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PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 2911
www.parliament.gov.za

Draft Report of the Portfolio Committee on International Relations and Cooperation on the Strategic Plan and Budget Vote of the Department of International Relations and Cooperation, dated..... 2012

The Portfolio Committee on International Relations (the Committee), having considered the budget of the Department of International Relations and Cooperation (the Department), Vote 5: International Relations and Cooperation, reports as follows:

1. Introduction

The Committee considered the strategic plan of the Department on 15 February 2012, while the budget was dealt with on 20 March 2012. The purpose of the meetings was primarily for the Department to outline its Strategic Plan 2012-2017 and align its annual performance plan to its budget for 2012/13 financial year. The presentations were done in two separate meetings and this report has combined the discussions to have one report reflecting debates on the Department's Strategic Plan and the budget as indicated for the reporting period.

1.2 The delegation representing the Department for the two sessions comprised the Director-General, Ambassador JM Matjila, and 14 members of staff.

1.3 The Director-General presented on the Strategic Plan and the general overview of the budget, while the Chief Financial Officer, Mr Moodley, presented the Budget Vote as the Director-General was away on official business.

In his presentation of the Department's Strategic Plan 2012-2017 and the budget estimates, the Director-General referred to the South African Constitution, according to which the President has the ultimate responsibility for the foreign policy and international relations in South Africa. The Department has been entrusted with the formulation, promotion and execution of South Africa's foreign policy and with the daily conduct of its international relations. He pointed out that the mandate was also influenced by a number of key global principles, including:

- Promoting multilateralism to secure a rules-based international system.
- Peaceful settlement of disputes.
- Contributing to the formulation of international law and enhancing respect for the provisions thereof.
- Strengthening bilateral relations and development support within the African continent.

It was reported that the budget vote was primarily informed by South Africa's strategic vision for the country, the region, the continent and the world. In pursuit of the country's foreign policy objectives, the Department would be acting in support of Government's medium term strategic objectives, with particular focus on job creation and regional integration as pronounced by the President in the 2012 State of the Nation Address (SONA). The main goal was expressed as ensuring that South

Africa's foreign relations contributed to an environment that is conducive to sustainable economic growth and development, and serve as a basis for addressing the government priorities.

With regard to the immediate strategic objectives of the Department in terms of the 12 national outcomes, the Department has been contributing to Outcome 11, which was reported as speaking to creating a better South Africa and contributing to a better and safer Africa and a better world.

2. Overview of the Department's Medium Term Strategic Framework 2012-2017

The DG presented the Department's Strategic Plan. He provided more detail on the Department's Medium Term Strategic Framework (MTSF) for 2012-2017, and elaborated the background for the distribution of the budget. He observed that the budget has been cut by 10 percent, and that it would be very difficult to operate within such a constraint.

The Strategic Plan was presented in two parts, namely, the Department's legislative mandate, which defined its key stakeholders and explained its vision, mission and aspirations. The second part was devised to set out the strategic outcomes that the Department has adopted and gives details of its programmes (as found in the Estimates of National Expenditure (ENE)).

The Department's strategic priorities for the period 2012-2017 would seek to pursue an enhanced African Agenda and sustainable development; strengthen regional political and economic integration of the Southern African Development Community (SADC); strengthen South-South relations; strengthen relations with the strategic formations of the North; participate in the Global System of Governance and strengthen political and economic relations.

Two major planned policy initiatives in 2012-2017 were highlighted: the establishment of the South African Development Partnership Agency (SADPA) and a legal framework in the form of a Foreign Service Bill for regulating the operations of the Department.

2.1 The establishment of SADPA

SADPA would be responsible for the administration of development assistance programmes that South Africa would target in furtherance of the African Agenda. There would be a Partnership Fund for Development (the Fund) created and dedicated to support all South African outgoing development cooperation commitments through SADPA. The Fund would be administered by a Board of Trustees to ensure proper and effective use of the Fund. The Board would be responsible for policy and oversight, and it would play an advisory role to the Minister of International Relations and Cooperation who would be the political authority of SADPA.

Development assistance is currently managed under the African Renaissance and International Cooperation Fund (ARF) Act 51 of 2001. Challenges experienced with the functioning of the ARF have led to the idea of creating a new entity which will function differently.

