3 825 were active, deployed with operational forces[[44]](#footnote-44).

**7.1.5 Climate change**

Despite the international community's ongoing fight against climate change, which kicked off during June 1992 in Rio de Janeiro, Brazil, global warming is continuing to escalate. The APP provides that South Africa advocates for a global response that is equitable and that provides development space for developing countries[[45]](#footnote-45). The expectation is that the developed countries should take the lead in emission reductions, closing the ambition gap, including those carried over from the pre-2020 to the post-2020 period and providing adequate means of implementation that would enable a response to the challenge. In this context, South Africa's position on climate change has been defined. Its national objectives are premised on a science- and rules-based international system with multilateralism at its core.

It is said the changes brought about by climate change would, in the medium to long term, include periodic to continual flooding, protracted droughts and heat waves causing forest and bush fires, reduced precipitation and reduction of glaciers in source catchment areas[[46]](#footnote-46). It is expected that there would be a rise in conflicts over resources, particularly water, e.g. over the Grand Ethiopian Renaissance Dam in Ethiopia, contested by Sudan and Egypt. There would eventually be a need for more sustainable lifestyles in order to adapt to changing conditions[[47]](#footnote-47).

**7.1.6 Gender**

According to the APP, South Africa’s commitment to gender equality is firmly established in the Constitution (1996). Chapter 2 of the Constitution, also known as the Bill of Rights, guarantees full and equal enjoyment of all rights by all genders and the protection of people against any form of discrimination, including discrimination on the basis of race, sex, gender, religion, etc. South Africa has ratified many international instruments aligned to its constitution relating to gender equality[[48]](#footnote-48). It also ratified the Beijing Platform for Action, an agenda towards empowerment of women and girls, and made a firm commitment to mainstream gender within the Government by creating the National Gender Machinery led by the Department of Women, Youth and Persons with Disabilities[[49]](#footnote-49). In 2021, South Africa ratified the International Labour Organisation (ILO) Convention 190 aimed at ending violence and harassment in the world of work.

**7.1.7 South-South cooperation**

South Africa pursues mutually beneficial cooperation among countries and groupings of the South to develop common positions on political, economic, social and human rights issues as an effective response in addressing the historic marginalisation of these countries[[50]](#footnote-50). Groupings of the South share the need to restructure the global political, economic and financial architecture to be more balanced, representative, inclusive and equitable, as well as to ensure that the international system rests on the important pillars of multilateralism and international law.

Groupings of the South include BRICS (Brazil, Russia, India, China and South Africa); IBSA (India, Brazil and South Africa); lORA (Indian Ocean Rim Association); the Group of 77 (G77) and China; and the Non-Aligned Movement (NAM). The Committee encourages South Africa to continue to leverage strategic regional groupings such as BRICS, IBSA and IORA to improve trade flows and build consensus in multilateral groupings.

**7.1.8 Cooperation with the countries of the North**

It has been reported that Europe has traditionally been the largest source of development cooperation with South Africa. These engagements are focussed on addressing poverty; job creation and inequality. The focus of the Department would continue with the consolidation of relations with these regional partners and to promote partnerships in support of South Africa's domestic priorities. South Africa also engages with key global economic processes of the North, to promote African Agenda 2063 in particular, and the broader development interests of developing countries in general. FDI from Europe is estimated at over R1 trillion with more than 2 000 companies operating in South Africa, employing South Africans, enhancing their skills and investing in the economy[[51]](#footnote-51).

**7.1.9 Relations with regions of the world**

The inexorable change in the economic geography of the world economy, requires a more purposeful effort to diversify South Africa's trade and investment relations, to benefit from the rapid and dynamic economic growth in the Global South[[52]](#footnote-52). In line with the focus on economic growth and sustainable socio-economic development, the Department would negotiate and navigate international trends beyond its immediate region and the continent. According to the APP, the Department’s international network of missions is seen as a strategic asset that is being leveraged to realise maximum return on the investment it represents for the people of South Africa.

Constrained FDI and investment flows, protectionism and the impact of US sanctions on (secondary) Iran and Huawei, have impacted on the South African domestic economy, for example the telecommunication sector. South Africa would avoid taking sides on the growing tensions between China and the USA, to avoid compromising trade and investment with either country[[53]](#footnote-53).

The rivalry between China and the Russia in Central Asia could possibly impact negatively on the cohesion in BRICS[[54]](#footnote-54).

South Africa would remain committed to a stable and peaceful Middle East and supports sustainable and just solutions to the various conflicts in the region. The region is an important component of South Africa's global trade and is a critical energy partner to South Africa. The strong focus on investment would be continued in the objectives pursued in 2020 to 2025, through South Africa's diplomatic engagement with the region. South Africa would remain committed to supporting the Two-State solution and the people of Palestine[[55]](#footnote-55). South Africa remained committed to a stable and peaceful Middle East, and supports sustainable and just solutions to the various conflicts in the region.