Under the ARF, Treasury allocates funds, subject to supply and demand; at times a decreased allocation is given which result in suspension of on-going projects in designated areas. Where donor funding is concerned, it has to follow the treasury requirements and be deposited and disbursed from the government's coffers. In order to disburse funds from the ARF, both the Minister of International Relations and Cooperation and of Finance, have to

concur on the projects to be funded. At times the approval process takes a long time. Monitoring and evaluation of ARF funded projects has been a challenge, especially for verification purposes as the Department has no direct monitoring mechanism within project areas under ARF funding.

The envisaged SADPA would remove the concurrence of Ministers of International Relations and Finance on approval of projects, and make the head of the South African Development Partnership Agency (SADPA) the accounting authority for the Fund. SADPA would have a strong emphasis on project and programme management, monitoring and evaluation. The Partnership Fund for Development would replace the African Renaissance and International Cooperation Fund (ARF) as a separate juristic person. The Fund would also provide direct transfer of funds from multiple sources and foreign donors directly into the Fund, and provide for audit functions by the Office of the Auditor General.

Consultations on the concept of SADPA were held with Treasury and the Department of Public Service and Administration (DPSA), and were now with Justice. The idea was to have all the processes in place to launch SADPA on 1 April 2012, and then phase out the ARF, to usher in SADPA.

2.2. Foreign Service Bill

The second policy initiative of the Department this year was reported as the Foreign Service Bill. The Public Service of South Africa was established in terms of section 197 of the Constitution of 1996. The Public Service Act of 1994 (PSA) governs conditions of employment for all public servants. In the same manner, the Department, as a Schedule 1 department, is regulated by the PSA. The Conditions of Service applicable to the Foreign Service are determined by the Minister of the Department of Public Service and Administration.

The current reality has not taken into consideration that the mandate of the Department has expanded, creating a huge scope of responsibility; the situation has also required the strengthened role of Heads of Mission as co-ordinators in their areas of accreditation. Although it operates in a foreign environment, its activities are still subject to the PSA alone.

A number of factors were mentioned which provide the rationale for the Department to have its own legislative framework. The framework would cater for the uniqueness of its operations and the peculiarities of its mandate. The Department operated in an international environment that was not taken into account by the PSA.

3. Situational analysis

The Director General gave a situational analysis which underlined a shift in international relations' trends and focus, which might influence the conduct of foreign relations during the medium term. The global environment was characterised by a major shift in global, economic, and social dynamics which included the realignment of new economic powers, new media and social networks, new innovations, environmental change, and formations of new economic and political grouping challenging the established political order. South Africa had to adapt, participate and be a part of these changes. With the growth of the economy, there were increasing links to new economic powers. The rules and institutions of the 20th century global and economic changing system were under pressure for change.

He addressed the Arab-Israeli conflict, the increasing tensions between the West and Iran, and the widening Sunni-Shia Muslim conflict in the region. There were unsustainable levels

of sovereign and private debt, global economic imbalances, climate change and resource insecurity were causing insecurity and uncertainty. He stressed the possible graduation of South Africa out of the African Growth and Opportunities Act (AGOA) remained a threat and the renewal of the Act in 2015 remained uncertain.

The South African Development Community (SADC) was reported relatively stable, but a number of internal challenges were present. Intra-SADC trade grew 155% since the implementation of the Protocol on Trade in 2000. However, intra-regional trade remained relatively low.

South Africa currently conducted its foreign policy in an uncertain global environment. A successful foreign policy was a *sine qua non* for achieving South Africa's domestic priorities.

Asia became South Africa's largest trading partner, surpassing Europe in 2011. In terms of Foreign Direct Investment (FDI) in Africa, South Africa was still a major investor, with China, India, and Malaysia becoming more significant. South African exports grew considerably from 2007 to 2010, with South Africa trading considerably with China and Hong Kong.

The projected investment opportunities were in the categories of the consumer sector, agriculture, resources, and infrastructure. Major political and economic trends in Africa depicted that the situation was better than ten years ago. Elections have been held in a number of countries and conflict hotspots were lessening.