South Africa enjoys strong political, economic and technical relations with the countries in the East Asia and Oceania region. Bilateral relations with countries in the region are pursued in line with priorities highlighted in the NDP and 2022 SoNA. South Africa's trade and investment relations with the region are strong and growing, but there is substantial room for expansion. Tourism from the region, in particular, has huge potential to contribute to South Africa's GDP.

China is South Africa’s major trade partner, but there is a deficit in the trade balance. China does not view South Africa as its only African partner. Furthermore, China can be seen as an economic competitor for South Africa companies in Africa, especially in Eastern Africa.

**7.1.10 Multilateralism**

Multilateralism remains a focal point of South Africa's foreign policy[[56]](#footnote-56). South Africa's multilateral engagements are premised on the need to advance its national interest and safeguard its national positions. It is in these forums that South Africa would advance the development priorities of developing countries and promote an equitable rules-based multilateral system, as identified in Priority Seven of the MTSF.

The Department would continue to communicate South Africa’s role and position in international relations in both the domestic and international arenas. The Department would also continue to provide the requisite protocol and consular services.

During the financial year, the Department would continue with the closure of identified Missions, in an attempt to deal with the reduced budget at its disposal. The drafting of regulations, codes and directives to operationalise the Foreign Service Act would also be finalised and approved.

1. **Budget allocation for programmes of the Department**

**Table 1 Budget Allocation-Vote 6: International Relations and Cooperation 2022/23**

|  |
| --- |
| **Programme****(R million)** |
| **2021/22** | **2022/23** |
| 1: Administration | 1 690 805 | 1 732 100 |
| 2: International Relations  |  3 295 334 |  3 297 955 |
| 3: International Cooperation  |  485 194 | 517 155 |
| 4: Public Diplomacy & Protocol  | 297 439 | 289 943 |
|  5: International Transfers | 749,100 | 763 355 |
| Total | **6 517 872** | **6 600 508**  |

Source: 2022/23 Annual Performance Plan of the Department of International Relations and Cooperation

Over the medium term, the Department would continue to focus on advancing the African Agenda, including curbing the impact of the COVID-19 pandemic on the continent; participating actively in the United Nations; and enhancing the management of its infrastructure portfolio in foreign missions[[57]](#footnote-57). For 2022/23, the Department has an increased budget allocation from R6 517 872 billion in 2021/22 to R6 600 508 billion in 2022/23[[58]](#footnote-58). Total expenditure is expected to increase from R6.5 billion in 2021/22 to R6.9 billion in 2024/25, at an average rate of 2 per cent[[59]](#footnote-59). The Department’s work is mainly realised through the 116 diplomatic missions in 102 countries in which South Africa has representation[[60]](#footnote-60). As such, compensation of employees is the Department’s main cost driver, accounting for an estimated 43.2 per cent (R8.7 billion) of expenditure over the medium term[[61]](#footnote-61).

**8.1 Managing infrastructure projects and properties**

The Department’s international property portfolio comprises of 127 state-owned properties and more than 1000 rented properties. Over the MTEF period, it plans to reduce its rental portfolio and the associated operational costs by developing one property in Luanda, Angola, and one property in Gaborone, Botswana on state owned vacant land. It also plans to assess the condition of the state-owned properties within its portfolio over the medium term, beginning with those in Africa, to determine the need for maintenance, repairs and renovations to extend their lifespans. To carry out these activities, R838.3 million over the medium term is earmarked in the Foreign Fixed Asset Management subprogramme in the Administration programme, of which R51 million is allocated specifically for assessing the condition of state-owned properties abroad.

**8.2 Budget allocations per programme**

**8.2.1 Program 1: Administration**

The Diplomatic Academy would be a centre of excellence in foreign service training and the plan is to conduct a gap analysis on delivering training in AU/UN languages.

The current realities call for organisational renewal, innovation as well as the Department’s transition towards a digitisation system currently in progress in order to assist the organisation to achieve more and to deliver on its mandate and the five year strategic objectives. It also requires the Department to streamline its processes with a specific emphasis on improving its digital environment through its Digital Strategy.

The allocated budget for Administration amounts to 26.2% of the total Departmental budget for the 2022/23 financial year[[62]](#footnote-62). Over the MTEF, the budget allocation for this programme would increase from R1.691 billion in the 2021/22 financial year to R1.732 billion in the 2022/23 financial year[[63]](#footnote-63) and the increase is mainly for capital infrastructure for the construction, refurbishment and renovations of state-owned properties abroad as well as the Information and Communication Technology (ICT) budget for the implementation of the ICT strategy[[64]](#footnote-64).

**8.2.2 Programme 2: International Relations**

The Department would continue to pursue increased and improved access of South African products and services to foreign markets, which would contribute to the aim of increasing manufacturing and thereby contribute to an export-orientated economy. The Department intends to become a catalyst and operate as a networking agent for “South Africa Incorporated”[[65]](#footnote-65). The missions, in particular, are poised as key frontline role players in the pursuit of economic diplomacy and its component pillars such as FDI pledges, as well as the contribution towards inbound tourism promotion[[66]](#footnote-66).

The budget allocation for Programme 2 would increase over the MTEF from R3 295 334 billion (2021/22) to R3 297 955 billion in 2022/23[[67]](#footnote-67) and includes allocations for 116 missions in the Africa, Americas, Europe, Asia and Middle East regions. The increase in the budget allocation for this programme is mainly on goods and services. This is reported due to the escalations on contractual obligations for the leases of offices and residential accommodation abroad[[68]](#footnote-68).

**8.2.3 Programme 3: International Cooperation**

The primary objective of this programme is to participate in initiatives of international organisations and institutions in line with South Africa’s national values and foreign policy objectives. Multilateralism remains a focal point of South Africa's foreign policy[[69]](#footnote-69). South Africa's multilateral engagements are premised on the need to advance its national interest and safeguard its national positions. It is in these forums that South Africa would advance the development priorities of developing countries and promote an equitable rules-based multilateral system, as identified in Priority Seven of the MTSF.

This is achieved through South Africa’s engagements within the Global system of governance; continental cooperation; South- South cooperation; North-South cooperation to advance and support national priorities, the African Agenda and the developmental agenda of the South. In line with South Africa’s foreign policy, the Department would continue to advocate for the reform of global governance institutions[[70]](#footnote-70).

The allocated budget amounts to 7.8% of the total departmental budget for the 2022/23 financial year[[71]](#footnote-71). The allocation was R485 194 million in (2021/22), it has increased to R517 155 million in (2022/23)[[72]](#footnote-72).

**8.2.4 Programme 4: Public Diplomacy and State Protocol**

According to the APP, the Department aims to implement and monitor the effectiveness of the Public Diplomacy strategy. Through this programme, the Department would ensure rapid and timeous support to missions on domestic and global developments. Key messages would be distributed to missions on domestic and global developments. Several platforms would be utilised to inform and promote South Africa’s foreign policy to domestic and international audiences, thus making an effort to ensure that foreign policy decision-making process reach the grass roots.

The budget allocation for Programme 4: Public Diplomacy and Protocol Services has experienced a decrease in allocation**;** from R 297 439 million in 2021/22, to R 289 943 million in 2022/23.

**8.2.5 Programme 5: International Transfers**

The Department would continue to transfer payments, which arise from obligations undertaken by South Africa at international, regional and subregional multilateral levels, and to its entity, the African Renaissance Fund[[73]](#footnote-73). The MTSF (2019 – 2024) requires that South Africa contributes to a better South Africa and better region and to secure the advancement of South Africa’s national interest. This could only be realised through the payment of South African contributions to international organisations in full and on time.

Therefore, under its Outcome, “Agenda 2030 and Agenda 2063”, it is required that South Africa honours its obligations towards the UN, SADC and the AU, including the institutions hosted in South Africa (i.e. Pan-African Parliament, New Partnership for Africa’s Development, African Peer Review Mechanism, African Commission on Nuclear Energy and Pan-African University on Space Science (PAUSS) and trans-frontier conservation areas. This would require the settlement of all assessed contributions as required by the respective international organisations.

The budget allocation for Programme 5: International Transfers for the 2022 MTEF, consists of the Departmental Agencies’ allocation to the African Renaissance and international Cooperation Fund, which is R51 199 million in 2022/23[[74]](#footnote-74), as well as international membership contributions to organisations such as, among others, the AU, SADC, UN, India-Brazil-South Africa Trust Fund, and the Commonwealth of Nations. The allocated budget amounts to 11.6% of the total departmental budget for the 2022/23 financial year[[75]](#footnote-75). The budget allocation for this programme is determined based on the assessment letters from each organisation South Africa is a member of. The budget allocation for Programme 5: International Transfers experiences an increase from R749,100 million in 2021/22 to R763 355 million in 2022/23.

1. **The African Renaissance and International Cooperation Fund (ARF)**

The Department has one entity, the African Renaissance and International Cooperation Fund (ARF). After 1994, the democratic government took a deliberate decision to establish a Fund, to promote development assistance and consolidate peace and reconstruction in Africa. The African Renaissance and International Cooperation Fund was thus established in 2000 pursuant to an Act of Parliament, the African Renaissance and International Cooperation Fund Act (Act 51 of 2000). The fund’s mandate is to enhance cooperation between South Africa and other countries, particularly African countries[[76]](#footnote-76).