It was reported that intra-African trade accounted for 12% of cross-border trade, and that this was a worrying percentage. Most of existing rail and road links across Africa, inherited from the colonial era, lead to the sea to facilitate trade in Africa's resources with the economic powers beyond Africa.

It was reported on South Africa's top export markets and FDI in Europe in 2011, with Germany and the United Kingdom as major players.

With regards to **the enhanced African Agenda and sustainable development**, SADC endorsed Minister Dlamini Zuma as the candidate for the African Union (AU) Commission Chairperson in February 2012. South Africa was to implement the final key element of the African Diaspora Roadmap, by convening the African Diaspora Summit. South Africa is to maintain its presence in peace-keeping missions, and continue to promote the peaceful resolution of conflicts with a focus on conflict prevention and early warning, continue to enhance the role of women in peacekeeping, and engage at the AU level for the finalisation of the Algiers Protocol on Unconstitutional Changes of Government. The recent popular uprisings, which resulted in change of governments in some areas in Africa, required that the AU review its regulatory framework which did not envisage recognition of governments brought about by popular demand for democratic change. In implementing NEPAD, South Africa has ensured linkages to outcomes that supported South Africa's national priorities. The Department would support country specific infrastructure programmes in line with the NEPAD Presidential North South Corridor Project.

The Department's commitment to **strengthen the political and economic integration of SADC** was emphasised, especially with the pursuit of negotiated political solutions in Zimbabwe and Madagascar. South Africa was to continue in its tenure chairing the SADC TROIKA for the 2011-2012 period. It would further continue deepening democratisation and good governance in the region, through participation and leadership in SADC Electoral Observer missions. In this regard, civil society would also be engaged. SADC was also expected to support and monitor negotiations on Tripartite FTA and SADC Custom Union.

With regard to **South-South relations**, efforts would be made to strengthen South-South relations in order to advance the development agenda. During the Non-Aligned Movement (NAM) XVI Summit in Tehran, Iran in July 2012, South Africa would contribute to the development of common NAM positions on all issues of the United Nations' agenda. It would also promote the attainment of the Millennium Development Goals (MDGs) and other International Development Goals (IDGs), through interaction at high-level meetings, such as the fourth BRICS Summit in India on 29 March 2012, the South Africa hosting of the fifth BRICS Summit in 2013, and the South Africa hosting of the eighth IBSA Trilateral Ministerial Commission in 2012. The development of a BRICS strategy in preparation for the fourth BRICS summit included the objectives of the African agenda and sustainable development, a global governance system, and strengthened political and economic relations.

The other major objective was reported as the promotion of closer economic cooperation between Africa and the Gulf Cooperative Council (GCC), in order to secure GCC investment in African infrastructure projects.

South Africa's **participation in global system of governance** has been characterised by its presence in the United Nations Security Council (UNSC). In January 2012, it assumed the rotating presidency of the Council. It was reported that two-thirds of the agenda of the UNSC is on Africa, keeping South Africa focussed on the activities of the Council. South Africa has committed to strengthen and support a broader multilateral approach to international peace and security issues; strengthen cooperation with Morocco and Togo in the UNSC; and promote UNSC cooperation in regional organisations particularly the African Union Peace and Security Council. The debate about violence based on sexual orientation and gender identity was desired and urged for a global discourse on the issue.

The importance of the country's participation in the forthcoming United Nations Conference on Sustainable Development (Rio+20) was mentioned.

The legacy of COP17, the Durban Platform for Enhanced Action (AWG-DG), the Green Climate Fund, should be managed and tangible results realised for the good of humanity.

In **strengthening relations with the strategic formations of the North**, the Department aims to use its participation in the G20 to promote the interests of South Africa and Africa. South Africa was actively lobbying the G20 to afford sub-Saharan Africa a greater voice in the governance of the International Monetary Fund (IMF), by allocating a third IMF Board chair to the region.

South Africa has enhanced participation in the Organisation for Economic Cooperation and Development (OECD), the World Economic Forum and the International Energy Agency to augment and promote the New Growth Path for job creation, green economy and energy which are at the centre of South Africa's domestic priorities.