The ARF continues to be an invaluable instrument in pursuit of the priorities identified in the MTSF. As foreign policy is an extension of national priorities, the ARF would contribute to the seventh priority of “A Better Africa and World” through “enhancing cooperation between the Republic and other countries, in particular African countries, through the promotion of democracy, good governance, the prevention and resolution of conflict, socio-economic development and integration, humanitarian assistance and human resource development”.

**9.1 Annual Performance Plan 2022/23 of the African Renaissance Fund**

The APP provides that the ARF operates through an Advisory Committee[[77]](#footnote-77) which is comprised of: The Director General (DG) or delegate; 3 officials of the Department appointed by the Minister; 2 officials from National Treasury appointed by Minister of Finance. The Advisory Committee makes recommendations to the two Ministers on the disbursements of funds through loans or other financial assistance. The DG is the accounting officer of the Fund in terms of the PFMA 1999. The DG has created a secretariat consisting of officials to assist with disbursement of funds. Officials assist with monitoring and administration of projects relating to the fund. The ARF has received successive unqualified audit opinion without findings for the past three financial years in succession.

The APP of the ARF provides that the transferred budget allocation to the ARF for 2022/23 is at R51 199 million. The ARF would implement its mandate in a constraint fiscal environment with significant reductions in annual allocations. However, the ARF would be able to achieve its mandate through the Department’s 116 missions in 102 countries abroad. Due to fiscal constraints, the APP provides that there would be fewer projects for the 2022/23 financial year[[78]](#footnote-78). However, the Department would ensure that with limited resources available, it maximises the impact of its contribution to a better African continent and the world at large.

In terms of policy initiative, the current Strategic Plan and APP of the ARF, provide that the African Renaissance and International Cooperation Act 2000, should be amended to provide for a name change of the ARF to the South African Development Partnership Fund; and for the designation of a Head, as an Accounting Authority, who would be responsible, together with the Secretariat, for the administration of the fund. The fund would remain an entity listed in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

**10**. **Findings by the Committee**

10.1 The processes for the implementation of the Digital Strategy are slow. The Department has acquired the necessary tools of trade like, laptops, tablets, desktops, for the officials at headquarters, it is yet to transfer such tools to the South African Missions abroad. It has undertaken to provide quarterly progress reports on the implementation of the Digital strategy. With lessons learnt from restrictions on movement because of COVID-19, the Committee saw digital technology as key for the Department to turn the corner on the ICT infrastructure limitations.

10.2 The Committee noted that the implementation of the 2009 Cabinet decision for the establishment of the South African Development Partnership Agency is still outstanding. Furthermore, it is provided that the African Renaissance and International Cooperation Act 2000, should be amended to provide for a name change of the ARF to the South African Development Partnership Fund; and for the designation of a Head, as an Accounting Authority, who would be responsible, together with the Secretariat, for the administration of the fund. The fund would remain an entity listed in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). More information was needed as to why a name change would be an option.

10.3 It was observed that, in some aspects, the APP of the African Renaissance Fund was not the same as the power point presentation. The APP had omitted the targets of South Africa participating in the SADC Election Observer missions (SEOM) despite four elections due in 2022 within the SADC region. The other target not included is on South Africa’s support for the projects aimed at operationalising the AfCFTA.

10.4 The draft regulations for the Foreign Service Act 2019 were in the process of being finalised. They would in turn be published for public scrutiny, and the Committee would have an opportunity to be part of the stakeholders’ consultations on the draft regulations. The concern was on the length of time it has taken the Department to conclude the process.

10.5 The Committee noted that COVID-19 would slow down implementation of the United Nations Sustainable Development Goals (SDGs). More information was sought whether there were any other factors impacting on the achievement of SDGs.

10.6 It was observed that the Department was planning to undertake infrastructure projects without a ‘milestone report’. Such a report would be necessary to clearly outline how it would detach itself from the professional assistance in the built environment which was provided by the Department of Public Works (DPW). The milestone report would also serve as a handing over document from the DPW detailing the state of affairs in the property portfolio which they had been managing. It should also inform the Department how many properties there are, monies spend on maintenance and rentals, cleaning and all other related matters. In essence, the Department would not be able to take over with custodianship of state owned properties abroad without some form of a handing over report.

10.7 The Committee has noted that under Programme 1: ‘Provide leadership, management and support services to the Department’, there would be quarterly progress reports on the implementation of the predetermined objectives under this progamme. These reports would include progress on the implementation of the digital strategy; service delivery relating to training on UN/AU languages; outreach initiatives to advance gender equality and women’s empowerment through gender mainstreaming; youth development and empowerment; and mainstreaming rights of persons with disabilities. The Committee would like to regularly receive these reports for oversight scrutiny and accountability.

10.8 Under Programmes 2 and 3, there would also be quarterly reports covering the Foreign policy activities of the Department and Missions abroad. The Committee’s view was that these reports should also show how these bilateral and multilateral activities, translate into economic reciprocation for South Africa. Furthermore, the Committee would utilise these reports to assess the impact of South Africa’s participation on the outcomes of these bilateral and multilateral engagements.