With regard to political, economic and social relations with the Americas and the Caribbean, the Department cautioned on the importance of managing the US-SA relations in support of national priorities. The negotiations regarding the renewal of the African Growth and Opportunities Act (AGOA) beyond 2015 were high on the agenda with the US. The Department would have structured bilateral meetings with the Caribbean and Latin American countries during the medium term.

The Department has planned to promote people to people cooperation with the Asia (in the form of civil society, sports and culture, academia) to ensure substantial economic ties with the region.

In terms of State Protocol Services, 134 embassies have been recorded resident in South Africa and there are UN Agencies offices in all their categories.

The Department has made an effort to reduce vacancies, and have more female representation in managerial positions. The aim is to maintain an efficient, effective, economical and fully capacitated department. The concerns raised by the Auditor General on supply and chain management were being addressed.

4. Challenges

A concern was raised regarding the inappropriate treatment of diplomatic corps in the country. There should be more effort put into educating the public on the privileges and immunities of diplomats in the country. They bring goodwill, investment and cultural diversity and should be treated with respect.

The coordinating machinery for the conduct of foreign relations was still not fully recognised by the local, provincial and other departments for the country to speak in one voice and coordinate conduct of international relations.

5. Distribution of the Budget

This budget allocation to the Department included provisions for the four core programmes namely: Administration; International Relations and Cooperation; Public Diplomacy and Protocol Services; and International Transfers.

Table 1 Budget Allocation – International Relations and Cooperation

| Programme | Budget | | | | Nominal Rand change | Real Rand change | Nominal per cent change | Real per cent change |
|---|---------------|---------------|---------------|---------------|---------------------|------------------|-------------------------|----------------------|
| | R million | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2011/12-2012/13 | 2011/12-2012/13 | 2011/12-2012/13 |
| Administration | 1239.4 | 1265.3 | 1313.0 | 1387.7 | 25.9 | - 44.6 | 2.09 per cent | -3.60 percent |
| International Relations and Cooperation | 2609.7 | 2802.6 | 3095.4 | 3276.4 | 192.9 | 36.8 | 7.39 per cent | 1.41 per cent |
| Public Diplomacy and Protocol Services | 494.4 | 223.1 | 238.7 | 252.5 | - 271.3 | - 283.7 | -54.87 percent | -57.39 percent |
| International Transfers | 809.9 | 825.6 | 873.9 | 922.8 | 15.7 | - 30.3 | 1.94 per cent | -3.74 percent |
| TOTAL | 5153.4 | 5116.6 | 5521.0 | 5839.4 | - 36.8 | - 321.9 | -0.71 percent | -6.25 percent |

SOURCE: Estimates of National Expenditure 2012

Table 1 indicates that overall there was a nominal Rand change of 36.8 million from 2011/12 to 2012/13 and a Real Rand change of 321.9 million from 2011/12 to 2012/13. These represent decreases of 0.73 % in nominal terms and 6.25 % in real terms. Based on these numbers it is clear that the Department was allocated less funding for its operations in this financial year.

5.1 Expenditure per programme

Programme 1 (Administration)

Administration was reported responsible for policy development and management of the Department. The programme has been allocated R1 265.3 for the 2012/13 financial year. It was reported that expenditure decreased from R1.6 billion in 2008/09 to R1.2 billion in 2011/12, at an average annual rate of 8.9 per cent. A decline of R458.2 million in 2009/10

partly represented the early works agreement for the construction of the head office campus. The decline in 2011/12 was also attributable to cost saving measures and a reprioritisation of funds from payments for capital assets to fund foreign mission operations, and a once-off allocation of R14.7 million in 2011 to cover additional expenditure incurred as a result of mediation processes. Over the medium term, spending is expected to increase to R1.4 billion, at an average annual rate of 3.8 per cent, due to inflation related adjustments to compensation of employees.

The allocation for infrastructure capital projects mainly under the Foreign and Domestic Properties Management sub-programme was projected to decline, due to alternative funding models that the Department is exploring. Amounts of R110 million in 2012/13, R115 million in 2013/14 and R123 million in 2014/15 have been reprioritised to fund foreign mission and departmental operations. An amount of R24.8 million is allocated for consultants between 2012/13 and 2014/15. Consultants are used mainly to conduct feasibility studies for infrastructure projects, ICT services and training services.