10.9 The Department reported it has finalised the review of its organisational structure, to align it with its Strategic Plan and the priorities of the MTSF 2014-2019. The Committee’s view is that the structure should be aligned to the Foreign Service Act 2019. Specifically, progress was sought on the recruitment of a chartered accountant as a CFO. The Committee further cautioned against empire-building tendencies at work in the Department, where previously individuals would broaden their scope of influence and power through bullying others into submission. It was observed that the practice had let to low morale amongst the officials.

10.10 Remaining within the stipulated compensation of employees ceiling remains a challenge. The budget is therefore lower than the number of current employees in the Department. It has been difficult for the Department to fill vacant posts; these vacancies have been aggravated by an aging workforce resulting in natural attrition. Upskilling of personnel was regarded as an ad-hoc solution, which would not address the real root cause of challenges with maintaining the cost within a determined ceiling. It was asked whether the Department conducts regular head count interventions to ensure that there were no ghost-workers. It was also noticed that there were additional staff to the organisational structure.

10.11 The Department’s international property portfolio comprises 127 state-owned properties and more than 1000 rented properties, resulting in high rental costs with annual escalations. The Committee observed that in order to reduce its rental portfolio and the associated operational costs, the Department should consider a model which would allow for acquiring instead of leasing residential and office accommodation for Missions abroad.

10.12 There were some challenges facing the Department in the conduct of South Africa’s Foreign Policy. It has demonstrated that South Africa needs to review certain relationships and alliances in a pragmatic way to better realise its foreign policy objectives. It is reported that this would require a re-evaluation of all previous assumptions, in the realisation that there are and would be fundamental shifts in the global political and economic environment i.e. the global trend away from multilateralism to unilateral-centred international relations and being able to adapt to fluidity in the global environment. The Committee expressed a need to have a detailed discussion on the risk factors, to also factor them in when developing its oversight strategic plan for its work henceforth.

10.13 It was observed that some of the output indicators had not been refined adequately. The emphasis was still on numbers as targets.

10.14 The Committee noted that the process of the reduction of mission is continuing. Presently there are 116 South African missions abroad, in an effort to contain the expenditure on the compensation of employees within the determined ceiling. The reduction should not disadvantage the African continent.

10.15 Regarding climate change, South Africa advocates for a global response that is equitable and that provides development space for developing countries. The expectation is that the developed countries should take the lead in emission reductions, closing the ambition gap, including those carried over from the pre-2020 to the post-2020 period and providing adequate means of implementation that would enable a response to the challenge. Clarity was sought as to whether the Department had mitigating plans for the challenges relating to Brexit, tensions within BRICS, and adverse effects of climate change.

10.16 South Africa’s engagement in the United Nations is to advance the reform of the existing global governance architecture with a view to improve the voice and representation of Africa and the developing world. It also intends to draw attention to the responsiveness of the UN system to the needs and challenges faced by Africa and developing states. The Committee reiterated their political view, that the reform agenda should remain on the agenda of South Africa’s multilateral engagements.

10.17 In terms of South Africa’s foreign policy, clarity was sought on lessons learned from having had to adjust from a pre COVID pandemic period to a post pandemic conditions affecting conduct of international relations.

10.18 The SADC’s integration agenda is anchored in political, security and economic integration. The Committee emphasised that critical to regional economic integration, is the rapid implementation of the Tripartite Free Trade Area (TFTA), as well as the AfCFTA, to boost industrial and infrastructure development and enhance intra-regional trade.

10.19 In terms of threats to security and safety, the continent has seen an increase in terrorism in all regions with involvement by outside players, including in the SADC region. The situation in Cabo Delgado, in Northern Mozambique, remains a source of concern, as is that in eSwatini and Lesotho. The Committee expressed a need for SADC acceleration of efforts to bring about political solutions to the conflicts.

10.20 It was noted that the funds on subsistence allowances, have been reduced due to COVID restrictions. Clarity was sought if it was possible to reallocate the savings to other costs centers such as compensation of employees.

10.21 The Department was asked to provide to the Committee a report on existing tenders and service providers doing business with the Department.

10.22 The Department was reminded that it was yet to submit a report on the criteria used for transferring officials, especially the Corporate Services Managers, who are charged with property and financial management in the missions abroad. The Department reported previously that such officials are posted with no specific skill on these traits, and on return from the missions, they are often placed in the Finance branch.

10.23 A concern was raised regarding individuals that appear to be additional to the Department’s establishment.

**11. Responses by the Department**

11.1 On compensation of employees, the Department noted that it is human capital centred. It was said that diplomacy work, both at headquarters and in the missions, does require suitable warm bodies who understand the mission of the Department to safeguard national interest, and promote both the African Agenda and the agenda of the Global South.