Programme 2 (International Relations and Cooperation)

The International Relations and Cooperation programme was reported as responsible for promoting relations with foreign countries; participating in international organisations and institutions, in line with South Africa's national values and foreign policy objectives. Some key objectives were identified for this programme including strengthen the African Union (AU) and its structures through providing financial and technical support for operationalising the African Court of Justice and AU financial institutions by 2012/13; and providing ongoing 100 per cent financial support for the operations of the Pan African Parliament in terms of the country host agreement.

This programme has been allocated an amount of R2 802.6 billion for the 2012/13 financial year. No savings in 2012/13 have been identified in the programme.

Under the programme expenditure decreased marginally from R2.7 billion in 2008/09 to R2.6 billion in 2011/12, at an average annual rate of 0.5 per cent, due to improved management in communication, catering, conference venues, facilities and travel. Over the medium term, expenditure is expected to increase to R3.3 billion, at an average annual rate of 7.9 per cent, due to cost of living and inflation related adjustments on obligatory expenses such as foreign allowance and accommodation leases.

The budget allocation over the MTEF period will enable the Department to advance the African Agenda, the agenda of the South and the reform of global governance, and the promotion of South Africa national priorities in multilateral forums and groupings of the South and bilateral structures such as bi-national commissions, joint commissions and other similar mechanisms. The number of bilateral agreements signed with foreign countries increased from 59 in 2008/09 to 65 in 2009/10 and 73 in 2010/11. This would be expected to increase from 75 in 2011/12 to 81 in 2012/13 and to remain constant at 87 in the two outer years. Expenditure on these activities decreased from R400.4 million in 2008/09 to R307.3 million in 2011/12, at an average annual rate of 8.4 percent, and is expected to increase from R307.3 million in 2011/12 to R334.5 million in 2014/15, at an average annual rate of 2.9 per cent. An amount of R31.5 million has been allocated for consultancy services between 2012/13 and 2014/15. Consultants are used mainly for translation services.

Programme 3 (Public Diplomacy and Protocol Services)

The programme has been allocated an amount of R223.1 million for 2012/13 financial year. No savings in 2012/13 have been identified in the programme. The programme is responsible for communicating South Africa's role and position in international relations in the domestic

and international arenas; and provides protocol services. In 2011/12, the Department facilitated the logistical arrangements of the invited Heads of State and Government, and eminent persons during COP17 in Durban, which received R200 million.

Under the programme, expenditure grew significantly from R152.6 million in 2008/09 to R494.4 million in 2011/12, at an average annual rate of 48 per cent, due to expenditure of R200 million for the hosting of COP17. The increase was also attributable to South Africa's participation in mediation and facilitation processes in the Middle East and North Africa. Over the medium term, expenditure is expected to decrease to R252.5 million, at an average annual rate of 20.1 per cent, due to the once off allocation of R200 million in 2011/12 for hosting COP17.

The budget allocation over the MTEF period will enable the Department to market and brand South Africa in international affairs and to fulfil its international obligations. The number of incoming and outgoing visits facilitated per year increased from 250 in 2010/11 to 320 in 2011/12. This increase was due to the successful hosting of the Climate change conference in December 2011. Over the MTEF period, the number of incoming and outgoing visits facilitated will increase to 330 in 2014/15. An amount of R6.1 million is allocated for consultancy services between 2012/13 and 2014/15. Consultants are used mainly for the translation of marketing material and communication between foreign missions.

Programme 4 (International Transfers)

The International Transfers programme was reported responsible for funding membership fees and transfers to international organisations. It also provides transfers to the African Renaissance and International Cooperation Fund (ARF). The programme has been allocated an amount of R825.6 million for the 2012/13 financial year.

Under the programme, expenditure decreased from R1 billion in 2008/09 to R809.9 million in 2011/12, at an average annual rate of 7.7 per cent, due to foreign exchange rate fluctuations and the reduction in the recapitalisation of the African Renaissance Fund. Over the medium term, expenditure is expected to increase to R922.8 million, at an average annual rate of 4.4 per cent, mainly due to inflationary increases. As a result, transfers to foreign governments and international organisations are expected to increase from R359.6 million in 2011/12 to R420.8 million in 2014/15, at an average annual rate of 5.4 per cent.

6. Observations and concerns raised by the Committee

In its deliberations on the Strategic Plan and Budget of the Department, the Committee highlighted the following:

1. Being at mid-term, the Strategic Plan should reflect progress made on government priorities stipulated in 2009. This would include assessing whether South Africa is integrating into the region and whether foreign policy was facilitative in reducing poverty and addressing other domestic priorities.
2. The overall budget of the Department has decreased and will pose challenges in the execution of foreign relations policy. The foreign exchange fluctuations and the global economic crisis will compound the problem even further.
3. The situational analysis profiled a future possible mind shift in foreign policy direction towards refocusing on enhanced relations with the 'emerging economies' countries.

4. The coordinating mechanism which is supposed to centralise activities relating to conduct of international relations among state entities was still not functional. Provinces and local government departments were still signing international agreements without the involvement of the Department.
5. The necessary seamless transition from the ARF to SADPA is not clearly provided for. It was still not clear whether the underlying political basis for having the ARF would be the same for SADPA. The organisational structure of SADPA and how it would relate to the Department needed more detailed information. There was no indication whether the transition could also be by way of an amendment of the ARF Act, instead of a new bill altogether.
6. There was no clear and direct relationship between the head of the SADPA Fund and the management of the projects for adequate monitoring and accountability.
7. The rationale for a Foreign Service Bill needed to be explored further and be in sync with the PSA. It should also be established what laws govern the conditions of service for Locally Recruited Personnel in the missions abroad.
8. There was still no direct public diplomacy communication strategy. A lot still has to be done to strengthen the public diplomacy strategy to educate the masses of South African people on the activities of the Department. Perceptions about the country needed to be decisively addressed. The amount allocated to the sub programme on public diplomacy does not make it a priority as it should be. The issue of respect and courtesy towards diplomats in South Africa needed urgent attention, security officers should be incorporated into the planned education campaign on privileges and immunities for diplomats.
9. Skills development and youth programmes in the Department were welcomed.
10. The economic crisis in the Euro-zone might create a basis to diversify trade out of Europe to high-growth GDP countries.
11. It had been eight years since the IBSA Agreement advocating investment. However, very low export activity to Brazil has been recorded despite this arrangement. Instead, a growing number of Brazilian technical experts into South Africa have been noticed.
12. It was understood the need to diversify trade out of Europe to high-growth GDP countries. However, China's devalued currency, needed to be addressed since there was a trade deficit.
13. Reasons for low intra-African trade should be explored; lack of infrastructural development could most likely be an inhibiting factor. An intra-Africa trade record of 12 percent was not ideal for economic development in Africa.
14. The Department should determine whether South Africa was really a gateway to Africa or it just liked to see itself that way.
15. SADC was not meeting set deadlines and targets for realising steps towards economic integration.
16. The strengthening of protection against violence based on sexual orientation was welcomed.
17. Construction of the Pan African Parliament headquarters building has not yet started.

18. There were many vacancies at levels 1-9, which is the middle management.
19. President Zuma has prioritised regional integration in his 2012 SONA. This factor was not adequately reflected in the budget allocation for the 2012/13 financial year.
20. There was a need for further engagement on the Foreign Service Bill.
21. The candidacy of Hon Nkosazana Dlamini Zuma to the position of the AU Commission chairpersonship was regarded an important issue. It should be presented to the Committee in detail.
22. The Asset Register is still not completed and adequately updated. It makes it difficult to know how many assets the Department is responsible for.
23. South Africa will host the African Union Diaspora Summit in May 2012.

7. Responses by the Department

On the issue regarding the Hon Dlamini Zuma's candidacy, the Chairperson explained that the matter was already factored in the Committee program for a briefing before the AU Summit in July 2012.

Due to time constraints, the Director-General prioritised the questions when responding to questions raised by the Committee.

1. With regard to SADPA and the ARF, he referred to a resolution adopted by the ruling party in December 2007, for the establishment of the South African Development Partnership Agency (SADPA). The aim was to create an agency which will seek development coordination; mutual understanding; partnerships in development; move away from traditional donor-recipient conditionality; create industries in Africa; address conflicts and consolidate peace. South Africa could 'not continue to react to African issues'. It should be proactive and work in partnership with fellow African countries in development.