11.2 The compensation of employees’ budget has not increased in tandem with the growing mandate of the Department. Consultations with National Treasury on the matter are continuing.

11.3 With regards to the reduction of South African missions, the associated risk is that in the diplomatic world, such an exercise is interpreted as signalling that South Africa is reducing its ambitions in the international community. For example, when considering a permanent seat in the Security Council, diplomatic footprint is an important issue.

11.4 The Department would do an objective assessment and look at economic rationale behind the diplomatic footprint, while also looking at how to make missions, more efficient so that we can do more with less. This process would be carried out in a way that would not harm South Africa’s global diplomatic ambitions by reducing its diplomatic footprint too much.

11.5 The Department has not been able to fill vacancies, nor to recruit young people into the fold, due to the challenges with the ceiling on compensation of employees. This has resulted in very competent young people being in junior positions for a very long time, thus giving rise to demoralised employees. Talent management would be developed within Human Resources branch to look into this area, in terms of creating space for young people to move up in the ranks within the Department.

11.6 On the matter around the R50 million donation to Cuba, it was noted that this was not linked to compensation of employees. The Department jointly with National Treasury are in the process of appealing the ruling of the Pretoria High Court on the donation to Cuba.

11.7 The Department has reported that it has recruited an official to for managing of properties. It has a massive portfolio of 127 state owned properties and 1000 rented properties abroad.

11.8 The advent of COVID-19 had a massive impact in terms of a slowdown in the global economy supply chains. This also impacted on the implementation of SDGs and the Agenda 2063, and disrupted the global economy supply chains. Indeed, the global economy was already moving in a downward trend before the pandemic.

11.9 The draft regulations to the Foreign Services Act were ready to be circulated for public comment. The thinking has been that since the impact of these regulations is largely internal, the Department is considering to reduce time for public comment to a period of 14 days. The Department further noted that it would be working with the Presidency, and also grant Parliament space to consider the regulations.

11.10 Negotiation are ahead between the Minister and that of Finance in terms of the future of the ARF. The outcome therefrom would determine the shape and form of the entity that would replace the ARF.

11.11 The individuals that appear to be additional to the establishment were individuals that were on unpaid leave, as most were spouses accompanying those on posting. The other group comprise heads of mission designates appointed by the President; and in the last group were officials who were seconded to the Department from other sister departments.

11.12 On the issue of ghost workers, the Department on a regular basis requests its employees to physically collect their payslips and sign for them. Should an employee not sign for them, the Department would withhold the salary. Acting positions largely arose because no new positions could be filled. The Department committed to work faster in filling critical vacant positions.

11.13 The reduction of Subsistence Allowance is as a result of some engagements being held virtually.

11.14 With regards to tools of trade for officials, as of the end of March 2022, the Department had already distributed the laptops and desktops to officials. Having placed the order in June 2021, the delay was attributed to the global demand pressure and shortage of electronic equipment. The Department has migrated all users to the Microsoft Office 365 which is running the latest tools, and it has managed to synchronise email boxes from the old. The laptops and desktops that have been distributed are secured and even when officials lose their laptops, the Department would able to wipe out the information.

11.15 The Department embarked on a data modernisation Centre project which has commenced in January at the headquarters, with a plan to roll out to hubs in London and Washington. The configurations and setup of these hardware devices are currently being tested, and once finalised, would be shipping them to the two hubs in Washington in London. Once these processes have been completed, data migration would be rolled out to allow the Department to run a high availability environment where the challenges would also be addressed.

11.16 National Treasury has been approached for funds to enable the Department to conduct an impact assessment on the work of the African Renaissance Fund.

**12**. **Conclusions**

After discussions during the briefing, the Committee concluded as follows:

The Department has received an increased budget for financial year 2022/23. The budget would still be further affected by the imminent foreign exchange currency fluctuations and unavoidable mandates and responsibilities in its diplomatic intercourse and conduct of international relations. Its main operations abroad have previously been affected by currency fluctuations.

The situation with COVID-19 has meant that, like other departments, this Department would have to work within a tight budget and reprioritised targets. The mandate of the Department is largely abroad, most of the activities it had planned would be severely impacted upon as there would be no travel due to the travel restrictions and lockdowns in many countries.

However, the Committee was encouraged by the Department’s commitment and resolve to achieve its strategic objectives albeit with budgetary constraints. Graduation from the qualified audit opinion baseline to a clean audit should be the Department’s goal for the medium term; and it should implement the audit action plan and adhere to the cost containment measures it has agreed to with the National Treasury.

The Department has to carry out its mandate within unpredictable, at times turbulent, external environment to advance South Africa’s national interest. It is becoming evident that there are shifts within the international environment, which in turn impact on the traditional alliances that South Africa had. The Department would have to re-evaluate some of its assumptions and adapt to the shifting international political landscape in order to remain relevant and pursue national interest with like-minded partners. The National Development Plan prescribed that the Department should position itself to assume greater leadership role in Africa, leading development and growth in the continent.