NEPAD was created to champion economic development in Africa, but there was no supporting fund for the initiative. In pursuance of its national interest, South Africa decided to create the ARF to partly finance NEPAD related projects and post-conflict reconstruction as Africa is the country's largest market.

Western Europe moved toward economic cooperation, and Africa needed to do the same. As conflicts ended, conditions that foster economy growth were created so that the post-conflict areas were viable and growing. It was important to make sure the shortcomings identified in the ARF were changed to ensure economic growth and sustainability.

Perhaps it was 'high time' for development cooperation with the possibility of strengthening institutions of governance in post-conflict area. The ideal behind the ARF was not lost with the creation of SADPA; it's just sustained with a shift towards stabilising conflict and development cooperation.

The Department was moving away from the ARF to one comprehensive fund, and SADPA would be more proactive than the ARF.

2. The Department has considered an alternative acquisition strategy for properties abroad.

3. The African Diaspora Summit represents a new expenditure would require additional funds.

4. Public Works would be responsible for the construction of the Pan African Parliament headquarters; in the meantime the Department pays the necessary rentals.

5. A fixed Asset Register will be completed soon and a web browser system will be implemented to keep track of asset changes.

6. An organisational review will be conducted on appointments and vacancies. It will be an audit to determine which posts to retain or abolish. The review will be completed within three months.

8. Conclusion

During the previous engagement with the Department on the Strategic Plan, a number of written questions had to be made in writing to the Department. Written answers were presented in the second meeting and due to time constraints, the Committee undertook to engage further, in a future meeting, on some of the issues raised.

9. Draft Committee recommendations (suggestions only)

Having considered the Strategic Plan and the Budget Vote of the Department, the Committee recommends that the Minister of International Relations and Cooperation consider the following:

1. The traditional partners of the North are undergoing a recession and South Africa trade with these countries might in the long run be affected. The Director-General should consider a policy shift to engage more with the emerging powers in the South and in Asia.
2. The Director-General should have clear integration strategies to augment the President's NEPAD infrastructural project entrusted to South Africa.
3. The coordinating mechanism for conduct of international relations should be operationalised. The uncoordinated manner in which South Africa engages with the outside world should be decisively addressed by the Minister at cabinet level to garner the necessary political will.
4. The need to enhance public diplomacy processes is still high. The Minister and the Director-General should lead the drive towards a fearless campaign to keep the people of South Africa and the world informed of foreign policy related activities. Public diplomacy should be more visible, adequately budgeted for and have synergy to national interest. A detailed programme on public diplomacy plans and goals should be submitted to the Committee for consideration.
5. The issue of respect and courtesy towards the diplomatic corps in South Africa should be urgently addressed by the Public Diplomacy branch. Security officers should be included into the planned education campaign on privileges and immunities of diplomats.
6. The Director-General should conduct a thorough comparative study with agencies similar to the envisaged SADPA, to ensure an effective, transparent and accountable SADPA. The shortcomings of the ARF should not be left unattended.

7. The vacancy rate in the Department is still a source for concern despite the call by the Presidency for Departments to fill vacant positions. The Director-General and DDG Human Resource must compile a comprehensive report on the situation regarding challenges with personnel issues in the Department. The organisational review being compiled should be submitted to the Committee within three months.
8. The Director-General and his counterpart in Trade and Industry should explore ways of increasing intra-trade within the region and Africa as a whole. Manufacturers should be informed of what was lacking in African markets, so they could fix the deficit and create jobs.
9. SADC is not meeting its deadlines and target with regard to regional integration project. The Director-General and his relevant counterparts should explore plans and appropriate interventions to address this dilemma.
10. South Africa is party to a number of international agreements. There is a need for a coordinated mechanism to monitor the implementation of these agreements. The Director-General must explore how such machinery can be established. This will empower it to monitor and report on the country's performance on the implementation of its international obligations. The Minister should also table a related concern in Cabinet.
11. The Chief Financial Officer should compile a complete Asset Register reflecting existing and disposed off assets. The compilation should be submitted to the Committee within one month.

The Committee recommends that Budget Vote 5: International Relations and Cooperation be approved.

Report to be considered.