The interplay between foreign policy and national interest continue to be the baseline for the Department’s success in the conduct South Africa’s foreign policy. Following from the above conclusions, it has, therefore, become important for the Department to have continued with clear and focus driven plans which remain aligned to the budget allocated, and the continued vigour to respond to the domestic challenges as per the aspirations of the NDP.

The Committee has observed that very important targets under the African Renaissance Fund were not planned for this financial year. However, a presentation had populated such targets. Participation in SADC election observer missions and supporting the projects that would operationalise the AfCFTA, directly speak to South Africa’s Foreign Policy aspirations on regional and continental agendas.

The Committee has continued its trend of a robust approach to oversight over the activities of the Department, South Africa’s Missions abroad and the entity, and the African Renaissance Fund, despite challenges posed by the Oversight Model of Parliament. More of oversight visits to the ARF project area would follow. The Committee would also engage in various issues aimed at enhancing the conduct of South Africa’s foreign policy.

The Committee would continue to make a number of recommendations to the Department, as part of its oversight, and in an effort to enhance the way South Africa relates and engages in international relations. The Department has responded positively in some aspects, and benefitting from guidance from the Committee. There is room for improvement, as the Committee is encouraged by the responsiveness of the Department to the oversight interventions.

13. **Recommendations**

Having considered the Strategic Plan 2020-2025 and the Budget Vote 6 of the Department 2022/23 and its entity, the Committee recommends that the Minister should consider the following and report on progress within three months of adoption by the National Assembly of this report:

* 1. Conduct a full assessment of the effect of COVID-19 and its impact on the budget allocation of the Department, predetermined objectives, and service delivery.
	2. Finalise the implementation plan and relevant processes and publish for stakeholders’ consultations, the draft regulations, as a precursor for the promulgation of the Foreign Service Act 2019 to come into force.
	3. Oversee the implementation of effective financial management through the application of sound financial management systems, including management and financial accounting, as well as supply chain management.
	4. Improve the internal control environment in line with the requirements of the Public Finance Management Act, 1999.
	5. Obtain a milestone report from the Department of Public Works as a handing over brief on state owned land and properties abroad.
	6. Ensure that a property management strategy is developed as a guiding framework for the custodianship of the property portfolio, in line with the Foreign Service Act.
	7. Develop an implementation plan with timeframes, in order to determine the course of action needed for all state owned land parcels and properties abroad.
	8. Streamline processes with a specific emphasis on improving digital environment through the implementation of the Digital Strategy with set timeframes.
	9. Consider a model which would allow for acquiring instead of leasing residential and office accommodation for Missions abroad, to minimise costs due to the escalations on contractual obligations for the leases of offices and residential accommodation.
	10. Consider mainstreaming youth development in the work of the Department to effect positive outcomes among young people at local, provincial and national levels in South Africa.
	11. Revise the strategy for South Africa’s participation in BRICS, and garner support to tackle possible threats on cohesion within the geopolitical forum, and ensure its continued relevance in advancing South Africa’s national interest and the African Agenda 2063.
	12. Re-evaluate all previous relationships, alliances, in a pragmatic way to better realise South Africa’s foreign policy objectives, recognising that there are and would be fundamental shifts in the global political and economic environment.
	13. Monitor and coordinate South Africa’s progress on the implementation of the Regional Indicative Strategic Development Plan (RISDP) projects, to facilitate regional integration.
	14. Devise short and long term plans to address the issue of compensation of employees, in consultation with National Treasury, to optimise the current staff establishment to maximise delivery on its ever-increasing mandate.
	15. Conduct an assessment whether the cost-reduction initiatives through closure of some South African Missions abroad, bear the intended impact on the challenges brought about by the ceiling on compensation of employees. The reduction should not disadvantage the African continent.
	16. Expedite review of the organisational structure to, among others, separate the Finance branch from property management and all other non-financial units.
	17. The Committee notes the court judgement on the appeal of the Department regarding its humanitarian contribution to Cuba. It is the expectation of the Committee that, in taking the matter further, the Department should do so in full compliance, recognition and observance of the Constitution of the Republic of South Africa, the Foreign Policy principles and prescripts, historical relations with Cuba, and indeed any other related policies. The Committee further expects the Department to continue with its accountability on this matter to Parliament through the Portfolio Committee.
	18. Conduct an impact assessment on the work of the African Renaissance Fund, with details of how the disbursement of funds from the ARF contributes to South Africa’s development cooperation agenda.

**To the National Assembly**

* 1. The Parliamentary Oversight Model must be reviewed to allow the Portfolio Committee on International Relations and Cooperation to have more regular oversight visits to South African Missions abroad, in order to have a holistic approach on the performance abroad of the Department of International Relations and Cooperation. Being mindful that cost considerations may not allow oversight visits to all the South African Missions abroad, the Portfolio Committee has adapted to the new normal, and has conducted a novel oversight visit, virtually. It is the hope of the Committee that Parliament will embrace this innovation into Oversight and Accountability Model.
	2. The Parliamentary Oversight Model should allow the Portfolio Committee on International Relations and Cooperation to have more regular oversight visits to project areas of the African Renaissance and International Cooperation Fund (ARF), in order to have a holistic approach on the performance abroad of the entity of the Department of International Relations and Cooperation.

13.21 The Portfolio Committee should be allowed to conduct oversight visits to international organisations that the Republic of South Africa is a state-party. This would enable the Committee to assess the impact of the Department’s participation on the overall outcomes at such forums.

13.22 The Committee recommends that Budget Vote 6: International Relations and Cooperation 2022/23 be passed.

Report to be considered.

1. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-1)
2. National Development Plan 2030, Chapter 7 thereof [↑](#footnote-ref-2)
3. Annual Performance Plan 2022/23 of the Department of International Relations and Cooperation [↑](#footnote-ref-3)
4. CM Ramaphosa, SoNA 2022, the Presidency, February 2022 [↑](#footnote-ref-4)
5. CM Ramaphosa, SoNA 2022, the Presidency, February 2022 [↑](#footnote-ref-5)
6. Ibid [↑](#footnote-ref-6)
7. Ibid [↑](#footnote-ref-7)
8. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-8)
9. Annual Performance Plan 2022/23 of the Department of International Relations and Cooperation [↑](#footnote-ref-9)
10. Strategic Plan 2020-2025, Department of International Relations and Cooperation [↑](#footnote-ref-10)
11. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-11)
12. Ibid [↑](#footnote-ref-12)
13. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-13)
14. Ibid [↑](#footnote-ref-14)
15. Ibid [↑](#footnote-ref-15)
16. Ibid [↑](#footnote-ref-16)
17. Ibid [↑](#footnote-ref-17)
18. Ibid [↑](#footnote-ref-18)
19. Ibid [↑](#footnote-ref-19)
20. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-20)
21. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-21)
22. Ibid [↑](#footnote-ref-22)
23. Ibid [↑](#footnote-ref-23)
24. Ibid [↑](#footnote-ref-24)
25. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-25)
26. Ibid [↑](#footnote-ref-26)
27. Estimates of National Expenditure 2022, National Treasury [↑](#footnote-ref-27)
28. Tralac.org.za [↑](#footnote-ref-28)
29. www.afdb.org [↑](#footnote-ref-29)
30. www.afdb.org [↑](#footnote-ref-30)
31. Ibid [↑](#footnote-ref-31)
32. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-32)
33. Ibid [↑](#footnote-ref-33)
34. Ibid [↑](#footnote-ref-34)
35. ###  Mo Ibrahim Foundation: Mo Ibrahim on youth innovation and leadership in Africa, November 2021

 [↑](#footnote-ref-35)
36. Ibid [↑](#footnote-ref-36)
37. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-37)
38. Estimates of National Expenditure 2022, National Treasury [↑](#footnote-ref-38)
39. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-39)
40. Ibid [↑](#footnote-ref-40)
41. Ibid [↑](#footnote-ref-41)
42. Ibid [↑](#footnote-ref-42)
43. Ibid [↑](#footnote-ref-43)
44. www.un.org [↑](#footnote-ref-44)
45. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-45)
46. Ibid [↑](#footnote-ref-46)
47. Ibid [↑](#footnote-ref-47)
48. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-48)
49. Ibid [↑](#footnote-ref-49)
50. Ibid [↑](#footnote-ref-50)
51. Annual Performance Plan 2022/23, Department of International Relations and Cooperation [↑](#footnote-ref-51)
52. Ibid [↑](#footnote-ref-52)
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57. Estimates of National Expenditure 2022, National Treasury [↑](#footnote-ref-57)
58. Ibid [↑](#footnote-ref-58)
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60. Ibid [↑](#footnote-ref-60)
61. Ibid [↑](#footnote-ref-61)
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63. Ibid [↑](#footnote-ref-63)
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68. Ibid [↑](#footnote-ref-68)
69. Ibid [↑](#footnote-ref-69)
70. Estimates of National Expenditure 2022, National Treasury [↑](#footnote-ref-70)
71. Ibid [↑](#footnote-ref-71)
72. Ibid [↑](#footnote-ref-72)
73. Estimates of National Expenditure 2022, National Treasury [↑](#footnote-ref-73)
74. Ibid [↑](#footnote-ref-74)
75. Ibid [↑](#footnote-ref-75)
76. Strategic Plan 2020-2025, African Renaissance Fund [↑](#footnote-ref-76)
77. Ibid [↑](#footnote-ref-77)
78. Annual Performance Plan 2022/23, African Renaissance Fund [↑](#footnote-ref-78)